



INTEGRATED ANNUAL REPORT 2024/25



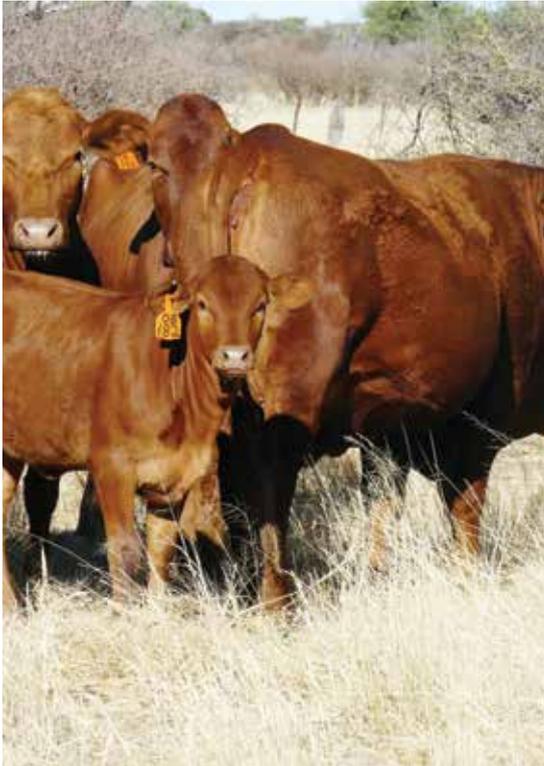
About this Report

This annual report, covering the financial period from 1 February 2024 to 31 January 2025, contains essential information about the Meat Corporation's (Meatco) governance, strategies, performance, and business prospects and will provide a balanced overview of the key developments for the period under review.

The report aims to provide a greater understanding of Meatco's business by examining its social and environmental impact and clarifying how the business is managed. This report highlights the evolving processes in all areas of Meatco's business; similarly, the Corporation also consider the compilation of this report an evolving process and undertake to provide more enhanced reporting in future when a need for greater detail arises.

The Annual Financial Statements, as presented in Meatco's Annual Report for 2024/25, were approved by the Board of Directors on 13 January 2026.

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About MEATCO



The Meat Corporation of Namibia (Meatco) was established and is regulated by the Meat Corporation of Namibia Act (Act 1 of 2001), hereafter referred to as the Meatco Act. As per the Act, the mandate of the Corporation is to serve, promote, and coordinate the interests of livestock producers in Namibia, while simultaneously striving for the stabilisation of the red meat industry of Namibia, as both of these are of national importance.

Meatco is a meat-processing and meat-marketing entity. Cattle are purchased from all Namibian farmers who are committed to specific livestock farming practices, and it is these practices that give Meatco's end products their unique and highly sought-after characteristics. The long relationship over many decades with Namibian cattle producers remains at the heart of Meatco's operations and success.

THE MEATCO GROUP

The Meatco Group consists of Meatco and its four subsidiaries, namely the Meat Corporation of Namibia (UK) Ltd, based in the United Kingdom; Namibia Meat Importers and Exporters (Pty) Ltd (NMIE), based

in South Africa; Namibia Cattle Procurement (Pty) Ltd (Namibia), previously known as the Namibia Allied Meat Company (Pty) Ltd, based in Namibia; and the Meatco Northern Communal Area (Pty) Ltd, based in Namibia.

In addition, Meatco owns a 33.3 per cent stake in Global Protein Solutions (GPS), Norway AS, based in Norway.

The Annual Financial Statements contained herein reflect both Meatco's and the Meatco Group's financial position.

VALUE-ADDING ENTITY

Meatco acts as a value-adding and marketing entity, passing the value gained from various markets back to



its producers through the producer price paid for cattle.

The Windhoek Abattoir is compliant with the British Retail Consortium Global Standards (BRC), which sets out the requirements for a food safety management system, and also includes Hazard Analysis and Critical Control Points (HACCP).



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MEATCO'S VISION

Meatco's vision is to be a world-class meat brand that creates sustainable wealth for all Namibians.

MEATCO'S MISSION

The mission is to improve the Namibian socio-economic environment, through maximising producer returns.

MEATCO'S VALUES

- Effective communication
- Service excellence
- Participation and cooperation
- Commitment and responsibility
- Respect, integrity and dignity

Message from the Deputy Chairperson

As with strategic leadership, choppy waters make for skilled sailors.

The Board commenced its tenure at a time of heightened expectation and constraint, requiring stability, discipline and a clear governance compass. The collective skills, industry experience and professionalism of the Board have provided a firm foundation to stabilise Meatco and advance its statutory mandate in line with the approved Turn-Around Plan.

The 2024/25 financial year marks a decisive turning point. Guided by the Turn-Around Plan and executed through a disciplined Annual Business Plan and budget, Meatco transitioned from prolonged financial distress to a positive operating outcome. This recovery confirms that the turnaround strategy is credible, achievable and aligned to long-term sustainability when applied with consistency and accountability.

Key indicators from the year under review include:

- Revenue growth of 55 per cent to N\$1.87 billion (2023/24: N\$1.20 billion);
- A turnaround from a loss of N\$150 million to a profit before tax of N\$124 million;
- 75,268 cattle slaughtered, exceeding the operational break-even threshold;
- Over N\$1.17 billion paid to producers, reinforcing Meatco's stabilising role; and
- Improved liquidity and a reduced interest burden following shareholder intervention.

These results were achieved alongside restored payment discipline to producers and suppliers, improved throughput quality, and strengthened operational controls, critical to rebuilding trust across the value chain.



Stephanie de Klerk
Deputy Chairperson of the Board of Directors

Equally important has been the re-establishment of sound corporate governance. The Board prioritised ethical leadership, risk oversight and compliance with the Meat Corporation of Namibia Act, the Public Enterprises Governance Act, NamCode and King IV principles. Robust Board and committee processes strengthened risk management and clear accountability were central to restoring institutional credibility and stakeholder confidence.

Livestock producers remain at the heart of Meatco's mandate. Despite drought conditions and volatile markets, the Corporation continued to provide access to export markets, support price stability and promote industry cohesion in the national interest, fundamental to rural livelihoods, food security and Namibia's development agenda.

The Board acknowledges the continued commitment of the Minister of Finance and Social Grants Management, the Minister of Agriculture, Fisheries, Water and Land Reform, and the Minister of International Relations and Trade. Their aligned engagement reinforces the importance of policy coherence and partnership in securing sector sustainability.

While substantial progress has been made, the turnaround journey is ongoing. Structural challenges relating to capital adequacy, infrastructure renewal, logistics costs and climate resilience remain. The Board will maintain firm oversight, prudent risk management and performance accountability as Meatco transitions from recovery to consolidation.

I thank my fellow Board members for their professionalism, management and employees for executing difficult reforms under constraint, and our producers and stakeholders for their continued commitment to this national asset.

Stephanie M. de Klerk
Deputy Chairperson of the Board of Directors

PERSPECTIVE

Operating Context at a Glance



Global Red Meat Industry Namibia's Position

Global demand for beef continues to grow, with annual production exceeding 60 million tonnes and the global cattle herd reaching approximately one billion head in 2024.

Production and exports are concentrated among a few large players, principally the United States, Brazil, China, Australia and Argentina, while demand remains strongest in East Asia, the United States and parts of Europe.

Supply volatility, climate stress, disease outbreaks and geopolitics continue to shape global price dynamics and trade flows.

Namibia's cattle herd of 2.8 million head represents less than 1 per cent of the global herd, positioning the country as a niche, premium producer rather than a volume competitor.

While agriculture contributes under 4 per cent of GDP, livestock farming remains economically and socially critical, supporting livelihoods across rural Namibia and accounting for roughly two-thirds of agricultural output.

Meat processing contributes an additional 0.2–0.4 per cent of GDP, with processed meat exports rising strongly in 2024.

Structural Imperative

Given its scale constraints, Namibia's red meat industry must compete on quality, traceability, animal health and market access. Sustainable growth depends on producer profitability, supportive policy frameworks, infrastructure investment and a stable regulatory environment.

Meatco's Role

Meatco is the central stabilising institution in Namibia's red meat industry. As the largest export-certified abattoir operator, it enables access to premium international markets, anchors domestic beef pricing, and protects producer returns. Without Meatco, the industry would revert to a commodity-based model with significantly lower prices and higher volatility.

South of the Veterinary Cordon Fence, Meatco drives export-led value creation and brand positioning. North of the Fence, it supports Government efforts to stabilise production, expand market access and strengthen communal farming systems.

Governance Foundation

Meatco operates within a framework anchored on ethical conduct, strong governance, structured risk management and performance-aligned remuneration.

These foundations underpin the Corporation's ability to balance its commercial sustainability with its public-interest mandate.

Bottom Line

In a volatile global market and a structurally-constrained domestic context, Meatco remains essential to sustaining Namibia's red meat value chain, producer livelihoods and premium export positioning.

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Business model

How Meatco creates value

CAPITALS AND

RELATIONSHIPS

NATURAL CAPITAL

Sustainable and reliable access to slaughter livestock, water, energy and fuel to support continuous operations.

HUMAN CAPITAL

Experienced leadership and a skilled workforce operating within a labour-intensive, safety-critical environment.

SOCIAL AND RELATIONSHIP CAPITAL

Trusted relationships with producers, Government, regulators, customers, employees, unions, suppliers and the public.

AGRO-PROCESSING CAPITAL

An integrated red meat value chain comprising export-certified abattoirs, processing facilities, cold storage and logistics.

INTELLECTUAL CAPITAL

Established brands, market reputation, traceability systems and food safety assurance underpinning product integrity.

FINANCIAL CAPITAL

Optimised financial management, liquidity discipline and access to shareholder and external funding.

OPERATING CONTEXT

ISSUES IMPACTING VALUE

- Volatile global beef markets and constrained economic outlook
- Policy and regulatory complexity
- Animal welfare and climate-change expectations
- Reduced national herd size and throughput pressure

VALUE-CREATION ACTIVITIES



RELATIONSHIP MANAGEMENT

- Active, transparent engagement to build trust and participation across the value chain.



AGRO-PROCESSING

- Efficient, safe slaughter and processing
- Compliance with traceability, quality and food-safety standards
- Continuous operational improvement



PROCUREMENT

Direct sourcing from producers
Backgrounding and supply optimisation
Innovative procurement initiatives

MEATCO'S STRATEGY

- Restore and sustain corporate profitability
- Strengthen stakeholder engagement and brand credibility
- Uphold strong corporate governance and accountability
- Improve competitiveness across the value chain
- Build a high-performance, disciplined organisational culture

STAKEHOLDERS

- Communal, emerging and commercial producers
- Employees and organised labour
- Government and regulators
- Farmers' unions and industry bodies
- Customers and suppliers
- Media and the broader public

MATERIAL RISKS

- Climate and environmental risks
- Ageing infrastructure
- Production input constraints
- Information technology and cybersecurity risk
- Safety, health and environmental exposure

IMPACTS (OUTCOMES)

NATURAL CAPITAL

Industry stability and a resilient national red meat sector.

HUMAN CAPITAL

A skilled, motivated workforce operating in a safe environment.

SOCIAL AND RELATIONSHIP CAPITAL

Durable, trust-based stakeholder relationships.

AGRO-PROCESSING CAPITAL

Sustainable, scalable and optimised operations.

INTELLECTUAL CAPITAL

Strong brand reputation and sustained consumer confidence

FINANCIAL CAPITAL

Consistent producer returns and long-term confidence in Meatco's role.



PRODUCTS AND OUTPUTS

- Frozen and chilled vacuum-packed beef cuts
- Manufactured meat products
- Wet-blue hides



BRANDING, MARKETING, STORAGE AND DISTRIBUTION

- Competitive pricing and supply continuity
- Branded, quality-assured products
- Owned and leased cold-chain and logistics delivery to diversified markets

Board of Directors

Meatco's governance and strategic direction were overseen by a competent Board of Directors, all of whom are non-executive directors, thereby reinforcing the Board's independence.



**MR SAKARIA
NGHIKEMBUA**
BOARD CHAIRPERSON



MS STEPHANIE M DE KLERK
VICE-CHAIRPERSON



MR JOSEPH ANDREAS
DIRECTOR



MR MARTIN J P HILBERT
DIRECTOR



MR CYPRIANUS KHAISEB
DIRECTOR



MR ADOLF MUREMI
DIRECTOR



MS PATRICIA OLIVIER
DIRECTOR



**DR DIANA VAN
SCHALKWYK**
DIRECTOR



**MR ABIUD
TJIPANGANDJARA**
DIRECTOR



MR PATTERSON K TJIPUEJA
DIRECTOR

PERFORMANCE

Corporate governance at Meatco



The Corporation is committed to upholding principles of sound corporate governance as outlined in Namibia's Corporate Governance Code (NamCode) and the King IV Code on Corporate Governance, by ensuring adherence to ethical leadership, effective governance, and sustainable business practices.

Additionally, the Corporation complies with the directives of the Public Enterprises Governance Act, Act 1 of 2019 (PEGA), ensuring alignment with sections 4 and 38.

INTEGRATION OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) PRINCIPLES

Meatco is fully committed to integrating ESG principles within its agro-processing operations:

- **Environmental:** The Corporation is transitioning from paper-based to paperless, automated workflows, is currently conducting feasibility studies on renewable energy use, and implementing effluent treatment and responsible water management aimed at minimising its ecological footprint.

- **Social:** Meatco upholds fair labour standards and prioritises employee well-being through initiatives such as promoting wellness, safety, diversity, and social inclusion.
- **Governance:** The Corporation ensures transparent practices, accountability, and ethical decision-making in its operations.

BOARD COMPOSITION, INDEPENDENCE, SKILLS, AND KNOWLEDGE

During the reporting period from 1 February 2024 to 31 January 2025, the Corporation's governance and strategic direction were overseen by a Board of Directors composed principally of non-executive directors, ensuring robust independence.

Overall, the Board possesses a diverse range of expertise that



includes agriculture, economics, law, accountancy, business management, farming, and education.

Nevertheless, the Corporation remains dedicated to enhancing the capacity of its respective directors through various targeted training initiatives. This commitment aims to equip the Board with the necessary skills to effectively fulfil their responsibilities.

For the reporting period, the Board of Directors' composition was as follows:



Board meetings are conducted in accordance with the Board Charter, fostering robust and constructive discussion. To effectively govern the Corporation, the Board is assisted by several committees, each operating under a clearly defined Board-approved mandate backed by Terms of References.

BOARD MEETINGS AND ATTENDANCE

Board meetings are conducted in accordance with the Board Charter, fostering robust and constructive discussions. The two Boards that were in place for the reporting period convened 14 times between 1 February 2024 and 31 January 2025, comprising ten ordinary meetings and four ad hoc meetings. Ad hoc meetings are non-remunerative for attendees.

BOARD COMMITTEES

To effectively govern the Corporation, the Board is assisted by several committees, each operating under a clearly defined, Board-approved mandate backed by Terms of Reference. Committee chairpersons report on the proceedings of their respective committees at subsequent Board meetings.

01 February 2024 to 31 August 2024	01 September 2024 to 31 January 2025
Mr Sakaria Nghikembua: Chairperson	Mr Sakaria Nghikembua: Chairperson
Mr Joseph Andreas: Director	Ms Stephanie M de Klerk: Vice-Chairperson
Ms Anne-Doris N Hans-Kaumbi: Director	Mr Joseph Andreas: Director
Mr Mbakumua F Hengari: Director	Mr Martin J P Hilbert: Director
Mr Martin J P Hilbert: Director	Mr Cyprianus Khaiseb: Director
Mr Cyprianus Khaiseb: Director	Mr Adolf Muremi: Director
Mr Adolf Muremi: Director	Ms Patricia Olivier: Director
Ms Tuafi-Luonghenda M H Nghixulifwa: Director	Mr Abiud Tjipangdjara: Director
Mr Kuniberth M Shamathe: Director	Mr Patterson K Tjipueja: Director
Mr Patterson K Tjipueja: Director	Dr Diana van Schalkwyk: Director



BOARD COMMITTEE STRUCTURE

- **Audit and Risk Committee:** Oversees financial reporting, internal controls, and risk management, amongst others.
- **Human Resources and Remuneration Committee:** Evaluates and determines remuneration strategies and monitors human resources policies, amongst others.

- **Management Support Committee:** Provides guidance to management through the CEO, on an as-required basis. The Committee was not required to meet for the reporting period.

The committee compositions for the reporting period were as follows:

01 September 2024 to 31 January 2025:

Human Resources and Remuneration Committee (HRC)	Audit and Risk Committee (ARC)	Management Support Committee
Ms P. Olivier: Chairperson	Mr P. Tjipueja: Chairperson	Mr S. Nghikembua: Chairperson
Mr A. Muremi: Member	Mr M. Hilbert: Member	Ms P. Olivier: Member
Mr C. Khaiseb: Member	Mr J. Andreas: Member	Mr P. Tjipueja: Member
Mr A. Tjipangandjara: Member	Dr D. van Schalkwyk: Member	
Ms S. De Klerk: Member		

01 February 2024 to 31 August 2024:

Human Resources and Remuneration Committee (HRC)	Audit and Risk Committee (ARC)	Management Support Committee
Ms A.-D. Hans-Kaumbi: Chairperson	Mr P. Tjipueja: Chairperson	Mr S Nghikembua: Chairperson
Mr A. Muremi: Member	Mr M. Hilbert: Member	Ms A.-D. Hans-Kaumbi: Member
Mr C. Khaiseb: Member	Mr J. Andreas: Member	Mr P. Tjipueja: Member
	Mr M. Hengari: Member	

BOARD AND COMMITTEE MEETINGS ATTENDANCE

The Board (interim and substantive) and its committees convened as follows during the reporting period: February 1, 2024 – January 31, 2025:

MEETING TYPE	NUMBER OF MEETINGS
Board of Directors	10
Ad hoc Board of Directors	4
Audit and Risk Committee	7
Ad hoc Audit and Risk Committee	2
Human Resources Committee	7
Ad hoc Human Resources Committee	2
Management Support Committee	-
Total	32

COMPLIANCE WITH NAMCODE GUIDELINES

During the reporting period, the Corporation adhered to the NamCode, with minor deviations as outlined below:

NamCode Guideline Meatco's Compliance	Deviations from NamCode Guidelines
Shareholders should approve the company's remuneration policy.	Remuneration as aligned to the PEGA remuneration guidelines is reviewed in detail by the Human Resources and Remuneration Committee and subsequently approved by the Board.
A minimum of two executive directors, specifically the Chief Executive Officer (CEO) and a director responsible for finance, should be appointed to the Board.	The Meatco Board composition is defined by statute, ensuring specific representations as per legal requirements. While the CEO and CFO are not formal Board members, they are consistently available to the Board for reporting purposes.

CONFLICT OF INTEREST MANAGEMENT

Directors and employees are legally and contractually obliged to avoid situations where their personal interests conflict with that of the Corporation.

To uphold good corporate governance, annual declarations of interests are required, and potential conflicts are proactively managed. These measures are reinforced by the Corporation's Anti-Bribery and Corruption Policy, the Meat Corporation of Namibia Act (Act 1 of 2001), and other relevant national laws.

COMPANY SECRETARY

Ms N Mhanda, serving as Advisor: Legal and Compliance/Company Secretary, provided competent support to the Board. Her role included advising on governance and compliance matters, ensuring the directors' inductions and managing declarations of interest, and maintaining comprehensive records of Board and Committee proceedings.

INDEPENDENCE OF EXTERNAL AUDITORS

Grand Namibia audited the Corporation's Annual Financial Statements for the reporting period (2024/25). The auditors' independence in performing their duties was duly confirmed.

FINANCIAL STATEMENTS

The Corporation's Annual Financial Statements are prepared in accordance with International Financial Reporting Standards and the Meat Corporation of Namibia Act. The Board ensures that these statements accurately reflect the Corporation's financial position, supported by reasonable judgments and estimates. External auditors assess the alignment of these statements with the Corporation's actual financial position.

PERFORMANCE

Environmental, Social and Governance (ESG) Commitment

—

Meatco operates as an export-certified abattoir supplying niche international markets and is committed to conducting its operations in full alignment with its Environmental, Social and Governance (ESG) policy and applicable international regulatory frameworks, including the European Union Deforestation Regulation (EUDR).



Meatco recognises the role of agricultural value chains in addressing climate change, biodiversity loss and responsible land use, and supports the objective of ensuring deforestation-free, legally produced commodities entering global markets.

In line with the EUDR, Meatco is strengthening traceability, due-diligence and risk-management processes across its supply base to support transparency, legal compliance and environmental integrity.

The Corporation acknowledges that deforestation and forest degradation are significant contributors to global greenhouse gas emissions, estimated at approximately 11 per cent according to the Inter-governmental Panel on Climate Change and is committed to responsible sourcing practices that mitigate these risks.

Meatco's production model is underpinned by free-range, grass-fed cattle, sustainable leather processing, recycling of packaging materials and adherence to internationally recognised food safety and quality standards. These practices support the supply of high-quality, hormone-free beef products that meet stringent EU and international market requirements.

Environmental stewardship focuses on minimising Meatco's operational footprint through improved water management, energy efficiency, emissions awareness and biodiversity-conscious practices. Continuous environmental performance improvement remains a strategic priority.

Social responsibility is anchored in fair labour practices, workplace safety, inclusion and skills development. Meatco maintains zero tolerance for nepotism and favouritism and applies transparent, merit-based recruitment and promotion processes to ensure equal opportunity.

Governance excellence underpins Meatco's ESG approach. The Corporation operates under a robust governance framework supported by an independent Board and specialised committees, including Audit and Risk and Human Resources, ensuring ethical leadership, accountability and effective oversight.

Through this integrated ESG framework, Meatco seeks to maintain the confidence of producers, employees, regulators, customers and international partners, while positioning itself as a credible, responsible participant in deforestation-free and sustainable global beef value chains.

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Management Team



PATRICK LIEBENBERG
ACTING CEO &
EXECUTIVE: LIVESTOCK
PROCUREMENT &
PRODUCTION



ISAAC NATHINGÉ
EXECUTIVE:
STRATEGY
& BUSINESS
DEVELOPMENT



**HORNEST
MADZIVADONDO**
INTERIM CFO
CONSULTANT:
FINANCE, IT & PMU



JOHAN GOOSEN
EXECUTIVE: AGRO-
PROCESSING &
VALUE-ADDITION



NAILOKE MHANDA
ADVISOR: LEGAL
& COMPLIANCE/
GOVERNANCE,
COMPANY SECRETARY



WILLEM BARNARD
HEAD: NMIE &
ACTING EXECUTIVE:
MARKETING, SALES,
LOGISTICS &
COMPLIANCE



**KINGSLEY
KWENANI**
ACTING EXECUTIVE:
MEATCO
FOUNDATION AND
CEO: MEATCO NCA



BRUNHILDE FISCHER
ACTING HEAD:
PROCUREMENT



AMOREY POTE
EXECUTIVE: HUMAN
CAPITAL

Meatco's Strategic Pillars

Sustainability

Meatco's Strategic Pillars are aimed at positioning Meatco in a manner that allows the Corporation to carry out its statutory mandate efficiently and effectively, and to secure Meatco's turnaround and sustainability for the future.

Meatco envisions achieving profitability and evolving into the nation's preferred quality beef supplier, generating positive value through enhanced efficiencies. This vision underscores the Corporation's commitment to leadership in the global meat supply sector, with a specific emphasis on sustainability and a lasting legacy in the global meat industry.

Relationships

Essentially, Meatco is a link between the livestock producers and the local, regional and international markets. It goes without saying that strong, trusting relationships with key stakeholders are vital to achieving its statutory mandate. As such, building resilient relationships with its strategic suppliers and customers was a top priority during the reporting period.

As Meatco works towards its vision of being a world-class meat brand, creating sustainable wealth for all Namibians, the Corporation operates along its five strategic pillars which are principal to the realisation of its Integrated Strategic Business Plan, as well as the Turn-Around Plan.



PERFORMANCE

Managing Stakeholders

Understanding and being responsive to the interests of stakeholders through effective dialogue and engagement is critical in order for Meatco to deliver on its core mandate.

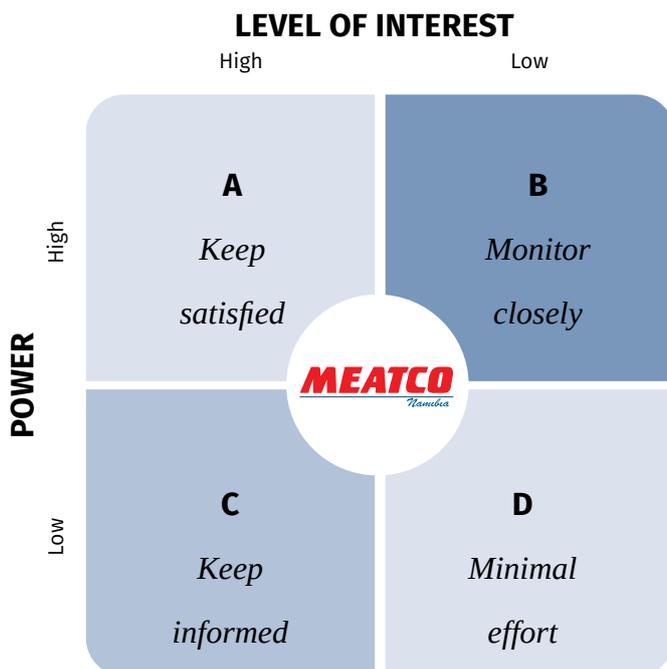
Across the operations, the focus of its engagement continues to be with stakeholders who have the most significant impact on Meatco’s business and its ability to create the value proposition it stands for.

The identified stakeholders are further classified based on their level of power and interest in Meatco’s strategies, using the power/interest matrix below.

The Corporation continuously uses the stakeholder level of interest mapping to grow the identification of Meatco’s stakeholders and effectively analyse engagement with and manage their needs and concerns. This permits the building of stronger relationships, the development of a better understanding of stakeholder needs, and the mitigation of potential conflicts..

The table on the next page provides a brief review of key stakeholder groups, their needs and issues of interest, and the key messages communicated to each. Meatco recognises that there is significant diversity within each group, with individual stakeholders often having very different interests. By understanding the level of interest each stakeholder contributes to the organisation helps it to harmonise divergent stakeholders’ interests and determine their effective and efficient involvement in the organisation’s long-term strategic intent.

The priority interests listed in the table are a broadly indicative reflection of each stakeholder group’s priorities as assessed by the Management Team on the basis of Meatco’s ongoing engagements.



	STAKEHOLDER GROUP	ISSUES AND NEEDS	KEY MESSAGES
Keep satisfied	CATTLE PRODUCERS in the COMMUNAL and PREVIOUSLY DISADVANTAGED COMMERCIAL farming sector	Access to diverse higher return markets Information and capacity building Pricing structure Involvement in decision-making Communication	Daily issues affecting business Price stabilisation International beef news Animal health regulations Late/erratic rain Drought Strategies to enable ox production farmers to deliver straight to Meatco.
	COMMERCIAL farming sector EMERGING commercial farmers	Information on markets and the business Operational efficiency Trust Communication Export market requirements Business environment familiarisation	Align production system to market requirements Unstable market Outbreak of animal diseases Outdated agricultural technologies and uncertainties Producer price fluctuations Market returns
	EMPLOYEES , consisting of: Permanent employees, and Fixed-term Contract employees	Organisational culture/management-employee relations Corporate governance and leadership Learning and development Continuous Internal communication HR policies and employee benefits Job security Conducive work environment Regular Management and Board engagements	Daily issues affecting business and operations Staff engagement Enable employee satisfaction Ensure a happy and productive workforce
	INDUSTRY REGULATORS consisting of: Livestock and Livestock Products Board of Namibia (Meat Board of Namibia) Namibia Standards Institution Directorate of Veterinary Services	Multi-stakeholder engagement of policy/regulatory reforms Distribution channels for export quality products in the local market Growth opportunities for the NCA Producer returns Operational efficiency New markets and policy requirement formulations Compliance to specific market regulations	Policy issues Strategic communications shaping livestock industry
Monitor closely	GOVERNMENT MINISTRIES: Ministry of Agriculture, Fisheries, Water and Land Reform Ministry of Finance and Social Grants Management Ministry of Industries, Mines and Energy Ministry of International Relations and Trade	Financial stability Operational efficiency Inclusivity in the supply chain – the NCA Capitalise on the African Growth Opportunity Act, AGOA Business financial sustainability Revised Business Model Adherence to the requirements of PEGA Implementation of African Continental Free Trade Agreement (AfCFTA) Market positioning – local and international Development of downstream industries	Sustainability of livestock Industry Policy issues Integrated Strategic Business Plan Corporate governance Industry cohesion and competitiveness Financial sustainability of Meatco as SOE AGOA extension Creating access for Namibian Beef to utilise AfCFTA

	STAKEHOLDER GROUP	ISSUES AND NEEDS	KEY MESSAGES
Monitor closely	FARMERS UNIONS , consisting of: Namibia Agricultural Union (NAU) Namibia National Farmers' Union (NNFU) Livestock Producers Organisation (LPO) Namibia Emerging Commercial Farmers' Union (NECFU) Previously Disadvantaged Namibian Commercial Farmers Union (PDNCFU) Namibia Food and Allied Workers Union (NAFAU)	Policy and legislative reform Live exports regulations Supply/demand opportunities/challenges Slaughter facilities or lack of reach thereof Collaboration for throughput to the abattoir Information on markets and the business	Policy issues Strategic communications shaping livestock industry Meatco's business environment Stabilising the livestock industry
Keep informed	MEDIA AND GENERAL PUBLIC	Newsworthy and timeous information Strategic communications Business environment/operations knowledge and familiarisation	Positive stories to enhance Meatco's brand Regular business updates Continuous utilisation of media platforms
	CUSTOMERS Wholesalers and Retailers	Direct communication Pricing Supply Familiarisation with products and contractual agreements to do business	Meatco products MeatMa products Export local quality (Finest, Select and Choice)
Minimal effort	SUPPLIERS consisting of all Meatco suppliers, from raw materials to packaging and ingredients utilised in its final value-added meat products.	Direct communication Restoring relationships Building trust	Foster a stabled trustworthy relationship with all suppliers



PERFORMANCE

Managing Meatco's Material Risk

Change and uncertainty exist in any business environment and create both risks and opportunities, which can either erode or enhance the value of an organisation.

Meatco must manage these risks consistently, comprehensively, economically and within its risk appetite. This will assist the Board of Directors and Management in achieving its business strategies and objectives.

The fundamental objective of a risk management process is to establish an integrated and effective risk management culture where all risks are continually identified, analysed, and managed to achieve an optimal risk or reward profile for Meatco and its stakeholders.

Meatco's intent and commitment is to practice effective risk management in all aspects of its business. The effectiveness of the risk management process depends on its integration into the governance of Meatco and the degree to which it influences decision-making.

The key strategic risks highlighted are those that may have a possible impact on the attainment of Meatco's strategic objectives. These risks are tracked throughout the year and mitigating actions are implemented as per Meatco's governance principles. The high-impact risks are listed in the table on the next few pages.

ROLE OF THE BOARD OF DIRECTORS AND THE AUDIT AND RISK COMMITTEE

The Board has oversight of Meatco's risk framework, policies and processes. While it delegates these matters to the Audit and Risk Committee, it remains ultimately responsible for the development and implementation of the Enterprise Risk Management Strategy and Plan.

The Meatco Risk Management Policy and Framework aims to provide stakeholders with the assurance that all material risks have been identified, assessed, mitigated, tolerated, and monitored.

INTERNAL AUDIT

The Internal Audit Function (IAF) aims to provide independent, objective assurance and consulting services designed to add value and improve Meatco's operations. It helps Meatco accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The IAF objectively evaluates the business processes and internal controls so as to appropriately manage risk and support management's commitment to a strong control environment and operational excellence. The function assists the organisation to accomplish its objectives by:

- Independently and objectively identifying the risk(s) in processes that can prevent the achieving of Meatco's business objectives;
- Evaluating the design and testing the effectiveness of current internal controls that mitigate the identified risk(s); and
- Assessing and advising on governance processes in general.

The IAF adheres to the Institute of Internal Auditors' (IIA) guidance including the Core Principles, Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). In order to adhere to independence requirements, the IAF should not be required to:

- Perform any operational duties for the organisation;
- Initiate or approve accounting transactions external to the IAF;
- Direct the activities of any employee in Meatco not employed by the IAF; and
- Assume any role other than an advisory function in the design, installation, or operation of control procedures.

All internal audit activities are risk-based and performed by qualified and experienced employees and are guided through the Internal Audit Charter that is reviewed by the Audit and Risk Committee.

The IAF reports to the Audit and Risk Committee. Internal audit engagements are executed as per the approved Annual Internal Audit Plan and progress of completion of the plan is monitored and reported accordingly to the Audit and Risk Committee. The Internal Audit Plan is to ensure coverage of the operations, risks, and processes over a rolling two-year period.

The internal audit activities comprise of:

- Routine internal audits as per the approved Internal Audit Plan;
- Ad-hoc assignments as requested by Management, ARC or the Board of Directors;
- Tracking of the implementation of management action plans to address the risks identified during the internal audits; and
- Attendance by invitation to meetings of the Executive Committee, Management Committee, Corporate Governance Committee, and Audit and Risk Committee.

MEATCO'S TOP RISKS

1. Environmental & Climate Risk



Risks:

- Droughts and climate variability affecting cattle supply and fodder availability

Mitigation Measures:

- Feeder contracts with producers who use irrigated fodder to ensure consistent supply.
- Agriculture extension supports to help farmers plan through drought cycles.
- Geographical diversification of sourcing (e.g., communal, commercial, and Botswana producers)

Additional Actions:

- Promote ox vs. weaner markets.
- Long-term slaughter contracts to support planning.
- Activate Agriculture Extension wing for drought preparedness.
- Procurement planning aligned with budgets.
- Influence policy via forums and government engagement.
- Use third party feedlots and fixed term contracts in off seasons.
- Implement pricing policy and committees to stay competitive.
- Procure weaners in peak season and continually source from communal and commercial producers under strict quality specifications.

2. Infrastructure & Equipment Risk



Risks:

- Aging facilities (e.g. Windhoek Abattoir) plagued by power outages, mechanical breakdowns, and insufficient cold storage.

Mitigation Measures:

- Preventive maintenance plans and regular audits for critical equipment (pressure vessels, transformers).
- Maintain standby equipment and a critical spare parts inventory.
- Benchmark international best practices

Additional Action:

- Draft a formal Equipment Replacement Policy to guide systematic upgrades.
- Develop a five-year capital replacement plan and budget for CAPEX, including relocating or scaling facilities.

3. Supply Chain & Product Quality Risk



Risks:

- Insufficient cattle volumes and inconsistent quality.
- Outbreaks of diseases (zoonotic, e.g. measles) and animal welfare issues

Mitigation Measures:

- Use feeder contracts and long-term slaughter agreements to secure volume from reliable producers (including Botswana).
- Implement a "merit point" system during droughts to prioritize trusted producers.
- Provide capacity-building training on hygiene, disease recognition, and animal handling.
- Enforce traceability, vaccinations, and herd health protocols through outreach initiatives and foundation projects.
- Maintain rigorous HACCP, ISO, BRC, and EU certifications.

4. Production Resource Risk



Risks:

- Supply shortages or quality drops of packaging, transport, coal, fodder, hides, etc.

Mitigation Measures:

- Block procurement of feed stock and timely consumables procurement via Procurement Management Unit.

Additional Actions:

- Identify and on-board alternative raw material suppliers.
- Build capacity among small-scale suppliers to enhance continuity and competitiveness.

5. Financial & Market Risk



Risks:

- Cash flow shortages, reliance on government bailouts, and fluctuations in market demand.

Controls:

- Adopt stronger financial planning, cost control, and revenue forecasting.
- Forward pricing contracts for producers to lock in six-month pricing.
- Build internal reserves for operational buffers.
- Market diversification into premium niche markets globally

6. IT & Process Risk



Risks:

- Risk of IT system failure, data loss, or security breaches.
- Quality assurance inconsistencies threatening certification standards

Mitigation Measures:

- Capex budget includes new IT hardware.
- Skilled in-house IT team with external support.
- Daily on-site + off-site data backups ensure service recovery.
- Standardize ISO, HACCP, BRC-accredited systems subject to regular independent audits
- Ongoing stakeholder training and adherence to strict hygiene protocols for microbiological compliance (~97–100%)

7. Safety, Health & Environmental (SHEQ)

& Quality Risk



Risks:

- Non-compliance with health, food-safety, and environmental regulations, plus biological hazards and cold chain failures.

Mitigation Measures:

- Traceability, vet monitoring, and DVS liaison.
- National contingency and crisis plan.
- Accredited Quality Management systems (ISO, HACCP, BRC, EU), with regular auditing.
- Legal team and SHEQ subscribe to USDA/EU updates.
- Membership in industry forums and associations.
- Producer education and compliance communications (e.g., 90/40-days rule).

Additional Actions:

- Advocate for better DVS funding.
- Develop value-added cooked products.
- Promote commodity-based trading.

- Enhance staff induction/training, sanitary protocols, and cold-chain maintenance.
- Intensify preventative maintenance and manage peak-season efficiency.

8. Delays or inaccuracies in export shipment documentation



Risk:

- Exporting meat to global markets requires strict compliance with documentation standards. Errors or delays in documentation can hold up consignments, disrupt cash flow, and lead to missed market deadlines. Meatco has suffered from such delays in the past, contributing to slow clearing of consignments and payment hold-ups.

Mitigation Measures:

- The logistics department closely supervises documentation and shipment operations, in collaboration with local and international partners, to ensure efficient handling.

Additional Actions:

- Standardise export documentation procedures in detailed SOPs tied to HACCP and ISO certification requirements.
- Pre export reviews and checklists by a designated export compliance officer.
- Automated tracking system for key milestones: documentation verified, shipment cleared, customs release, and payment triggers.
- Regular audits and refresher training for staff and logistics providers handling international shipping.





Patrick Liebenberg, Acting Chief Executive Officer

PERFORMANCE

Acting Chief Executive Officer's Report

Agriculture remains central to Namibia's economy and rural livelihoods.

Within this context, livestock production is structurally long-cycle: decisions taken today translate into outcomes over several years. Sustainable value creation therefore depends on institutional discipline, policy coherence and consistent execution.

Meatco was established under the Meat Corporation of Namibia Act (Act 1 of 2001) to stabilise the national red meat industry in the public interest. This mandate can only be fulfilled through financial sustainability and commercial viability. Profitability is not optional; it is the condition that enables Meatco to meet its public-policy objectives and sustain producer returns.

Performance and Turnaround Execution

The 2024/25 financial year marked a clear inflection point. The Turn-Around Plan moved from design to delivery, returning the Corporation from sustained losses exceeding N\$200 million in prior years to a positive year-end financial position. This outcome demonstrates that the turnaround strategy is credible, executable and scalable when applied with discipline.

Operationally, throughput exceeded break-even levels, with 75,268 cattle slaughtered during the year. While below the medium-term target of 90,000–100,000 head, this performance, achieved in a drought year,



reflects improved procurement discipline and producer engagement. Carcass grading outcomes confirm stable quality and better alignment with export market requirements, supporting improved realised prices and margins.

Critically, payment discipline to producers and suppliers was restored, addressing legacy trust deficits and strengthening value-chain stability. Labour relations were stabilised through timely wage negotiations and structured engagement, reinforcing operational continuity.

Financial and Risk Context

Despite the recovery, structural constraints remain. Access to affordable working capital continues to limit operational flexibility, with limited commercial bank participation during the period. Elevated logistics and shipping costs, largely exogenous, compress margins and reinforce the need for internal efficiency gains.

Operationally, throughput exceeded break-even levels, with 75,268 cattle slaughtered during the reporting year.

Ageing abattoir infrastructure presents execution and reliability risk. Lifecycle assessments have identified priority replacement needs, but sustaining full production under current conditions remains challenging.

Water security, amid climatic volatility and external supply dependence, is a material operational risk requiring accelerated efficiency and recycling measures.

Feedlot assets at Okapuka and Annasruh remain under-utilised. At full capacity, these facilities could supply up to 80,000 cattle annually, materially improving throughput and earnings stability. Progress through public-private partnerships has been uneven, with measurable opportunity cost from lost operating time. The Tannery faces structural market pressure from depressed global leather prices; a strategic review is underway to determine its long-term role and capital rationale.

Ourlook and Priorities

The next phase shifts from recovery to consolidation and bankability. Priorities include:

- tighter cost control and per-kilogram cost measurement;
- throughput optimisation and asset utilisation;
- disciplined capital allocation and balance-sheet resilience; and
- strengthening lender and investor confidence through consistent performance.

The 2024/25 results confirm that Meatco can be stabilised, governed effectively and operated profitably. Sustaining this trajectory will depend on continued discipline, stakeholder alignment and access to appropriately structured capital.

Appreciation

I thank Meatco’s employees and Executive Team for delivering under constraint, the Board for firm oversight and strategic guidance, and the Shareholder, the Government of the Republic of Namibia, for its continued support. I also acknowledge our producers, customers and service providers for their partnership as Meatco advances from recovery to sustainable growth.

Patrick Liebenberg
Acting Chief Executive Officer

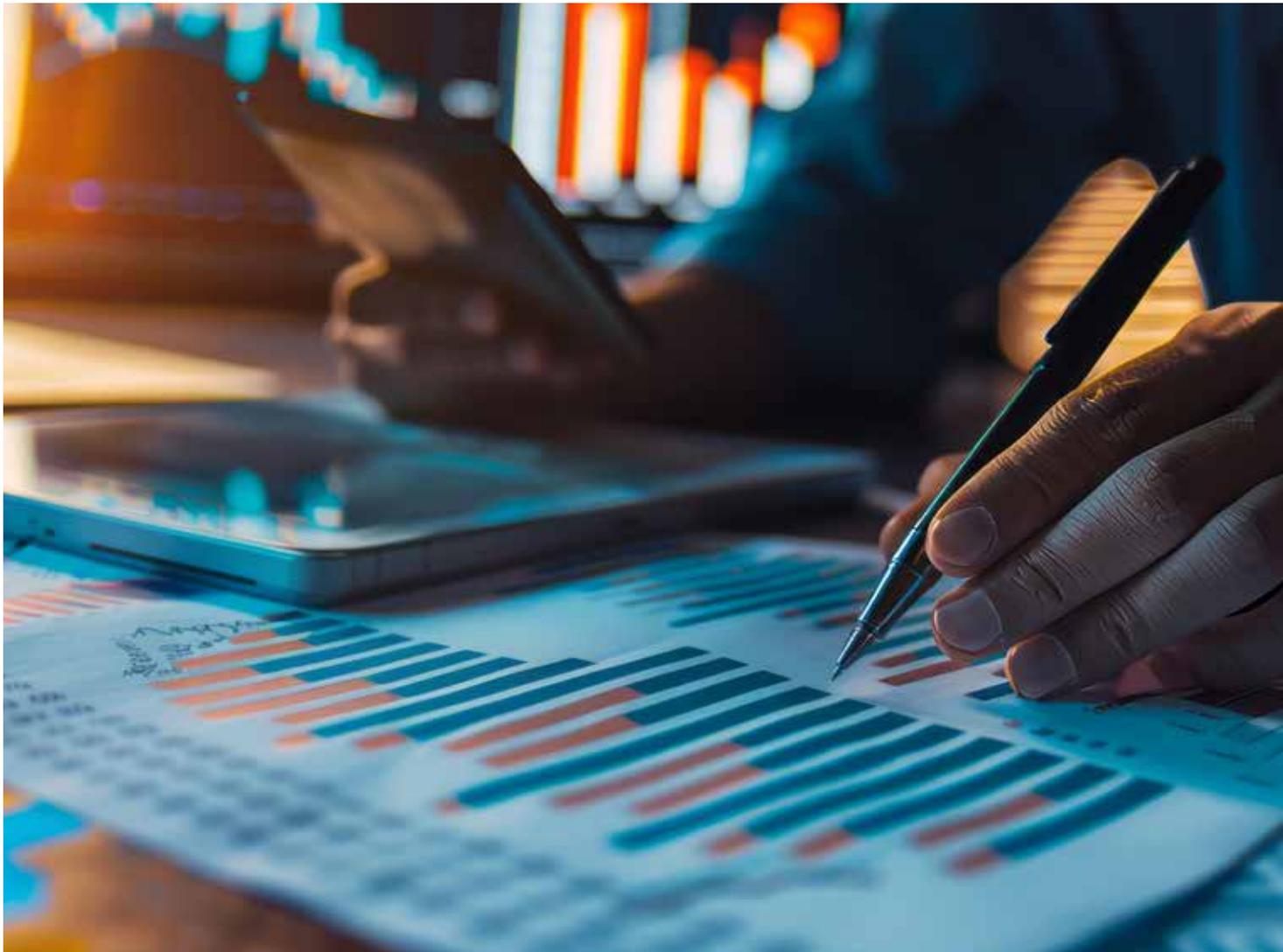


PERFORMANCE

Financial Review



Meatco delivered a strong financial recovery in the 2024/25 financial year, reflecting the first full-year impact of the Turn-Around Plan. Revenue increased by 55 per cent to N\$1.87 billion (2023/24: N\$1.20 billion), while profit before tax improved to N\$106 million, compared to a loss of N\$150 million in the prior year. Liquidity, profitability and efficiency ratios strengthened materially, indicating improved operational discipline and financial management.



The turnaround was driven by higher cattle throughput, improved operational efficiencies, strengthened market realisation, and strategic liquidity support from the shareholder, the Government of the Republic of Namibia.

Throughput and Production

Cattle supply south of the Veterinary Cordon Fence (SVCF) increased to 75,268 head (2023/24: 60,320). Average cold dressed carcass weight declined marginally to 246 kg (2023/24: 250 kg), resulting in total throughput of 18,673 tonnes (2023/24: 15,080 tonnes).

In the Northern Veterinary Cordon Fence (NVCF) Area, cattle supply increased to 7,844 head (2023/24: 4,607). Average carcass weight improved to 178 kg (2023/24: 156 kg), generating total throughput of 1,398 tonnes (2023/24: 866 tonnes).

Government Support and Liquidity

During the year, the shareholder provided N\$100 million in direct subsidies and N\$114 million in loan repayments, materially improving Meatco’s cash flow and working capital position.

In addition, Government assumed repayment of the N\$250 million Development Bank of Namibia (DBN) loan, significantly reducing financing pressure and interest costs, while a sustainable long-term funding model is being developed.

Raw Material Procurement

Meatco continued to support primary livestock production in the national interest. During the year, N\$1.097 billion was paid to producers in the SVCF (2023/24: N\$964 million)

and N\$75.7 million to producers in the NVCF. Consistent payment of market-related prices remains central to sustaining producer confidence and enabling long-term production planning.

Value Added and Cost Structure

Total value added during the year amounted to N\$1.879 billion, distributed across key stakeholders. Payments to producers accounted for 66.8 per cent of cost of sales (2023/24: 78 per cent). Marketing commissions paid to Meatco UK increased to N\$16.5 million (2023/24: N\$10.6 million), reflecting expanded direct market engagement.

Employee costs increased to 10.4 per cent of beef revenue (2023/24: 7.5 per cent), largely due to salary adjustments.

In the NVCF, employee costs represented 19.7 per cent of revenue, reflecting scale and efficiency challenges.

Interest expense declined by 47.7 per cent, from N\$82.3 million to N\$43 million, following the shareholder’s assumption of DBN loan obligations.

Pricing and Market Management

Producer prices moderated in response to higher availability of slaughter-ready cattle. Average producer prices in the SVCF declined from N\$62/kg to N\$59/kg, while prices in the NVCF increased from N\$34/kg to N\$37/kg, reflecting improved quality and access.

Since 2023/24, Meatco has fully internalised its marketing and sales functions across all markets, enabling improved price discovery, reduced credit risk and the introduction of alternative cattle supply streams to stabilise margins.

Debt and Capital Structure

Meatco’s long-term debt consists of a single DBN loan with an outstanding balance of N\$171 million (refer Note 16 to the Annual Financial Statements). Government has secured N\$212 million in the Medium-Term Expenditure Framework as a grant to support repayment over the remaining term.

Foreign Exchange

The average EUR/ZAR exchange rate for the year was 17.28 (2023/24: 17.42). Approximately 80 per cent of Meatco’s foreign exchange earnings are denominated in Euros.

A conservative approach to hedging and foreign exchange risk management was maintained.

Producer prices moderated in response to higher availability of slaughter-ready cattle.

services, managing overtime through block-slaughter systems, optimising organisational structures, and reducing administrative costs. These measures contributed to improved financial prudence and operational efficiency.

Efficiency and Cost Control

In line with the Turn-Around Plan, Meatco continued to enforce strict expenditure control across all business units. Key initiatives included internalising outsourced



Ratios	2024/25	2023/24
Gross Profit Margin	7.7%	0%
EBIT Margin	8.0%	-6.0%
Current Ratio	2.2	1.4
Quick Ratio	1.1	0.9
Debt to Equity Ratio	0.8	1.08
Return on Capital Employed	25%	-8.0%
Asset Turnover Ratio	1.8	1.08
Supplier Payment	38	38
Interest Coverage Ratio	3.4	-0.8
Inventory Turnover Ratio	9.8	8.6

Insights

- Profitability improved significantly in 2025, turning a loss into a healthy profit margin.
- Liquidity strengthened, with the current ratio rising from 1.4 to 2.2.
- Leverage decreased, indicating reduced reliance on debt financing.
- Efficiency improved, with assets generating more revenue in 2025.
- ROA and ROCE above 1 indicates profitability recovery in 2025.
- Quick Ratio above 1 indicates liquidity even without inventory.
- Interest Coverage improved significantly, showing better debt servicing capacity.
- Inventory Turnover increased, suggesting more efficient inventory management.



Economic Overview

Namibian Industry Overview

Industry Challenges

Namibia's beef industry entered 2025 under significant pressure following the severe 2024 drought. Beef exports declined by 51.4 per cent in Q1 2025, falling from 2.94 million kg to 1.43 million kg year-on-year. This contraction was driven primarily by drought-induced destocking in 2024, which sharply reduced the availability of market-ready animals in 2025.

Cattle marketing volumes declined by 58 per cent, live cattle exports fell by 79.8 per cent, and throughput at both export-approved and domestic abattoirs weakened materially. The sector continues to recover from reduced herd sizes, constraining slaughter rates and limiting supply to local and export markets.

Structural recovery will require significant investment in feedlots, abattoir equipment, drought-restocking schemes and climate-resilient production systems to rebuild capacity and improve long-term productivity.

Positive Market Signals

Despite reduced volumes, prices strengthened due to supply constraints. Weaner prices increased by 37.96 per cent year-on-year to N\$30.53/kg in March 2025, while B2-grade beef in the SVCF averaged N\$69.89/kg, up N\$9.02 from the prior year.

Namibia retained access to premium export markets, accounting for 84.2 per cent of exports, led by Norway (10.2 per cent), UK (3.4 per cent), China (1.7 per cent) and South Africa (0.8 per cent). Feedlot economics improved modestly as yellow maize prices declined by 5.58 per cent in March 2025 following favourable regional weather and improved yields.

The planned introduction of the equalisation fund in the NVCF is expected to stimulate production in the north and support throughput at northern abattoirs. However, securing sustainable market access for increased output will be critical to the long-term viability of this intervention.

Outlook

- Short-term (2025): Continued constraints from low cattle numbers and subdued export volumes.
- Medium to long-term: Strong recovery potential if supported by coordinated investment in herd rebuilding, infrastructure and market access, underpinned by sustained global demand.

Global Economic Outlook

Global growth is projected to moderate to 2.9 per cent in 2024 and remain subdued into 2025, reflecting:

- tight monetary policy to curb inflation;

- persistent geopolitical tensions (Ukraine, Middle East); and
- rising trade fragmentation and logistics disruptions.

Weaker growth in advanced economies, particularly in Europe, may temper demand for premium protein products, although price resilience remains evident.

Global Beef Market Dynamics (2025)

Beef prices strengthened across key markets. In Europe, male beef prices rose 1 per cent month-on-month in December 2024, following a 3 per cent increase in November, and were 7 per cent higher year-on-year in USD terms. Seasonal demand and supply shortages remain key drivers.

Supply Constraints

Global supply remains tight. US cattle inventory declined to its lowest level since 1951 (86.7 million head), with beef cow numbers falling to 27.9 million. Drought, elevated feed costs and disease outbreaks, such as New World Screwworm in Mexico, further constrained production. Despite reduced domestic output, demand remained strong, resulting in an 11 per cent increase in EU-27 beef imports in Q1 2025, with notable growth from Brazil (+12 per cent), Argentina (+23 per cent) and Uruguay (+22 per cent). The UK remained the EU's largest single-country supplier.

Demand Resilience

Consumer demand for beef has proven resilient, particularly in the United States and parts of Asia. Reflecting this strength, the USDA revised its 2025 beef import and export forecasts upward, signalling sustained global demand despite economic headwinds..

Key Economic–Beef Market Interactions

- Slower global growth may moderate demand in high-income markets.
- Elevated interest rates increase production and financing costs.
- Geopolitical tensions heighten trade volatility and logistics risk.
- Climate stress reduces supply, supporting higher prices.
- Consumer resilience underpins demand despite rising prices.

Norway: Emerging Market Risk

Norwegian domestic beef production is increasing, supported by government incentives, while per capita beef consumption is declining despite population growth. This dynamic may result in domestic surplus by 2025, increasing pressure to reduce or eliminate tariff-free import quotas under the GSP, posing a medium-term risk to Namibia's preferential access.

Summary

The beef sector remains supply-constrained but price-supported, both domestically and globally. Namibia's medium-term opportunity lies in rebuilding herds, expanding feedlot capacity and securing diversified, resilient export markets in an increasingly competitive and regulated global environment.



PERFORMANCE

Strategy and Business Development Review

The Strategy and Business Development (SBD) Department plays a central role in advancing Meatco’s turnaround, long-term competitiveness and institutional sustainability. The Department is responsible for corporate strategy formulation and execution, policy and regulatory engagement, performance monitoring, enterprise risk and business continuity oversight, and strategic stakeholder and market access engagement.

Strategic Execution

During the reporting year, SBD supported the implementation of Meatco’s Turn-Around Plan (TAP) by translating strategic priorities into actionable plans and ensuring alignment between strategy, policy and execution.

2025/26 Annual Business and Financial Plan, derived directly from the TAP endorsed by the Minister of Finance and Social Grants Management. The plan was submitted for technical review in December 2024, ensuring continuity of planning, budgeting and shareholder oversight.

In the absence of an approved Integrated Strategic Business Plan, the Department coordinated the development of the



Market Access and Trade

SBD strengthened Meatco’s export positioning by securing a 75 per cent allocation of the 2025 Norway beef quota, equivalent to 1,200 metric tonnes. This allocation supports access to a stable, premium market and remains strategically important for revenue diversification, producer returns and the fulfilment of Meatco’s public-policy mandate.

Regulatory and Policy Engagement

The Department actively monitored and engaged on regulatory developments under the Ministry of Agriculture, Fisheries, Water and Land Reform. Structured inputs were provided on new regulations relating to permits, producer registration and levies under the Livestock and Livestock Products Act. These engagements focused on ensuring regulatory compliance, while safeguarding operational continuity, market access and sector sustainability.

Governance and Institutional

Strengthening

The SBD Department coordinated the review and submission of key policies across IT, finance, human capital, operations and ESG for Executive and Board consideration. These reforms underpin improved governance, risk management, compliance discipline and organisational resilience, supporting the broader turnaround agenda.

Key Strategic Challenges

Meatco continues to operate in a complex and high-risk environment. Key challenges include constrained liquidity and limited access to affordable capital; under-utilisation of processing and feedlot capacity; rising logistics and feed costs

driven by geopolitical disruptions; ageing infrastructure; and increasingly stringent veterinary, market access and ESG requirements. Climate volatility, disease risk and reputational exposure further heighten execution risk.

At a global level, trade protectionism, shifting demand patterns, geopolitical instability, and the introduction of deforestation-free and low-emissions import regimes, particularly in the EU, require accelerated investment in traceability, certification and compliance capabilities.

Outlook and Priorities

In the next financial year, the SBD Department will focus on:

- diversifying export markets beyond China and the EU, including ASEAN and the UAE;
- strengthening digital traceability, ESG compliance and green certification readiness;
- deepening trade diplomacy and market access partnerships; and
- continued engagement in sector policy processes to protect Meatco’s strategic interests.

The Department will also support the development of the Integrated Strategic Business Plan (FY2026/27–2030/31), with emphasis on inclusive value-chain development, particularly in communal areas. Predictable shareholder support, fair and consistent allocation of strategic export quotas, and positioning within Special Sustainable Economic Zones will be critical enablers of the next growth phase.

Conclusion

Through disciplined strategy execution, regulatory engagement and governance reform, the Strategy and Business Development Department has contributed materially to Meatco’s stabilisation and recovery. The focus now shifts from turnaround execution to consolidation, bankability and sustainable growth in an increasingly regulated and competitive global livestock sector.



PERFORMANCE

IT Governance Review

The Information Technology (IT) Department plays a critical role in enabling Meatco’s operational efficiency, resilience and responsiveness in a dynamic operating environment. IT governance supports the Corporation’s turnaround by ensuring reliable systems, secure data, and decision-support capabilities aligned to business priorities.

IT governance at Meatco is structured across four functional areas, Production Systems, Enterprise Systems, Infrastructure, and Software Development, which operate in an integrated manner to support operations, compliance and performance management.

CORE IT FUNCTIONS

Production Systems

The Production Systems function supports all production-related software and hardware across Meatco’s operational sites, including Windhoek, Wholesale, MeatMa, Bonanza, Rundu and Kafima Multilo.

This includes management of the Emydex Production Management System and interfaces with livestock procurement systems. Automated cattle receipt and clearance processes support regulatory compliance and coordination with the Directorate of Veterinary Services through NAMLITS.

Enterprise Systems

Enterprise Systems serve as the Corporation’s central data backbone. Key platforms include Sage X3 (finance), Emydex (production), Orion

POS, plant maintenance systems, HR and payroll systems, quality management systems, and the Akiri cattle receipt and settlement platform.

These systems are integrated through a data warehouse and business intelligence tools, enabling timely, data-driven decision-making, while reducing reliance on external system support.

Infrastructure

The Infrastructure function ensures the availability, security and reliability of hardware, networks and data environments across all business units. Responsibilities include system access control, network security, data backups, and protection of data centres and core platforms. This function underpins business continuity, cybersecurity resilience and operational uptime.

Software Development

The Software Development function delivers and maintains in-house solutions that support core business processes, including producer management, cattle booking, settlements and reporting.

The function also focuses on systems integration, analytics development



and the digitisation of manual, paper-based processes using cloud-based technologies.

KEY CHALLENGES

The IT Department operates with a small, but highly skilled team. Key challenges include capacity constraints, legacy system limitations, rising cybersecurity risks, skills gaps linked to rapidly evolving technologies, and budget pressures.

Balancing operational support with innovation and system modernisation remains a constant tension.



The Information Technology (IT) Department plays a critical role in enabling Meatco’s operational efficiency, resilience and responsiveness in a dynamic operating environment. IT governance supports the Corporation’s turnaround by ensuring reliable systems, secure data, and decision-support capabilities aligned to business priorities.

WAY FORWARD

In line with corporate strategy, the IT function is prioritising targeted capital investments to modernise systems, reduce technical debt and strengthen cybersecurity. Workforce upskilling and selective resourcing will support this transition. The strategic objective is to build an agile, resilient and cost-effective IT capability that enhances operational control, supports compliance, and enables scalable growth.

CONCLUSION

The IT Department remains focused on strengthening governance, system reliability and data integrity, while enabling automation and innovation. Through disciplined investment and skills development, IT will continue to support Meatco’s turnaround, improve operational efficiency and deliver measurable value to the Corporation.

PERFORMANCE

Procurement Management Review

The Procurement Management Unit (PMU), located under the Office of the Chief Executive Officer, is responsible for ensuring full compliance with the Public Procurement Act (Act 15 of 2015, as amended).

The Unit oversees the procurement of goods, works and services; the disposal of movable and immovable assets; the letting, hiring and acquisition of rights; and the management of high-value and high-risk contracts.

In line with Meatco’s 2024/25 strategic objectives and the Corporation’s Procurement Policy, the PMU implemented a structured procurement strategy tailored to Meatco’s regulatory and operational environment. The Annual Procurement Plan translated these objectives into executable actions, with a focus on legal compliance, cost efficiency, operational continuity and sustainability.

Procurement Governance and Controls

During the reporting period, the PMU strengthened procurement governance across the Corporation through:

- a unified procurement framework integrating strategic sourcing, supplier relationship management and contract governance;
- increased procurement spend executed under formally contracted arrangements;
- enhanced oversight of high-value and high-risk contracts;
- strict adherence to statutory and regulatory requirements;
- embedded value-for-money principles and competitive tendering processes;
- implementation of a supplier risk management framework to identify, assess and mitigate procurement risks; and

- use of spend analytics to support planning, control and continuous improvement.

These measures improved transparency, reduced procurement risk and enhanced cost discipline across the organisation.

Compliance and Assurance

The PMU remains committed to delivering a professional and compliant procurement function aligned with the Public Procurement Act. Since its establishment, the Unit has:

- implemented internal procurement structures consistent with regulatory requirements; and
- ensured fairness, transparency and accountability in all procurement activities.

Conclusion

Through strengthened governance, disciplined execution and enhanced controls, the Procurement Management Unit has contributed to improved compliance, risk management and value-for-money outcomes. Procurement remains a critical enabler of Meatco’s turnaround, supporting operational stability, while safeguarding the Corporation’s integrity and public-interest mandate.

PERFORMANCE

Livestock Procurement and Production Review

INDUSTRY OVERVIEW AND MARKET DYNAMICS

The Namibian livestock sector demonstrated modest, yet significant growth during the 2023/24 financial year (latest available figures), with particular emphasis on the cattle industry.

According to the Livestock and Livestock Products Board of Namibia (LLPBN), a total of 294,938 cattle were marketed across various sales channels, reflecting a robust 17.6 per cent increase compared with the previous year.

This rise can be attributed to several factors, including improved grazing conditions following favourable rainfall patterns, advancements in breeding practices, and a growing demand for beef, both domestically and internationally.

As a result, the cattle market has not only expanded in volume but has also seen enhancements in the quality of livestock being offered, thereby boosting the sector's overall economic impact on Namibia's rural communities.

Marketing Channel Breakdown

Channel	Number of Cattle
Live Exports to SADC Countries	151,808
A-class Export-approved Abattoirs	104,549
B- and C-class Abattoirs	38,581

The most significant growth occurred in the B- and C-class abattoirs (88.3 per cent), followed by A-class abattoirs (45.2 per cent) and live exports (8.7 per cent).

Export Performance

Export-approved abattoirs slaughtered 105,549 cattle in 2023, up from 70,568 in 2022. Total beef exports reached 15.5 million kilogrammes, distributed as follows:

Destination	Export Volume (kg)
European Union (EU)	9.05 million
South Africa	3.18 million
United Kingdom	1.99 million
China	1.28 million

No exports were made to the USA for the third consecutive year.

Windhoek Abattoir Performance

The Windhoek abattoir slaughtered 75,268 cattle during the reporting period. Grading data showed substantial volumes in the B (25,239) and C (26,402) categories, followed by AB (16,067) and A (7,609). These figures reflect stable carcass quality and the effectiveness of targeted procurement strategies.

Producer prices showed a notable improvement, with the SVCF beef all-grade average climbing to N\$60.31 per kilogramme. Additionally, the B2 grade saw a significant rise to N\$62.03 per kilogramme, marking an increase from N\$61.18 per kilogramme in the prior year.

This upward trend highlights the resilience of Namibian beef producers, who have managed to maintain competitive pricing in the face of regional challenges, including the Foot-and-Mouth Disease (FMD) outbreak in South Africa.

In comparison, South African beef prices plummeted, reflecting a decrease of N\$12.72 per kilogramme, which underscores the competitive edge that Namibia has managed to sustain despite such adversity in the market.

Meatco Livestock Procurement Performance

The 2024/25 financial year proved to be a transformative period for Meatco’s Livestock Procurement Department. Navigating through a dynamic and often challenging marketplace, the Department not only met but surpassed its operational goals, solidifying its crucial role within the national red meat value chain.

This achievement was driven by strategic initiatives, including implementing advanced data analytics to



optimise procurement processes, fostering strong relationships with local farmers to ensure sustainable sourcing, and adapting to changing market demands.

Through these efforts, the department enhanced its efficiency, contributing to both the economic sustainability of Meatco and the broader agricultural community.

Key Highlights

Procurement Volume

Over 75,268 cattle were successfully procured and processed for slaughter, exceeding the forecasted target by an impressive 12,000 head. This achievement marks a significant milestone, as it represents the highest procurement volume reached in the past three years, showcasing a robust recovery and growth in operations.

Nationwide Reach

Cattle were sourced from various locations across Namibia, including the often-overlooked remote areas such as Gam in the Omaheke Region and Karasburg in the southern part of the country. This approach reflects Meatco's commitment to an inclusive procurement strategy, ensuring that even the most isolated farmers have access to market opportunities and contribute to rural communities' overall economic development.

Feeder Stream Development

A carefully established network of 67 dedicated feeder producers consistently supplied cattle on a monthly basis. This strategic collaboration ensured a reliable flow of livestock, thus maintaining stable carcass quality in crucial parameters like weight and fat grading, which are essential for meeting market specifications and consumer demands.

Operational Efficiency

Throughout the fiscal year, the Department operated within its allocated budget, successfully leveraging cost-effective strategies to optimise sourcing and logistics. This focus on operational efficiency not only enhanced Meatco's competitiveness in the market, but also improved service delivery to both producers and customers, ensuring the timely processing and distribution of products.

Producer Engagement

To foster a strong and loyal supply base, trust-based relationships were diligently rebuilt with producers. Regular communication, transparency in operations, and efforts to address producers' concerns contributed to a sense of partnership. As a result, there was a consistent supply of cattle throughout the year, enabling Meatco to better meet market demands and reinforce its reputation as a reliable player in the industry.

Meatco Feedlots: Okapuka and Annasruh

Following an extended period of inactivity, the Annasruh feedlot has been reactivated through a lease agreement with Kameeldrift (Pty) Ltd. The facility's return to operation was achieved through a comprehensive process of structural repairs and upgrades to the existing infrastructure.

The leasing of the Okapuka feedlot was conducted in accordance with public procurement procedures. The feedlot commenced operations during 2025.

Conclusion

Meatco's strategic procurement initiatives, combined with its operational discipline and renewed emphasis on producer engagement, have enabled the company to successfully navigate a challenging landscape and achieve impressive results in the fiscal year 2024/25.

Specifically, the Corporation experienced a 15 per cent increase in procurement volumes, reflecting its commitment to sourcing high-quality livestock from local producers. Alongside this, improvements in carcass quality standards have led to a notable rise in the average grading, with over 70 per cent of carcasses reaching premium classifications.

Moreover, Meatco's enhanced export performance, strengthened by new trade partnerships, has allowed the company to enter international markets more effectively, resulting in a 20 per cent growth in export revenues.

These achievements not only position Meatco to further solidify its vital role in Namibia's red meat industry, but also ensure that it continues to deliver significant value to its stakeholders, including farmers, employees, and local communities.

Meatco remains committed to sustainable practices, while safeguarding the long-term viability of the red meat sector and simultaneously promoting economic growth in Namibia.



PERFORMANCE

Agro-processing & Value-addition Review

The function of the Windhoek factory is to slaughter cattle, debone and pack meat according to client specifications.

The 2024/25 financial year marked a significant period for Meatco's Agro-Processing and Value Addition Department. Against a challenging agricultural backdrop characterised by ongoing drought conditions, Meatco remained steadfast in driving operational efficiencies, stabilising its financial situation, and optimising its value chain to ensure sustainability and profitability for all stakeholders.

Operational Highlights

During the year under review, Meatco slaughtered 75,268 cattle, compared to a budgeted target of 105,000

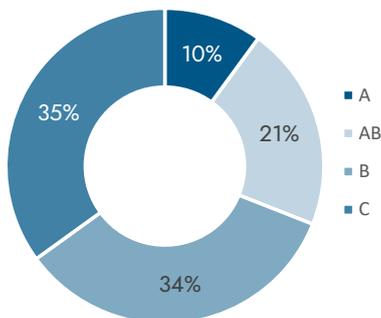
cattle. Although actual throughput was below budget, the operational focus enabled the Corporation to extract maximum value from each slaughtered animal.

- Average carcass weight: 246 kg per animal
- Producer price paid: N\$58.64 per slaughtered kg
- Dressing percentage: 55.16 per cent.

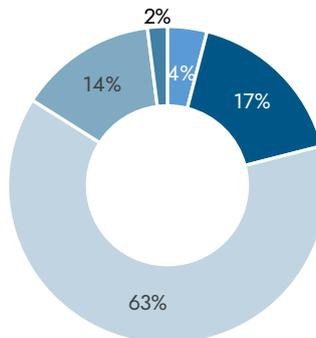
The relatively high average carcass weight and dressing percentage reflect continued improvements in production and processing efficiencies, even with the lower slaughter numbers.



Cattle Age, 2024/25



Fat grades, 2024/25



Financial Performance

A key achievement in the 2024/25 financial year was the stabilisation of Meatco's financial operations. Producer payments were made within committed timeframes, reinforcing producer confidence and loyalty, while supplier accounts were settled within agreed 30–60 day terms. This restored trust across the value chain, strengthened supply chain stability, and provided a credible platform for growth despite prevailing drought conditions.



During the year, deliberate efforts were made to take ownership of critical marketing streams and optimum logistics, which led to better price realisations in the market. Direct client arrangements improved product pricing outcomes.

Despite these constraints, sales were concentrated in high-demand categories:

- Soup bones and stewing neck: 82.51 per cent % of value-addition sales; and
- Sausages, mince and hamburger patties: 17.49 per cent.

Value-addition and Market Realisation

During the year, Meatco strengthened its control over critical marketing channels and optimised logistics, resulting in improved price realisation. Direct client arrangements enhanced pricing outcomes, while greater ownership of logistics reduced inefficiencies and costs. Improved net realisations from premium markets contributed positively to profitability. The closer integration of production, marketing and logistics enabled Meatco to maximise value from each animal processed.

Value-addition performance remained constrained by ageing and outdated equipment, resulting in lower production volumes and quality limitations. The cannery remains closed pending major upgrades and capital investment. Total value-added production amounted to 589.6 tonnes, below the budgeted 980 tonnes. Retailers' expansion of in-house value-addition capacity further reduced demand for Meatco's processed products.

Safety and Environment

Meatco maintained a strong focus on employee safety, although challenges were recorded. Two lost-time injuries occurred during the year, and the Corporation averaged 6.9 minor injuries per month, representing a 26 per cent increase compared to 2023/24. Most incidents involved hand and finger lacerations, correlating with increased slaughter volumes during peak periods.

In response, Meatco intensified safety training, strengthened risk assessments, and enforced enhanced protective measures.

Despite persistent drought conditions, improved payment discipline and financial reliability encouraged producers to market more cattle through Meatco compared to previous drought cycles.

Continuous monitoring and feedback mechanisms remain in place to reduce injury frequency and severity. No major environmental incidents were recorded during the year. Minor odour-related complaints from the surrounding Eros community were addressed through improvements to effluent treatment, enhanced by-product management processes, and the evaluation of bio-filter solutions. Ongoing monitoring and community engagement remain integral to Meatco’s environmental management approach.

Impact of External Factors

Despite persistent drought conditions, improved payment discipline and financial reliability encouraged producers to market more cattle through Meatco compared to previous drought cycles. This partially mitigated the shortfall against budgeted slaughter numbers.

Focus Areas for 2025/26

In the year ahead, Meatco will prioritise:

- Throughput stabilisation at approximately 75,000 cattle, supported by feedlotting strategies;
- Water security investments, including additional boreholes, reverse osmosis capacity, filtration and chlorination systems;
- Renewable energy options, including solar integration;
- Continued Turn-Around Plan execution, focusing on efficiency, cost control and technology enablement; and
- Targeted maintenance and upgrades, particularly within refrigeration and deboning systems.

Value-addition will be strategically realigned toward high-demand products, with reduced focus on low-performing lines to improve margins and resource efficiency.

Conclusion

The 2024/25 financial year demonstrated Meatco’s resilience and ability to adapt in a challenging operating environment. Through improved financial discipline, stronger market realisation, operational efficiency and focused value-addition, Meatco reinforced its role as a critical enabler within Namibia’s agro-processing sector. The Corporation enters the next financial year positioned for consolidation, efficiency gains and sustainable value growth, underpinned by restored stakeholder confidence.



PERFORMANCE

Marketing, Sales, Com- pliance & Logistics Review



During the period under review, Meatco slaughtered 75,268 cattle compared with 60,820 cattle slaughtered the prior year. Regarding the slaughtered cattle, Meatco sold 24,566 metric tonnes of beef compared to 16,502 metric tonnes in the prior year.

Meatco generated beef revenue of N\$1.514 billion in direct sales from the Windhoek Factory into the local, regional and international markets. This is significantly higher compared to N\$1.203 billion in 2023/24 from the Windhoek Factory sales. Even though the international market consumed 47 per cent of the total beef sales volume, the company realised 84 per cent of its total beef revenue from the international market.

Deboned, vacuumed, chilled and frozen cuts, as well as most of the frozen manufacturing beef, was exported to international, regional and local markets. For EU and Norway, boneless beef cuts, both chilled and

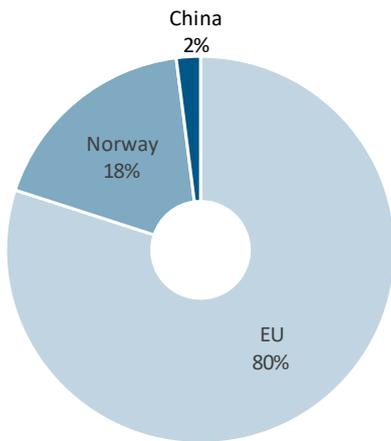
frozen, were exported to maximise market realisation. For the Chinese market, bone-in cuts and low value cuts were exported as part of meeting the consumer needs of this market. In sustaining its export status for the United States (US) market, a one-tonne beef sample was shipped into the US market during the period under review.

The EU market generated 80 per cent of the total beef revenue, Norway 18 per cent and China/Asia with 2 per cent respectively. These sales demonstrated Meatco's strategy of ensuring that the bulk of production in the plant is exported to maximise realisation.

While the international markets have changed in the previous years due to the war in Ukraine and the energy crisis that pushed up commodity prices, markets stabilised during the reporting year. However, commodity prices remained low, with active efforts by the European partners to limit the impact of high commodity prices.

Looking ahead, the European Union's demand for beef in 2025 will likely continue to be influenced by changing consumer preferences, sustainability regulations, and trade relationships. With the EU moving toward more sustainable food production systems, including reduced emissions in agriculture (e.g., through the EU Green Deal), demand could shift. However, EU beef consumption has been declining in recent years, and this trend is expected to continue, particularly as plant-based diets and alternative proteins gain traction.

International Volume Distribution, 2024/25



Meatco generated revenue of N\$1.514 billion in the international markets compared to N\$1.203 billion in 2023/24, which is a significant increase in sales.

Overall, Meatco managed to secure a decent price for its beef in the international and regional markets. For the period under review, the Norwegian market was reported flooded with a surplus of frozen beef from Botswana, which significantly affected the overall sales prices in Norway. As a result, the Norwegian average sales prices decreased slightly to N\$222.70/kg during the period under review, from N\$245.69/kg in 2023/24.

Similarly, EU sales realisation price slightly declined to N\$101.44/kg from N\$102.68/kg in 2023/24; Asia prices decreased to N\$61.38/kg from N\$96.81/kg in 2023/24 mainly due to the decline in volume sold in China during the period under review.

Meatco received 1,200 tonnes or 75 per cent of the Namibian portion of the Norwegian quota and as usual, with forward utilisation of circa 200 metric tonnes to ensure early cash flows and early availability of

the Natures Reserve brand in the Norwegian market

Tannery

The Meatco Okapuka Tannery is a key player in Namibia’s leather industry. operational since 1987 and plays a vital role in adding value to the by-products of the meat industry.

Core Operations

The Tannery specialises in processing fresh and salted cattle hides into wet blue leather, which is the first stage of leather processing.

These hides are sourced from Meatco’s own abattoirs, other Namibian suppliers, and occasionally from South Africa and Mauritius.

The Tannery uses automated, computer-controlled systems to ensure consistent quality and environmentally friendly processing.

Market and Exports

Approximately 90 per cent of the wet blue leather is exported to the European Union, particularly to countries like Italy, where it is further processed for the fashion, furniture, and automotive industries. The remaining 10 per cent is supplied to the local market, including companies like Nakara.

The Tannery generated N\$12.8 million in exports from 48,462 hides. This is significantly more than the N\$6.7 million export sales on 38,647 hides generated in the prior year.



Meatco remains committed to producing meat of the highest quality, because its access to the most lucrative markets depends on it.

COMPLIANCE

The Compliance Unit focused on optimising Meatco’s competitiveness across the value chain. The division put measures in place that are in line with Government-outlined regulations, while also maintaining the food safety standards that were required by Meatco’s international trading partners.

Meatco’s food safety certification is important to ensure uninterrupted access to markets and the continued assurance of quality as expected by the clients. Food safety is a key component for product integrity

and is a standard expectation from its consumers. Meatco remains committed to producing meat of the highest quality, because of its access to the most lucrative markets depends on it.

Regular stringent quality control checks and the proven data showing that Meatco conforms to the highest international standards for food safety and quality are at the very heart of its business.

During the reporting year, several audits were conducted and issues addressed successfully. The BRC Food Safety Standard Audit score was an A grade for the reporting year. Certifications are also in place for McDonald s and Woolworths.



Animal Welfare

The welfare of animals delivered to the Abattoir remains a critical tenet in the certification of Namibia beef for export markets. This requires vigilance from the origin to the Abattoir and involves identifying all areas of injury or stress that may erode the quality of life of the animal or degrade the quality of the beef.

Alarmingly, a plethora of issues were still being recorded at the animal receiving point at the Abattoir, with 38

clinically sick cattle being delivered and 172 cattle having to be returned to Farm of Origin mainly due to traceability issues.

During the post-mortem process, measles was present in more than 100 cases. This requires renewed and vigorous producer education combined with improved sanitation at farm level to eliminate animals carrying this serious zoonotic disease from those that are delivered to the abattoir.

	Emer-gency	Non-Am-bulatory	Advance Slaugh-ter	DOA	Gave Birth	Qual-ity Alerts	Clini-cal	RFO	Double stunning	Dead in pens	Total
Jan-24	0	0	0	0	0	0	0	0	16	0	16
Feb-24	1	1	0	0	0	0	0	2	12	0	16
Mar-24	1	2	0	0	1	2	0	20	29	0	55
Apr-24	6	3	0	2	1	2	0	25	60	1	100
May-24	5	1	0	0	1	1	38	12	0	0	58
Jun-24	1	4	0	0	0	1	0	46	0	0	52
Jul-24	3	3	0	0	1	2	0	6	0	0	15
Aug-24	1	1	0	1	0	0	0	39	0	0	42
Sep-24	2	3	0	0	1	1	0	2	0	0	9
Oct-24	1	1	0	1	0	1	0	17	0	0	21
Nov-24	0	1	0	0	0	0	1	2	0	0	4
Dec-24	2	3	0	0	0	0	17	1	0	0	23
Total	23	23	0	4	5	8	38	172	117	1	391





LOGISTICS

In 2024/2025, Meatco achieved significant progress in enhancing its logistics operations, marked by improved planning, streamlined processes, and cost efficiencies.

Through well-established logistics key performance indicators (KPIs), the Department took full control of outbound logistics, ensuring that all containers met export standards and arrived at destination markets in optimal condition. This proactive approach eliminated container returns due to logistics non-compliance, an operational milestone for the year.

Despite the progress, 2024/25 presented several challenges. Documentation issues remained a

key concern, particularly the timely acquisition of essential export documentation back from the UK Office after verification, such as veterinary health certificates, bills of lading, among other and these are essential for product clearance, but delays often due to reliance on external third party impacted the certification process. When information is not received on time, veterinary officers are unable to certify products, risking shipment delays and potential market disruptions.

Additionally, the Logistics Division faced limited capacity, and securing timely and reliable bookings with shipping lines became increasingly difficult and resulted in rollover of consignments via the port of Walvis Bay.

In response, Meatco pursued a strategic diversification of shipping routes and service providers by shifting the chilled products with shorter shelf-life operations, through the Port of Cape Town due to frequency vessel's calling to European markets and securing direct bookings with multiple shipping lines. Furthermore, the company reduced its exposure to vessel-omitting-related delays at port of Walvis Bay.

Through operational discipline, internal capacity building, and strategic planning, Meatco's Logistics Division has demonstrated resilience and adaptability. While external challenges remain, the groundwork laid in 2024/25 positions Meatco for greater logistics autonomy, reduced costs, and improved service delivery in the years ahead.

PERFORMANCE

Namibia Meat Importers & Exporters (NMIE) Review

Namibia Meat Importers and Exporters (Pty) Ltd (NMIE) was established in 1989 as a wholly owned subsidiary of Meatco, originally registered as SWAVLEIS Wholesalers (Pty) Ltd.

Following Namibia's independence and the separation of statutory and regulatory regimes, the company was renamed NMIE in 1992 and remains registered under the Companies Act of South Africa.

NMIE was established to support Meatco's vision of building a world-class meat brand by adding downstream value through the facilitation, administration, and execution of sales and distribution into the South African wholesale meat market. The South African market remains strategically important to the Meatco Group, particularly for product categories with limited alternative export destinations.

NMIE operates in alignment with Meatco's marketing, sales and distribution strategy, with a focus on optimising carcass realisation, managing market risk, and ensuring pricing transparency. The company has successfully internalised sales and marketing functions, working closely with clients to establish competitive pricing structures, while providing reliable market intelligence to inform Meatco's global strategy.

Guided by Meatco's core values, NMIE emphasises ethical sourcing, hormone- and antibiotic-free production, and the supply of high-quality Halaal products. The company prioritises long-term, mutually beneficial relationships with customers and suppliers who share a commitment to quality, integrity, and sustainability.

During the financial year ended 2025, the South African market absorbed approximately 20 per cent (4,747 tonnes) of Meatco's total production volume. This market primarily serves lower-value products, including bones and offal, which represent an estimated 25 per cent of carcass yield and for which limited alternative export markets currently exist.

While global markets delivered stronger returns on certain manufactured products due to international supply shortages, the South African market's volume absorption capacity and diversified client base enabled NMIE to generate positive returns in excess of its overhead costs.

Looking ahead to 2025/26, the South African market faces several challenges, including the impact of Foot-and-Mouth

Disease (FMD) outbreaks reported in major feedlots during mid-2025. These developments have contributed to price volatility and uncertainty around throughput consistency, particularly in the latter part of the year.

Feedlot restocking constraints under quarantine conditions are expected to influence weaner prices into the third quarter of 2025, while slaughter-ready cattle availability may remain constrained in the fourth quarter.

Conversely, the closure of certain South African export markets due to FMD may partially offset upward price pressure once vaccinated animals reach regulatory clearance. Additionally, moderating inflation and recent interest rate reductions by the South African Reserve Bank are expected to provide some relief to consumers, potentially supporting demand recovery.

NMIE's continued success will depend on its ability to closely monitor market dynamics, respond swiftly to changing conditions, and maintain alignment with Meatco's broader strategic objectives. Through disciplined market engagement, risk management, and relationship-driven trading, NMIE remains a critical contributor to the Meatco Group's overall value chain and financial sustainability.



PERFORMANCE

Meatco NCA Review

During the reporting year, Meatco NCA (Pty) Ltd demonstrated resilience and progress, driven by a strong commitment to operational excellence, despite ongoing supply and demand challenges in the market.

With a strategic focus on maximising returns from the Northern Communal Area (NCA), market south of the Veterinary Cordon Fence (SVCF), and broader African markets, Meatco continued to strengthen its position within the industry.

A key highlight of the reporting period was the development of the Meatco NCA corporate logo and the successful rebranding of Bonanza to Meatco Ongwediva, following the relocation from Oshakati to Ongwediva. Operational throughput also increased, with 7,844 cattle processed—an achievement supported by the drought relief initiative from the Office of the Prime Minister which covered six regions, namely //Kharas, Hardap, Kavango East, Kavango West, Khomas, and Zambezi.

Financial Performance

While challenges persisted, including lower-than-expected slaughter numbers, its financial performance reflects resilience and progress. Despite a loss against budgeted figures, Meatco NCA remains optimistic about the strategic initiatives in place to bolster operational efficiency and revenue generation.

The Meatco NCA operations' performance for the period January 2025 year-to-date reports a net loss of N\$27,506,968 (2023/24: loss N\$17,346,320) against a budget of N\$668,086 (2023/24: loss of N\$4,059,045). The biggest contributor to the increase in terms of



the loss year-to-date is the increased cost of sales of N\$103,894,049 (2023/24: N\$49,176,074) which is a 111.27 per cent increase from the prior year. The main driver is purchases from producers, which increased by 86.53 per cent from N\$40,565,597 to N\$75,668,531.

The overall gross margin percentage amounted to 12.77 per cent (2023/24: 12.98 per cent) at January 2025 year-end, versus a budgeted gross margin percentage of 34.21 per cent (2023/24: 31.45 per cent).

Livestock Procurement

Cattle numbers increased by 41.27 per cent to 7,844 (2023/24: 4,607) for the period under review. NCA market remains a cornerstone for abattoir operators north of the Veterinary Cordon Fence. While historical contracts and perceived product consistency have favoured SVCF suppliers, operations at the Kafima Mulilo and Rundu Abattoirs and the Meatco Mobile Slaughter Unit (MSU) have consistently delivered quality products comparable to SVCF standards.

Meatco NCA Performance			
Description	FY 2024/25	FY 2023/24	FY 2022/23
Revenue (N\$)	119,097,202	43,525,920	60,496,508
Government Grants (N\$)	0	20,000,000	0
Cost of Sales (N\$)	(103,894,049)	(49,176,074)	(52,550,081)
Gross Margin	15,203,153	(5,650,154)	7,946,427
Gross Margin %	12.77	(12.98)	13.14
Profit/ (Loss)	(27,506,968)	(17,346,320)	(13,665,746)
# Cattle Slaughtered	7,844	4,607	3,779
# Personnel – Permanent & FTC	142	110	90

Description	Age			
	FY 2024/25		FY 2023/24	
Age/ Grade	Qty	%	Qty	%
A	582	7.93%	380	0.07%
AB	685	8.64%	420	1.16%
B	1,801	22.71%	815	98.68%
C	4,816	60.72%	2,871	0.09%
Total	7,844	100%	4,486	100%

Description	Fat Distribution			
	FY 2024/25		FY 2023/24	
Fat Grade	Qty	%	Qty	%
0	3,342	41.97%	3	8.47%
1	1,830	23.07%	52	9.36%
2-4	2,772	34.95%	4,431	18.17%
Total	7,844	100%	4,486	100%

Livestock Procurement		
Description	FY 2024/25	FY 2023/24
# Cattle Procured	7,645	5,056
# Cattle Slaughtered	7,844	4,607
Avg. Weight/Animal	178.64 kg	188.00 kg
Purchase Volume (kg)	1,365,703	950,528
Avg. Price/kg (N\$)	N\$53.41	N\$37.31
Avg. Price/animal (N\$)	N\$9,541	N\$7,014
Purchases from Producers	N\$72,942,186	N\$35,464,199

Sex Distribution				
Description	FY 2024/25		FY 2023/24	
	Qty	%	Qty	%
Ox	3,846	49.59%	2,296	51.18%
Tolly	2,036	25.67%	1,293	28.82%
Bull	405	5.11%	205	4.57%
Cow	1,421	17.92%	585	13.04%
Heifer	136	1.71%	107	2.39%
Total	7,844	100%	4,486	100%

Operations

Katima Mulilo Abattoir

The Katima Mulilo Abattoir continues to demonstrate a positive performance, with increased sales and market realisations. However, challenges such as low slaughter numbers and infrastructural requirements demand attention for sustained growth and efficiency. Due to the low cattle supply, the abattoir operations remained in block slaughter mode to ensure efficiency.

Rundu Abattoir

Rundu Abattoir has completed its first year of full production since the transfer of operational control from the Ministry of Agriculture, Fisheries, Water and Land Reform in August 2023. The facility boasts a slaughter capacity of 80 to 120 cattle per day, offering a vital market for local livestock producers across the region.

Abattoir operations remained in block slaughter mode due to Commodity-based Trade (CBT) protocol compliance preventing optimal utilisation of the facilities. By leveraging partnerships and addressing infrastructure needs, Meatco NCA aims to maximise its potential for sustainable economic development in its communities.

Workforce

Meatco NCA operated with 142 (2023/24: 110) staff for all NCA sites, namely the Rundu Abattoir, the Katima Mulilo Abattoir and MeatMa Ongwediva (Bonanza). Operations at the MSU ceased due to staff being redeployed to the Rundu Abattoir. It is evident that the lean structure will ensure that all sites are operating with a fit-for-purpose workforce, while maintaining the block slaughter operations mode.

The recruitment process for additional staff continues in order to fast-track the issuing of compliance certifications throughout 2025. These certifications will allow the abattoir to have further access to African markets that accept products produced under the CBT Protocol.

Marketing and Sales

Sales increased by 202.55 per cent to N\$119,097,202 (2023/24: N\$39,365,125.99) whereas market realisations in Namibia experienced an increase to N\$62/kg (2023/24: N\$47.47/kg). This is mainly attributed to the Office of the Prime Minister’s drought relief initiative which contributed 71 per cent of overall sales. NCA Local only contributed 7 per cent and 22 per cent for Windhoek Wholesale. As demand for beef products increases, Meatco anticipates improved market realisations, particularly with sustained price increases in local markets.

Description	Market Distribution					
	FY 2024/25			FY 2023/24		
	Market	Value (N\$)	Volume (kg)	%	Value (N\$)	Volume (kg)
Angola	0	0	0	4,560,190	96,059	11
Ghana	0	0	0	2,525,811	21,572	3
NCA Local	7,145,832	64,422	7	20,525,658	529,877	62
Office of the Prime Minister (OPM)	79,117,659	643,233	71	0	0	0
Windhoek Wholesale	33,833,711	201,985	22	11,753,465	202,424	24
Total	119,097,202	909,640	100	39,365,125	849,934	100

Description	Market Distribution					
	FY 2024/25			FY 2023/24		
	Market	Value (N\$)	Volume (kg)	%	Value (N\$)	Volume (kg)
Namibia SVCF	42,614,395	325,480	36	11,753,465	202,424	24
Namibia NCA	76,482,806	584,160	64	20,525,658	529,877	62
Total	119,097,202.00	909,640	100	39,365,125	849,934	100



Compliance

NSI HACCP Certification

On 13 June 2024, Meatco NCA’s Katima Mulilo Abattoir was awarded the Hazard Analysis Critical Control Point (HACCP) certification by the Namibian Standards Institution (NSI)—a major milestone in its food safety journey. Key benefits of this certification include:

- **Food Safety Assurance:** Demonstrates robust systems to identify and control hazards, ensuring safe, high-quality meat products.
- **Market Recognition:** Validates Meatco NCA’s compliance with internationally recognised food safety standards, enhancing credibility in both domestic and export markets.
- **Operational Excellence:** Promotes a culture of continuous monitoring, hygiene, and risk prevention across all production processes.
- **Consumer Confidence:** Reassures customers and stakeholders of Meatco NCA’s commitment to delivering safe, hygienic, and trustworthy products.

- **Industry Leadership:** Reinforces Meatco NCA’s role as a food safety pioneer in Namibia’s meat sector, setting the benchmark for others.

MJCHT Muslim Judicial Council Halaal Trust Certification

Meatco NCA is actively implementing compliance measures to achieve Halaal certification by the Muslim Judicial Council Halaal Trust (MJCHT) in 2025 for both the Katima Mulilo and Rundu abattoirs. This certification offers key strategic benefits:

- **Market Expansion:** Opens access to high-demand Halaal markets in the Middle East, Africa, and Asia, enhancing export potential.
- **Credibility and Compliance:** Aligns with international standards through the MJCHT, a globally respected certification body, and ensures religious, ethical, and hygienic compliance. while building confidence among consumers and also boosting brand reputation.

With the NSI and Halaal compliance certifications more African markets will open up, which will in turn increase throughput and market realisation. The increase of trade marketing activities will ensure further growth within the market, including increased brand equity.

Namibian landscape and resilience, combined with a silhouette of cattle grazing underneath. This imagery is central to the identity of the Northern Communal Areas, representing the region's size, deep agricultural roots and the symbiotic relationship between land and livestock.



officially inaugurated with a ribbon-cutting ceremony officiated by the Deputy Mayor of Ongwediva, Honourable Councillor Ulalia Katonyala, together with the Chairperson of the Meatco NCA Board, Mr Adolf Muremi. Mr Kingsley Kwenani, Meatco NCA CEO, was the master of ceremonies for the event. The two-day event celebrated the Meatco NCA subsidiary's strategic move to strengthen its presence in the region and reaffirm its commitment to providing fresh, affordable, and export-quality meat products to the community.

Market Access and Initiatives

With the NSI and Halaal compliance certifications more African markets will open up, which will in turn increase throughput and market realisation. The increase of trade marketing activities will ensure further growth within the market, including increased brand equity.

Office of Prime Minister (OPM) Market

The OPM Market constituted 71 per cent of the overall market share of the NCA. The drought relief project continued until June 2025, after which the biggest market have to be replaced. Due to the national requirement, demand for Africa could not be met in the reporting period and these was revived in 2025 to ensure that Meatco NCA stays relevant in the respective markets of Angola and Ghana.

NCA Logo Development

The development of the corporate identity of Meatco NCA will enhance the Meatco NCA brand. The logo features the Northern Communal Area, an acacia tree, a symbol of the

Aligning the NCA subsidiary logo with the established Meatco Namibia brand ensures a unified corporate identity, reinforcing the subsidiary's connection to the parent company's strong reputation. By using the same colours and typography, the NCA subsidiary is instantly recognisable as part of the Meatco family, which strengthens brand equity and ensures consistency across all operations. The slight name change highlights the focus on the Northern Communal Area, while maintaining the trusted Meatco identity.

MeatMa Ongwediva (Bonanza)

Renaming Bonanza Butchery to MeatMa Ongwediva strengthens the connection to the MeatMa brand, while also emphasising its local presence in Ongwediva. The consistent use of the MeatMa brand elements, such as the colour palette and typography, ensures a smooth transition and brand continuity.

The updated name and logo signal the brand's commitment to providing high-quality, locally relevant products to the Ongwediva community, while still being part of the larger, trusted MeatMa family. The MeatMa Ongwediva store was

Trade Marketing

Various trade marketing initiatives were done to get insight on competitor pricing and customer satisfaction.

The Marketing audit, which will be done on an annual basis, highlighted the need to invest more into marketing activities in order to drive sales. Meatco NCA is continuously looking into diversification of products to ensure that customer demands are met.

In conclusion

The past financial year has been characterised by both opportunities and challenges. With a steadfast focus on operational excellence, market expansion, and strategic partnerships, Meatco NCA remains poised for sustainable growth.





PERFORMANCE

Human Capital Review

The 2024/25 financial year marked a pivotal reset for the Human Capital function, driven by the need to entrench a culture of performance, accountability and operational discipline.

This shift responded directly to legacy workforce practices, gaps in policy enforcement and prolonged tolerance of under-performance and misconduct.

The Human Capital Department prioritised stricter policy enforcement, consistent consequence management and strengthened labour relations as critical enablers of the Meatco Turn-Around Plan. While progress has been made, the year underscored the need for sustained leadership focus and value-based decision-making.

Workforce Profile and Cost Management

At year-end, Meatco employed 772 employees, comprising 603 permanent and 169 fixed-term contract (FTC) staff. The employment mix shifted marginally to 78 per cent permanent and 22 per cent FTC, reflecting reduced reliance on flexible staffing.

The workforce remains predominantly male (75 per cent male; 25 per cent female), with 82.5 per cent of employees in A and B grades, reflecting the labour-intensive nature of operations.

A comprehensive workforce review was conducted to align headcount with operational requirements. Cost-saving measures included the elimination of duplicated roles, salary scale rationalisation, and tighter control of overtime and leave liabilities.

Labour Relations and Discipline

Meatco maintained constructive engagement with the Namibia Food and Allied Workers Union (NAFAU), concluding wage negotiations in good faith. However, historical grievances, legacy disputes and procedural weaknesses exposed the consequences of inconsistent disciplinary enforcement.



The development of an internal culture transformation programme commenced during the year, aligned to Meatco’s broader rebranding and institutional renewal. The initiative seeks to embed accountability, pride in workmanship and leadership alignment. While early progress is evident, consistent implementation across all levels remains a priority.

A backlog of unresolved cases and weakened workplace discipline necessitated urgent reform. In response, Meatco initiated a strategic overhaul of the employee relations function, including:

- reinstatement of a fully resourced Industrial Relations function;
- implementation of disciplinary case tracking systems; and
- strengthened legal support to ensure fair, timely and consistent outcomes.

Occupational Health

The on-site clinic continued to provide primary and occupational health services. Rising medical and medical aid costs remain a challenge for employees, and efforts are underway to mitigate affordability risks through targeted service delivery and preventative interventions.

Training, Development, and Wellness

Training interventions were more focused and compliance-driven, with 61 training sessions conducted, aligned to operational and statutory requirements. These interventions complement an ongoing skills audit that will inform future development priorities.

Employee wellness initiatives included counselling services, awareness programmes and wellness activities aimed at improving morale, reducing absenteeism and reinforcing accountability.

Internships and Skills Development

Meatco continued to invest in skills development through internships, apprenticeships and study support. A total of 39 interns were hosted across Windhoek and NCA operations in both technical and non-technical disciplines, supporting workforce renewal and capacity building.

Cultural Transformation

The development of an internal culture transformation programme commenced during the year, aligned to Meatco’s broader rebranding and institutional renewal. The initiative seeks to embed accountability, pride in workmanship and leadership alignment. While early progress is evident, consistent implementation across all levels remains a priority.

Looking Ahead

Key priorities for the next phase include:

- completion of organisational restructuring and succession planning;
- implementation of a revised Performance Management System linking goals, accountability and rewards; and
- comprehensive review of HR policies covering job grading, attendance, conduct, performance, learning and development, wellness and occupational health and safety.

These reforms are essential to strengthen compliance with Namibian labour law, reinforce operational discipline and support long-term sustainability.

Conclusion

Meatco’s Human Capital function is transitioning from a predominantly transactional role to performance-driven people leadership. While challenges remain, a solid foundation has been established to support the Turn-Around Plan, strengthen governance and build a more accountable, engaged and productive workforce.



PERFORMANCE

Stakeholder Relations and Corporate Affairs Review

The Stakeholder Relations and Corporate Affairs (SRCA) Department supported Meatco’s turnaround by strengthening stakeholder engagement, enhancing transparency and ensuring consistent, credible communication with internal and external audiences. The Department plays a central role in protecting and enhancing Meatco’s reputation, reinforcing accountability, and sustaining stakeholder confidence at a time of institutional recovery.

Effective stakeholder engagement continues to contribute to positive brand perception by improving transparency, demonstrating operational progress, reinforcing Meatco’s relevance, and strengthening trust with producers, employees, Government, business partners and international markets.

External Engagement and Communications

The Corporate Affairs function coordinated external communications across print, broadcast and digital platforms to ensure accurate, timely and coherent messaging. During the reporting period, the Division worked closely with Management and the Board to proactively engage the media on business operations,

governance developments and the broader macro-economic environment affecting the livestock sector. The Stakeholder Relations function complemented these efforts through targeted engagement initiatives aimed at strengthening relationships with strategic stakeholders and supporting a culture of organisational effectiveness, accountability and safety.

Key Stakeholder Engagements

During the year, structured engagements were conducted with:

- Producers: communal, emerging and commercial farmers;
- Government: Office of the President, Office of the Prime Minister, MFSGM, MAFWLR,

- MIME and MIRCO;
- Industry bodies and unions: NAU, LPO, NNFU, NECFU and NAFAU;
- Clients and markets: EU, USA, Europe, Asia, Africa and China;
- Media: national broadcasters and print media;
- Boards and associations: LLPBN, NTF, NCCI, NMA, ATPI and CFC;
- Institutions: UNAM, NUST and NTA; and
- Employees: permanent and fixed-term staff.

Consistent content generation and engagement remained critical in keeping stakeholders informed of developments across the Corporation.

Notable Engagements and Milestones

- **MPLA Vice-President Familiarisation Visit (7 May 2024):** A high-level Angolan delegation toured Meatco’s facilities to benchmark Namibia’s beef value chain, reinforcing regional cooperation and export diplomacy.
- **Board–Employee Engagement (21 June 2024):** The Board engaged directly with employees, reaffirming its commitment to accountability, transparency and performance discipline.
- **Malaysian Delegation Visit (23 July 2024):** Engagements focused on halal certification requirements and explored future cooperation opportunities, highlighting the need for formal frameworks to unlock new market access.
- **Katima Mulilo Abattoir HACCP Certification (14 August 2024):** Meatco NCA received HACCP certification (NAMS/SANS 10330:2020), reinforcing food safety, quality assurance and export credibility.
- **2024/25 Wage and Salary Agreement (10 September 2024):** Meatco and NAFAU successfully concluded wage negotiations, strengthening labour relations and supporting organisational stability.
- **Launch of MeatMa Ongwediva (31 October–1 November 2024):** The rebranded retail outlet at the AMTA Fresh Produce Hub expanded market access in the Northern Communal Areas, offering a diversified product mix aligned to community needs and Meatco’s turnaround strategy.

Conclusion

Through disciplined communication, structured engagement and proactive reputation management, the SRCA Department contributed to restoring trust, strengthening stakeholder relationships and reinforcing Meatco’s institutional credibility.

As the Corporation transitions from recovery to consolidation, stakeholder relations and corporate affairs will remain central to sustaining confidence, supporting market access and reinforcing Meatco’s role as a national asset.



Employees having an interactive engagement with the Board.



The Malaysian delegation visited Meatco.



Meatco Executive Human Capital Amorey Pote (standing far left) with the union representatives and Mr Mwilima Mushokabanji (seated right), then CEO of Meatco.



Meatco NCA and the NSI teams.



Community members attending the launch of the Ongwediva shop.

PERFORMANCE

Meatco Foundation Review

During the reporting year, the Meatco Foundation continued to implement targeted corporate social investment initiatives aimed at improving the socio-economic conditions of rural Namibian communities dependent on livestock for their livelihoods.

A ctivities were implemented both north and south of the Veterinary Cordon Fence, with a focus on strengthening communal farming systems, enhancing market access and building long-term climate resilience.

Projects in progress amounted to N\$26.5 million (2023/24: N\$24 million), reflecting sustained investment in initiatives designed to improve livelihoods, promote sustainable agricultural practices and strengthen resilience in vulnerable communities.

The Foundation also advanced Meatco's ESG commitments, successfully completing the Sustainable Leather Foundation Audit for the Okapuka Tannery.

The Meatco Foundation continues to serve as an effective vehicle for project delivery, international funding mobilisation and partnership

development, while reinforcing Meatco's social licence to operate and supporting Namibia's long-term sustainability objectives.

Key Programmes and Projects

Livestock Value Chain Development and Climate Resilience (LDCR-NCA – EDF11)

The Foundation continued implementation of the LDCR-NCA project, focused on strengthening livestock marketing systems and sustainable rangeland management in the Northern Communal Areas. The programme supports climate-resilient livestock production and improved market participation for communal farmers.



Water Security and Infrastructure

Goreses Pump Upgrade:
A solar-powered borehole system initially handed over in 2021 was upgraded in March 2024 at a cost of N\$29,293, following increased demand after the collapse of an adjacent borehole. The upgrade ensured reliable water supply for over 353 residents, livestock and agricultural activities.



The Ongwediva Annual Trade Fair took place from 23 to 31 August 2024. Coordinated by the Meatco Foundation, Meatco NCA participated in the farmers' evening held on 28 August 2024.

Market Access and Enterprise Development

The Foundation supported market development initiatives in the NCA, including participation in the Ongwediva Annual Trade Fair and the MeatMa Ongwediva relocation to the AMTA Fresh Produce Hub.

The relocation, funded through the EDF11 Project, generated a 198.01 per cent return on investment through reduced rental, utility and municipal costs, while supporting Meatco's turnaround objectives.

Research and Innovation Partnerships

In partnership with the University of Namibia (UNAM) and with EDF11 support, the Foundation advanced applied research addressing structural challenges in the NCA livestock sector. Key initiatives included:

Gam Auction Crush Pen: Repairs and upgrades were completed in July 2024, including the addition of a sick-animal kraal and full fencing, improving animal welfare and auction efficiency.
 Oshifukwa Multi-purpose Crush Pen: Certification processes were advanced, with corrective infrastructure completed and operator training planned to support compliant livestock auctions.

Rangeland Rehabilitation

In collaboration with local communities and technical partners, rangeland rehydration interventions were implemented at Erora and Otjerunda, with over 100 filters installed across six gullies, supporting landscape restoration and improved grazing conditions.

The reporting year reflected meaningful progress in advancing the Meatco Foundation’s mission to empower rural communities, strengthen climate resilience and support inclusive agricultural development. Through targeted investments, strong partnerships and effective project delivery, the Foundation continues to contribute to sustainable livelihoods, sector resilience and national development objectives.

- **Marula Oil and Feed Cake Project (Kabbe Constituency):** Promoting alternative livestock feed production while addressing Foot and Mouth Disease risks and creating income opportunities for women through skills development and local processing.
- **Agri-Business Facility for Climate-Resilient Livestock Value Chains:** Following successful evaluation, the Foundation coordinated a multi-partner project (2024–2026) focused on climate-smart

livestock practices, sustainable fodder production and capacity development for youth and women. Activities include Farmer Business School training, hydroponics, biodigesters, bush-to-feed innovations and rangeland rehydration.

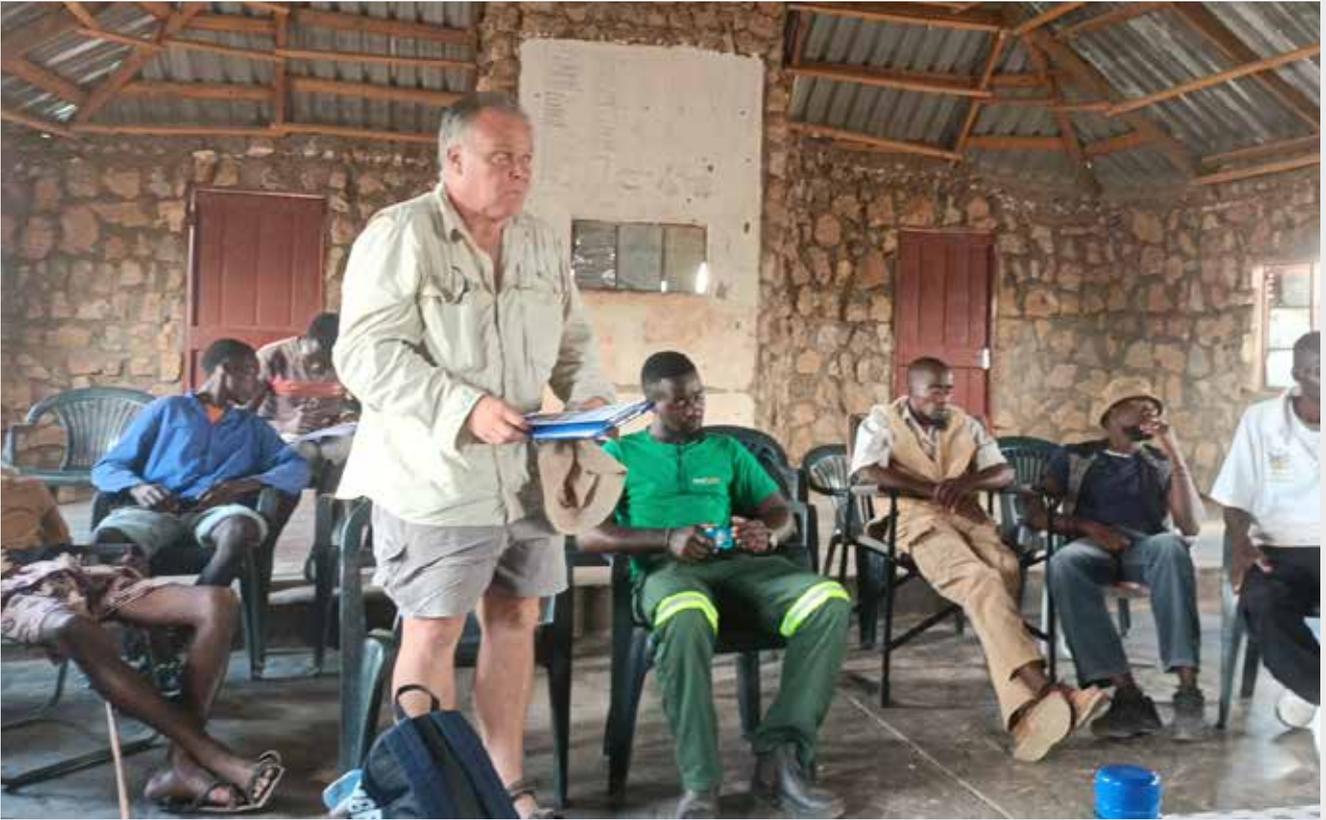
Community Capacity Building

The Foundation prioritised farmer and farm-worker training across livestock production, crop farming, poultry and dairy, alongside initiatives to improve market access through livestock marketing facilities, cooperatives and product diversification.

Conclusion

The reporting year reflected meaningful progress in advancing the Meatco Foundation’s mission to empower rural communities, strengthen climate resilience and support inclusive agricultural development. Through targeted investments, strong partnerships and effective project delivery, the Foundation continues to contribute to sustainable livelihoods, sector resilience and national development objectives. Looking ahead, the Foundation remains committed to innovation, collaboration and impact-driven programming.





Annual Financial Statements

Meat Corporation of Namibia
Consolidated and Separate Annual Financial Statements
for the year ended 31 January 2025

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Manufacturing of beef and value added beef products
Directors	Ms Stephanie de Klerk (Deputy - Chairperson) Mr Joseph Andreas Mr Martin J.P. Hilbert Mr Cyprianus Khaiseb Mr Adolf Muremi Ms Patricia Olivier Mr Abiud Tjipangandjara Mr Patterson K. Tjipueja Dr Diana van Schalkwyk
Business address	No. 1 Sheffield Street Northern Industrial Area Windhoek
Postal address	P O Box 3881 Windhoek Namibia
Bankers	Bank Windhoek Limited First National Bank of Namibia Limited Standard Bank Namibia Limited Development Bank of Namibia Nedbank Namibia Limited Barclays Bank UK
Auditors	Grand Namibia Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	Ms. N Mhanda

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Index

The reports and statements set out below comprise the consolidated and separate annual financial statements presented to the shareholders:

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Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Directors' Responsibilities and Approval

The directors are required in terms of the Meat Corporation of Namibia Act to maintain adequate accounting records and are responsible for the content and integrity of the Consolidated and Separate Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Consolidated and Separate Annual Financial Statements fairly present the state of affairs of the Group and the Corporation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the Consolidated and Separate Annual Financial Statements.

The Consolidated and Separate Annual Financial Statements are prepared in accordance with the International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Consolidated and Separate Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's cash flow forecast for the year to 31 January 2026 and, in light of this review and the current financial position, they are satisfied that the Group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Group's Consolidated and Separate Annual Financial Statements. The Consolidated and Separate Annual Financial Statements have been examined by the Group's external auditors and their report is presented on pages 70 to 71.

The Consolidated and Separate Annual Financial Statements and supplementary information as set out on pages 72-121, which have been prepared on the going concern basis, were approved by the board of directors on 13 January 2026 and were signed on their behalf by:



Director



Director



Grand Namibia

Chartered Accountants & Auditors

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Meat Corporation of Namibia

Opinion

We have audited the consolidated and separate annual financial statements of Meat Corporation of Namibia and its subsidiaries ("the group") set out on pages 72 - 121 which comprise the consolidated and separate statement of financial position as at 31 January 2025, the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies and the directors' report.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of Meat Corporation of Namibia as at 31 January 2025, its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS[®] Accounting Standards as issued by the IASB and the requirements of the Meat Corporation Act of Namibia.

Basis for Opinion

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

Material Irregularity

We draw attention to note 6 of the Director's report, which describes a material irregularity identified and reported to the Public Accountants and Auditors Board (PAAB) in terms of section 26(3) of the Public Accountants and Auditors Amendment Act, No. 51 of 1951, regarding the suspension of the Acting CEO regarding the group and the corporations' missing cattle. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the directors' responsibilities and approval and the detailed income statement which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate annual financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Annual Financial Statements

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

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In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing group and corporation'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 corporation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual Financial Statements

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

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

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

Grand Namibia

Grand Namibia

Registered Accountants and Auditors

Chartered Accountants (Namibia)

Per: Petrus T. Nghipandulwa

Partner

Windhoek

26 January 2026

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Directors' Report

The directors have pleasure in submitting their report on the Consolidated and Separate Annual Financial Statements of the Meat Corporation of Namibia and the Group for the year ended 31 January 2025.

1. The mandate of The Meat Corporation of Namibia

The overall mandate of the Corporation is set out in the Meat Corporation of Namibia Act, 2001 (Act 1 of 2001) and described in more detail later in this report. In accordance with the Meat Corporation of Namibia Act, 2001 (Act 1 of 2001), the mandate of the Corporation is as follows:

- to serve, promote and co-ordinate the interests of producers of livestock in Namibia, and to strive for the stabilisation of the meat industry of Namibia in the national interest;
- to erect, rent, purchase or otherwise acquire, stabilise, optimally utilise and maintain abattoirs and other meat factories in the public interest;
- to rationalise abattoir and related factory activities, and conduct and manage such business in an orderly, economical, and efficient manner; and
- to market products within Namibia or elsewhere to the best advantage of the producers of livestock in Namibia.

Vision of the Meat Corporation of Namibia

The Corporation's vision is to be a world-class meat brand, creating sustainable wealth for all Namibians.

Objectives of the Meat Corporation of Namibia

The corporate objectives of the Corporation are aligned with the mandate as set out in Section 3 of the Meat Corporation of Namibia Act, 2001 (Act 1 of 2001) and are as follows:

- to create equal access to market;
- to take leadership in the Namibian meat industry in national interest;
- to create the infrastructure to support our drive to be a sustainable and commercially competitive business with best practice in all we do;
- to create added value for all customers through unique competencies, cost-effective and innovative processes, sound social and environmental practices;
- to promote Namibian meat brands in Namibia and selected global markets; and
- our people play an important part in realising our objectives and we continuously work to create a culture that is conducive to productivity and development.

2. Interests in subsidiaries, associates and joint arrangements

Details of material interests in subsidiary companies, associates and joint arrangements are presented in the Consolidated and Separate Annual Financial Statements in notes 7 and 8.

There were no significant acquisitions or divestitures during the year ended 31 January 2025.

3. Directors

1st September 2023- 31 August 2024 (Term ended on 31 August 2024):	1 September 2024 - to date	Date of resignation
Mr Sakaria Nghikembua (Chairperson)		13 June 2025
Ms Barbara Dreyer (Deputy Chairperson) (Resigned 31 January 2024)	Ms Stephanie de Klerk (Deputy-Chairperson)	
Mr Joseph Andreas	Mr Joseph Andreas	
Ms Anne-Doris N Hans-Kaumbi	Mr Martin J.P. Hilbert	
Mr Mbakumua F. Hengari	Mr Cyprianus Khaiseb	
Mr Martin J.P. Hilbert	Mr Adolf Muremi	
Mr Cyprianus Khaiseb	Ms Patricia Olivier	
Mr Adolf Muremi	Mr Abiud Tjipangandjara	
Ms Tuafi-Luonghenda M.H. Nghixulifwa	Mr Patterson K. Tjipueja	
Mr Kuniberth M. Shamathe	Dr Diana van Schalkwyk	
Mr Patterson K. Tjipueja		

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Directors' Report

4. Going concern

Management's assessment for the year ending 31 January 2025:

1. Objective

As per paragraph 25 of IAS 1, when preparing Financial Statements, management shall make an assessment of an entity's ability to continue as a going concern. Financial Statements shall be prepared on a going concern basis unless management either intends to liquidate the Corporation or to cease trading or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties shall be disclosed.

As per paragraph 26 of IAS 1, in assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

In determining whether there are indicators, events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern, management has considered the following factors:

2. Financial Support:

The Government (shareholder), in October 2023, committed to provide funding for Meatco for the next 3 years from the budget provisions. The Government further reconfirmed its commitment in the subsequent letter dated 09th of April 2025 enclosed on this assessment. The funds are meant to support the operations of Meatco. True to its word, in the 2025/6 budget, the Corporation will be provided with N\$100m as budgetary support. With this support the Corporation can meet its obligations as they fall due.

3. Turn Around Plan

Operational Continuity:

The Corporation hired a consultant, Ombu Capital to design a Turn Around Strategy for Meatco. To date the Corporation has aligned its operations strategy to the TAP and we have reviewed our operational plans and strategies and are satisfied that they are robust and capable of adapting to any foreseeable challenges.

Risk Management:

Through the TAP comprehensive risk management strategies were put in place to mitigate any potential risks that could impact the going concern status of the Corporation. With reference to "Risk Assessment Procedures and Related Activities", the Corporation has not faced any of the events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern.

Budgetary Allocations:

Adequate budgetary provisions have been made to support the ongoing activities and strategic initiatives of Meatco. In the 2025/6 budget, the Meatco has received N\$100m as budget support. Another funding guarantee of N\$138m, at least is place for the coming 2 years.

12-month cashflow projections and forecasts:

In the financial year 2025/6, The Corporation forecasted to make a profit of N\$248,5million. As of April 2025, the Corporation has achieved a monthly profit of N\$19.1m and year-to-date profit of N\$86 million (Unaudited) due to significant contraction in cattle supply.

Ability to attract funding:

Meatco received an overdraft facility from Bank Windhoek of N\$40m in May 2025 and a renewal of Forward Exchange Facility valued of N\$ 10mill. This is an assurance that the funder is assured of the going concern of Meatco after a proper due diligence.

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Directors' Report

4. Going concern (continued)

Delayed payments to suppliers or honouring credit facilities:

There have not been any delayed payments to suppliers neither have any suppliers withdrawn credit facilities insisting on cash on delivery. The Corporation has a loan agreement with DBN in which it is supposed to start the loan interest payment from 1 July 2024 and interest plus principle from 1 February 2025, to date the Corporation has not defaulted on the agreement.

5. Operating results

During the financial year under review, throughput of cattle supply in the areas south of the trans veterinary cordon fence increased to 75,268 (2024: 60,320). The average cold dressed carcass weight decreased to 246 kg (2024: 250 kg), resulting in actual throughput of 18,673 tonnes (2024: 15,080 tonnes).

Cattle supply in the areas north of the trans veterinary cordon fence increased to 7,844 (2024: 4,607). The average cold dressed carcass weight increased to 178 kg (2024: 156 kg), resulting in actual throughput of 1,398 tonnes (2024: 866 tonnes).

The revenue for the Group increased to N\$ 1,865 million (2024: N\$ 1,203 million).

Key Performance Indicators	Indicator	2025	2024
Cattle supply (units)			
- SVCF	Increase	75,268	60,320
- NVCF	Increase	7,844	4,607
Average cold dressed carcass weight (kg)			
- SVCF	Decrease	246	250
- NVCF	Increase	178	156
Throughput (tonnes)			
- SVCF	Increase	18,673	15,080
- NVCF	Increase	1,398	866
Group Revenue	Increase	N\$ 1,865 million	N\$ 1,203 million
Group Net Profit/(Loss) before tax	Increase	N\$ 106 million (N\$ 150 million)	

Financial position

The state of the Group and Corporation's affairs is adequately accounted for in the Annual Financial Statements and apart from the remarks stated hereunder, does not call for any further comment.

Reserves

The Corporation needs to maintain adequate facilities and services at an appropriate level to meet the standards required for a viable meat industry in Namibia. Its first priority is therefore to generate annual income sufficient to maintain the required level of operations in the short term and to provide sufficient funds to sustain its operations in the long term, while paying sustainable prices to livestock producers.

The appropriation of surpluses, derived from normal recurring business activities and after due allowance for all external and internal statutory obligations, is regulated by the financial and accounting policy directives of the Board. These directives are aimed at the utilisation of the Corporation's cash resources to serve first and foremost the main business purposes of the Corporation and to secure the accomplishment of its main objectives.

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Directors' Report

6. Events after the reporting period

Resignation of the Chairperson:

The substantive Chairperson of the Board, Mr. Sakaria Nghikembua resigned on the 13 June 2025, his resignation notice and reasons were directly communicated to the appointing authority, the Honourable Minister of Finance.

Suspension of the Acting CEO and the Linden Farm saga and the missing cattle:

The Board of Directors placed the Acting CEO, Mr. Liebenberg, on precautionary suspension on the morning of 15 July 2025, to allow for an investigation into Meatco's missing cattle.

Appointment of the new CEO:

The Board of Directors endorsed the appointment of an Interim CEO, Ambassador Albertus Aochamub, for a period of 6 months, effective from 2nd September 2025.

Farm Eendrag cattle:

Meatco's cattle standing at farm Eendrag is 280 animals. Due to the ongoing case against the farm owner, Meatco has not managed to retrieve the animals, but has committed to maintain them for now.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Statement of Financial Position as at 31 January 2025

Figures in Namibia Dollar	Notes	Group		Corporation	
		2025	2024	2025	2024
Assets					
Non-Current Assets					
Property, plant and equipment	5	497,350,361	510,144,033	481,817,294	489,650,605
Right-of-use assets	6	625,938	747,650	625,938	747,650
Investments in subsidiaries	7	-	-	11,960,000	11,960,000
Investments in associates	8	8,945,188	8,945,188	216,791	216,791
Deferred tax	9	157,588,284	210,284,671	139,312,915	195,357,982
		664,509,771	730,121,542	633,932,938	697,933,028
Current Assets					
Biological assets	10	22,966,674	15,180,249	15,098,418	9,078,532
Inventories	11	175,595,749	139,603,516	169,024,382	132,326,315
Loans to related parties	12	-	-	10,121,585	70,253,826
Trade and other receivables	13	61,358,278	104,465,008	46,670,782	97,038,549
Current tax receivable	14	577,744	132,580	-	-
Cash and cash equivalents	15	86,188,267	123,285,555	63,571,027	68,258,471
		346,686,712	382,666,908	304,486,194	376,955,693
Total Assets		1,011,196,483	1,112,788,450	938,419,132	1,074,888,721
Equity and Liabilities					
Equity					
Reserves		743,219,312	752,492,265	750,357,566	751,663,566
Accumulated loss		(174,901,460)	(218,661,865)	(240,695,418)	(243,467,452)
		568,317,852	533,830,400	509,662,148	508,196,114
Liabilities					
Non-Current Liabilities					
Interest-bearing borrowings	16	71,122,905	147,638,809	71,122,905	147,638,809
Lease liabilities	6	972,821	697,151	972,821	697,151
Severance pay obligation	17	11,969,000	6,851,000	10,876,000	6,478,000
Deferred income	18	202,174,493	148,500,000	171,225,054	148,500,000
		286,239,219	303,686,960	254,196,780	303,313,960
Current Liabilities					
Trade and other payables	19	47,070,454	121,480,086	36,764,747	112,405,044
Loans from related parties	20	-	-	28,784,443	16,018,220
Interest-bearing borrowings	16	100,000,000	22,808,406	100,000,000	22,808,406
Lease liabilities	6	-	146,977	-	146,977
Deferred income	18	-	130,835,621	-	112,000,000
Current tax payable	14	9,568,958	-	9,011,014	-
		156,639,412	275,271,090	174,560,204	263,378,647
Total Liabilities		442,878,631	578,958,050	428,756,984	566,692,607
Total Equity and Liabilities		1,011,196,483	1,112,788,450	938,419,132	1,074,888,721

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibia Dollar	Notes	Group		Corporation	
		2025	2024	2025	2024
Revenue	21	1,865,183,842	1,202,646,599	1,652,512,416	1,179,145,266
Cost of sales	22	(1,722,002,463)	(1,217,114,811)	(1,515,877,939)	(1,184,224,167)
Gross profit/(loss)		143,181,379	(14,468,212)	136,634,477	(5,078,901)
Other operating income	23	212,382,587	148,930,735	209,227,573	136,566,530
Other operating gains		-	456,008	-	-
Administrative expenses		(210,276,297)	(203,272,674)	(237,743,040)	(173,102,681)
Operating profit/(loss)	24	145,287,669	(68,354,143)	108,119,010	(41,615,052)
Investment income	25	3,390,167	705,347	2,652,404	391,099
Finance costs	26	(42,966,823)	(82,302,483)	(42,943,295)	(82,273,145)
Profit/(loss) before taxation		105,711,013	(149,951,279)	67,828,119	(123,497,098)
Taxation	27	(61,950,609)	82,435,809	(65,056,082)	68,441,852
Profit/(loss) for the year		43,760,404	(67,515,470)	2,772,037	(55,055,246)
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Valuation of severance pay obligations		-	698,000	-	653,000
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		(7,966,953)	1,069,271	-	-
Other comprehensive (loss) / income for the year net of taxation		(7,966,953)	1,767,271	-	653,000
Total comprehensive income/(loss) for the year		35,793,451	(65,748,199)	2,772,037	(54,402,246)

Meat Corporation of Namibia

Statement of Changes in Equity

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

	Foreign currency translation reserve	Revaluation reserve	Reserve for valuation of severance pay provisions	NDR	Total reserves	Accumulated loss	Total equity
Figures in Namibia Dollar							
Group							
Balance at 1 February 2023	777,083	215,057,821	-	-	215,834,904	(151,146,395)	64,688,509
Loss for the year	-	-	-	-	-	(67,515,470)	(67,515,470)
Other comprehensive income	1,069,271	-	698,000	-	1,767,271	-	1,767,271
Total comprehensive income/(loss) for the year	1,069,271	-	698,000	-	1,767,271	(67,515,470)	(65,748,199)
Non-distributable reserve	-	-	-	534,890,090	534,890,090	-	534,890,090
Balance at 1 February 2024	1,846,354	215,057,821	698,000	534,890,090	752,492,265	(218,661,864)	533,830,401
Profit for the year	-	-	-	-	-	43,760,404	43,760,404
Other comprehensive income	(7,966,953)	-	(653,000)	-	(8,619,953)	-	(8,619,953)
Total comprehensive income for the year	(7,966,953)	-	(653,000)	-	(8,619,953)	43,760,404	35,140,451
Capital reserve	-	-	-	(653,000)	(653,000)	-	(653,000)
Total contributions by and distributions to owners of Corporation recognised directly in equity	-	-	-	(653,000)	(653,000)	-	(653,000)
Balance at 31 January 2025	(6,120,599)	215,057,821	45,000	534,237,090	743,219,312	(174,901,460)	568,317,852
Corporation							
Balance at 1 February 2023	-	216,120,476	-	-	216,120,476	(188,412,206)	27,708,270
Loss for the year	-	-	-	-	-	(55,055,246)	(55,055,246)
Other comprehensive income	-	-	653,000	-	653,000	-	653,000
Total comprehensive income/(loss) for the year	-	-	653,000	-	653,000	(55,055,246)	(54,402,246)
Non-distributable reserve	-	-	-	534,890,090	534,890,090	-	534,890,090
Total contributions by and distributions to owners of Corporation recognised directly in equity	-	-	-	534,890,090	534,890,090	-	534,890,090

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Statement of Changes in Equity

Figures in Namibia Dollar	Share capital	Foreign currency translation reserve	Revaluation reserve	Reserve for valuation of severance pay provisions	NDR	Total reserves	Accumulated loss	Total equity
Balance at 1 February 2024	-	216,120,476	-	653,000	534,890,090	751,663,566	(243,467,455)	508,196,111
Profit for the year	-	-	-	-	-	-	2,772,037	2,772,037
Other comprehensive income	-	-	-	(653,000)	-	(653,000)	-	(653,000)
Total comprehensive income for the year	-	-	-	(653,000)	-	(653,000)	2,772,037	2,119,037
Capital reserves	-	-	-	-	(653,000)	(653,000)	-	(653,000)
Total contributions by and distributions to owners of Corporation recognised directly in equity	-	-	-	-	(653,000)	(653,000)	-	(653,000)
Balance at 31 January 2025	-	216,120,476	-	-	534,237,090	750,357,566	(240,695,418)	509,662,148

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Statement of Cash Flows

Figures in Namibia Dollar	Notes	Group		Corporation	
		2025	2024	2025	2024
Cash flows from / (used in) operating activities					
Cash (used in)/generated from operations	28	150,274,183	(76,488,856)	112,003,990	(67,971,319)
Interest income	25	3,390,167	705,347	2,652,404	391,099
Finance costs	26	(42,966,823)	(36,857,254)	(42,973,286)	(36,508,882)
Income tax credits	29	(130,427)	(803,256)	-	-
Cash flows from / (used in) operating activities		110,567,100	(113,444,019)	71,683,108	(104,089,102)
Cash flows used in investing activities					
Purchase of property, plant and equipment	5	(158,043)	(27,065,541)	(3,985,316)	(14,008,151)
Proceeds from sale of property, plant and equipment	5	110,508	13,971,072	649,834	325,327
Cash additions to right-of-use-assets	6	-	157,553	-	157,553
Purchases of biological assets	10	(148,560,237)	(60,133,029)	(72,891,706)	(20,844,808)
Purchases of investments in subsidiaries, associates or joint arrangements	8	-	(591,564)	-	-
Cash advanced in loans to related parties	12	-	-	(13,852,971)	(53,309,157)
Net cash used in investing activities		(148,607,772)	(73,661,509)	(90,080,159)	(87,679,236)
Cash flows from financing activities					
Repayments of loans from related parties	20	-	-	-	(28,030,580)
Cash advances received on loans from related parties	20	-	-	12,766,223	-
Cash advances received on borrowings	16	675,690	-	675,690	-
Cash receipts/(repayments) on lease liabilities	6	128,693	(198,542)	128,693	105,737
Cash receipts / (payments) on severance pay obligations	17	139,000	(246,000)	139,000	(246,000)
Proceeds from government grants (DBN proceeds)		-	269,154,654	-	250,000,000
Net cash from financing activities		943,383	268,710,112	13,709,606	221,829,157
Total cash movement for the year		(37,097,289)	81,604,584	(4,687,445)	30,060,819
Cash and cash equivalents at the beginning of the year		123,285,556	41,680,971	68,258,472	38,197,652
Cash and cash equivalents at the end of the year	15	86,188,267	123,285,555	63,571,027	68,258,471

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Accounting Policies

Corporate information

The Meat Corporation of Namibia ("Meatco") is a body corporate established in terms of the Meat Corporation of Namibia Act, 2001 (Act 1 of 2001), domiciled in Namibia. The Consolidated Annual Financial Statements for the year ending 31 January 2025, comprises the Corporation and its subsidiaries (together referred to as the "Group").

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgments, and only those accounting policies which are considered material have been presented in these Consolidated and Separate Annual Financial Statements.

1.1 Basis of preparation

The Consolidated and Separate Annual Financial Statements have been prepared on the going concern basis in accordance with, and in compliance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") Interpretations issued and effective at the time of preparing these Consolidated and Separate Annual Financial Statements and the Meat Corporation of Namibia Act.

The Consolidated and Separate Annual Financial Statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Namibia Dollars, which is the Group and Corporation's functional currency.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The Consolidated Annual Financial Statements incorporate the Annual Financial Statements of the Corporation and all subsidiaries. Subsidiaries are entities which are controlled by the Group.

The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity.

The results of subsidiaries are included in the Consolidated Annual Financial Statements from the date of obtaining control until the date that control is lost.

Adjustments are made when necessary to the Annual Financial Statements of subsidiaries to bring their accounting policies in line with those of the Group.

All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the Corporation.

Where control of a subsidiary is lost and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Accounting Policies

1.2 Consolidation (continued)

Investments in Subsidiaries in the Separate Annual Financial Statements

Investments in Subsidiaries are carried at cost less any accumulated impairment losses in the Separate Annual Financial statements.

1.3 Investments in Associates

The Group holds Investments in Associates, being entities over which the Group has significant influence. Significant influence is generally accompanied by a 20% to 50% of the voting rights of the investee and is demonstrated as the power to participate in the financial and operating policy decisions.

Investments in Associates are accounted for using the equity method, except when the investment is classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, Investments in Associates are carried in the Statement of Financial Position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate, less any impairment losses.

The Group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in an Associate in excess of the Group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of the Associate.

Profits or losses on transactions between the Group and an Associate are eliminated to the extent of the Group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of Associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group reduces or loses significant influence, it proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

Investments in Associates in the Separate Annual Financial Statements

Investments in Associates are carried at cost less any accumulated impairment losses in the Separate Annual Financial Statements.

1.4 Significant judgements and sources of estimation uncertainty

The preparation of Consolidated and Separate Annual Financial Statements in conformity with International Financial Reporting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results 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 estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the Financial Statements, are outlined as follows:

Calculation of net realisable value for inventory

The valuation of the net realisable value of inventory is based on the latest selling prices available which are in certain instances foreign currency denominated. The significant volatility in the exchange rates as well as volatility in the selling prices thus affects foreign currency denominated. This information used by management in determining the net realisable value.

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Determination of fair value of biological assets

The fair value of livestock is based on the livestock prices per kilogram. The kilograms on hand at year-end are based on actual quantities of livestock on hand at year-end adjusting the actual weight of the livestock at date of purchase with the estimated growth while in feedlot prior to slaughter.

Residual value and remaining life of property, plant and equipment

The residual value of property, plant and equipment (excluding Land and buildings) was estimated by management at 0% - 25% of cost. Based on the specialized nature of the equipment further costs to be incurred to sell it and age of the assets this seems to be reasonable. The residual value of motor vehicles was based on current trade-in values. The useful life of the property, plant and equipment varies between 5 per cent and 33.3 per cent per annum.

Calculation of the provision for profit share of Meatco owned cattle contracts

The provision for profit share is determined as the difference between the calculated livestock selling value of cattle to be slaughtered and the fair value of the cattle.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 19.

Impairment of trade receivables

A provision for irrecoverable debtors was raised and management determined an estimate based on the information available.

Impairment of other assets

The recoverable amounts of cash-generating units and individual assets have been determined on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions. It is reasonably possible that the key assumptions that were used may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The Corporation and the Group review and test the carrying value of assets when the events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred estimates are prepared of expected future cash flows for each Group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of entity factors together with economic factors.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. The Corporation and Group recognise liabilities for anticipated tax based on estimates of taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recorded such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Corporation and the Group recognise the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Corporation and the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on the forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates the ability of the Corporation and the Group to realise the net deferred tax assets recorded at the Statement of Financial Position date could be impacted.

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

Trade receivables

The Group assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

Fair value estimation

Several assets and liabilities of the Group are either measured at fair value or disclosure is made of their fair values.

Impairment testing

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 19.

GATT licenses

A significant portion of the Meat Corporation of Namibia (UK) Ltd ("Meatco UK") revenue relates to the sale of GATT licenses. On an annual basis, Rural Payments Agency (RPA) awards Meatco UK the license to import a certain tonnage of meat into UK/Europe at a reduced levy. This GATT license is then sold to willing traders. When a willing trader purchases the license from Meatco UK, an internal sale order confirmation is raised and revenue is then recognised by Meatco UK. Thereafter, the actual license is then issued by Meatco UK, to be submitted together with the customer's shipping documents and cargo, in order for the imports to be cleared. From management's perspective, the risk and rewards has been passed to the customer when the internal sale order confirmation has been raised and revenue is recognised at this point.

1.5 Biological assets

Biological assets are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in profit or loss. Point-of-sale costs include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to market. The fair value of livestock is based on the market price of livestock of similar age, breed and genetic merit. Directly attributable costs incurred during the period of biological growth to the stage of slaughtering the biological assets are capitalised as additions to the relevant biological assets.

An entity shall recognise a biological asset when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

1.6 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Accounting Policies

1.6 Property, plant and equipment (continued)

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life	Residual value
Buildings	Straight line	20 years	- %
Plant, vehicles, furniture and equipment	Straight line	3-5 years	25 %

Land is not depreciated.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

The business revalues its assets every 3 years.

1.7 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost; (this category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); and
- Mandatorily at fair value through profit or loss; (this classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss; (this applies to contingent consideration in a business combination of liabilities which are held for trading); or
- Designated at fair value through profit or loss; (this classification option can be applied when it eliminates or significantly reduces an accounting mismatch, the liability forms part of a Group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Accounting Policies

1.7 Financial instruments (continued)

Note 3 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Loans receivable at amortised cost

Classification

Loans to related parties (note 12), are classified as financial assets subsequently measured at amortised cost.

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

Recognition and measurement

Loans receivable are recognised when the Corporation becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

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

Application of the effective interest rate method

Interest income is calculated using the effective interest rate method, and is included in profit or loss in finance income (note 25).

They are subsequently measured at amortised cost.

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

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

Meat Corporation of Namibia

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Accounting Policies

1.7 Financial instruments (continued)

Impairment

The Corporation recognises a loss allowance for Expected Credit Losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Corporation measures the loss allowance at an amount equal to lifetime Expected Credit Losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 months Expected Credit Losses (12 months ECL).

Lifetime ECL represents the Expected Credit Losses that will result from all possible default events over the expected life of a loan. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the Corporation compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Corporation considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Corporation has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The Corporation regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase. The Corporation regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase risk before the amount becomes past due.

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 3).

Derecognition

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

Any gains or losses arising on the derecognition of a loan receivable is included in profit or loss in derecognition gains (losses) on financial assets at amortised cost.

Meat Corporation of Namibia

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Accounting Policies

1.7 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, value added tax and prepayments, are classified as financial assets subsequently measured at amortised cost (note 13).

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Impairment

The Group recognises a loss allowance for Expected Credit Losses on trade and other receivables, excluding value added tax and prepayments. The amount of Expected Credit Losses is updated at each reporting date.

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

Measurement and recognition of Expected Credit Losses

The Group makes use of a provision matrix as a practical expedient to the determination of Expected Credit Losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 13.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in administrative expenses in profit or loss as a movement in credit loss allowance (note 24).

Write off policy

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

Credit risk

Details of credit risk are included in the trade and other receivables note (note 13) and the financial instruments and risk management note (note 3).

Meat Corporation of Namibia

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Accounting Policies

1.7 Financial instruments (continued)

Derecognition

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

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

Interest-bearing borrowings and loans from related parties.

Classification

Loans from related parties (note 20) and interest-bearing borrowings (note 16) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Interest-bearing borrowings and loans from related parties are recognised when the Corporation becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees 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 financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 26).

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to note 3 for details of risk exposure and management thereof.

Derecognition

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

Trade and other payables

Classification

Trade and other payables (note 19), excluding value added tax and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

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

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees 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 financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 26).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 3 for details of risk exposure and management thereof.

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Accounting Policies

1.7 Financial instruments (continued)

Derecognition

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

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The Group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Accounting Policies

1.8 Tax (continued)

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

Tax expenses

The income tax expense consists of current and deferred tax. It is recognised in profit or loss, except for the tax on transactions recognised directly in equity or other comprehensive income. Tax on these transactions is also recognised in equity or other comprehensive income.

Tax arising on a business combination is not included in profit or loss.

1.9 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgemental as to whether they contained leases.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability

Lease liabilities are 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.

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 lease payments made. Interest charged on the lease liability is included in finance costs.

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Accounting Policies

1.9 Leases (continued)

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

They are measured initially at the initial amount of the lease liability plus upfront payments and initial direct costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

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

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Write downs and reversals of write downs of inventories are included as part of the cost of goods sold.

Meat and meat products

The cost of meat and meat product inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Packing material, consumable store and spare parts

Inventories of packing materials, consumable stores and spare parts are valued at the lower of cost or replacement value. Cost is determined using the average cost method.

1.11 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

Ordinary shares are recognised at par value and classified as "share capital" in equity. Any amounts received from the issue of shares in excess of par value is classified as "share premium" in equity. Dividends are recognised as a liability in the Corporation in which they are declared.

1.12 Employee benefits

Long-term benefits: Severance benefits

The accruals for statutory severance benefits are payable in the event of either death or retirement at a specified age, of an employee. This employee benefit obligation is a defined benefit plan and the cost of providing benefits under the plan is determined using the projected credit unit method.

Remeasurements of the net defined benefit liability (asset) will be recognised in other comprehensive income, comprising of:

- Actuarial gains and losses;
- Return on plan assets, excluding amounts included in net interest on the net defined benefit liability; and
- Any changes in the effect of the assets ceiling excluding amounts included in net interest on the net defined benefit liability.

Meat Corporation of Namibia

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Accounting Policies

1.12 Employee benefits (continued)

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.13 Provisions and contingencies

The Group recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the Group will be required to settle the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.14 Revenue from contracts with customers

The Group recognises revenue from the following major sources:

- Goods sold and services rendered

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when a legally enforceable contract is entered into with a customer, for which identifiable performance obligations as per contract are established and the entity has satisfied these obligations.

Revenue is measured at the determined transaction price as allocated to each performance obligation in the contract with the customer.

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Accounting Policies

1.14 Revenue from contracts with customers (continued)

Goods sold and services rendered

Revenue from the sale of goods and GATT quotas is recognised in profit or loss. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard requires the Group to apportion revenue earned from contracts to the identified performance obligations in the contract on a relative stand-alone selling price basis. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods or continuing management involvement with the goods. Revenue is recognised net of trade discounts and value added tax.

1.15 Investment income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

1.16 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.17 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use.

The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 Translation of foreign currencies

Functional and presentation currency

Items included in the Consolidated and Separate Annual Financial Statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The Consolidated Annual Financial statements are presented in Namibia Dollar which is the Group functional and presentation currency.

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Accounting Policies

1.18 Translation of foreign currencies (continued)

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The foreign exchange component is treated as part of the valuation adjustment.

Cash flows arising from transactions in a foreign currency are recorded in Namibia Dollars by applying to the foreign currency amount the exchange rate between the Namibia Dollar and the foreign currency at the date of the cash flow.

Investments in Subsidiaries, Joint Ventures and Associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated in the foreign currency translation reserve.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

1.19 Government grants

Government grants are recognised when there is reasonable assurance that:

- The Corporation will comply with the conditions attaching to them; and
- The grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they intend to compensate.

A government grant related to assets, including non-monetary grants at fair value, are presented in the Statement of Financial Position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Repayment of a grant related to asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

Meat Corporation of Namibia

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Notes to the Consolidated And Separate Annual Financial Statements

Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Supplier finance arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024	The impact of the amendments is not material.
• Non-current liabilities with covenants - Amendments to IAS 1	1 January 2024	The impact of the amendments is not material.
• Lease liability in a sale and leaseback	1 January 2024	The impact of the amendments is not material.

2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 February 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2009	Unlikely there will be a material impact
• IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	Unlikely there will be a material impact
• IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027	Unlikely there will be a material impact
• Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments.	1 January 2026	Unlikely there will be a material impact
• Lack of exchangeability - Amendments to IAS 21	1 January 2025	Unlikely there will be a material impact

Meat Corporation of Namibia

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Notes to the Consolidated And Separate Annual Financial Statements

3. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2025

	Notes	Fair value through profit or loss - Mandatory	Amortised cost	Total
Investments in associates	8	8,945,188	-	8,945,188
Trade and other receivables	13	-	25,279,108	25,279,108
Cash and cash equivalents	15	-	86,188,267	86,188,267
		8,945,188	111,467,375	120,412,563

Group - 2024

	Notes	Fair value through profit or loss - Mandatory	Amortised cost	Total
Investments in associates	8	8,945,188	-	8,945,188
Trade and other receivables	13	-	56,670,144	56,670,144
Cash and cash equivalents	15	-	123,285,555	123,285,555
		8,945,188	179,955,699	188,900,887

Corporation - 2025

	Notes	Fair value through profit or loss - Mandatory	Amortised cost	Total
Investments in subsidiaries	7	11,960,000	-	11,960,000
Investments in associates	8	-	216,791	216,791
Loans to related parties	12	-	10,121,585	10,121,585
Trade and other receivables	13	-	12,693,602	12,693,602
Cash and cash equivalents	15	-	63,571,027	63,571,027
		11,960,000	86,603,005	98,563,005

Corporation - 2024

	Notes	Fair value through profit or loss - Mandatory	Amortised cost	Total
Investments in subsidiaries	7	11,960,000	-	11,960,000
Investments in associates	8	-	216,791	216,791
Loans to related parties	12	-	70,253,826	70,253,826
Trade and other receivables	13	-	52,659,494	52,659,494
Cash and cash equivalents	15	-	68,258,472	68,258,472
		11,960,000	191,388,583	203,348,583

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Notes to the Consolidated And Separate Annual Financial Statements**3. Financial instruments and risk management (continued)****Categories of financial liabilities****Group - 2025**

	Notes	Amortised cost	Leases	Total
Trade and other payables	19	46,500,896	-	46,500,896
Interest-bearing borrowings	16	171,122,905	-	171,122,905
Lease liabilities	6	-	972,821	972,821
		217,623,801	972,821	218,596,622

Group - 2024

	Notes	Amortised cost	Leases	Total
Trade and other payables	19	121,249,190	-	121,249,190
Interest-bearing borrowings	16	170,447,215	-	170,447,215
Lease liabilities	6	-	844,128	844,128
		291,696,405	844,128	292,540,533

Corporation - 2025

	Notes	Amortised cost	Leases	Total
Trade and other payables	19	36,764,747	-	36,764,747
Loans from related parties	20	28,784,443	-	28,784,443
Interest-bearing borrowings	16	171,122,905	-	171,122,905
Lease liabilities	6	-	972,821	972,821
		236,672,095	972,821	237,644,916

Corporation - 2024

	Notes	Amortised cost	Leases	Total
Trade and other payables	19	112,405,044	-	112,405,044
Loans from related parties	20	16,018,220	-	16,018,220
Interest-bearing borrowings	16	170,447,215	-	170,447,215
Lease liabilities	6	-	844,128	844,128
		298,870,479	844,128	299,714,607

Meat Corporation of Namibia

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Notes to the Consolidated And Separate Annual Financial Statements

Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024

3. Financial instruments and risk management (continued)

Capital risk management

The Group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The capital structure and gearing ratio of the Group at the reporting date was as follows:

Loans from Group companies	20	-	-	-	-
Interest-bearing borrowings	16	171,122,905	170,447,215	171,122,905	170,447,215
Lease liabilities	6	972,821	844,128	972,821	844,128
Trade and other payables	19	47,070,454	121,480,085	36,764,747	112,405,042
Total borrowings		219,166,180	292,771,428	208,860,473	283,696,385
Cash and cash equivalents	15	(86,188,267)	(123,285,556)	(63,571,027)	(68,258,472)
Net borrowings		132,977,913	169,485,872	145,289,446	215,437,913
Equity		568,317,852	533,830,400	509,662,148	508,196,114
Gearing ratio		23 %	32 %	29 %	39 %

Financial risk management

Overview

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports quarterly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit and Risk Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is exposed to credit risk on loans receivable (at amortised cost), trade and other receivables, cash and cash equivalents, loan commitments and financial guarantees.

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Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024

3. Financial instruments and risk management (continued)

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by Credit Management Committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

The maximum exposure to credit risk is presented in the table below:

Group	2025			2024			
	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	
Trade and other receivables	13	116,068,338	(54,710,060)	61,358,278	137,548,824	(33,083,816)	104,465,008
Cash and cash equivalents	15	86,188,267	-	86,188,267	123,285,555	-	123,285,555
		202,256,605	(54,710,060)	147,546,545	260,834,379	(33,083,816)	227,750,563

Corporation	2025			2024			
	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	
Loans to related parties	12	11,298,910	(1,177,325)	10,121,585	70,253,826	-	70,253,826
Trade and other receivables	13	81,387,664	(34,716,882)	46,670,782	124,367,551	(27,329,002)	97,038,549
Cash and cash equivalents	15	63,571,027	-	63,571,027	68,258,471	-	68,258,471
		156,257,601	(35,894,207)	120,363,394	262,879,848	(27,329,002)	235,550,846

Liquidity risk

The Group is exposed to liquidity risk, which is the risk that the Group will encounter difficulties in meeting its obligations as they become due.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Group - 2025

		Less than 1 year	2 to 5 years	Total
Non-current liabilities				
Interest-bearing borrowings	16	-	71,122,905	71,122,905
Lease liabilities	6	-	972,821	972,821
Current liabilities				
Trade and other payables	19	47,070,454	-	47,070,454
Borrowings	16	100,000,000	-	100,000,000
		147,070,454	72,095,726	219,166,180

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Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024

3. Financial Instruments and risk management (continued)

Group - 2024

		Less than 1 year	2 to 5 years	Total
Non-current liabilities				
Interest-bearing borrowings	16	-	147,638,809	147,638,809
Lease liabilities	6	-	697,151	697,151
Current liabilities				
Trade and other payables	19	121,480,086	-	121,480,086
Interest-bearing borrowings	16	22,808,406	-	22,808,406
Lease liabilities	6	146,977	-	146,977
		144,435,469	148,335,960	292,771,429

Corporation - 2025

		Less than 1 year	2 to 5 years	Total
Non-current liabilities				
Interest-bearing borrowings	16	-	71,122,905	71,122,905
Lease liabilities	6	-	972,821	972,821
Current liabilities				
Trade and other payables	19	36,764,747	-	36,764,747
Loans from related parties	20	28,784,443	-	28,784,443
Borrowings	16	100,000,000	-	100,000,000
		165,549,190	72,095,726	237,644,916

Corporation - 2024

		Less than 1 year	2 to 5 years	Total
Non-current liabilities				
Interest-bearing borrowings	16	-	147,638,809	147,638,809
Lease liabilities	6	-	697,151	697,151
Current liabilities				
Trade and other payables	19	112,405,042	-	112,405,042
Loans from Group companies	20	16,018,220	-	16,018,220
Interest-bearing borrowings	16	22,808,406	-	22,808,406
Lease liabilities	6	146,977	-	146,977
		151,378,645	148,335,960	299,714,605

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Figures in Namibia Dollar	Group		Corporation		
	2025	2024	2025	2024	
3. Financial instruments and risk management (continued)					
Foreign currency risk					
Exposure in Namibia Dollar					
The net carrying amounts, in Namibia Dollar, of the various exposures, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amounts at the closing rate at the reporting date:					
US Dollar exposure:					
Current assets:					
Trade and other receivables	13	31,922,566	9,411,623	31,922,566	9,411,623
Cash and cash equivalents	15	1,261,757	6,251,400	1,261,757	6,251,400
Current liabilities:					
Trade and other payables	19	(109,861)	2,255,587	(109,861)	2,255,587
Net US Dollar exposure		33,074,462	17,918,610	33,074,462	17,918,610
Euro exposure:					
Current assets:					
Trade and other receivables	13	74,591,866	32,530,311	74,591,866	32,530,311
Cash and cash equivalents	15	20,824,466	10,509,670	20,824,466	10,509,670
Current liabilities:					
Trade and other payables	19	(2)	436,471	(2)	436,471
Net Euro exposure		95,416,330	43,476,452	95,416,330	43,476,452
GBP exposure					
Current assets:					
Trade and other receivables	13	22	(3,005,186)	22	(3,005,186)
Cash and cash equivalents	15	-	184,417	-	184,417
Current liabilities:					
Trade and other payables	19	6,255,466	1,845,688	6,255,466	1,845,688
Loans to related parties	20	(38,684,958)	(15,598,893)	(38,684,958)	(15,598,893)
Net GBP exposure		(32,429,470)	(16,573,974)	(32,429,470)	(16,573,974)
Net exposure to foreign currency in Namibia Dollar		96,061,322	44,821,088	96,061,322	44,821,088

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Figures in Namibia Dollar	Group		Corporation		
	2025	2024	2025	2024	
3. Financial instruments and risk management (continued)					
Exposure in foreign currency amounts					
The net carrying amounts, in foreign currency of the above exposure was as follows:					
US Dollar exposure:					
Current assets:					
Trade and other receivables	13	1,713,678	502,959	1,713,678	502,959
Cash and cash equivalents	15	67,734	334,076	67,734	334,076
Current liabilities:					
Trade and other payables	19	(5,898)	120,539	(5,898)	120,539
Net US Dollar exposure		1,775,514	957,574	1,775,514	957,574
Euro exposure:					
Current assets:					
Trade and other receivables	13	3,852,664	1,607,126	3,852,664	1,607,126
Cash and cash equivalents	15	1,075,582	519,219	1,075,582	519,219
Current liabilities:					
Trade and other payables	19	-	21,563	-	21,563
Net Euro exposure		4,928,246	2,147,908	4,928,246	2,147,908
Yen exposure:					
Current assets:					
Trade and other receivables	13	1	(126,704)	1	(126,704)
Cash and cash equivalents	15	-	7,775	-	7,775
Current liabilities:					
Trade and other payables	19	270,181	77,818	270,181	77,818
Net GBP exposure		270,182	(41,111)	270,182	(41,111)
Exchange rates					
Namibia Dollar per unit of foreign currency:					
US Dollar		18.628	18.713	18.628	18.713
Euro		19.361	20.241	19.361	20.241
Yen		23.153	23.718	23.153	23.718

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Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024

3. Financial instruments and risk management (continued)

Foreign currency sensitivity analysis

The following information presents the sensitivity of the Group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group	2025	2025	2024	2024
	Increase	Decrease	Increase	Decrease
Increase or decrease in rate				
Impact on profit or loss:				
Euro 10% (2024: 10 %)	2,082,447	(2,082,447)	1,050,967	(1,050,967)
GBP 10% (2024: 10 %)	-	-	18,442	(18,442)
USD 10% (2024: 10 %)	126,176	(126,176)	625,140	(625,140)
	2,208,623	(2,208,623)	1,694,549	(1,694,549)
Impact on equity:				
Euro 10% (2024: 10 %)	2,082,447	(2,082,447)	1,050,967	(1,050,967)
GBP 10% (2024: 10 %)	-	-	18,442	(18,442)
USD 10% (2024: 10 %)	126,176	(126,176)	625,140	(625,140)
	2,208,623	(2,208,623)	1,694,549	(1,694,549)
	4,417,246	(4,417,246)	3,389,098	(3,389,098)
Corporation				
Increase or decrease in rate				
Impact on profit or loss:				
Euro 10% (2024: 10 %)	2,082,447	(2,082,447)	1,050,967	(1,050,967)
GBP 10% (2024: 10 %)	-	-	18,442	(18,442)
USD 10% (2024: 10 %)	126,176	(126,176)	625,140	(625,140)
	2,208,623	(2,208,623)	1,694,549	(1,694,549)
Impact on equity:				
Euro 10% (2024: 10 %)	2,082,447	(2,082,447)	1,050,967	(1,050,967)
GBP 10% (2024: 10 %)	-	-	18,442	(18,442)
USD 10% (2024: 10 %)	126,176	(126,176)	625,140	(625,140)
	2,208,623	(2,208,623)	1,694,549	(1,694,549)
	4,417,246	(4,417,246)	3,389,098	(3,389,098)

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Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024

3. Financial instruments and risk management (continued)

Interest rate risk

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Group	Note	Average effective interest rate		Carrying amount	
		2025	2024	2025	2024
Liabilities					
Interest-bearing borrowings	16	11.00 %	11.00 %	171,122,905	170,447,215
Lease liabilities	6	11.00 %	11.00 %	972,821	844,128
				172,095,726	171,291,343

Corporation	Note	Average effective interest rate		Carrying amount	
		2025	2024	2025	2024
Liabilities					
Interest-bearing borrowings	16	11.50 %	11.00 %	171,122,905	170,447,215
Lease liabilities	6	11.50 %	11.00 %	972,821	844,128
				172,095,726	171,291,343

Price risk

The Group is not exposed to commodity price risk.

4. Fair value information

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 3

Recurring fair value measurements

Assets	Notes				
Biological assets	10				
Livestock cattle		22,966,674	15,180,249	15,098,418	9,078,532
Total		22,966,674	15,180,249	15,098,418	9,078,532

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Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024

4. Fair value information (continued)

Refer to note 10 for reconciliation of biological assets.

Information about valuation techniques and inputs used to derive level 3 fair values

Biological assets - livestock cattle

The fair value of livestock is based on the market price of livestock of similar age, breed and genetic merit. Directly attributable costs incurred during the period of biological growth to the stage of slaughtering the biological assets are capitalised as additions to the relevant biological assets.

5. Property, plant and equipment

Group	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	402,774,157	(28,430,266)	374,343,891	402,644,872	(28,430,266)	374,214,606
Plant, vehicle, furniture and equipment	397,926,867	(277,312,879)	120,613,988	400,480,643	(266,914,940)	133,565,703
Work in progress	2,392,482	-	2,392,482	2,363,724	-	2,363,724
Total	803,093,506	(305,743,145)	497,350,361	805,489,239	(295,345,206)	510,144,033

Corporation	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	402,774,157	(28,430,266)	374,343,891	402,644,872	(28,430,266)	374,214,606
Plant, vehicle, furniture and equipment	368,529,363	(263,448,442)	105,080,921	367,390,031	(254,317,756)	113,072,275
Work in progress	2,392,482	-	2,392,482	2,363,724	-	2,363,724
Total	773,696,002	(291,878,708)	481,817,294	772,398,627	(282,748,022)	489,650,605

Reconciliation of property, plant and equipment - Group - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Land and buildings	374,214,606	129,285	-	-	374,343,891
Plant, vehicle, furniture and equipment	133,565,703	-	(110,508)	(12,841,207)	120,613,988
Work in progress	2,363,724	28,758	-	-	2,392,482
	510,144,033	158,043	(110,508)	(12,841,207)	497,350,361

Reconciliation of property, plant and equipment - Group - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land and buildings	382,365,060	114,938	(8,265,392)	-	-	374,214,606
Plant, vehicle, furniture and equipment	116,202,718	26,950,603	(385,790)	-	(9,201,828)	133,565,703
Work in progress	7,683,614	-	-	(5,319,890)	-	2,363,724
	506,251,392	27,065,541	(8,651,182)	(5,319,890)	(9,201,828)	510,144,033

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5. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Corporation - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Land and buildings	374,214,606	129,285	-	-	374,343,891
Plant, vehicle, furniture and equipment	113,072,275	3,827,273	(649,834)	(11,168,793)	105,080,921
Work in progress	2,363,724	28,758	-	-	2,392,482
	489,650,605	3,985,316	(649,834)	(11,168,793)	481,817,294

Reconciliation of property, plant and equipment - Corporation - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land and buildings	382,365,059	114,398	(17,579)	(8,247,272)	-	374,214,606
Plant, vehicle, furniture and equipment	115,252,958	13,893,753	(307,748)	(7,459,527)	(8,307,161)	113,072,275
Work in progress	7,683,614	-	-	(5,319,890)	-	2,363,724
	505,301,631	14,008,151	(325,327)	(21,026,689)	(8,307,161)	489,650,605

During the prior year, the Corporation transferred assets to Northern Communal Areas (Pty) Ltd valued at N\$ 21,026,689. No such transfers were noted during the current year.

6. Right-of-use asset

Group	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Right-of-use asset	1,571,307	(945,369)	625,938	1,571,307	(823,657)	747,650

Corporation	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Right-of-use asset	1,043,233	(417,295)	625,938	1,043,233	(295,583)	747,650

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Right-of-use asset	625,938	747,650	625,938	747,650
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Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss, as well as depreciation which has been capitalised to the cost of other assets.

Right-of-use asset	121,712	496,688	121,712	208,647
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Other disclosures

Derecognition of right-of-use asset	-	(51,094)	-	(51,094)
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6. Right-of-use asset (continued)

Lease liabilities

Minimum lease payments due:

Within one year	304,279	146,977	304,279	146,977
Two to five years	1,867,323	873,669	1,867,323	873,669
	2,171,602	1,020,646	2,171,602	1,020,646
Less finance charges component	(1,198,781)	(176,518)	(1,198,781)	(176,518)
Present value of minimum lease payments due	972,821	844,128	972,821	844,128
Non-current liabilities	972,821	697,151	972,821	697,151
Current liabilities	-	146,977	-	146,977
	972,821	844,128	972,821	844,128

7. Investments in subsidiaries

The following table lists the entities which are controlled by the Corporation, and the carrying amounts of the investments in the Corporation's Separate Financial Statements.

Corporation

Name of Corporation	Issued share capital	% voting power 2025	% voting power 2024	Carrying amount 2025	Carrying amount 2024
Namibia Cattle Procurement (Pty) Ltd (Namibia)	100	100.00 %	100.00 %	11,950,506	11,950,506
Namibia Meat Importers & Exporters (Pty) Ltd (South Africa)	100	100.00 %	100.00 %	-	-
Meat Corporation of Namibia (UK) Limited (United Kingdom)	1,250,000	100.00 %	100.00 %	-	-
Meat Corporation of Northern Communal Areas (Pty) Ltd	100	100.00 %	100.00 %	9,494	9,494
				11,960,000	11,960,000

The % voting power is equivalent to the holding in both current and prior year.

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7. Investments in subsidiaries (continued)

Risks associated with interests in consolidated structured entities

Namibia Cattle Procurement (Pty) Ltd (Namibia)	-	-	-	(419,327)
Namibia Meat Importers & Exporters (Pty) Ltd (South Africa)	-	-	(575,483)	564,387
Meat Corporation of Namibia (UK) Limited (United Kindgom)	-	-	5,067,330	16,944,669
Meat Corporation of Namibia (UK) Limited (United Kindgom)	-	-	(28,208,960)	(15,598,893)
Meat Corporation of Northern Communal Areas (Pty) Ltd	-	-	5,054,255	52,744,770
	-	-	(18,662,858)	54,235,606

Net profit / (losses) after taxation of subsidiaries

Namibia Cattle Procurement (Pty) Ltd (Namibia)	(3,000)	(40,194)	-	-
Namibia Meat Importers & Exporters (Pty) Ltd (South Africa)	1,953,070	909,547	-	-
Meat Corporation of Namibia (UK) Limited (United Kindgom)	4,137,365	(2,105,463)	-	-
Meat Corporation of Northern Communal Areas (Pty) Ltd	(38,812,241)	(12,072,407)	-	-
	(32,724,806)	(13,308,517)	-	-

The above debit loans are unsecured, have no fixed terms of repayment (except Namibia Cattle Procurement (Pty) Ltd which will not be repaid within twelve months) and are interest free. The credit loans are unsecured, have no fixed terms of repayment and are interest free.

8. Investments in Associates

The following table lists all of the associates in the Group:

Group

Name of Company	Place of business	% ownership interest 2025	% ownership interest 2024	Carrying amount 2025	Carrying amount 2024
GPS Norway AS	Norway	33.33 %	33.33 %	8,945,188	8,945,188

Corporation

Name of Company	Place of business	% ownership interest 2025	% ownership interest 2024	Carrying amount 2025	Carrying amount 2024
GPS Norway AS	Norway	33.33 %	33.33 %	216,791	216,791

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Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024

8. Investments in Associates (continued)

Summarised financial information of material associates

Summarised Management Accounts

	GPS Norway	
	2025	2024
Revenue	129,659,673	129,659,673
Other income and expenses	(130,855,052)	(130,855,052)
Profit before tax	(1,195,379)	(1,195,379)
Tax expense	(141,858)	(141,858)
Profit (loss) after tax	(1,337,237)	(1,337,237)
Total comprehensive income	(1,337,237)	(1,337,237)

In the current year, the investment was not revalued as only management accounts were submitted in 2025.

Summarised Statement of Financial Position

	GPS Norway	
	2025	2024
Assets		
Non-current	17,765	17,765
Current	42,593,418	42,593,418
Total assets	42,611,183	42,611,183
Liabilities		
Current	18,295,187	18,295,187
Total liabilities	18,295,187	18,295,187
Total net assets	24,315,996	24,315,996

Reconciliation of net assets to equity accounted Investments in Associates

	2025	2024
Carrying value as at 31 January	8,353,624	8,353,624
Profit / (loss) for the period	591,564	591,564
Carrying value of Investment in Associate	8,945,188	8,945,188

The summarised information presented above reflects the Financial Statements of the associates after adjusting for differences in accounting policies between the Group and the Associate.

Meat Corporation of Namibia

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Notes to the Consolidated And Separate Annual Financial Statements

Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024
9. Deferred tax				
Deferred tax liability				
Capital allowances	(91,356,907)	(80,064,744)	(92,554,932)	(80,031,958)
Prepayments	(1,455,191)	(1,471,292)	(1,455,191)	(1,471,292)
Other	(4,928,863)	(128,678)	(4,831,494)	(128,678)
Total deferred tax liability	(97,740,961)	(81,664,714)	(98,841,617)	(81,631,928)
Deferred tax asset				
Provisions	21,748,709	12,931,850	15,177,173	12,273,116
Tax losses available for set off against future taxable income	233,580,536	273,032,389	222,977,359	260,184,125
Other	-	5,985,146	-	4,532,669
Deferred tax balance from temporary differences other than unused tax losses	255,329,245	291,949,385	238,154,532	276,989,910
Deferred tax liability	(97,740,961)	(81,664,714)	(98,841,617)	(81,631,928)
Deferred tax asset	255,329,245	291,949,385	238,154,532	276,989,910
Total net deferred tax asset	157,588,284	210,284,671	139,312,915	195,357,982
Reconciliation of deferred tax asset / (liability)				
At beginning of year	210,284,671	127,836,000	195,357,982	126,916,130
Increases (decrease) in deferred tax asset available for set off against future taxable income	(39,451,753)	41,653,935	(37,206,766)	29,422,727
Increases (decrease) in deferred tax on capital allowances	(11,292,163)	(9,938,016)	(12,522,974)	(9,907,772)
Increases (decrease) in deferred tax on revaluation on land and buildings	-	30,496,485	-	30,996,558
Increases (decrease) in deferred tax on provisions	8,816,859	7,467,895	2,904,057	6,866,623
Increases (decrease) in deferred tax on other	(11,108,270)	12,768,372	(9,219,384)	11,063,716
NMIE Opening balance difference	338,940	-	-	-
	157,588,284	210,284,671	139,312,915	195,357,982

Meat Corporation of Namibia

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Notes to the Consolidated And Separate Annual Financial Statements

Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024

10. Biological assets

Group	2025			2024		
	Valuation	Accumulated depreciation	Carrying value	Valuation	Accumulated depreciation	Carrying value
Livestock cattle	22,966,674	-	22,966,674	15,180,249	-	15,180,249

Corporation	2025			2024		
	Valuation	Accumulated depreciation	Carrying value	Valuation	Accumulated depreciation	Carrying value
Livestock cattle	15,098,418	-	15,098,418	9,078,532	-	9,078,532

Reconciliation of biological assets - Group - 2025

	Opening balance	Additions	Decreases due to harvest / sales	Gains (losses) arising from changes in fair value	Total
Livestock cattle	15,180,249	148,560,237	(279,898,987)	139,125,175	22,966,674

Reconciliation of biological assets - Group - 2024

	Opening balance	Additions	Decreases due to harvest / sales	Gains arising from changes in fair value	Total
Livestock cattle	16,211,075	60,133,029	(85,922,409)	24,758,554	15,180,249

Reconciliation of biological assets - Corporation - 2025

	Opening balance	Additions	Decreases due to harvest / sales	Gains (losses) arising from changes in fair value	Total
Livestock cattle	9,078,532	72,891,706	(180,285,059)	113,413,239	15,098,418

Reconciliation of biological assets - Corporation - 2024

	Opening balance	Additions	Decreases due to harvest / sales	Gains arising from changes in fair value	Total
Livestock cattle	12,456,097	20,844,808	(66,532,253)	42,309,880	9,078,532

Non – Financial information**Quantities of each biological asset**

At the beginning of the year	1,774	1,105	867	1,105
Increase due to acquisitions	10,633	7,022	10,633	5,676
Decrease due to sales	(10,237)	(6,353)	(10,032)	(5,914)
	2,170	1,774	1,468	867

Meat Corporation of Namibia

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Notes to the Consolidated And Separate Annual Financial Statements

Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024
11. Inventories				
Meat and meat products	161,331,074	133,568,715	154,759,707	126,297,057
Packaging material, consumable stores and other inventory	14,264,675	11,783,455	14,264,675	11,777,912
	<u>175,595,749</u>	<u>145,352,170</u>	<u>169,024,382</u>	<u>138,074,969</u>
Inventories (write-downs)	-	(5,748,654)	-	(5,748,654)
	<u>175,595,749</u>	<u>139,603,516</u>	<u>169,024,382</u>	<u>132,326,315</u>
Carrying value of inventories carried at fair value less costs to sell	175,595,749	139,603,516	169,024,382	132,326,315

12. Loans to related parties

Subsidiaries

Namibia Meat Importers & Exporters (Pty) Ltd	-	-	-	564,387
Meat Corporation of Northern Communal Areas (Pty) Ltd	-	-	5,054,255	52,744,770
Meat Corporation of Namibia (UK) Limited (United Kingdom)	-	-	5,067,330	16,944,669
	-	-	<u>10,121,585</u>	<u>70,253,826</u>

The loans are interest free, unsecured and repayable on demand.

Meat Corporation of Namibia (UK) Limited (United Kingdom):

Barclays Banks — Meatco UK (held on behalf of Meatco Namibia) N\$ 5,067,330 (2024: N\$16,944,669)

These balances represent cash held in bank accounts at Barclays Bank in the name of Meatco UK but which are funds of Meatco Namibia. The amounts arise because receipts and/or certain collections intended for Meatco Namibia have been deposited into accounts opened in the legal name of Meatco UK for operational or banking efficiency reasons. Management confirms that the beneficial ownership of these funds vests with Meatco Namibia.

Namibia Cattle Procurement (Pty) Ltd:

The loan to Namibia Cattle Procurement (Pty) Ltd, as disclosed above, comprises of the following:

Namibia Cattle Procurement (Pty) Ltd				
Trade receivable	-	-	90,432,024	-
Trade payable	-	-	(32,000,219)	-
InterCorporation loan	-	-	(57,254,480)	-
Provision for impairment	-	-	(1,177,325)	-
	-	-	-	-

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Notes to the Consolidated And Separate Annual Financial Statements

Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024
13. Trade and other receivables				
Financial instruments:				
Trade receivables	76,827,707	87,019,612	44,707,307	77,282,563
Loss allowance	(54,710,060)	(33,083,816)	(34,716,882)	(27,329,002)
Trade receivables at amortised cost	22,117,647	53,935,796	9,990,425	49,953,561
Deposits	2,718,217	2,734,348	2,703,177	2,705,933
Other receivable	443,244	-	-	-
Non-financial instruments:				
Receiver of Revenue - Value Added Tax (VAT)	29,936,037	40,183,758	28,779,061	39,122,288
Prepayments	6,143,133	7,611,106	5,198,119	5,256,767
Total trade and other receivables	61,358,278	104,465,008	46,670,782	97,038,549

Split between non-current and current portions

Current assets	61,358,278	104,465,008	46,670,782	97,038,549
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Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	25,279,108	56,670,144	12,693,602	52,659,494
Non-financial instruments	33,079,170	47,794,864	33,977,180	44,379,055
	61,358,278	104,465,008	46,670,782	97,038,549

Exposure to credit risk

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

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance	(33,083,816)	(7,310,362)	(27,329,002)	(2,067,348)
Provision raised on new trade receivables	(21,626,244)	(25,773,454)	(7,387,880)	(25,261,654)
Closing balance	(54,710,060)	(33,083,816)	(34,716,882)	(27,329,002)

14. Current tax receivable (payable)

Normal tax	(8,991,214)	132,580	(9,011,014)	-
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Net current tax receivable (payable)

Current assets	577,744	132,580	-	-
Current liabilities	(9,568,958)	-	(9,011,014)	-
	(8,991,214)	132,580	(9,011,014)	-

The current receivable / (payable) is split as follows within the Group:

Namibia Meat Importers & Exporters (Pty) Ltd: N\$ 577,744 (2024: N\$ 128,131).

Meatco UK: N\$ (314,737) (2024: N\$ 4,449).

Meat Corporation of Northern Communal Areas (Pty) Ltd: N\$(243,207)

Meat Corporation of Namibia: N\$ (9,011,014)

Meat Corporation of Namibia

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Notes to the Consolidated And Separate Annual Financial Statements

Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024

15. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	86,188,267	123,285,555	63,571,027	68,258,471
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Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating	2025	2024	2025	2024
Nedbank Namibia Limited: AA+(NA)/A1+(NA)	25,268,755	62,355,880	25,268,755	62,355,880
First National Bank of Namibia Limited: AA+(NA)/A1+(NA)	17,921,789	18,602,698	1,800,395	2,540,938
Bank Windhoek Limited: AA+(NA)/A1+(NA)	48,715,585	15,026,996	48,715,585	15,026,996
Standard Bank Limited: AA+(NA)/A1+(NA)	6,462,112	7,477,817	324,760	4,194,309
Barclays Bank: A+ (Fitch rating)	698,834	18,719,847	-	1,775,178
	99,067,075	122,183,238	76,109,495	85,893,301

16. Interest-bearing borrowings

Held at amortised cost

Secured

Development Bank of Namibia	171,122,905	170,447,215	171,122,905	170,447,215
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Split between non-current and current portions

Non-current liabilities	71,122,905	147,638,809	71,122,905	147,638,809
Current liabilities	100,000,000	22,808,406	100,000,000	22,808,406
	171,122,905	170,447,215	171,122,905	170,447,215

Interest is payable at prime overdraft rate to prime overdraft rate +0.5% (2024: prime overdraft rate +0.5%) monthly in arrears.

17. Severance pay obligation

Present value of obligation

Contributions by members	6,869,000	6,449,000	6,478,000	6,094,000
Service cost	992,000	572,000	572,000	551,000
Exchange differences	867,000	774,000	820,000	732,000
Benefits paid	(139,000)	(246,000)	(139,000)	(246,000)
Gain on valuation of severance pay obligation	3,380,000	(698,000)	3,145,000	(653,000)
	11,969,000	6,851,000	10,876,000	6,478,000

The Corporation raised a provision for severance pay benefits payable to employees upon death, resignation or retirement. This obligation arose as a result of the revised Labour Act 11 of 2007 which was promulgated during November 2008. Severance pay is an amount equal to at least one week's remuneration for each year of continuous service with the employer.

An actuarial valuation was performed on 19 May 2025 of the Corporation's liability in respect of the provision for severance pay.

Key assumptions used

Discount rates used	12.50 %	12.50 %	12.50 %	12.50 %
Expected increase in salaries	5.00 %	5.00 %	5.00 %	5.00 %

Meat Corporation of Namibia

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Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024

18. Deferred income

The Corporation recognised deferred income of N\$ 171,3 million (2024: N\$ 260,5 million including interest of N\$ 10,5 million) as government grant, a disbursement made through the Development Bank of Namibia. These Funds are to be disbursed evenly over a period of 3 years starting 2025 financial year.

Northern Communal Areas (Pty) Ltd (subsidiary) received deferred income of N\$ 30,9 million (2024: N\$ 18,8 million) as a government grant in the current year.

Government grants (corporation)	171,225,054	260,500,000	171,225,054	260,500,000
Government grants (subsidiary)	30,949,439	18,835,621	-	-
	202,174,493	279,335,621	171,225,054	260,500,000

Split between non-current and current portions

Non-current liabilities	202,174,493	148,500,000	171,225,054	148,500,000
Current liabilities	-	130,835,621	-	112,000,000
	202,174,493	279,335,621	171,225,054	260,500,000

19. Trade and other payables

Financial instruments:

Trade payables	35,425,540	102,477,735	27,468,294	94,740,715
Other payables and accruals	11,075,356	18,771,455	9,296,453	17,664,329

Non-financial instruments:

Value added taxation	569,558	230,896	-	-
	47,070,454	121,480,086	36,764,747	112,405,044

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

20. Loans from related parties

Related parties

Namibia Cattle Procurement (Pty) Ltd	-	-	-	419,327
Namibia Meat Importers & Exporters (Pty) Ltd (SA)	-	-	575,483	-
Meat Corporation of Namibia (UK) Ltd	-	-	28,208,960	15,598,893
	-	-	28,784,443	16,018,220

The loans are interest free, unsecured and repayable on demand.

21. Revenue

Revenue from contracts with customers

Sale of goods	1,865,183,842	1,202,646,599	1,652,512,416	1,179,145,266
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Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Notes to the Consolidated And Separate Annual Financial Statements

Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024
21. Revenue (continued)				
Disaggregation of revenue from contracts with customers				
The Group disaggregates revenue from customers as follows:				
Sale of goods				
Sale of goods	1,865,183,842	1,202,646,599	1,652,512,416	1,179,145,266
Timing of revenue recognition				
At a point in time				
Sale of goods	1,865,183,842	1,202,646,599	1,652,512,416	1,179,145,266
22. Cost of sales				
Sale of goods	1,709,162,670	1,207,912,983	1,504,709,146	1,175,917,006
Manufactured goods:				
Depreciation and impairment	12,839,793	9,201,828	11,168,793	8,307,161
	1,722,002,463	1,217,114,811	1,515,877,939	1,184,224,167
23. Other operating income				
Sundry income	4,244,767	4,733,436	3,172,764	3,868,700
Net foreign exchange gains	(8,467,850)	18,736,307	(8,467,850)	18,736,307
Government grants	216,605,670	125,460,992	214,522,659	113,961,523
	212,382,587	148,930,735	209,227,573	136,566,530
24. Operating profit (loss)				
Operating profit/(loss) for the year is stated after charging (crediting) the following, amongst others:				
Auditor's remuneration - external				
Audit fees	3,095,414	3,270,354	3,095,414	2,809,616
Auditor's remuneration - internal				
	384,800	520,000	384,800	520,000
Expenses by nature				
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:				
Sold inventories of meat products	1,709,162,670	1,207,912,983	1,504,709,146	1,175,917,006
Employee and administration costs	106,915,253	105,147,190	89,000,191	88,391,693
Other expenses	29,527,377	31,198,301	19,236,460	21,777,540
Depreciation, amortisation and impairment	12,841,207	9,489,869	11,168,793	8,307,161
Demurrages	19,275,519	11,255,309	18,518,949	11,256,034
Bad debts	21,648,466	26,592,957	81,392,316	26,052,483
Insurance	7,946,673	7,083,343	7,945,257	7,029,592
Computer expenses	6,139,878	6,653,656	6,126,565	6,301,646
Travel	4,291,044	4,270,581	3,405,730	3,433,647
Consulting fees	3,819,096	2,131,348	3,819,096	1,656,628
Administration and management fees	10,711,577	8,651,948	8,298,476	7,203,418
	1,932,278,760	1,420,387,485	1,753,620,979	1,357,326,848

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Notes to the Consolidated And Separate Annual Financial Statements

Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024
25. Investment income				
Interest income				
Bank and other cash	3,390,167	705,347	2,652,404	391,099
26. Finance costs				
Borrowings	42,966,823	82,302,483	42,973,286	82,273,145
27. Taxation				
Major components of the tax expense (income)				
Current				
Local income tax - current period	9,254,221	-	9,011,014	-
Deferred				
Originating and reversing temporary differences	(338,940)	354,344	-	-
Deferred tax	53,035,328	(82,790,153)	56,045,068	(68,441,852)
	52,696,388	(82,435,809)	56,045,068	(68,441,852)
	61,950,609	(82,435,809)	65,056,082	(68,441,852)
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and average effective tax rate.				
Applicable tax rate	31.00 %	32.00 %	31.00 %	32.00 %
The Corporation's estimated tax loss available for set off against future taxable income is N\$706,335,747 (2024: N\$ 813,075,394).				
28. Cash (used in)/generated from operations				
Profit (loss) before taxation	124,345,828	(149,951,279)	86,462,252	(123,497,098)
Adjustments for non-cash items:				
Depreciation and amortisation	12,841,207	9,489,869	11,168,793	8,307,161
Foreign exchange gains /(losses) recognised	8,467,850	(456,008)	8,467,850	-
Impairment provision on loans	-	-	73,985,212	-
Non-cash movement in retirement benefit assets and liabilities	5,100,000	1,346,000	4,398,000	1,283,000
Non-cash items: Biological assets	51,809,349	61,619,863	(22,571,390)	24,222,373
Non-cash items: Property, plant and equipment	-	(6,466)	-	21,026,689
Movement in foreign translation reserve	(7,966,953)	1,029,657	-	-
Other non-cash items	-	33,219	-	-
Adjust for items which are presented separately:				
Interest income	(3,390,167)	(705,347)	(2,652,404)	(391,099)
Finance costs	42,996,814	82,302,483	42,973,286	82,273,145
Changes in working capital:				
Inventories	(42,741,982)	(89,439,582)	(43,447,816)	(82,931,728)
Trade and other receivables	110,790,009	(33,361,120)	118,105,460	(40,131,400)
Trade and other payables	(74,846,636)	41,609,855	(75,640,299)	41,867,638
Deferred income	(77,131,136)	-	(89,244,954)	-
	150,274,183	(76,488,856)	112,003,990	(67,971,319)

Meat Corporation of Namibia

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Notes to the Consolidated And Separate Annual Financial Statements

Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024
29. Tax paid				
Balance at beginning of the year	132,580	(670,676)	-	-
Current tax recognised in profit or loss	(9,254,221)	-	(9,011,014)	-
Balance at end of the year	8,991,214	(132,580)	9,011,014	-
	(130,427)	(803,256)	-	-
30. Related parties				
Relationships				
Subsidiaries		Refer to note 7		
Associates		Refer to note 8		
Related party balances				
Loan accounts - Owing (to) by related parties				
Namibia Meat Importers & Exporters (Pty) Ltd	-	-	(575,483)	564,387
Namibia Cattle Procurement (Pty) Ltd	-	-	-	(419,328)
Meat Corporation of Namibia (UK)	-	-	(28,208,960)	1,345,776
Meat Corporation of Northern Communal Areas (Pty) Ltd	-	-	5,054,255	52,744,770
Amounts included in Trade receivable (Trade Payable) regarding related parties				
Namibia Meat Importers & Exporters (Pty) Ltd	-	-	-	1,920,631
Meat Corporation of Northern Communal Areas (Pty) Ltd	-	-	-	(1,080,765)
Related party transactions				
Purchases from (sales to) related parties				
Namibia Meat Importers and Exporters (Pty) Ltd	-	-	-	(94,788,214)
Meat Corporation of Northern Communal Areas (Pty) Ltd	-	-	-	11,762,088
Meat Corporation of Northern Communal Areas (Pty) Ltd	-	-	-	(1,104,254)
Commission paid to (received from) related parties				
Meat Corporation of Namibia (UK)	-	-	-	(10,660,943)
Compensation to directors and other key management				
Short-term employee benefits	2,267,223	2,618,818	2,267,223	2,618,818

Meat Corporation of Namibia

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Notes to the Consolidated And Separate Annual Financial Statements

31. Comparative figures

In the prior year (2024), N\$16,944,669 held in the Barclays bank account in the name of Meat Corporation of Namibia (UK) Ltd., a subsidiary of Meat Corporation of Namibia, were presented as Cash and cash equivalents in Meatco's Consolidated Financial Statements.

The funds were controlled by Meat Corporation of Namibia and managed on its behalf, effectively representing an inter-Company loan to the subsidiary. The Financial Statements for the current year have been reclassified N\$ 5,067,330 (2025) as a Loan to a related party.

The effects of the reclassification are as follows:

Statement of Financial Position Corporation

	31 January 2024 (as previously reported)	Reclassification	31 January 2024
	N\$		
Loans to related parties	53,309,157	16,944,669	70,253,826
Cash and cash equivalents	85,203,141	(16,944,669)	68,258,471

Statement of Cash flows Corporation

	31 January 2024 (as previously reported)	Reclassification	31 January 2024
	N\$		
Repayments of loans from related parties	(11,085,911)	(16,944,669)	(28,030,580)
Net cash from financing activities	238,773,826	(16,944,669)	221,829,157
Total cash movement for the year	47,005,489	(16,944,669)	30,060,820
Cash and cash equivalents at the end of the year	85,203,141	(16,944,669)	68,258,471

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Notes to the Consolidated And Separate Annual Financial Statements

Figures in Namibia Dollar	Group		Corporation	
	2025	2024	2025	2024

32. Events after the reporting period

Resignation of the Chairperson:

The substantive Chairperson of the Board, Mr. Sakaria Nghikembua resigned on the 13 June 2025, his resignation notice and reasons were directly communicated to the appointing authority, the Honourable Minister of Finance.

Suspension of the Acting CEO and the Linden Farm saga and the missing cattle:

The Board of Directors placed the Acting CEO, Mr. Liebenberg, on precautionary suspension on the morning of 15 July 2025, to allow for an investigation into Meatco's missing cattle.

Appointment of the new CEO:

The Board of Directors endorsed the appointment of an Interim CEO, Ambassador Albertus Aochamub, for a period of 6 months, effective from 2nd September 2025.

Farm Eendrag cattle:

Meatco's cattle standing at farm Eendrag is 280 animals. Due to the ongoing case against the farm owner, Meatco has not managed to retrieve the animals, but has committed to maintain them for now.

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Detailed Income Statement

Figures in Namibia Dollar	Notes	Group		Corporation	
		2025	2024	2025	2024
Revenue					
Sale of goods		1,865,183,842	1,202,646,599	1,652,512,416	1,179,145,266
Cost of sales					
Opening stock		(145,352,170)	(50,163,934)	(138,074,969)	(49,394,587)
Purchases		(1,739,406,249)	(1,303,101,219)	(1,533,987,559)	(1,263,702,721)
Cost of manufactured goods		(12,839,793)	(9,201,828)	(12,839,793)	(9,201,828)
Closing stock		175,595,749	145,352,170	169,024,382	138,074,969
	22	(1,722,002,463)	(1,217,114,811)	(1,515,877,939)	(1,184,224,167)
Gross profit (loss)		143,181,379	(14,468,212)	136,634,477	(5,078,901)
Other operating income					
Sundry income		4,244,767	4,733,436	3,172,764	3,868,700
Foreign exchange gains		(8,467,850)	18,736,307	(8,467,850)	18,736,307
Government grants		216,605,670	125,460,992	214,522,659	113,961,523
	23	212,382,587	148,930,735	209,227,573	136,566,530
Other operating gains					
Fair value gains		-	456,008	-	-
Expenses (Refer to page 123)		(210,276,297)	(203,272,674)	(237,743,040)	(173,102,681)
Operating profit / (loss)	24	145,287,669	(68,354,143)	108,119,010	(41,615,052)
Investment income	25	3,390,167	705,347	2,652,404	391,099
Finance costs	26	(42,966,823)	(82,302,483)	(42,943,295)	(82,273,145)
Profit / (loss) before taxation		105,711,013	(149,951,279)	67,828,119	(123,497,098)
Taxation	27	(61,950,609)	82,435,809	(65,056,082)	68,441,852
Profit / (loss) for the year		43,760,404	(67,515,470)	2,772,037	(55,055,246)

The supplementary information presented does not form part of the consolidated and separate annual financial statements and is unaudited.

Meat Corporation of Namibia

Consolidated And Separate Annual Financial Statements for the year ended 31 January 2025

Detailed Income Statement

Figures in Namibia Dollar	Note(s)	Group		Corporation	
		2025	2024	2025	2024
Other operating expenses					
Accounting fees		(45,417)	(52,275)	-	-
Administration and management fees		(10,711,577)	(8,651,948)	(8,298,476)	(7,203,418)
Advertising		(204,294)	(316,601)	(200,649)	(305,628)
Auditor's remuneration - external audit	24	(3,095,414)	(3,270,354)	(3,095,414)	(2,809,616)
Auditor's remuneration - internal audit	24	(384,800)	(520,000)	(384,800)	(520,000)
Bad debts		(21,648,466)	(26,592,957)	(81,392,316)	(26,052,483)
Bank charges		(3,562,204)	(2,391,487)	(2,904,262)	(1,868,428)
CC Expenses		(362,494)	(750,976)	(362,494)	(750,976)
Cleaning		(137,919)	(111,016)	(106,224)	(106,701)
Commission paid		-	(2,469,198)	-	(2,469,198)
Computer expenses		(6,139,878)	(6,653,656)	(6,126,565)	(6,301,646)
Consulting and professional fees		(3,819,096)	(2,131,348)	(3,819,096)	(1,656,628)
Consumables		(1,817,594)	(706,293)	(941,318)	(389,727)
Demurrages		(19,275,519)	(11,255,309)	(18,518,949)	(11,256,034)
Depreciation		(1,414)	(288,041)	-	-
Directors fees		(2,267,870)	(2,636,505)	(2,267,870)	(2,636,505)
Donations		(417,927)	(1,291,326)	(403,172)	(1,239,470)
Employee costs		(106,915,253)	(105,147,190)	(89,000,191)	(88,391,693)
Fines and penalties		(191,904)	(738,332)	(189,904)	(729,517)
IT expenses		(1,165,378)	(535,080)	-	-
Insurance		(7,946,673)	(7,083,343)	(7,945,257)	(7,029,592)
Levies		(50,082)	(30,418)	-	-
Motor vehicle expenses		(1,472,123)	(1,436,371)	(1,430,945)	(1,365,297)
Municipal expenses		(1,597,051)	(1,680,241)	(722,894)	(629,757)
Postage		(11,834)	(8,839)	(11,230)	(8,839)
Printing and stationery		(1,259,419)	(1,076,440)	(1,259,419)	(1,076,440)
Promotions		(25,415)	(13,175)	(25,415)	(13,175)
Repairs and maintenance		(2,761,068)	(2,864,070)	-	-
Research and development costs		(9,382)	-	-	-
Royalties and license fees		(151,671)	(255,380)	(23,086)	(28,312)
Security		(3,290,861)	(3,155,018)	(2,498,037)	(2,681,719)
Subscriptions		(423,221)	(596,327)	(414,541)	(188,483)
Sundry expenses		(3,932,783)	(3,250,967)	(1,191,286)	(992,326)
Telephone and fax		(889,252)	(1,041,612)	(803,500)	(967,426)
Travel - local		(4,291,044)	(4,270,581)	(3,405,730)	(3,433,647)
		(210,276,297)	(203,272,674)	(237,743,040)	(173,102,681)

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