

2024

INTEGRATED REPORT AND  
FINANCIAL STATEMENTS (ABRIDGED)

## OUR PURPOSE



Celebrating life, every day, everywhere.

## OUR AMBITION



To create the best performing, most trusted and respected consumer products company in Africa.

## OUR VALUES



Our values underpin our business and guide how we work

- Passionate about consumers and customers
- Value each other
- Be better
- Proud of what we do

## OUR CULTURE

Our culture code articulates the behaviours we drive and model, as we energise the organisation towards achieving our strategic goals.

### EABL'S CULTURE CODE IS:

#### **BOLD**

Daring, risk-taking and experimenting, empowered teams and radical liberation.

#### **PROGRESSIVE**

Pioneering, innovating, shaping new frontiers, digital transformation, sustainability, social change.

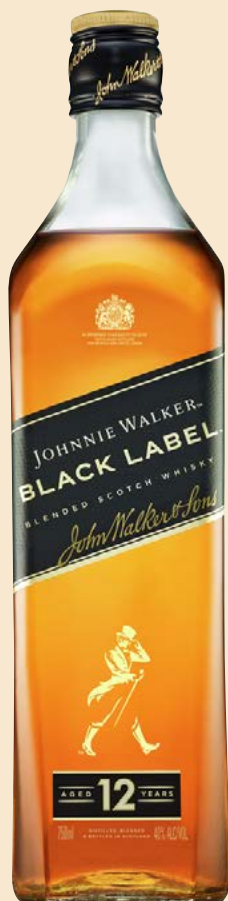
#### **CONNECTED**

Oneness, shared goals, common purpose, pulling together, trust, creating a “fun” workplace that brings out our purpose of “celebrating life everyday everywhere”.

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# LEADERSHIP REFLECTIONS



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“ EABL IS COMMITTED TO CREATING ECONOMIC, SOCIAL, AND ENVIRONMENTAL VALUE IN THE COMMUNITIES WHERE WE LIVE, WORK, SOURCE, AND SELL. ”



WE LIVE FOR  
TASTE



TUSKER  
PREMIUM  
CIDER



## BOARD CHAIRMAN'S STATEMENT: DISTILLING VALUE



# LEADERSHIP REFLECTIONS

“ IT IS WITH A DEEP SENSE OF PRIDE AND RESPONSIBILITY THAT I PRESENT AN OVERVIEW OF EABL’S PERFORMANCE FOR THE 2024 FINANCIAL YEAR. THIS YEAR HAS BEEN ONE OF RESILIENCE, STRATEGIC FORESIGHT, AND ADAPTABILITY, MARKING A PERIOD OF VARIOUS ACHIEVEMENTS DESPITE OPERATING IN A CHALLENGING ECONOMIC ENVIRONMENT. ”

## OPERATING ENVIRONMENT

In Kenya, we navigated a tough landscape characterised by high interest rates, fluctuations in exchange rates, social and climate disruptions. Additionally, rising taxes impacted consumers disposable income and led to spend reprioritisation. Despite these headwinds, our flagship brands delivered strong growth, and we accelerated our innovations to meet evolving consumer preferences.

In Uganda, the political stability over the past year has been a key factor in supporting the country’s economic recovery, creating a more favourable environment for business operations. However, headwinds such as consumer downtrading due to macroeconomic challenges have put pressure on topline, necessitating careful financial management and pricing strategies.

Tanzania has presented both opportunities and challenges for EABL in the past year. On one hand, the market offers significant growth potential due to its young population and rising middle class, which drives demand. However, regulatory challenges and economic uncertainty, including currency fluctuations and availability as well as inflation, has impacted consumer spending and posed risks to revenue stability.

## PERFORMANCE OVERVIEW

EABL has demonstrated resilience and strategic agility, achieving strong results on the back of these hurdles. We posted a strong revenue growth of 13%, with operating profit growth, excluding foreign exchange (FX), of 10%. EABL’s profit after tax declined by 10%. This was mainly impacted by currency devaluation and significant increases in finance costs. Our improved cash generation from our operations helped expand our cash position to Kshs 10.8 billion; an increase of Kshs 1.8 billion compared to last year.

The Board of Directors has recommended a final dividend of Kshs 6.00 per share, bringing the total dividend to Kshs 7.00 per share increasing from Kshs 5.50 in FY2022/23, reflecting our commitment to delivering value to our investors, shareholders and customers.

## SUSTAINABILITY

EABL continued to prioritise our 10-year sustainability action plan Society 2030: Spirit of Progress as a core element of our business strategy, recognising its critical role in securing the long-term success of our operations and the communities we serve. We made significant strides in our environmental stewardship, particularly in water conservation, renewable energy, and waste management.

Our investments in the Biomass Steam Plants and water efficiency projects have not only reduced our carbon footprint but also enhanced our resilience against resource scarcity. KBL’s Project Rudisha has made great strides in promoting our Grain to Glass sustainability pillar through effective waste management and recycling. We are proud to have collected over 17 million spirit bottles in the past year, underscoring our dedication to reducing our carbon footprint and supporting the circular economy. Moreover, our commitment to sustainable agriculture has seen us deepen partnerships with our 60,000 local farmers, promoting responsible sourcing and supporting livelihoods across our supply chain.

These initiatives align with our ambition to create shared value, ensuring that our growth contributes positively to society and the environment.

## CORPORATE GOVERNANCE AND BOARD CHANGES

Our corporate governance framework continues to be robust, ensuring that we operate with integrity, transparency, and accountability. During the period, the Board focused on guiding the Company through the turbulent environment and mitigate emerging risks to deliver shareholder value.

The Board is pleased to welcome Mr. Paul D. Makanza with effect from 2 June 2024 whose extensive experience in the service and manufacturing sectors will enhance our leadership and drive our growth ambitions. We also extend our deepest gratitude to Mr. John Ulanga, who resigned this fiscal year after serving as Chairman of Serengeti Breweries Limited.

# LEADERSHIP REFLECTIONS (CONTINUED)

## BOARD CHAIRMAN'S STATEMENT: DISTILLING VALUE (CONTINUED)

### LOOKING AHEAD

Despite the ongoing volatility, the fundamentals of our business remain attractive, and we are well-placed to realise its potential. The past year's performance demonstrates the solid platform we have built to enable us to navigate the volatility in the short and medium term as well as deliver future growth. Our deep consumer insights and sustained investment across our strategic imperatives is fundamental to supporting performance for the future.

The Board and leadership team remain focussed on securing long-term, sustainable value creation, by nurturing EABL's culture, building our brands, and delivering against our strategy.

### APPRECIATION

I thank our Group MD and CEO, Jane, and her wider team for their dedication, agility, and skilled execution of our strategy, resulting in positive returns to our stakeholders. Additionally, thanks also go to my colleagues on the Board, whose skills and diligent work have added exceptional value to the Company. I also wish to recognise and celebrate our partners, customers, consumers, suppliers, agencies, and Governments in the respective countries where we operate.

Finally, I would like to thank you for engaging with our organisation by reading our 2024 Integrated Report. We aim for this document to clearly and effectively communicate the scope of value that we, at EABL, bring to stakeholders and society through our operations and active sustainability progress.

**DR. MARTIN ODUOR-OTIENO, CBS**  
**GROUP CHAIRMAN**





TASTE  
LIVES HERE

TUSKER  
PREMIUM CIDER



DO NOT FORWARD TO PERSONS UNDER 18 YEARS.  
EXCESSIVE ALCOHOL CONSUMPTION IS HARMFUL TO YOUR HEALTH.



# UJUMBE WA MWENYEKITI WA BODI : KUONGEZA THAMANI



# UJUMBE WA MWENYEKITI WA BODI

“ NI KWA FAHARI KUBWA NA HESHIMA KUU KWAMBA NAWASILISHA KWENU KWA UFUPI MATOKEO YA EABL YA MWAKA WA KIFEDHA WA 2024. MWAKA HUU UMEKUWA WA UKAKAMAVU, MAONO YA KIMKAKATI, NA KUBADILIKA KUENDANA NA MAJIRA, NA NI KIPINDI AMBAPO TUMEPATA MAFANIKIO MBALIMBALI LICHA YA MAZINGIRA YA KIUCHUMI YALIYOJAA CHANGAMOTO. ”

## MAZINGIRA YA UENDESHAJI SHUGHU

Nchini Kenya, tulipitia mazingira magumu ambayo yalikuwepo na changamoto kama vile viwango vya juu vya riba, kuyumbayumba kwa viwango vya ubadilishanaji wa fedha za kigeni, na misukosuko ya kijamii na kimazingira. Kadhalika, kuongezwa kwa kodi kuliathiri fedha za matumizi ya hiari miongoni mwa wateja na kuchangia watu kubadilisha mtindo wao wa matumizi. Licha ya changamoto hizi, nembo zetu kuu ziliandikisha ukuaji imara, na tuliongeza kasi uvumbuzi wetu ili kukidhi mahitaji yanayobadilika ya wateja.

Nchini Uganda, uthabiti wa kisiasa katika mwaka uliopita kilikuwa kiungo muhimu katika kusaidia kujikwamua kwa uchumi wa taifa hilo, na kuunda mazingira rafiki kwa shughuli za kibiashara. Hata hivyo, changamoto kama vile wateja kukumbatia bidhaa za bei ya chini kutokana na changamoto za kiuchumi zimetoa shinikizo kwa mauzo yetu, na kusababisha kutafakariwa upya kwa usimamizi wa kifedha na mikakati ya kuamua bei za bidhaa.

Tanzania imetoa fursa na pia changamoto kwa EABL kwa mwaka uliopita. Upande mmoja, soko hilo lilitoa uwezo mkubwa wa ukuaji kutokana na idadi kubwa ya raia wake kuwa vijana, na pia kuongezeka kwa watu wa kipato cha wastani, jambo linaloongeza mahitaji ya bidhaa. Hata hivyo, changamoto za kisheria na kutotabirika kwa hali ya kiuchumi, ikiwa ni pamoja na kuyumba kwa thamani ya sarafu na upatikanaji wa fedha za kigeni pamoja na mfumko wa bei, ziliathiri uwezo wa wateja kufanya manunuzi na kutishia uthabiti wa mapato yetu.

## MATOKEO KWA UFUPI

EABL imedhihirisha ukakamavu na uwezo wa kutambua hatari na kuzikabili, na pia kutambua fursa na kuzitumia vyema. Ni kutokana na hilo ambapo iliweza kuandikisha matokeo mazuri licha ya changamoto nyingi. Tuliandikisha ukuaji wa mapato wa 13%, ambapo ukuaji wa faida kutokana na shughuli zetu kuu za kibiashara, ukiondoa mapato kutoka kwa ubadilishanaji wa fedha za kigeni (FX), ulikuwa 10%. Faida ya EABL baada ya kutozwa ushuru ilipungua kwa 10%. Hii kwa kiasi kikubwa ilichangiwa na kushuka thamani kwa sarafu pamoja na ongezeko kubwa la gharama ya fedha za kufadhili shughuli zetu. Kuimarika kwa pesa taslimu zilizozalishwa kutokana na shughuli zetu kulitusaidia kuongeza kiwango chetu cha pesa

taslimu kuwa Kshs 10.8 bilioni; ongezeko la Kshs 1.8 bilioni ukilinganisha na mwaka uliotangulia.

Bodi ya Wakurugenzi imependekeza mgawo wa faida wa mwisho wa Kshs 6.00 kwa kila hisa, utakaofikisha jumla ya mgawo wa faida kuwa Kshs 7.00 kwa kila hisa. Hili ni ongezeko ukilinganisha na mgawo wa Kshs 5.50 kwa FY2022/23, na ni ishara ya kujitolea kwetu kuhakikisha thamani kwa wawekezaji, wenyehisa na wateja wetu.

## UENDELEVU

EABL imeendelea kuupa kipaumbele mpango wetu wa miaka kumi wa kuchukua hatua katika uendeleu wa Jamii 2030: Moyo wa Maendeleo kama kiungo muhimu katika mkakati wetu wa biashara. Hii ni ishara ya kutambua mchango wake muhimu katika kuhakikisha ufanisi wa kipindi kirefu wa shughuli zetu na jamii tunazohudumia. Tulipiga hatua kubwa katika uongozi wetu katika mazingira, hasa uhifadhi wa maji, nishati mbadala, na usimamizi wa taka.

Uwekezaji wetu katika viwanda vya mvuke wa viumbe hai na miradi ya utumizi bora wa maji, umepunguza uzalishaji wetu wa gesi ya mkaa na pia kuimarisha ukakamavu wetu dhidi ya uhaba wa rasilimali. Mradi wa KBL wa Rudisha umepiga hatua kubwa katika kuendeleza nguzo yetu ya uendeleu ya Kutoka kwa Nafaka hadi kwa Gilasi kupitia usimamizi mwema wa taka na urejelezeshaji. Tunajivunia kwamba tumeweza kukusanya chupa za vileo vikali zaidi ya 17 milioni katika mwaka uliopita, jambo linalotilia mkazo kujitolea kwetu kupunguza uchangiaji wetu wa kaboni kwenye mazingira na kusaidia uchumi wa mzunguko wa kutumia tena vitu vilivyotumika tayari.

Isitoshe, kujitolea kwetu kwa kilimo endelevu kumetufanya kukoleza ushirikiano wetu na wakulima wetu 60,000 wenyeji, na kuhamasisha ununuzi wa malighafi wa kuwajibika na kusaidia jamii kote katika mfumo wetu wa ununuzi na usambazaji wa bidhaa.

Mikakati hii inaendana na azma yetu ya kuunda thamani ya pamoja, na kuhakikisha ukuaji wetu unachangia na kuwa na manufaa kwa jamii na mazingira.



# UJUMBE WA MWENYEKITI WA BODI (MWENDELEZO)

## UJUMBE WA MWENYEKITI WA BODI : KUONGEZA THAMANI (MWENDELEZO)

### UTAWALA WA SHIRIKA NA MABADILIKO KWENYE BODI

Mfumo wetu wa utawala wa shirika unaendelea kuwa imara, na kuhakikisha kwamba tunaendesha shughuli zetu kwa uwazi na uwajibikaji. Katika kipindi hicho, Bodi iliingazia kuiongoza Kampuni kupitia mazingira ya changamoto na kudhibiti hatari zilizokuwa zikiibuka ili kuhakikisha thamani kwa wenyehisa.

Bodi ina furaha kumkaribisha Bw. Paul D. Makanza kuanzia Juni 2, 2024 ambaye uzoefu wake katika sekta za huduma na utengenezaji bidhaa utasaidia kuimarisha uongozi wetu na kuchochea ndoto yetu ya ukuaji. Tunatoa pia shukrani zetu za dhati kwa Bw. John Ulanga, aliyejiuzulu mwaka huu wa kifedha baada ya kuhudumu kama Mwenyekiti wa Serengeti Breweries Limited.

### KUTAZAMA MBELE

Licha ya changamoto zilizopo, viashiria muhimu vya biashara yetu bado ni vya kuridhisha, na tupo katika nafasi nzuri ya kufikia uwezo wetu. Matokeo yetu katika mwaka huo uliopita yanaonyesha msingi thabiti ambao tumeujenga kutuwezesha kupitia vipindi vya misukosuko katika kipindi kifupi na cha wastani, na pia kuhakikisha ukuaji siku sijazo. Ufahamu wetu wa ndani wa wateja na uwekezaji katika maeneo mengi ya kimkakati ni muhimu katika kusaidia ukuaji na matokeo yetu siku za usoni.

Bodi na kundi la uongozi wanasalia macho kuhakikisha uundaji endelevu wa thamani katika kipindi kirefu, kupitia kutunza utamaduni wa EABL, kujenga na kuendeleza nembo zetu, na kuhakikisha matokeo kuambatana na mkakati wetu.

### SHUKRANI

Namshukuru Meneja Mkurugenzi na Afisa Mkuu Mtendaji wa Kundi, Jane, na kundi lake lote kwa kujitolea kwao, wepesi wa kuchukua hatua, na utekelezaji mwema wa mkakati wetu jambo ambalo limezalisha matokeo mazuri kwa wadau wetu. Kadhalika, shukrani zangu ziwaendee wenzangu katika Bodi, ambao ujuzi wao na bidii vingengeza thamani kwa Kampuni. Ningependa pia kutambua na kuwashukuru washirika wetu, wateja, watumiaji wa bidhaa zetu, wasambazaji wa bidhaa na wanaotuuza bidhaa, mashirika, na Serikali katika mataifa mbalimbali ambayo tunaendesha shughuli zetu.

Mwisho kabisa, ningetaka kukushukuru wewe kwa kushiriki nasi kwa kusoma ripoti yetu ya kina ya mwaka 2024. Lengo letu ni kuwa stakabadhi hii itaonyesha vyema na kuwasilisha vyema upana wa thamani ambayo sisi, katika EABL, tunafikisha kwa wadau wetu na jamii kupitia shughuli zetu na ukuaji wetu endelevu.

**DKT. MARTIN ODUOR-OTIENO, CBS  
MWENYEKITI WA KUNDI**



# CEO AND GROUP MANAGING DIRECTOR'S REVIEW: BREWING SUCCESS



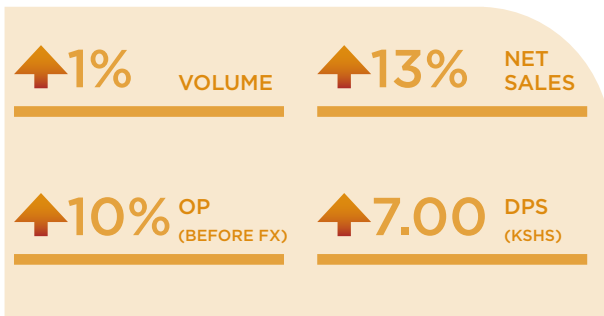


# LEADERSHIP REFLECTIONS

“ THE YEAR HAS BEEN CHARACTERISED BY BOTH TRIUMPHS AND TRIALS, EACH CONTRIBUTING TO OUR GROWTH AND LEARNING AS AN ORGANISATION. ”

As we reflect on the fiscal year 2024, I am pleased to report that EABL has delivered a robust performance in the face of significant macroeconomic challenges. Our journey, which began with recovery from the Covid-19 pandemic, has been marked by resilience, adaptability, and a steadfast commitment to our strategic objectives and highlights the strength of our core business and our ability to capture market opportunities effectively.

## FINANCIAL PERFORMANCE AND MARKET DYNAMICS



FY2023/24 has seen EABL achieve commendable results with double digit revenue, partly driven by growth in volume, and operating profit excluding FX growth. This performance is particularly noteworthy given the complex operating environment across our key markets.

Kenya, representing 65% of our business, was our biggest growth driver delivering growth of 15% mainly driven by premium and value segments. Uganda delivered a strong first half but faced increased pressure in the latter part of the year due to reduced discretionary spending. We have seen recovery in Tanzania post the dip experienced in FY2022/23.

The broader economic pressures, like the rising cost of living, has impacted consumer spending power and led to spend reprioritisation out of our industry. Further, we observed an interesting trend in segment performance, with stronger growth in the premium and value segments and shrinking mainstream, depicting an hourglass effect.

Our cost base was also substantially impacted by exchange rate volatility particularly in Kenya and Tanzania, rising interest rates and supply input inflation largely driven by supply chain disruptions. Additionally, the El Niño rains felt across the region and the social unrest experienced in Kenya, caused disruptions to our operations.

## STRATEGIC FOCUS AND INITIATIVES

Our strategic framework remains robust and relevant, focusing on key pillars that drive our business forward:

### PORTFOLIO

As a true total beverage alcohol (TBA) player, we've continued to invest ahead in our brands and portfolio to lead and shape consumer trends. During the year, we launched exciting, consumer led, innovations across TBA. The commissioning of our new microbrewery marks a significant step in enhancing our innovation capabilities, allowing us to experiment and act with agility to address consumer demands.

### ROUTE TO CONSUMER

We've made significant strides in improving our availability and expanding into new channels. Our e-commerce platform in Kenya - [Ke.TheBar.com](https://www.ke.thebar.com), capable of delivering products within 20 minutes, exemplifies our commitment to meeting evolving consumer needs.

### SUSTAINABILITY AND ESG COMMITMENT

I'm particularly proud of our leadership in Environmental, Social, and Governance (ESG) initiatives through Society 2030: Spirit of Progress. We are prioritising the areas that have the most significant impact on our commercial performance and our advocacy efforts, including the harmful use of alcohol, water stress, carbon and our role in the communities in which we operate. I am proud that we are thought leaders in influencing the total ecosystem towards advancing the ESG agenda.

# LEADERSHIP REFLECTIONS (CONTINUED)

## CEO AND GROUP MANAGING DIRECTOR'S REVIEW: BREWING SUCCESS

(CONTINUED)

### STRATEGIC FOCUS AND INITIATIVES

(CONTINUED)

#### SUPPLY FOOTPRINT AND OPERATIONAL EFFICIENCY

With 10 plants across East Africa, we've invested ahead and smartly to ensure our supply organisation can meet demand effectively. We continue to focus on productivity initiatives to maintain cost efficiency and delivered nearly Kshs 5 billion in productivity savings during the year.

#### OUR PEOPLE AND CULTURE

Our people remain our greatest asset. We've maintained high levels of employee engagement, as evidenced by our annual survey results. EABL continues to be a net exporter of talent to the rest of Africa, underscoring our commitment to building robust internal capabilities. Our culture of performance, coupled with an emphasis on external curiosity and collaboration, ensures we remain agile and responsive to market dynamics.

#### LOOKING AHEAD

The consumer and macroeconomic environment continues to be challenging with the conditions we saw in FY2023/24 persisting into FY2024/25, yet I remain confident and committed to delivering our growth ambition. Our focus will be on:

1. Driving top-line growth while expanding margins
2. Continuing to invest behind our brands and portfolio
3. Further developing our route to market to enhance availability whilst developing emerging channels and adapting to evolving consumer dynamics
4. Maintaining our cost efficiency through ongoing productivity initiatives
5. Nurturing our people and culture to drive performance and innovation

We see significant opportunities in formalising the consumption of safe alcohol, tapping into the approximately 3 million young people entering legal drinking age annually in East Africa, and increasing female participation in alcohol consumption, which is currently among the lowest in Africa.

We will continue to focus on the consumer as well as improved profitability and returns.

### ACKNOWLEDGMENTS

In closing, I would like to express my heartfelt gratitude to our consumers, whose loyalty drives our innovation and growth. My thanks also go to our customers, suppliers, and government stakeholders for their continued support and partnership. I am deeply appreciative of our employees, whose dedication and resilience have been instrumental in navigating the challenges of the past year.

Finally, I extend my thanks to our Board of Directors for their guidance, and to our holding company, Diageo, for their unwavering support.

Despite the uncertainties that lie ahead, I am confident in our strategy, our people, and our ability to deliver sustainable growth and create lasting value for all our stakeholders in the years to come.

**MS. JANE KARUKU,**  
**GROUP MANAGING DIRECTOR & CEO**





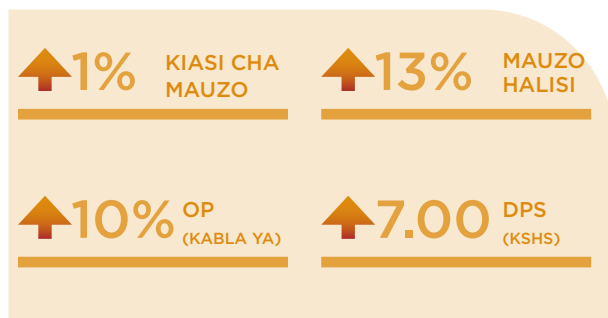
## UJUMBE WA MKURUGENZI MKUU : KUDUMISHA MAFANIKIO



## “ MWAKA HUU UMEKUWA WA MAFANIKIO NA MATATIZO PIA, KILA MOJA IKICHANGIA KATIKA UKUAJI WETU NA PIA KUWA MAFUNZO KWETU KAMA SHIRIKA.”

Tunapoutathmini mwaka wa kifedha wa 2024, nina furaha kuripoti kwamba EABL imeandikisha matokeo mazuri licha ya changamoto kubwa katika mazingira yetu ya kiuchumi. Safari yetu, iliyoanza na kujikwamua kutoka kwa janga la COVID-19, imekuwa ya ukakamavu mkubwa, kubadilika kwendana na majira, na pia kujitolea pakubwa kutimiza malengo yetu ya kimkakati. Mambo haya yanadhihirisha nguvu iliyo katika biashara yetu kuu na pia uwezo wetu wa kukumbatia na kuzitumia vyema fursa zinazojitokeza sokoni.

### MATOKEO YA KIFEDHA NA MABADILIKO SOKONI



FY2023/24 umeshuhudia EABL ikiandikisha matokeo ya kuridhisha, ambapo mapato yaliongezeka kwa zaidi ya asilimia kumi, hii kwa kiasi fulani ikichangiwa na ongezeko la kiasi cha mauzo, na pia faida kutokana na uendeshaji wa shughuli zetu kabla ya kujumuisha ukuaji kutokana na ubadilishaji wa fedha za kigeni. Matokeo haya yana maana kubwa ukizingatia mazingira magumu ya uendeshaji shughuli katika masoko yetu muhimu.

Kenya, ambayo huwakilisha 65% ya biashara yetu, ilichangia pakubwa zaidi katika ukuaji, ambapo ilishuhudia ukuaji wa 15% ambao sana ulitokana na kitengo cha bidhaa za thamani na ubora wa juu na pia kitengo cha bidhaa za bei nafuu. Uganda iliandikisha matokeo mazuri nusu ya kwanza ya mwaka, lakini ikakabiliwa na shinikizo nusu ya pili ya mwaka kutokana na kupungua kwa pesa za matumizi ya hiari. Tumeshuhudia kuanza kuimarika tena kwa biashara yetu Tanzania baada ya kudorora FY2022/23.

Shinikizo pana za kiuchumi, kwa mfano ongezeko la gharama ya maisha, zimeathiri uwezo wa wateja kufanya

manunuzi na kuwafanya baadhi kupunguza matumizi katika bidhaa za sekta yetu. Isitoshe, tulishuhudia mtindo wa kushangaza katika vitengo vya bidhaa zetu, ambapo kulikuwa na ukuaji mkubwa katika bidhaa za thamani ya juu na bidhaa za bei nafuu, lakini kupungua katika bidhaa za kitengo cha katikati ambazo ndizo kuu.

Gharama zetu pia ziliathiriwa pakubwa na mabadiliko ya kiwango cha ubadilishanaji wa sarafu za kigeni, hasa Kenya na Tanzania, kuongezeka kwa viwango vya riba, mfumko kwenye mali ghafi tunayotumia viwandani kutokana na kuathiriwa kwa mifumo ya usambazaji. Kadhalika, mvua za El Niño kote katika kanda zilitatiza shughuli zetu, sawa na maandamano yaliyoshuhudiwa nchini Kenya.

### MWELEKEO WETU WA KIMKAKATI NA MIKAKATI

Mfumo wetu wa kimkakati bado ni imara na wa manufaa, na unaangazia nguzo kuu ambazo zinachangia kuendeleza biashara yetu:

#### MSETO WA BIDHAO

Kama mdau anayejishughulisha na vinywaji vya vileo kamili (TBA), tumeendelea kuwekeza mapema kwenye nembo zetu na orodha yetu ya bidhaa ili kuongoza mitindo ya watumiaji wa bidhaa. Katika mwaka huo, tulizindua bidhaa na mifumo mipya viwandani kote katika TBA kwa kuongozwa na watumiaji wa bidhaa. Kuzinduliwa kwa kiwanda kidogo chetu kipya cha kutengenezea bia ni hatua kuu katika kuongeza uwezo wetu wa ubunifu, na ni jambo linalotupatia fursa ya kufanya majaribio na kuchukua hatua kwa wepesi kujibu mahitaji ya wateja.

#### NJIA YA KUMFIKIA MTUMIAJI

Tumepiga hatua kubwa katika kuimarisha kufikika kwetu na kupanua njia mpya za kusambaza bidhaa zetu. Jukwaa letu la biashara mtandaoni nchini Kenya - [Ke.TheBar.com](https://www.thebar.com), lenye uwezo wa kufikisha bidhaa kwa mteja ndani ya dakika 20, ni mfano wa kujitolea kwetu kutimiza mahitaji ya watumiaji wa bidhaa yanayobadilika..

#### UENDELEU NA KUJITOLEA KATIKA ESG

INinajivunia sana uongozi wetu katika mikakati ya Mazingira, Jamii, na Utawala (ESG) kupitia mkakati wetu wa Jamii 2030: Moyo wa Maendeleo. Tunayapa kipaumbele maeneo ambayo yana manufaa makubwa zaidi kwenye matokeo yetu ya kibiashara na pia juhudi zetu za kuhamasisha, ikiwa ni pamoja na kuhamasisha kuhusu

# UJUMBE WA MENEJA MKURUGENZI WA KUNDI (MWEENDELEZO)

## UJUMBE WA MKURUGENZI MKUU : KUDUMISHA MAFANIKIO (MWEENDELEZO) MWELEKEO WETU WA KIMKAKATI NAMIKAKATI (MWEENDELEZO)

### UENDELEVO NA KUJITOLEA KATIKA ESG

#### (MWEENDELEZO)

madhara ya matumizi mabaya ya pombe, uhaba wa maji, kaboni, na mchango wetu katika jamii zinazoishi maeneo tunayohudumu. Ninaona fahari kwamba tunaongoza kwa mitazamo katika kuhamasisha mfumoikolojia wote katika kutimiza ajenda ya ESG.

### VIWANDA VYETU NA UBORESHAJI

Kwa viwanda vyetu kumi kote Afrika Mashariki, tumewekeza kwa ajili ya siku za usoni, na kwa busara, ili kuhakikisha mfumo wetu wa usambazaji unaweza kukidhi mahitaji ya bidhaa zetu ipasavyo. Tunaendelea kuangazia mikakati ya uzalishaji ili kudhibiti gharama na tulifanikiwa kuokoa takriban Kshs 5bn kupitia kupunguza gharama katika uzalishaji kwa mwaka huo.

### WATU WETU NA UTAMADUNI

Watu wetu wanasalia kuwa mali muhimu zaidi kwetu. Tumeendelea kudumisha viwango vya juu vya kuwashirikisha wafanyakazi wetu, kama inavyodhihirishwa katika matokeo ya utafiti wetu wa kila mwaka. EABL inaendelea kuwa mtoaji wa vipaji kwa maeneo mengine Afrika, jambo linaloashiria kujitolea kwetu katika kuboresha uwezo wetu wa ndani. Utamaduni wetu wa matokeo, ukiongeza na msisitizo wetu katika kutaka kujua yanayofanyika nje na pia ushirikiano na wengine, huhakikisha tunasalia wepesi wa kuchukua hatua na kujibu mabadiliko sokoni.

### KUTAZAMA MBELE

Watumiaji wa bidhaa, na mazingira pana ya kiuchumi, vimeendelea kuwa na changamoto tele, na hali tuliyokumbana nayo FY2023/24 imeendelea FY2024/25. Hata hivyo, nasalia mwingi wa imani na kujitolea kutimiza ndoto yetu ya ukuaji. Vipaumbele vyetu vitakuwa:

1. Kuendeleza ukuaji wa mapato, na kukua kwa kipimo cha faida
2. Kuendelea kuwekeza katika nembo na bidhaa zetu
3. Kuendelea kustawisha zaidi njia za kufikia soko ili kuboresha upatikanaji wa bidhaa zetu huku tukivumbua njia mpya za kuwafikia wateja na kubadilika sambamba na mahitaji ya
4. Kutumia vyema rasilimali zetu kupitia mikakati inayoendelea ya kuboresha uzalishaji
5. Kuwatumia vyema watu wetu na utamaduni ili kuchochea matokeo mazuri na uvumbuzi

Tunazona fursa kubwa katika kufanya rasmi unywaji salama wa pombe, kuwafikia takriban vijana 3 milioni wanaoingia katika umri wa kuruhusiwa kunywa pombe kisheria kila mwaka Afrika Mashariki, na ongezeko la ushiriki wa wanawake katika matumizi ya pombe, ambapo kwa sasa ni miongoni mwa viwango vya chini mno Afrika.

Tutaendelea kumwagazia mtumiaji wa bidhaa, pamoja na kuimarisha faida na mafao kutoka kwa biashara yetu.

### SHUKRANI

Kwa kuhitimisha, ningependa kutoa shukrani zangu za dhati kwa watumiaji wa bidhaa zetu, ambao uaminifu wao umechochea uvumbuzi wetu na ukuaji. Shukrani zangu ziwaendee pia wateja, wasambazaji bidhaa wetu, na serikali wadau kwa usaidizi na ushirikiano wao. Ninawashukuru sana wafanyakazi wetu, ambao kujitolea kwao na ukakamavu wao vimekuwa muhimu sana katika kutusaidia kupitia changamoto za mwaka uliomalizika.

Mwisho kabisa, nitoe shukrani zangu kwa Bodi ya Wakurugenzi kwa uelekezi wao, na kampuni yetu mama, Diageo, kwa usaidizi wao usiobadilika.

Licha ya mashaka yaliyo mbele yetu, nina imani katika mkakati wetu, watu wetu, na uwezo wetu wa kuhakikisha ukuaji endelevu na kuunda thamani ya kudumu kwa wadau wetu wote kwa miaka mingi ijayo.

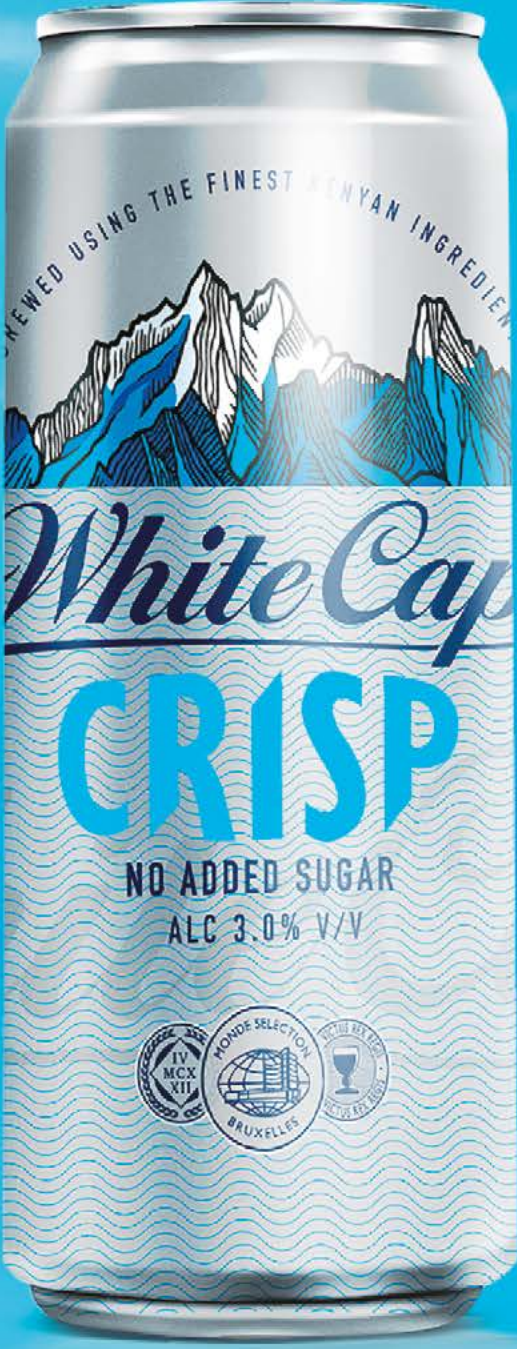
**BI. JANE KARUKU,**  
**MKURUGENZI MKUU**



**NEW**



UGANDA BREWERIES LIMITED



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ADDED  
SUGAR**

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# CFO'S FINANCIAL REVIEW : SUSTAINABLE GROWTH

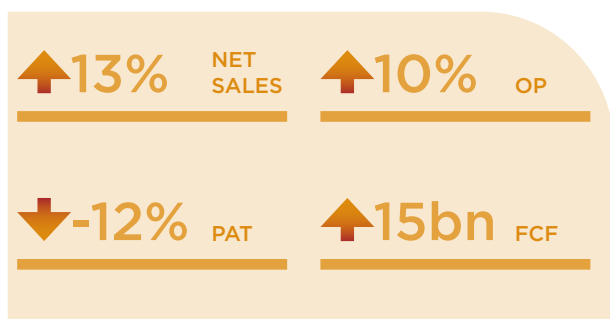




## STRONG PERFORMANCE IN A CHALLENGING OPERATING ENVIRONMENT

EABL delivered strong performance in FY2023/24 across key metrics, despite a challenging macroeconomic context. We achieved notable growth across countries and categories. The volume growth in the beer category helped drive scale in the business, as well as improve our fixed costs absorption and our cash flow. Additionally, our premium spirits and RTDs segments grew faster than average, whilst our strategic pricing and delivery against productivity initiatives helped mitigate the adverse impact of currency fluctuations and rising interest rates on our performance.

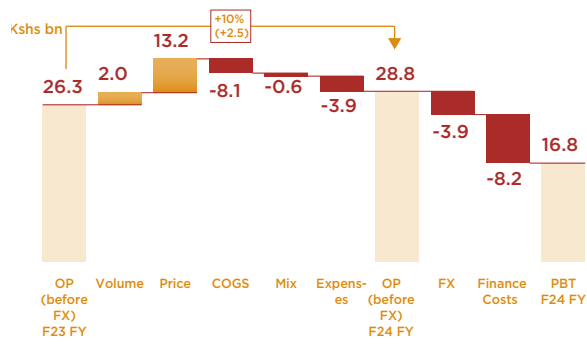
## PERFORMANCE REVIEW



Our net sales for the year amounted to Kshs 124.1 billion (2023: Kshs 109.6 billion), which represents a 13% increase from F23 with strong performance in the spirits category observing a 10% growth, while the beer segment experienced growth of 12%. Our sales increased in all countries by 15% in Kenya, 12% in Uganda and 9% in Tanzania. Kenya remains our largest market, with 65% of sales, followed by Uganda contributing 21% and Tanzania 14%.

Operating profit excluding foreign exchange losses grew by 10% to Kshs 28.8 billion as pricing and productivity mitigated cost inflation.

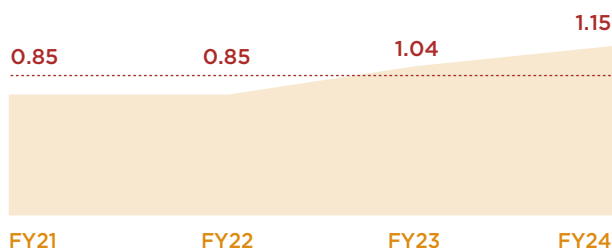
Our Profit before Tax was adversely affected by a 49% increase in Net Finance Costs. Although our borrowings reduced by 13%, cushioning us against the full impact, the increase in our effective cost of debt from 12.5% in FY2023 to 15.1% in FY2024 still had a material impact on our results. Notably, we had a slower increase in our cost of funding in comparison to government T-Bills because of our mix of debt. Our results were further impacted by significant currency depreciation in Kenya and Tanzania. The combined impact of these factors resulted in a 10% year-on-year reduction in our Profit before Tax, to Kshs 16.8 billion.



The Group's profit after tax amounted to Kshs 10.9 billion. This reflects a decline of 12% from the previous year.

## CURRENT RATIO

Current ratio stood at x1.15 (2023: x1.04), meeting our regulatory requirement, majorly driven by reduction in short term debt as well as improved inventory management.



(CMA: >1x)

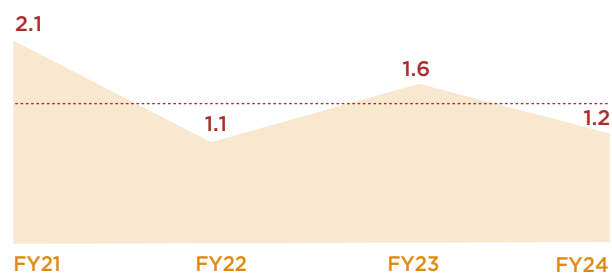
## CURRENT RATIO

### DEBT

Total debt for the Group reduced by Kshs 11 billion from Kshs 59 billion as at 30 June 2023, to Kshs 48 billion as at 30 June 2024 as a result of our debt management strategy through which we facilitated the repayment of certain borrowings to cushion against the impact of rising interest rates

The Net debt reduced from Kshs 51.1 billion as at 30 June 2023, to Kshs 38.8 billion as at 30 June 2024.

The Group closed at a net debt to EBITDA ratio of 1.2 which is within the Board target of 1.5 due to the reduction in borrowings as well as the slightly improved EBITDA.



(Board Target: <1.5)

## NET DEBT/EBITDA



# LEADERSHIP REFLECTIONS (CONTINUED)

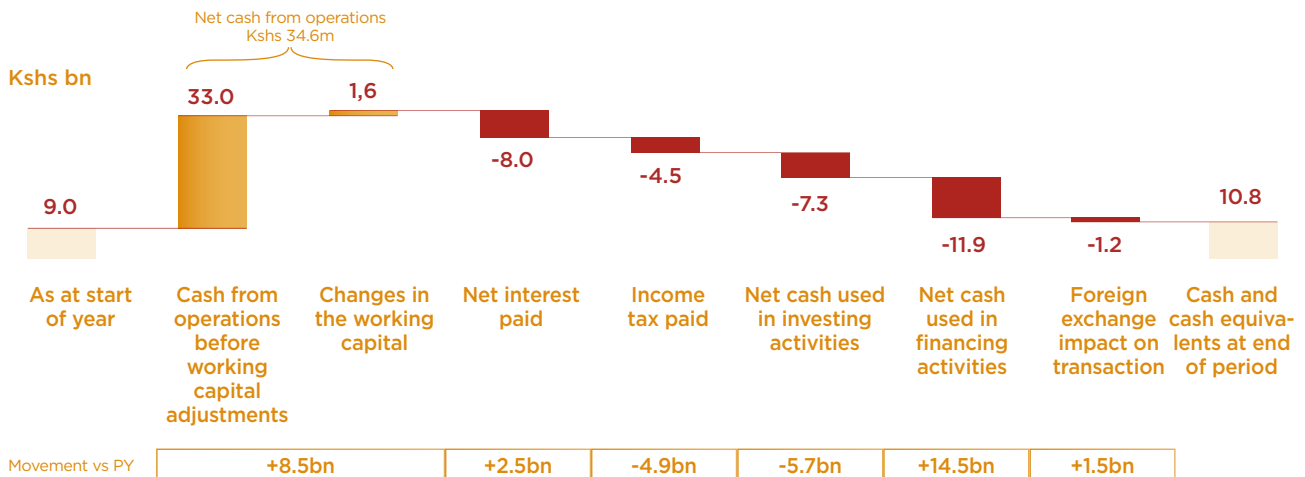
## CFO'S FINANCIAL REVIEW: SUSTAINABLE GROWTH (CONTINUED)

### CAPITAL EXPENDITURE

Capital expenditure for the year dropped to Kshs 7 billion from Kshs 12.9 billion in 2023 (6% of NSV from 12% previously), as the significant projects were completed, and cash preservation prioritised.

### CASH FLOW

Growth in cash and cash equivalents generated from operating activities was Kshs 22.1 billion, increasing by Kshs 11 billion over the previous year. This was driven by revenue growth and robust management of working capital.



### DIVIDEND

The Board proposes a final dividend of Kshs 6.00 per share, which brings the total dividend to Kshs 7.00 per share. This is 27% higher than the prior year reflecting our commitment to creating value for our diverse stakeholders at EABL.

### FINANCIAL OUTLOOK

The macroeconomic environment continues to be unpredictable; we continue to leverage on the strength of our core business and our ability to capture market opportunities effectively positions us to respond to and manage any emerging risks.

We are investing ahead and forecast to continue growing our business across our markets and strategic imperatives, whilst continuing to focus on driving productivity gains to deliver consistent, sustainable, long-term growth. We will continue to manage our Interest and Forex risk through accelerated debt reduction, working capital optimisation and growing our export sales.

**MS. RISPER OHAGA**  
GROUP CHIEF FINANCIAL OFFICER

**CRISP  
REFRESHING  
TASTE IN EVERY SIP**



**TUSKER  
PREMIUM CIDER**



DO NOT FORWARD TO PERSONS UNDER 18 YEARS.  
EXCESSIVE ALCOHOL CONSUMPTION IS HARMFUL TO YOUR HEALTH.



## TAARIFA YA MKURUGENZI MKUU WA FEDHA (CFO) WA EABL

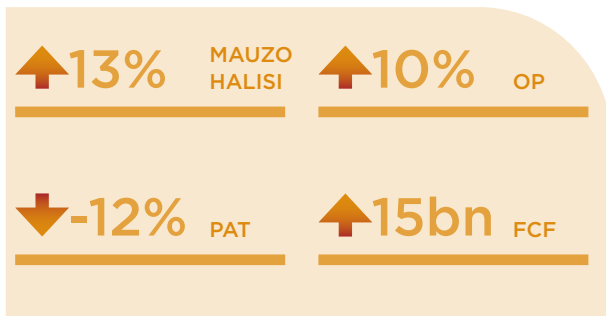




## MATOKEO MAZURI KATIKA MAZINGIRA YENYE CHANGAMOTO

EABL iliandikisha matokeo mazuri FY2023/24 katika viashiria muhimu, licha ya mazingira magumu kiuchumi. Tulishuhudia ukuaji mkubwa katika mataifa na vitengo mbalimbali. Ukuaji wa kiasi cha bidhaa katika kitengo cha bia ulisaidia kutia nguvu ukuaji kwenye biashara, na pia kuboresha matumizi yetu ya gharama isiyosonga na mtiririko wa fedha. Kadhalika, vitengo vya vileo vikali vya thamani ya juu na vinywaji vilivyo tayari kunywewa (RTD) vilikua zaidi ya kiwango cha wastani. Uwekaji bei wetu kwa njia bora na kutimizwa kwa mikakati ya uzalishaji vilisaidia pia kupunguza athari za kushuka kwa thamani ya sarafu na kupanda kwa viwango vya riba kwenye matokeo yetu.

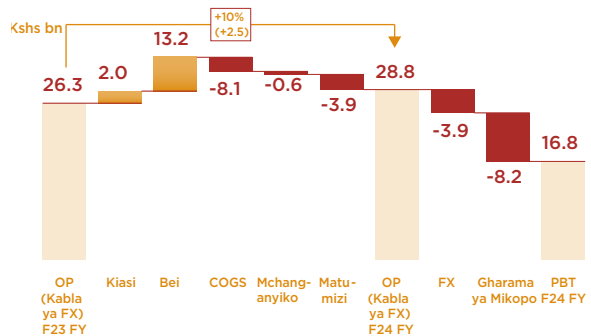
## UTATHMINI WA MATOKEO



Mauzo yetu halisi kwa mwaka huo yalifikia KES 124.1bn (2023: KES 109.6bn), ambayo ni ukuaji wa 13% kutoka F23. Kitengo cha vileo vikali kiliandikisha matokeo mazuri sana na kufikia ukuaji wa 10%, nacho kitengo cha bia kikapata ukuaji wa 12%. Mauzo yetu yaliongezeka katika nchi zote; kwa 15% nchini Kenya, 12% nchini Uganda na 9% nchini Tanzania. Kenya imesalia kuwa soko letu kubwa zaidi, kwa 65% ya mauzo, ikifuatwa na Uganda iliyochangia 21% na Tanzania 14%.

Faida kutoka kwa shughuli zetu kuu, bila kuzingatia hasara iliyotokana na ubadilishanaji wa fedha za kigeni, ilikua kwa 10% hadi Kes 28.8 bilioni kutokana na maamuzi ya bei na mikakati ya uzalishaji kupunguza athari za mfumko wa bei.

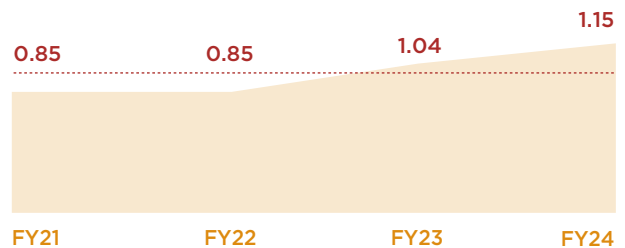
Faida yetu kabla ya ushuru iliathiriwa sana na ongezeko la 49% katika gharama ya mikopo. Ingawa mikopo yetu ilipungua kwa 13%, na kutuinga dhidi ya athari kamili, ongezeko katika gharama halisi ya mikopo yetu kutoka 12.5% katika FY2023 hadi 15.1% katika FY2024 bado liliathiri matokeo yetu. Lakini hata hivyo, ongezeko letu la gharama ya mikopo lilikuwa la kiwango cha chini ukilinganisha na hati za dhamana kutokana na mchanganyiko wetu wa mikopo. Matokeo yetu yaliathiriwa tena zaidi na kushuka kwa thamani ya sarafu Kenya na Tanzania. Kwa pamoja, mambo haya yalichangia kushuka kwa 10% mwaka baada ya mwaka katika faida yetu ya kabla ya ushuru hadi KES16.8bn.



Faida ya Kundi baada ya ushuru ilikuwa KES10.9bn. Hii ni kushuka kwa 12% ukilinganisha na mwaka uliotangulia.

## UWIANO WA MALI NA MADENI

Kiwango cha uwiano wa mali na dhima au madeni kilikuwa x1.15 (2023: x1.04), jambo ambalo linatimiza mahitaji ya kisheria, na hili sana lililokana na kupungua kwa mikopo yetu ya kulipwa katika kipindi kifupi, pamoja na kuboreshwa kwa usimamizi wa ununuzi wa vitu vinavyohitajika katika uzalishaji.



(CMA: >1x)

## CURRENT RATIO

### MADENI

Kwa jumla, mikopo ya kundi ilishuka kwa KES 11 bilioni kutoka KES 59 bilioni mnamo 30 Juni 2023, hadi KES 48 bilioni kufikia 30 Juni, 2024 kutokana na mkakati wetu wa usimamizi wa madeni, ambao kupitia kwake tuliwezesha kulipwa kwa baadhi ya mikopo ili kujikinga dhidi ya ongezeko la viwango vya riba.

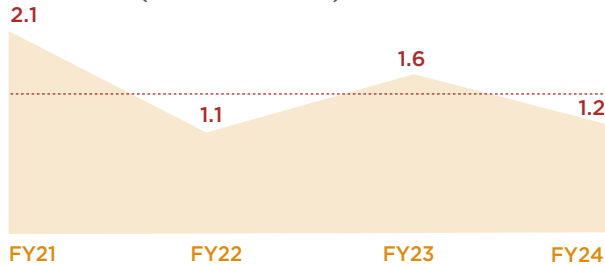
Mikopo halisi ilishuka kutoka KES 51.1 bilioni 30 Juni 2023, hadi KES 38.8 bilioni kufikia 30 Juni, 2024.

Kundi lilifunga mwaka likiwa na kipimo cha uwiano wa mikopo halisi kwa EBITDA (Mapato kabla ya Riba, Ushuru, Kushuka Thamani na Fedha za kutengwa kulipa Madeni) cha 1.2 ambacho hakijapita lengo la bodi la 1.5. Hii lilitokana na kupunguzwa kwa ukopaji, pamoja na kuimarika kiasi kwa EBITDA.

# UJUMBE WA MENEJA MKURUGENZI WA KUNDI (MWEENDELEZO)

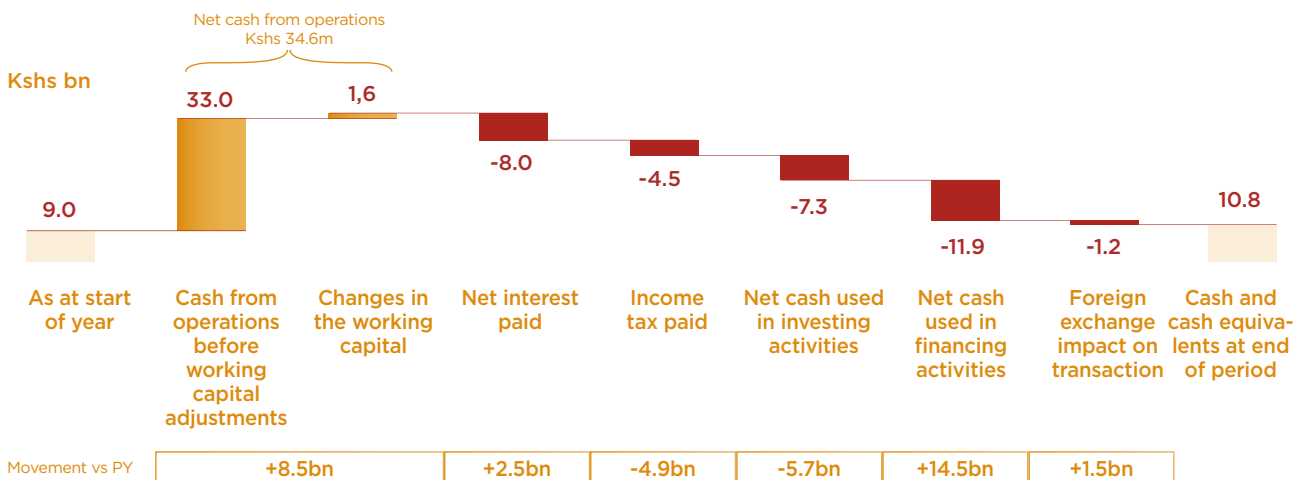
## TAARIFA YA MKURUGENZI MKUU WA FEDHA (CFO) WA EABL (MWEENDELEZO)

### MADENI (MWEENDELEZO)



(Board Target: <1.5)

### NET DEBT/EBITDA



### MGAWO WA FAIDA

Bodi inapendekeza mgawo wa faida wa mwisho wa Kshs 6.00 kwa kila hisa, ambao utafikisha jumla ya mgawo wa faida hadi Kshs 7.00 kwa kila hisa. Mgawo huo ni 27% zaidi ya mwaka uliotangulia, jambo linalodhihirisha kujitolea kwetu kuunda thamani kwa wadau wetu mbalimbali katika EABL.

### MUSTAKABALI WA KIFEDHA

Mazingira ya kiuchumi kwa jumla yamesalia kuwa ya kutotabirika; tunaendelea kutumia uthabiti wa biashara yetu kuu na uwezo wetu wa kutumia vyema fursa sokoni kujiweka sawa kukabiliana na kudhibiti hatari zozote zinazoibuka.

### MATUMIZI YA MITAMBO NA MAJENGO

Matumizi kwenye mitambo, ardhi na majengo kwa mwaka huo, yalishuka hadi KES7bn kutoka KES12.9bn mwaka 2023 (6% ya NSV kutoka 12% awali), kutokana na kukamilishwa kwa miradi mikubwa, na kupewa kipaumbele kwa uhifadhi wa fedha.

### MTIRIRIKO WA FEDHA

Ukuaji katika uzalishaji wa pesa taslimu na visawe vyake kutoka kwa shughuli zetu kuu ulikuwa KES22.1bn, ambapo uliongezeka kwa KES11bn ukilinganisha na mwaka uliotangulia. Hili lilichochea na ukuaji kwenye mapato na usimamizi mwema wa mtaji wa kuendesha shughuli.

Tunawekeza mbele na kutabiri yanayoweza kutokea ili kuendelea kukuza biashara yetu katika masoko yote na kutimiza malengo yetu ya kimkakati. Haya yote tukiendelea kuangazia ukuaji wa uzalishaji na kutoa ukuaji usio rudi nyuma na endelevu kwa kipindi kirefu. Tutaendelea kudhibiti hatari zetu za riba na ubadilishanaji wa fedha za kigeni kupitia kuongeza kasi katika upunguzaji wa madeni, kutumia vyema mtaji wa uendeshaji biashara na kukuza mauzo yetu ya nje ya nchi.

**BI. RISPER OHAGA**  
**AFISA MKUU WA KIFEDHA WA KUNDI**





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**2022**  
**TUSKER NEXTERS DEBUT: A PLATFORM FOR THE NEXT GEN**  
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# KENYA'S



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GUINNESS

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1922

# GOVERNANCE AND ETHICS



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“ EABL IS COMMITTED TO CREATING ECONOMIC, SOCIAL, AND ENVIRONMENTAL VALUE IN THE COMMUNITIES WHERE WE LIVE, WORK, SOURCE, AND SELL. ”





# GOVERNANCE AND ETHICS (CONTINUED)

## BOARD COMPOSITION: A DIVERSE BLEND



**DR. MARTIN ODUOR-OTIENO**  
*GROUP CHAIRMAN*  
KENYAN  
APPOINTMENT: MAY 2016



**MR. LEO BREEN**  
BRITISH  
APPOINTMENT: JANUARY 2020



**MS. JANE KARUKU**  
*GROUP MANAGING DIRECTOR AND CEO*  
KENYAN  
APPOINTMENT: SEPTEMBER 2013



**MS. RISPER OHAGA**  
*GROUP CHIEF FINANCE OFFICER*  
KENYAN  
APPOINTMENT: MAY 2020



**MR. SATHISH KRISHNAN**  
INDIAN  
APPOINTMENT: JULY 2023



**MR. FELIX OKOBOI**  
UGANDAN  
APPOINTMENT: MAY 2023





**MR. JOHN MUSUNGA**  
KENYAN  
APPOINTMENT: JULY 2023



**MS. ORY OKOLLOH**  
KENYAN  
APPOINTMENT: OCTOBER 2020



**MR. JIMMY MUGERWA**  
UGANDAN  
APPOINTMENT: JULY 2018



**MS. CAROL MUSYOKA**  
KENYAN  
APPOINTMENT: SEPTEMBER 2015



**MR. PAUL DEO MAKANZA**  
TANZANIAN  
APPOINTMENT: JUNE 2024



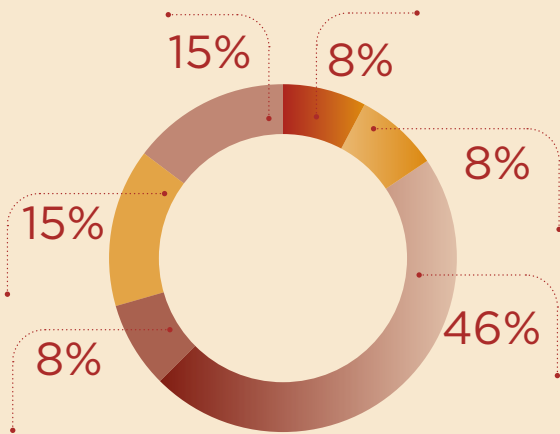
**MS. ANGELA NAMWAKIRA**  
*COMPANY SECRETARY*  
KENYAN  
APPOINTMENT: OCTOBER 2023



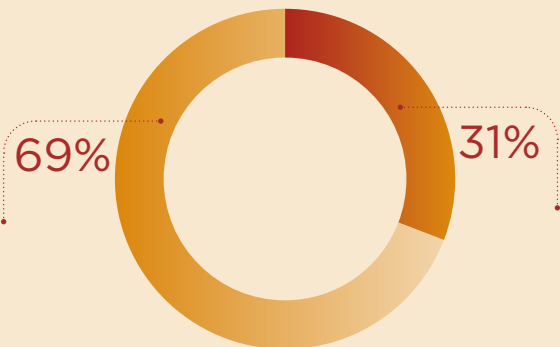
# GOVERNANCE AND ETHICS (CONTINUED)

## BOARD COMPOSITION: A DIVERSE BLEND (CONTINUED)

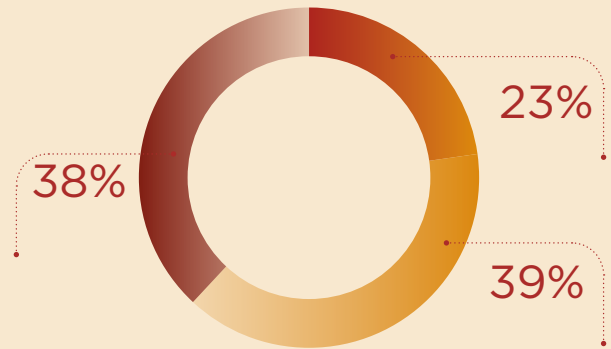
### NATIONALITY



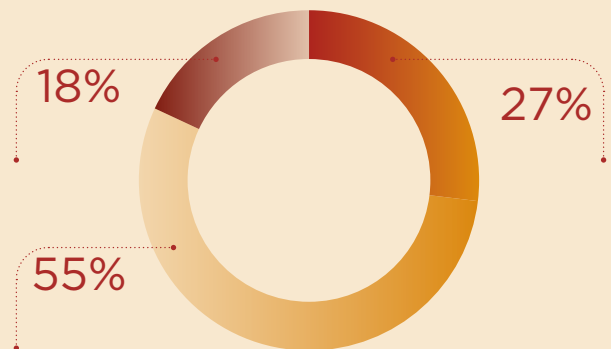
### GENDER



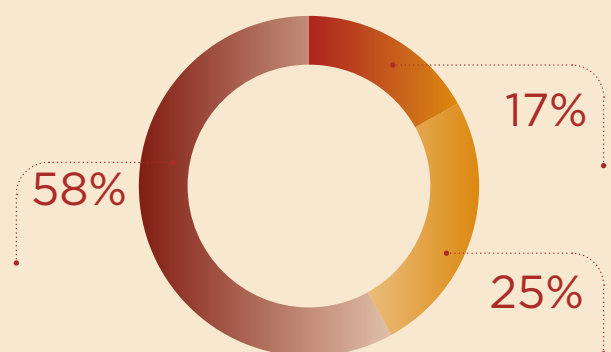
### TENURE



### AGE



### INDEPENDENCE





**DR. MARTIN LUKE ODUOR-OTIENO, CBS**  
**AGE: 68 YEARS**  
**NATIONALITY: KENYAN**

**INDEPENDANT NON-EXECUTIVE DIRECTOR GROUP  
CHAIRMAN**

Dr. Oduor-Otieno is the founder and CEO of The Leadership Group Limited, a Nairobi-based consulting firm, which is involved in facilitating Board practice and leadership training as well as providing executive coaching and business advisory services. He previously worked with Deloitte East Africa as a Financial Services Partner, and with KCB Group as Chief Executive Officer, among other senior private sector appointments. He has also served as Permanent Secretary, Ministry of Finance and Planning and The Treasury, in the Government of Kenya.

Dr. Oduor-Otieno holds an honorary Doctor of Business Leadership degree from KCA University, Executive MBA from ESAMI/ Maastricht School of Management and Bachelor of Commerce degree from the University of Nairobi. He is also an alumnus of the Harvard Business School's Advanced Management Programme and a Fellow of the Kenya Institute of Bankers, Institute of Certified Public Accountants of Kenya, Institute of Directors Kenya and Institute of Certified Secretaries Kenya in addition to holding the International Coaching Federation's credential as a Professional Certified Coach.

In recognition of his contribution to national development in Kenya, Dr. Oduor-Otieno was awarded the honour of Chief of the Order of the Burning Spear (CBS) by the Head of State.

**BOARD EXPERIENCE:**

- Dr. Martin Luke Oduor-Otieno is the Group Chairman of EABL.
- He is also the Chairman of Kenya Breweries Limited and UDV (Kenya) Limited, both subsidiaries of EABL.
- He is a Non-Executive Director in BAT Kenya Plc, Standard Bank Group and Standard Bank of South Africa.



**MR. LEO BREEN**  
**AGE: 54 YEARS**  
**NATIONALITY: BRITISH**

**NON-EXECUTIVE DIRECTOR**

Mr. Leo Breen is the Finance Director, Diageo Africa, a role he has held since 2017. He has over 25 years of experience with the Diageo Group and has overseen finance operations for Diageo businesses in over 40 countries across Europe, Asia and Africa. He is an influential executive with a track record of driving business growth both in major markets and emerging markets.

Mr. Breen has a BA Hons in Philosophy from the University of Newcastle Upon Tyne and is a CIMA qualified accountant from the Chartered Institute of Management Accountants.

**BOARD EXPERIENCE:**

- Mr. Breen is a Non-Executive Director of Guinness Nigeria Plc.

# GOVERNANCE AND ETHICS (CONTINUED)

## BOARD COMPOSITION: A DIVERSE BLEND (CONTINUED)



**MS. JANE KARUKU**  
AGE: 62 YEARS  
NATIONALITY: KENYAN

### EXECUTIVE DIRECTOR AND GROUP MANAGING DIRECTOR AND CEO

Ms. Jane Karuku, MGH, is the Group Managing Director and CEO at East African Breweries PLC (EABL). As the EABL Group MD & CEO, she is among the most senior women leaders in East Africa, driving the region's largest manufacturing business to greater heights with iconic brands such as Tusker, Bell, Serengeti, Senator, Guinness and Johnnie Walker.

Ms. Karuku is a dynamic business leader, with strong management experience spanning over 25 years in fast-moving consumer goods (FMCG) and non-governmental organisations. Her expansive experience straddles strategy development, operational management, marketing as well as organisational change management.

Ms. Karuku has previously held several Board positions including, the Chair of the Vision 2030 Delivery Board, Barclays Bank (now ABSA Kenya), Trustee, USIU Kenya and Chairperson of the Covid-19 Emergency Response Fund.

She has been recognised and awarded for her contribution to the country's social and economic development. She has been awarded the Presidential Order of Service, Uzalendo Award in May 2020 and the Moran of Golden Heart (MGH) award in December 2020.



**MS. RISPER OHAGA**  
AGE: 48 YEARS  
NATIONALITY: KENYAN

### EXECUTIVE DIRECTOR AND GROUP CHIEF FINANCIAL OFFICER

Risper is the EABL, Group Chief Financial Officer. She is a seasoned finance professional with over 20 years' experience across banking, audit and consultancy and fast moving consumer goods. She is also an experienced Board member. Ms. Ohaga joined EABL in February 2020, from the Absa Group (previously Barclays Africa Group) where she held various senior roles across several African markets with her last role being Finance Director of Absa Bank Zambia Plc. Prior to that, she held the role of Managing Director for Internal Audit based in Johannesburg. She has extensive regional experience in strategy, financial management, tax and regulatory management, risk management, treasury corporate finance, internal and external audit. She started her career in KPMG Kenya.

Risper is a CPA (Kenya) and holds a Bachelor of Commerce (Hons) in Accounting from The University of Nairobi.

### BOARD EXPERIENCE:

- Executive Director in Kenya Breweries Limited and UDV (Kenya) Limited, both subsidiaries of EABL.
- Non-Executive Director at APA Group
- Non-Executive Director in I&M Group Plc
- Former Board member of Barclays Bank Zambia.





**MR. SATHISH KRISHNAN**  
**AGE: 46 YEARS**  
**NATIONALITY: INDIAN**

**NON-EXECUTIVE DIRECTOR**

Sathish is an experienced CFO, Board member & consummate organisational leader with over two decades of experience in leading multi-nationals. Sathish was appointed Regional CFO for Diageo Asia Pacific and Global Travel Retail in September 2021. Based in Singapore, he oversees Diageo's operations for the region and Global Travel Retail, leading a team focused on building strategies that deliver transformational results and create long-term sustainable value for the business.

Prior to joining Diageo, Sathish spent 18 years at P&G in various senior finance positions across India, Singapore & Philippines, China, Middle East & Africa. His experience spanned roles across corporate strategy & planning, corporate finance, market finance, shared services and as business unit CFO.

Sathish has a post-graduate degree from Indian Institute of Management (Bangalore, India) and a Bachelor's Degree in Accounting & Commerce from Madras University (Chennai, India). He is also an Associate Member of Institute of Company Secretaries of India.

**BOARD EXPERIENCE:**

- Board Member in Sichuan Swellfun Co Ltd, China.



**MR. FELIX OKOBOI**  
**AGE: 53 YEARS**  
**NATIONALITY: UGANDAN**

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

Felix is an experienced finance and investments professional, with over 25 years of local and international finance, development finance, real estate and project management experience having worked in various roles in U.S.A, Europe and Uganda. He is passionate about Impact Investing and Sustainability, and also specialises in advisory work in the Distressed Assets, Real Estate and Equity Investments space. Felix holds and has held several leadership positions in his career.

He is currently the Board Chairman of Uganda Development Bank, the Board Chairman of the Agricultural Business Initiative (aBi) and the Board Chairman of Britam Insurance Uganda. He is also the Chairman of the Investment Committee of the Yield Uganda Investment Fund, Uganda's largest Impact Equity Investment Fund for Agribusiness. Felix holds an MBA in Finance from The Wharton School, and a Master of Arts in International Studies from the University of Pennsylvania. He is also a graduate of the Aachen University of Technology (RWTH Aachen) in Germany where he obtained a Bachelor's degree and a Master's degree in Engineering with a major in Architecture.

# GOVERNANCE AND ETHICS (CONTINUED)

## BOARD COMPOSITION: A DIVERSE BLEND (CONTINUED)



**MR. JOHN MUSUNGA**  
AGE: 55 YEARS  
NATIONALITY: KENYAN

### NON-EXECUTIVE DIRECTOR

John is the Managing Director of Diageo South, West and Central Africa. Prior to this role, he led Guinness Nigeria Plc as its Chief Executive Officer & Managing Director until December 2023. John joined Diageo in March 2021 as the Managing Director of Kenya Breweries Limited & UDV Kenya Limited. He previously worked at GlaxoSmithKline where he held executive roles at global and regional level. He has lived and worked in the United Kingdom, Nigeria, Belgium, South Africa and Kenya.

John is an established business leader with over two decades of successfully leading in diverse roles including general management, global strategy and in-market operational execution. He holds a Bachelor of Science (BSc) in Chemistry and a Master of Business Administration (MBA).

### BOARD EXPERIENCE:

- Former Executive Director, Guinness Nigeria PLC
- Former Executive Director, Kenya Breweries Limited
- Former Executive Director, UDV Kenya
- Former Chairman, Kenya HIV/AIDS Business Council
- Former Chairman, Kenya Association of Pharmaceutical Industries
- Former Chairman, GlaxoSmithKline (K) Limited
- Former Non-Executive Director, Kenya Vision 2030 Board



**MS. ORY OKOLLOH**  
AGE: 46 YEARS  
NATIONALITY: KENYAN

### INDEPENDENT NON-EXECUTIVE DIRECTOR

Ory, is a lawyer by profession and is currently a Partner at Verod-Kepple Africa Ventures (VKAV), a pan-African focused venture capital firm that backs exception founders in and from Africa, where she leads and implements all investment-related activities, drives expansion and supports partner companies with strategic and operational issues. She has previously been the Managing Director, Omidyar Network and Luminate Group in Africa, companies united by a common desire to catalyze social impact. Prior to this, she worked with Google as the Policy and Strategy Manager for Africa where she was credited for leading several groundbreaking efforts around access, local content and regulatory reforms. Ory was also at the fore front of developing technology innovation as a founding member of Ushahidi. In 2014, she was named Time 100's most influential people in the world.

Ory holds a Bachelor of Arts (Political Science) degree from the University of Pittsburgh and a Juris Doctor (J.D.) from Harvard Law School.

### BOARD EXPERIENCE:

- Non-Executive Director at Kenya Breweries Limited and UDV (Kenya) Limited, both subsidiaries of EABL.
- Board member of Adecco Group Foundation.
- Board member of Thomson Reuters Founders Share Company.
- Director in the Board of Deloitte Africa.
- Trustee of the Van Leer Foundation.
- Former Non-Executive Director at Stanbic Holdings Plc, Stanbic Bank Kenya and Stanbic Foundation.
- Former Independent Non-Executive Director at Safaricom PLC.



**MR. JIMMY D. MUGERWA**  
**AGE: 60 YEARS**  
**NATIONALITY: UGANDAN**

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

Mr. Jimmy D. Mugerwa is the founder & CEO of Zoramu Consulting Group Limited, a private oil and gas Business Advisory firm. He has a distinguished career of over three decades, as a business executive leader with the oil and gas industry, both upstream and downstream, working across Africa and Europe. Most prominently, as the Managing Director for Tullow Oil in Uganda, he led the team in the exploration and development of the Lake Albert basin oil fields, along with the East African Crude Oil Pipeline (EACOP). Prior to this, he spent 19 years at Royal Dutch Shell, serving in several executive positions including being the Kenya Shell Country Chair/General Manager, Shell East Africa operations, Africa Retail Marketing & Strategy Manager for Shell and was also Senior Regional Advisor for sub-Saharan Africa at the corporate head office in the Netherlands. He currently serves on the Advisory board of Veracity Worldwide.

Mr. Mugerwa holds a BSc (Agric) from Makerere University and an MSc degree from the University of Wales. He also holds the Financial Times Non-Executive Director Post-Graduate Diploma, holds several certificates in Oil and Gas and is an alumni of the Executive Business Leadership Programme at IMD in Lausanne, Switzerland.

**BOARD EXPERIENCE:**

- Mr. Mugerwa is a Non-Executive Director in the Board of Uganda Breweries Limited.
- He currently serves as the Chairman of the DFCU Holding Group.
- He is an independent Non-Executive Director at Jubilee Allianz Insurance in Uganda.
- He has held directorship roles in several Boards for the Shell and Tullow companies across East Africa.
- Until December 2019, Mr. Mugerwa chaired the Presidential Investor round table for Oil and Gas for four years.
- He was a co-founder chair, together with the late Professor Wangari Maathai, of the Karura Forest Environmental Education Trust.
- He was the Chairman of the Managing Committee of Starehe Boys Centre for 8 years.



**MS. CAROL MUSYOKA**  
**AGE: 52 YEARS**  
**NATIONALITY: KENYAN**

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

Ms. Carol Musyoka, a lawyer by training and a banker by profession, is the founder and Chief Executive Officer of Carol Musyoka Consulting Limited, a corporate governance and leadership consultancy. Her Executive Management experience includes her previous role as Corporate Director at Barclays Bank of Kenya Ltd (now Absa Bank) and Executive Director at K-Rep Bank (now Sidian Bank). She currently provides consulting and training services for various local and public listed entities, private companies and not for profit organisations. She is also a popular weekly columnist in the Business Daily and is adjunct faculty at the Strathmore University Business School.

**BOARD EXPERIENCE:**

- Ms. Musyoka is a Non-Executive Director in Kenya Breweries Limited and UDV (Kenya) Limited, both subsidiaries of EABL.
- She is currently a Non-Executive Director in BAT Kenya plc.
- Ms. Musyoka is the Chairperson of the Kenya Deposit Insurance Corporation.
- She is the immediate former Chairperson of the Business Registration Services.
- She is a former Non-Executive Director in Kenya Airways Plc.
- Ms. Musyoka is a former Non-Executive Director at the Competition Authority of Kenya.



## GOVERNANCE AND ETHICS (CONTINUED)

### BOARD COMPOSITION: A DIVERSE BLEND (CONTINUED)



**MR. PAUL DEO MAKANZA**  
**AGE: 54 YEARS**  
**NATIONALITY: TANZANIAN**

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

Paul D. Makanza is a seasoned business executive with extensive experience in the service and manufacturing sectors. He holds a Bachelor of Commerce from the University of Swaziland and an MBA in Finance from Nyenrode Business Universiteit (The Netherlands Business School). He has also completed leadership and strategy courses at IMD Business School and the London School of Economics and Political Science (LSE)

Paul began his career as a Consultant at Coopers & Lybrand in Tanzania from 1992 to 1997 and then served as a Senior Consultant at PwC from 1998 to 2001. He became the Director of Corporate Affairs at Tanzania Cigarette Company Plc (JTI Tanzania) from 2001 to 2016, followed by his role as Regional Director of Corporate Affairs for Sub-Saharan Africa at JTI UK from 2017 to 2020.

He currently serves as Chairman of ABSA Bank Tanzania, Tanzania Cigarette Company Plc, Tanzania Startup Association, and the Confederation of Tanzania Industries. He is also the Vice Chairman of the Tanzania Petroleum Development Corporation (TPDC) and Tanzania Private Sector Foundation (TPSF) and a Board member of the East African Business Council.

Paul's expertise in finance, strategy, corporate governance, and advocacy makes him a respected leader in both the private and public sectors. His strategic vision and commitment to excellence have significantly impacted the organisations he has been involved with.



**MS. ANGELA NAMWAKIRA**  
**AGE: 43 YEARS**  
**NATIONALITY: KENYAN**

**COMPANY SECRETARY**

Angela, a Partner at Adili Corporate Services Kenya, is a corporate governance and legal professional with over 15 years of experience acting as Company Secretary to various reputable multinationals, locally quoted companies, not-for-profit entities, small and medium sized enterprises spanning multiple sectors.

She has a demonstrable track record as a corporate governance advisor and as a corporate secretarial practitioner, and she regularly advises on company law, statutory and regulatory compliance, strategic planning, corporate structuring and immigration matters.

Angela holds a Bachelor of Laws (LL.B) Degree from the University of Nairobi. She is an advocate of the High Court of Kenya, a practising Certified Secretary and an accredited Governance Auditor. She is also a Member of the Women on Boards Network (WOBN).



# GOVERNANCE AND ETHICS (CONTINUED)

## SENIOR MANAGEMENT



**MS. JANE KARUKU**  
*EXECUTIVE DIRECTOR AND GROUP  
MANAGING DIRECTOR AND CEO*



**MS. RISPER OHAGA**  
*EXECUTIVE DIRECTOR AND GROUP  
CHIEF FINANCE OFFICER*



**MR. HAIKO CREMER**  
*GROUP SUPPLY CHAIN DIRECTOR*



**MS. TEMITOPE AKINSANYA**  
*GROUP HUMAN RESOURCES DIRECTOR*



**MR. MARK OCITTI**  
*MANAGING DIRECTOR, KENYA  
BREWRIES LIMITED*



**DR. OBINNA ANYALEBECHI**  
*MANAGING DIRECTOR, SERENGETI  
BREWRIES LIMITED*



**MR. ANDREW KILONZO**  
*MANAGING DIRECTOR, UGANDA  
BREWRIES LIMITED*



**MR. ERIC KINITI**  
*GROUP CORPORATE RELATIONS DIRECTOR*



**MR. NADIDA ROWLANDS**  
*GROUP LEGAL DIRECTOR*



## CORPORATE GOVERNANCE STATEMENT OVERVIEW

The Board of East African Breweries PLC (EABL) is committed to implementing and adhering to good corporate governance and best practices. Corporate Governance underpins the process and structure used to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interests of other stakeholders. EABL is committed to the highest standards of Corporate Governance and Business Ethics.

The Board considers that good governance, achieved through an ethical culture, competitive performance, effective control and legitimacy, can create sustainable value and enhance long-term equity performance.

The Company has instituted systems to ensure that high standards of corporate governance are maintained at all levels of the organisation and is in compliance with the Capital Markets Authority Code of Corporate Governance Practices for Issuers of Securities to the Public (the CMA Code) as well as the equivalent guidelines for listed companies in Tanzania and Uganda.

Besides complying with the CMA Code, the Company has committed to embedding internal rules of engagement to support corporate governance. These internal guidelines are constituted in the Code of Business Conduct (CoBC) to which every Director and employee makes a commitment to comply. The CoBC is aligned to globally accepted standards and meets the requirements of local laws as well as internationally applicable laws and regulations. It guides activities in dealing with employees, customers, suppliers, competitors, government and the community at large. The CoBC also articulates the Company's policy on insider trading. Directors, Management, staff members and related parties are instructed during closed periods, not to trade in the Company's shares while in possession of any insider information not available to the public.

## OUR CORPORATE GOVERNANCE FRAMEWORK

EABL is committed to implementing and adhering to good corporate governance and best practices. We have put in place a corporate governance structure which assists to attain the following objectives:

- Organise operational, financial, risk management, and reporting processes such that the Board receives the information it requires to effect good governance and management and the business units can conduct their activities in ways that comply with regulations and serve strategic ends.
- Bring the organisation's governance framework down to the level of roles, responsibilities, reporting lines, and communications to bridge the gap between the governance framework and operational realities.

- Sustain governance by creating a feedback loop in which the Board and Management can identify and respond to new business, operational, competitive, and regulatory needs.

EABL operates within a clearly defined governance framework that provides for delegated authority and clear lines of responsibility without abdicating the responsibility of the Board. Through the framework, the Board sets out the strategic direction of the Company while entrusting the day-to-day running of the organisation to the Executive Management led by the Group Managing Director and Chief Executive Officer. The Board operates through four committees mandated to review specific areas and assist the Board in undertaking its duties effectively and efficiently. Details of the committees are provided in various sections of this report.

## STATEMENT OF RESPONSIBILITIES

The Directors are committed to fulfilling their fiduciary responsibilities and have instituted various principles necessary to ensure that good governance is practiced with respect to dealings with the Company's shareholders, customers and other relevant stakeholders in line with the spirit of the CMA Code.

The Board is committed to ensuring that a strong governance framework operates throughout the Group, recognising that good corporate governance is a vital component to support Management in their delivery of the Company's strategic objectives and to operate a sustainable business for the benefit of all stakeholders. The Board recognises that the process of identifying, developing and maintaining high standards of corporate governance suitable for the Company is ongoing and dynamic to reflect changes in the Company and its business, the composition of the Board and developments in corporate governance.

The Board of Directors is responsible for the governance of the Company. The Board applies good governance practices to promote strategic decision making for the organisation to balance short-, medium- and long-term outcomes to reconcile interests of the Company together with its stakeholders and the society to create sustainable shared value. To that end, sound governance practices, based on accountability, transparency, ethical management and fairness, are entrenched across the business.

# GOVERNANCE AND ETHICS (CONTINUED)

## CORPORATE GOVERNANCE STATEMENT (CONTINUED) STATEMENT OF RESPONSIBILITIES (CONTINUED)

The Companies Act, 2015 requires Directors to act in good faith, to promote the success of the Company for the benefit of its stakeholders and to avoid conflict between their personal interests and those of the Company, always acting in the best interest of the Company. Directors have a statutory duty to promote the success of the Company for the benefit of its stakeholders. In promoting the success of the Company, Directors must have due regard to the long-term consequences of their decisions, the legitimate interests of employees, the need to foster effective business relationships with suppliers, customers and various stakeholders, the impact of the Company's operations on the community and the environment, and the desire to maintain a reputation for high standards of business conduct.

The Board ensures that high standards and practices in corporate governance and more specifically the principles, practices and recommendations set out under the CMA Code, as well as the Companies Act, 2015 are adhered to. EABL continues to endeavor to comply with the provisions of the CMA Code. Over and above the annual self-assessment that the Company is expected to complete on its level of compliance of the CMA Code, the Corporate Governance Statement as provided in this Annual Report will highlight to the Company's shareholders and various stakeholders, the performance to date. EABL remains committed to the highest standards of corporate governance and business ethics. Good corporate governance practices are essential to the delivery of long term and sustainable stakeholder and shareholder value. The Company also adheres to other regulations promulgated by the Capital Markets Authority (CMA) and the Nairobi Securities Exchange (NSE) and the ethical standards prescribed in the Company Code of Conduct. In addition, as a law-abiding corporate citizen, EABL abides by the tenets of the Constitution of Kenya and all other laws.

The Board is collectively accountable to the Company's shareholders for the long-term success of the Company and for its overall strategic direction, its values and governance. It provides the leadership necessary for the organisation to meet its business objectives within the framework of its internal controls, while also discharging the Company's obligations to its shareholders. Responsibility for implementing strategy and day-to-day operations has been delegated by the Board to the Group Managing Director & Chief Executive Officer and the Company's executive team.

Throughout the year ended 30 June 2024 and to the date of this document, the Company endeavoured to comply with the CMA Code.

### THE ROLE OF THE BOARD

The Board serves as the focal point and steward of corporate governance in the Company. The Board is collectively responsible for the Company's vision, strategic direction, its values, and governance and is accountable to the Company's shareholders for the performance of the business.

The Board is expected to provide effective leadership to the Company in the following matters:

- Sustainable long-term success through the exercise of objective and informed judgement in determining the strategy of the Company;
- Having the right team in place to execute the strategy through effective succession planning;
- Setting up appropriate governance structures for the management of the business operations;
- Monitoring business performance and maintaining an effective framework of controls to mitigate risks facing the business; and
- Ensuring ethical behaviour and compliance with the laws and regulations.

### KEY RESPONSIBILITIES OF THE BOARD

The responsibilities of the Board include inter alia:

- Providing effective leadership, oversight and value creation in collaboration with the Executive Management team;
- Approving the Company's mission and vision;
- Approving the Company's business strategy, goals, risk policy plans and objectives and ensuring the necessary financial and human resources are in place to meet the agreed objectives;
- Approving the Company's budgets as proposed by the Executive Management team;
- Approving the Company's performance objectives and monitoring their achievement;
- Reviewing the sufficiency, effectiveness and integrity of the risk management and internal control systems;
- Establishing and agreeing an appropriate governance framework;
- Reviewing and agreeing Board succession plans and approving appointments of Directors;
- Reviewing periodic financial and governance reports;
- Approving the Annual Report, Company results and Public Announcements; and
- Approving Company policies and monitoring compliance with the Standards of Business Conduct.

There is a formal schedule of matters reserved for consideration by the Board, which include responsibility for the following:

- Approval of the overall Group strategy and objectives;
- Approval of the Group annual budget and monitoring progress towards its achievement;
- Approval of Group financing arrangements and treasury policy;
- Changes to the Group's capital structure;

- Changes to the Group's principal activities;
- Review and approval of the annual financial statements;
- Changes to the Senior Management structure;
- Approval of major investments, disposals and additional investments in existing operations; and
- Approval of major unbudgeted expenditures.

## DIVISION OF RESPONSIBILITIES

The Chairman and the Group Managing Director's roles are separate, with each having distinct and clearly defined duties and responsibilities.

The separation of the functions of the Chairman (an Independent Non-Executive Director) and the Group Managing Director (Executive Director) supports and ensures the independence of the Board and Management. The balance of power, increased accountability, clear definition of responsibilities and improved decision-making are attained through a clear distinction between the non-executive and executive roles.

## RESPONSIBILITIES OF THE CHAIRMAN

These include inter alia:


- Responsibility for the leadership of the Board, for ensuring its effectiveness on all aspects of its role and for facilitating productive contribution of all Directors.
- Responsibility for ensuring that the interests of the Company's shareholders are safeguarded and that there is effective communication with them.
- Promoting high standards of corporate governance.
- Promoting and safeguarding the interests and reputation of the Company.
- As part of stakeholder management, representing the Company to Government, shareholders, regulators, financial institutions, the media, the community and the public.
- Serving as the link between the Board and Management in between meetings and ensuring that decisions of the Board are implemented.

## RESPONSIBILITIES OF THE GROUP MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

These include inter alia:

- Responsibility for the day-to-day management of the business of the Company and overseeing the implementation of strategy and policies approved by the Board.
- Overall responsibility for the performance of the business.
- Representing the Company to customers, suppliers, governments, shareholders, financial institutions, employees, the media, the community and the public and enhancing the Company's reputation.
- Serving as the official spokesperson for the Company.
- Ensuring that there are effective processes for engaging with, communicating with, and listening to, employees and others working for the Company.
- Managing the Company's risk profile and ensuring appropriate internal controls are in place.

## THE EXECUTIVE TEAM

The Executive Team led by the Group Managing Director & Chief Executive Officer, is responsible for the day-to-day management of the Company. In so doing, it oversees the implementation of the strategy and policies set by the Board. Profiles of the Leadership Team are set out on  page 40 of this Annual Report.

The key responsibilities of the Executive Team include inter alia:

- Developing the Company's business strategy for discussion and approval by the Board;
- Monitoring the Company's operating performance;
- Developing guidelines for the Company's functional business units;
- Ensuring that collective effort and resources are balanced, effective and properly focused;
- Managing business functions and ensuring that functional strategies are effective and aligned with the Company's priorities and objectives;
- Reviewing functional budgets and ensuring that activities are adequate to achieve their targets; and
- Overseeing the management and development of talent within the Company.

## COMPANY SECRETARY

The Company secretary is a member in good standing with the Institute of Certified Secretaries (ICS). The Company Secretary provides a central source of guidance and advice to the Board on matters of statutory compliance, compliance with the regulators and good governance.

## ROLE OF THE COMPANY SECRETARY

- Providing a central source of guidance and advice to the Board and the Company, on matters of statutory and regulatory compliance and good governance.
- Providing the Board and the Directors individually with guidance on how their responsibilities should be discharged in the best interests of the Company.
- Facilitating the induction training of new Directors and assisting with the Directors' professional development as required. This includes identifying and facilitating continuous Board education.
- In consultation with the Group Managing Director & Chief Executive Officer and the Chairman, ensuring effective flow of information within the Board and its Committees and between Senior Management and Non-Executive Directors. This includes timely compilation and distribution of Board papers and minutes, as well as communication of resolutions from Board meetings.
- Guiding the Company in taking the initiative to not only disclose corporate governance matters as required by law, but also information of material importance to decision-making by shareholders, customers and other stakeholders.
- Keeping formal records of Board discussions and following-up on the timely execution of agreed actions.



# GOVERNANCE AND ETHICS (CONTINUED)

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### BOARD SIZE

The Board determines its size and composition, subject to the Company's Articles of Association, Board Charter, relevant policies, applicable law and best practices. The constitution of the Company's Board as stipulated by the Company's Articles of Association provides that the number of Directors shall be not less than five and not more than eleven in number. The Board currently comprises 11 Directors, nine are Non-Executive Directors and two are Executive Directors. Of the nine Non-Executive Directors, six are Independent Non-Executive Directors as defined in the Code.

The Board is of the view that its current size is sufficient and enables it to deliver on its mandate.

### BOARD APPOINTMENT

Succession planning is an ongoing process, with the Board discussing the same regularly. As part of its mandate, the Board Nominations and Remuneration (BNRC) is responsible for the selection and appointment of Board Directors. Prior to any appointment, the BNRC develops suitable selection criteria for potential candidates, screens and interviews them before they are formally appointed. The BNRC is permitted by its terms of reference to engage the services of a qualified external consultant to identify prospective candidates for the role of Independent Director.

Proposed candidates for the role of Independent Director, undergo a formal screening process conducted by the Nominations and Remuneration Committee of the Board before they are formally appointed by the Board. New Directors are issued with letters of appointment, with clear terms and conditions regarding the discharge of their duties.

In between Annual General Meetings (AGMs), in the event of any vacancy, the Board may appoint a Director to serve until the next AGM. Any such appointment of an Independent Director is brought to the attention of the shareholders through the notice of the AGM, and the Director, if they opt to seek re-election, is subjected to an election process by the shareholders, at the next AGM following their appointment, subject to continued satisfactory performance and commitment.

The Articles of Association also provide that at every AGM, and as may be applicable, at least one-third of the directors (with the exclusion of executive directors) must retire from the Board and where eligible, and if they choose to, stand for re-election.

The Non-Executive Directors have letters of appointment for an initial term of three (3) years. Letters of appointment are renewable after the initial three (3) years as per the Board's policy on tenure and upon recommendation by the Nominations and Remuneration Committee.

The Board considers the need for it to refresh its membership progressively over time.

### NON-EXECUTIVE DIRECTORS

As at the date of this report, the Board had nine Non-Executive Directors. The Non-Executive Directors come from broad industry and professional backgrounds, with varied experience and expertise aligned to the needs of the business.

The Non-Executive Directors help develop strategy and are responsible for ensuring that the business strategies proposed are fully discussed and critically reviewed. This enables the directors to promote the success of the Company for the benefit of its shareholders, with consideration of, among other matters, the interests of employees, the fostering of business relationships with customers, suppliers and other stakeholders.

The Non-Executive Directors oversee the operational performance of the business, scrutinize performance of Management and the Company, bring an external perspective to the Board, monitor reporting of performance and should be available to meet with major stakeholders as appropriate. To perform these tasks, they have full access to all relevant information, with updates provided on governance, regulatory and other matters affecting the Company.

Non-Executive Directors do not have service contracts with the Company but instead have letters of appointment which stipulate the terms of their appointment.

### INDEPENDENT DIRECTORS AND INDEPENDENCE


The Board recognises the importance of independent judgement and constructive engagement on all matters brought before the Board for deliberation. Directors' views should have regard to the best interest of the organisation and its stakeholders.

As at the date of this Report, the Chairman and five of the Non-Executive Directors, are independent as defined by the CMA Code and accordingly one-third of the Board comprises of independent directors (over half of the Board is comprised of Independent Non-Executive Directors).

The Board undertakes an annual assessment of the Director's independence based on the independence criteria outlined in the CMA Code.

### WHO GOVERNS US

#### COMPOSITION OF THE BOARD

The profile of the Board Directors is as set out on  pages 33 to 38 of the Annual Report. The Directors who served during the year to 30 June 2024 and the Board changes that took place in the year under review to the date of this Annual Report, are set out below:-

| Name  | Date of appointment | Nationality |
|---|---------------------|-------------|
| Dr. Martin Oduor-Otieno*<br>- Group Chairman        | May 2016            | Kenyan      |
| Jane Karuku***<br>(Group Managing Director and CEO) | September 2013      | Kenyan      |
| Carol Musyoka*                                      | September 2015      | Kenyan      |
| Jimmy Mugerwa*                                      | July 2018           | Ugandan     |
| John Ulanga*  | June 2019           | Tanzanian   |
| Leo Breen**   | January 2020        | British     |
| Risper Ohaga***<br>(Group Chief Finance Officer)    | May 2020            | Kenyan      |
| Ory Okolloh*  | October 2020        | Kenyan      |
| Felix Okoboi*                                       | May 2023            | Ugandan     |
| John Musunga**                                      | July 2023           | Kenyan      |
| Sathish Krishnan**                                  | July 2023           | Indian      |
| Paul Deo Makanza*                                   | June 2024           | Tanzanian   |

\* Independent Non-Executive Director

\*\* Non-Executive Director

\*\*\* Executive Director

## BOARD OPERATIONS

The Board meets at least four times a year and the meetings are structured in a way that allows for open discussions. Comprehensive Board papers are prepared and circulated to all Directors for all substantive agenda items before the meeting. This allows time for the Directors to undertake an appropriate review of the Board papers to facilitate full and effective discussions at the meetings. The submissions and notification period may be waived should any urgent and critical matters arise before the date of the meeting. Where Directors are unable to attend a meeting, they are advised on the matters to be discussed and allowed to make their views known to the Chairman or the Group Managing Director prior to the meeting. This process also applies to the Committee meetings.

The members of the Executive Team may be invited to attend the Board and/or Committee meetings if deemed necessary and as appropriate, to make presentations on their areas of responsibility. This serves as an opportunity to give the Directors greater insights into their business areas.

## ANNUAL BOARD WORK PLAN

The Board is solely responsible for its agenda. It is, however, the responsibility of the Chairman and the Company Secretary, working closely with the Group Managing Director and Chief Executive Officer, to come up with the annual Board work plan and the agenda for the Board meetings. The Board has in place an annual work plan that sets out the Board activities in a year. The Work Plan is designed to enable the Board to drive strategy forward. The Board work plan for the year ended 30 June 2024 was approved by the Board at its meeting held on 27 July 2023.

# GOVERNANCE AND ETHICS (CONTINUED)

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### WHO GOVERNS US (CONTINUED)

#### ANNUAL BOARD WORK PLAN (CONTINUED)

#### ATTENDANCE AT BOARD AND ANNUAL GENERAL MEETINGS DURING THE FINANCIAL YEAR

|                     | 27.07.2023 | 14.09.2023          | 14.09.2023<br>(AGM) | 10.11.2023          | 5-6.12.2023<br>(Strategy<br>session) | 25.01.2024 | 30.05.2024 |
|---------------------|------------|---------------------|---------------------|---------------------|--------------------------------------|------------|------------|
| Martin Oduor-Otieno | √          | √                   | √                   | √                   | √                                    | √          | √          |
| Carol Musyoka       | √          | Absent with apology | Absent with apology | √                   | √                                    | √          | √          |
| Jane Karuku         | √          | √                   | √                   | √                   | √                                    | √          | √          |
| Leo Breen           | √          | √                   | √                   | Absent with apology | √                                    | √          | √          |
| John Ulanga         | √          | √                   | √                   | √                   | √                                    | √          | N/A        |
| Jimmy Mugerwa       | √          | √                   | √                   | √                   | √                                    | √          | √          |
| Risper Ohaga        | √          | √                   | √                   | √                   | √                                    | √          | √          |
| Ory Okolloh         | √          | √                   | √                   | √                   | √                                    | √          | √          |
| Felix Okoboi        | √          | √                   | √                   | √                   | √                                    | √          | √          |
| John Musunga        | √          | √                   | √                   | √                   | √                                    | √          | √          |
| Sathish Krishnan    | √          | √                   | Absent with apology | √                   | √                                    | √          | √          |

- John Musunga was appointed as a Non-Executive Director with effect from 1 July 2023.
- Sathish Krishnan was appointed as a Non-Executive Director with effect from 27 July 2023.
- Felix Okoboi was appointed as a Non-Executive Director effective from 27 July 2023.
- John Ulanga resigned as a Director of the Board with effect from 31 March 2024.

#### PERMANENT INVITEE TO THE BOARD MEETINGS:

Nadida Rowlands – Group Legal Director

#### ACTIVITIES OF THE BOARD

During the year, the key areas of focus for the Board's activities and topics discussed were on the following matters:

- Reviewed and approved the strategy and the F24 Key performance indicators.
- Discussed the approved F24 key performance indicators and approved the Annual Operating Plan.
- Approved the half-year results as well as the end-of-year results, press release and commentary.
- Oversight of the Group and Subsidiaries' performance.
- Reviewed the reports from the deliberations of the various Committees.
- Discussed and approved the Refinance of Borrowing Facilities.
- Approval of Board Calendar for F24 and Half of F25.
- Reviewed Board Evaluation Report for the year ended 30 June 2023.
- Reviewed the interim dividend proposal for the year ended 30 June 2024.

- Reviewed the Interim Statutory Financial Statements for the six-month period ended 31 December 2023.
- Monitored the political and regulatory trends and developments and their implications for the business.
- Engaged in detailed discussion on the Group Capital structure.
- Approved the Audit fees for the external auditor.
- Approved the Board Work Plan.

#### BOARD EFFECTIVENESS

The effectiveness of the Board in its oversight and leadership role is enhanced by a robust support system. This is facilitated through the following:-

#### BOARD DIVERSITY


The Board recognizes and embraces the benefits of diversity and views increasing diversity as an essential element in maintaining a competitive advantage. The Board also recognizes the role of diversity in bringing different perspectives into Board debates and offers better anticipation of the risks that are inherent in the business and the opportunities that the business pursues.



The Company seeks to have a Board that has the right mix of individuals with relevant attributes skills, knowledge and experience and who jointly have the overall collective competence to deal with current and emerging issues and effectively guide Management in ensuring the highest performance for the Company. The Non-Executive Directors are expected to have a clear understanding of the strategy of the Company as well as knowledge of the industry in which the Company operates. The aggregate mix of skills and experience of the Directors seeks to challenge Management, ensure robust and constructive debate, augment and challenges the strategic thinking of the executives thereby adding value to the Company.

The Board regularly reviews the skills, knowledge and experience represented on the Board against the skills and experience needed to deliver the strategy. The Board continues to make efforts to diversify the skillset and gender. The Nominations and Remuneration Committee has been tasked to consider this in its nominations.

The Company's Non-Executive Directors come from broad industry and professional backgrounds, with varied experience and expertise aligned to the needs of the business. The areas of expertise of the current Board of Directors include: business management, banking, finance, corporate communications, economics, marketing, project management, risk management, capital markets, legal and governance and information technology.

Short biographies of the Directors, including details of their nationalities, relevant skills and experience, are set out on  pages 33 to 38.

### **GENDER SPLIT OF DIRECTORS**

Male 64%; Female 36%

### **LENGTH OF TENURE**

Less than 1 year – 4 Directors; 1 to 3 years – 3 Directors; 4 to 6 years – 2 Directors; 7 to >9 years – 2 Directors

### **INDUCTION OF DIRECTORS**

On joining the Board, all Directors receive a full induction. Non-Executive Directors also receive a full programme of briefings on all areas of the Company's business from Executive Directors, the Company Secretary and other senior executives. The induction provides an overview of the Company, the Company's operating environment and new developments thereof, accounting and financial reporting developments, as well as any regulatory changes.

The induction programme includes a series of meetings with other Directors, the Chief Executive Officer and senior executives to enable new Directors to familiarize themselves with the business. This provides an overview of the Company, the Company's operating environment and new developments thereof, accounting and financial reporting developments, as well as any regulatory changes. Three new directors were appointed in the year under review and were inducted.

### **DIRECTORS TRAINING AND DEVELOPMENT**

The Board is committed to on-going training and development of its Directors and towards that goal, appropriate training interventions were identified during the year for attendance by Directors. The relevant trainings were also identified from the Board Evaluation exercise for the year ended 30 June 2023. To enable the Non-Executive Director's gain exposure to the Group's business on the ground, when possible, one of the four scheduled Board meetings is held in the end markets, where Directors get an opportunity to undertake various trade visits, engage the sales team and outlet owners on market related issues. The Board and Committees undertake deep dive sessions on the various markets to gain deeper insights into the market. The Board and its Committees also receive regular briefings on legal and regulatory developments that affect the business.

In December 2023, the Board held its annual corporate governance training session and its annual strategy session for two days, whereby an update on the Strategy was presented. To better understand the business, the Board also had deep dive sessions on the business with a focus on consumer dynamics, markets, company brands and products, technology and innovation, people and culture, and on ESG – Society 2030.

In the year under review, each of the Directors who served for the full year was able to secure at least twelve (12) hours of training from the Company as prescribed by the CMA Code.

### **CONFIRMATION OF GOOD STANDING STATUS**

The Board annually assesses the good standing status of members of professional bodies in line with the requirements of the CMA Code. This process ensures that members adhere to the professional and ethical standards set forth by their respective professional bodies.

### **ACCESS TO INDEPENDENT ADVICE**

The Board recognizes that there may be occasions when one or more Directors considers it necessary to take Independent Advice on various matters such as legal or financial advice, at the Company's expense. This is provided for in the Board Charter and the Terms of Reference of each Committee.

### **MANAGEMENT OF CONFLICTS OF INTEREST**

The Directors are obligated to fully disclose to the Board any real or potential conflict of interest, whether direct or indirect, which comes to any director's attention. The statutory duty to avoid situations in which the directors have or may have interests that conflict with those of the Company has been observed by the Board in the financial year under review. All business transactions with all parties, directors, or their related parties are carried out at arm's length. An acknowledgment that should it come to the attention of a director that a matter concerning

# GOVERNANCE AND ETHICS (CONTINUED)

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### WHO GOVERNS US (CONTINUED)

#### MANAGEMENT OF CONFLICTS OF INTEREST (CONTINUED)

the Company may result in a conflict of interest obligates the director to declare the same and exclude himself/herself from any discussion or decision over the matter in question.

The Board has formal procedures for managing conflicts of interest in accordance with the Companies Act, 2015 and the CMA Code. Directors are required to give advance notice of any conflict issues to the Chairman or Company Secretary and these are considered at the next Board meeting.

Declaration of conflicts of interest is also a standard agenda item that is addressed at the onset of each Board and Committee meeting. The Board also requires all Directors to disclose on appointment and annually, any circumstance which may give rise to an actual or potential conflict of interest with their roles as Directors.

Directors are excluded from the quorum and voting in respect of any matters in which they have an interest. No material conflicts were reported by Directors in the year under review.

#### IT GOVERNANCE

The Board holds the responsibility for IT governance, overseeing the integration of IT strategy with the Group's broader strategic and business processes. This entails ensuring that IT investments, resources, and initiatives are directed towards enhancing business value, managing risks effectively, and maintaining compliance with relevant regulations. By actively engaging in IT governance, the Board safeguards the Group's ability to leverage technology strategically, fostering innovation, efficiency, and competitive advantage in the rapidly evolving digital landscape.

#### LEGAL AND COMPLIANCE AUDIT

Our statement of responsibilities summarizes how the Group has implemented the principles and provisions of the CMA Code. The Board considers that the Group has complied in all material respects with the CMA Code for the year ended 30 June 2024. The Legal Audit process is currently ongoing, and the Group continues to implement the recommendations of the 2022 & 2023 Legal and Compliance Audits.

#### GOVERNANCE AUDIT

The CMA Code provides that issuers of securities to the public are required to undertake periodic governance audits. Following extensive stakeholder consultation to consider the frequency, cycle, cost and scope of governance audits, the Capital Markets Authority advised all issuers of a revision in the cycle of governance audits to at least once every two years with the option of CMA increasing or decreasing this frequency on a risk-based approach.

The Governance Audit process for the year ended 30 June 2024 is currently ongoing and the Group continues to implement the recommendations of the 2022 Governance Audit.

#### BOARD EVALUATION

The effectiveness of the Board, its Committees, the Executive and Non-Executive Directors, the Chairman, and the Company Secretary is reviewed annually.

The Board evaluation for the year ended 30 June 2023 was carried out internally by the Company Secretary. The Board self-evaluation looked at the effectiveness of the full Board, the Board Committees and the assessment of the effectiveness of the Chairman, GMD, and the Company Secretariat. This was aimed at enabling the Board and its members and the Committees to gauge their performance and identify areas of improvement.

The evaluation entailed a peer review for the Chairman, Group Managing Director and the Company Secretariat and the methodology used was questionnaires. The areas covered include the Board composition balance and performance, Board and Committee topics, support, provision of information, effectiveness and performance of the Board and Committees, and the support provided by the Company Secretariat.

The Board evaluation exercise revealed that the performance of the whole Board was very good. This is an indication that the Board is effective in discharging its mandate and independent in its thought process which is of great value in driving business growth and stakeholder relationships.

The Board evaluation for the year under review is currently ongoing and will be conducted externally based on parameters agreed upon by the Board. The evaluation is aimed at assessing how the Board has performed in its oversight role over the period under review and to identify opportunities for improvement in its structures and processes to improve its effectiveness.

#### CORPORATE GOVERNANCE ASSESSMENT REPORT

During the year 2023, the Group submitted an assessment of the status of implementation of the CMA Code to the Capital Markets Authority for the year ended 30 June 2022. The assessment was based on a review of the following areas: commitment to good corporate governance; board operations and control; rights of shareholders; stakeholder relations; ethics and social responsibility; accountability, risk management and internal control; and transparency and disclosure.

The overall rating awarded to the Company was a leadership rating of 86% - a testament to the Board's commitment to sound corporate governance practices. The Company continues to implement the recommendations received from the Capital Markets Authority to improve its level of implementation of the recommendations under the CMA Code.

### DIRECTORS' SHAREHOLDING

Directors can purchase or sell shares of the Company in the open market. None of the Directors as at the end of the financial year under review held shares in their individual capacity of more than 1% of the Company's total equity. The breakdown of the Directors' personal shareholding in the Company as at 30 June 2024 is as follows:

| Director      | No of shares |
|---------------|--------------|
| Jane Karuku   | 1,296        |
| Carol Musyoka | 5,782        |
| Risper Ohaga  | 700          |
| Ory Okolloh   | 1,220        |

### THE BOARD COMMITTEES, COMPOSITION AND THEIR ACTIVITIES

The Board carries out its obligations through Board Committees to be able to undertake its mandate effectively and efficiently. During the year, there were three standing committees and one ad hoc committee of the Board. The standing committees are: the Board Audit and Risk Management Committee; the Board Nominations & Remuneration Committee and the Board Corporate Governance Committee. The Board Investment Committee is an ad hoc Committee.

Each committee has formal and approved terms of reference that set out the roles and responsibilities and the procedural rules that apply to the Committee. Each Committee periodically reviews its terms of reference to ensure that they are in line with current legislation and best practice. The Committees are provided with all necessary resources to enable them to undertake their duties effectively. The Committees are all chaired by Independent Non-Executive Directors who also form the majority of the Committee's membership.

### BOARD CORPORATE GOVERNANCE COMMITTEE

The Board Corporate Governance Committee comprises of four Non-Executive Directors and reports to the Board after every Committee meeting. The Committee is chaired by an Independent Non-Executive Director.

### CURRENT MEMBERS:

Jimmy Mugerwa - Chairman  
Carol Musyoka  
John Musunga

Felix Okoboi

### SECRETARY OF THE COMMITTEE:

Angela Namwakira

### PERMANENT INVITEES:

Jane Karuku - Group Managing Director and CEO  
Nadida Rowlands - Group Legal Director

### ROLE OF THE COMMITTEE

The Board Corporate Governance Committee has oversight over the adherence and compliance by the Company to the principles and requirements of good corporate governance and business ethics. The Committee is also responsible for ensuring an annual Board evaluation is conducted for evaluating the performance of the Board, Board Committees, Individual Directors, Group Managing Director and the Company Secretary. Majority of the Members of the Committee are Independent Non-Executive Directors.

During the year, the Committee met four times and reviewed the following business:

- The Committee approved its annual work plan for F24 on 24 July 2023.
- Monitored implementation of the requirements of the CMA Code.
- Received reports on the status of implementation of the ESG agenda - Society 2030.
- Assessed the independence of the independent directors in line with the requirements of the CMA Code.
- Reviewed the directors' interest in other entities and mitigation measures thereof.
- Reviewed the declarations of good standing of the directors with various professional bodies.
- Reviewed the Board Charter and the terms of reference of the various committees.
- Reviewed and approved the compliance report to the CMA, detailing the measures taken to ensure compliance with the CMA Code.
- Reviewed the FY23 Legal and compliance audit report and made recommendations to the Board.
- Reviewed the Governance audit report FY22 and made recommendations to the Board.
- Continued to track the progress in implementing the recommendations from the FY22 & FY23 Legal and compliance audits.
- Continued to track the progress made in implementing the recommendations from the FY22 Governance audit.
- Reviewed the Terms of Reference of the Committee.
- Reviewed the Board evaluation Report FY23 and made recommendations to the Board.
- Continued to track the progress made in implementing the recommendations from the F22 Board Evaluation.



# GOVERNANCE AND ETHICS (CONTINUED)

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### WHO GOVERNS US (CONTINUED)

#### BOARD CORPORATE GOVERNANCE COMMITTEE (CONTINUED)

#### ATTENDANCE AT BOARD CORPORATE GOVERNANCE COMMITTEE MEETINGS DURING THE FINANCIAL YEAR

|               | 24.07.2023 | 23.10.2023 | 23.01.2024 | 18.04.2024 |
|---------------|------------|------------|------------|------------|
| Jimmy Mugerwa | ✓          | ✓          | ✓          | ✓          |
| Carol Musyoka | ✓          | ✓          | ✓          | ✓          |
| John Musunga  | N/A        | N/A        | N/A        | ✓          |
| Felix Okoboi  | ✓          | ✓          | ✓          | -          |
| John Ulanga   | ✓          | -          | ✓          | N/A        |

\* John Musunga was appointed as a member of the Committee effective 25 January 2024.

\* Felix Okoboi was appointed as a member of the Committee effective 27 July 2023.

\* John Ulanga ceased to be a member of the Committee with effect from 31 March 2024.

#### BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

The Committee consists of five Non-Executive Directors and reports to the Board after every committee meeting. In line with the CMA Code, the Committee is comprised of at least three Independent and Non-Executive Directors. It is chaired by an Independent Non-Executive Director with at least one Committee member holding a professional qualification in audit or accounting and in good standing with a relevant professional body.

#### CURRENT MEMBERS:

Felix Okoboi - Chairman  
Jimmy Mugerwa  
Leo Breen  
Ory Okolloh  
Sathish Krishnan

#### SECRETARY OF THE COMMITTEE:

Angela Namwakira

#### PERMANENT INVITEES:

Jane Karuku - Group Managing Director and Chief Executive Officer  
Risper Ohaga - Group Chief Finance Officer  
Nadida Rowlands - Group Legal Director

#### ROLE OF THE COMMITTEE

The Board Audit and Risk Management Committee (BARC) is responsible for monitoring and reviewing the integrity of the financial statements, the effectiveness of the accounting, internal control and business risk management systems of the Group, and the efficiency of the Group's procedures for handling complaints and whistle blowing allegations. The Mandate of the Committee also includes:

- Reviewing the integrity of the Group's financial statements.
- Reviewing compliance with legal and regulatory requirements.
- Monitoring and reviewing the performance of the Group's external auditors including their independence and objectivity, making recommendations as to their reappointments (or where appropriate, change) and approving their terms of engagement and the level of audit fees payable to them.
- Review of business operations policies.

- Overseeing the internal control and risk management systems in relation to the Company's financial reporting process and the Group's process for preparation of the consolidated financial statements.

#### ACTIVITIES OF THE COMMITTEE

During the year, the BARC met four times and conducted the following business:

- The Committee approved its annual work plan for F24 on 26 July 2023.
- Reviewed the Interim Statutory Financial Statements for the six months period ended 31 December 2023.
- Reviewed the external audit plan for FY24, considered and recommended the approval of the FY24 audit fees to the Board.
- Reviewed the Interim results announcement, which included the condensed financial statements and the Company's management results.
- Reviewed Business Integrity reports which covered risk management, controls and assurance, breach management and health, safety and environment.
- Reviewed the appointment of the auditors taking into account the auditors' effectiveness and independence and all appropriate guidelines and made a recommendation to the Board accordingly.
- Considered the appropriateness of management judgment and the accounting treatment of significant transactions.
- Reviewed the F23 Annual Audit and Risk Plan and outcomes of the audits.
- Reviewed the Internal Audit Charter, FY24 Internal Audit Plan and Internal Audit report.
- Reviewed reports of Risk Management footprint, Controls Assurance (CARM), Breach Management and Health and Safety.
- Reviewed significant audit, accounting and control matters.
- Discussed Business Performance.
- Discussed the Legal and Regulatory updates.
- Discussed Material Contingent Liabilities updates.
- Reviewed the Terms of Reference of the Committee.

The Group has a policy on auditor independence and on the use of the external auditors for non-audit services which is reviewed annually. Any decision to open the external audit to tender is taken on the recommendation of the BARC. There are no contractual obligations that restrict the Company's current choice of external auditor.

PricewaterhouseCoopers (PwC) were the Group's auditors during the financial year. They have since issued a written confirmation to the Board of their intention to seek

re-appointment as the Company's auditors at the Annual General Meeting, subject to approval by the Shareholders.

## ATTENDANCE AT BOARD AUDIT AND RISK MANAGEMENT COMMITTEE MEETINGS DURING THE FINANCIAL YEAR

|                  | 26.07.2023 | 23.10.2023 | 23.01.2024 | 30.04.2024 |
|------------------|------------|------------|------------|------------|
| John Ulanga      | ✓          | ✓          | ✓          | N/A        |
| Felix Okoboi     | ✓          | ✓          | ✓          | ✓          |
| Jimmy Mugerwa    | ✓          | ✓          | ✓          | ✓          |
| Leo Breen        | ✓          | ✓          | ✓          | ✓          |
| Ory Okolloh      | ✓          | ✓          | ✓          | ✓          |
| Sathish Krishnan | N/A        | N/A        | N/A        | ✓          |

\* John Ulanga ceased to be a member of the Committee with effect from 31 March 2024.

\* Felix Okoboi was appointed as a member of the Committee and Chairman with effect from 1 July 2023 and 30 May 2024 respectively.

\* Sathish Krishnan was appointed as a member of the Committee with effect from 25 January 2024.

## BOARD NOMINATIONS AND REMUNERATION COMMITTEE

The Nominations and Remuneration Committee consists of four Non-Executive Directors and reports to the Board after every committee meeting. The current Chairperson is an Independent Non-Executive Director.

### CURRENT MEMBERS:

Carol Musyoka – Chairperson  
 Martin Oduor - Otieno  
 Jimmy Mugerwa  
 Leo Breen

### SECRETARY OF THE COMMITTEE:

Angela Namwakira

### PERMANENT INVITEES:

Jane Karuku - Group Managing Director and CEO  
 Temitope Akinsanya - Group Human Resource Director  
 Nadida Rowlands - Group Legal Director

### ROLE OF THE COMMITTEE

The Board Nominations and Remuneration Committee (BNRC) is responsible for key business processes as listed below:

- Monitoring the size and composition of the Board and its succession planning and external talent pipelining for potential vacancies within the Board and EABL subsidiary boards. This is done through nomination, selection and vetting from a pool of suitable candidates to fill vacancies that may arise from the Board and Board Committees.
- Identifying and recommending for approval of the Board, remuneration proposals for executive and independent Directors of the Board.
- Approving key policies and principles driving remuneration decisions for management and non-management employees.
- Assessing and recommending to the Board, the remuneration of management and independent non-executive Directors.

- Approval of staff incentive schemes, pension plans, and other remuneration related terms and conditions of employment.

### ACTIVITIES OF THE COMMITTEE

The Committee had four meetings during the year and dealt with the following business:

- Approved the Committee's work plan for F24 on 25th July 2023
- Assessed the effectiveness and adequacy of the Board succession pipeline and succession plans, with particular consideration for actual and potential vacancies in the longer-term horizon.
- Reviewed the People Strategy which included Organization, People Statistics, Culture, Diversity & Inclusion.
- Discussed Annual Reward Priorities.
- Discussed the Retirement Benefits Plans in Kenya and Uganda.
- Discussed the F24 Performance Based Employee Incentive Plans.
- Discussed the proposal for review and administrative change of benefit scheme.
- Discussed and approved the Appointment of an Independent Non Executive Director and a Managing Director for East African Breweries Rwanda Limited.
- Reviewed Senior Management talent and succession review.
- Reviewed EABL's Competitiveness Posture for FY24 Employee Benefits.
- Reviewed Employee Share Schemes: Executive Stock Option Scheme (ESOP) and Employee Share Save Scheme (ESSS).
- Reviewed the proposals on pay structures & salary adjustments FY25 for management staff.
- Reviewed and approved the proposals on board development.
- Reviewed the proposals for renewal of Directors Letters of Appointment.
- Identified the directors due for retirement by rotation at the 2024 AGM.
- Reviewed the Terms of Reference of the Committee.

# GOVERNANCE AND ETHICS (CONTINUED)

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### WHO GOVERNS US (CONTINUED)

#### ATTENDANCE AT BOARD NOMINATIONS & REMUNERATION COMMITTEE MEETINGS DURING THE FINANCIAL YEAR

|                     | 25.07.2023 | 19.10.2023 | 18.01.2024 | 18.04.2024 |
|---------------------|------------|------------|------------|------------|
| Carol Musyoka       | √          | √          | √          | √          |
| Martin Oduor-Otieno | √          | √          | √          | √          |
| Leo Breen           | -          | √          | √          | √          |
| Jimmy Mugerwa       | √          | √          | √          | √          |

### BOARD INVESTMENT COMMITTEE

The Investment Committee consists of five members, four Non-Executive Directors and one Executive Director. The Committee reports to the Board after every committee meeting. The current Chairperson is an Independent Non-Executive Director.

#### CURRENT MEMBERS:

Carol Musyoka – Chairperson  
Risper Ohaga  
Ory Okolloh  
Felix Okoboi  
Sathish Krishnan

#### SECRETARY OF THE COMMITTEE:

Angela Namwakira

#### PERMANENT INVITEES:

Jane Karuku - Group Managing Director and CEO  
Nadida Rowlands - Group Legal Director

### ROLE OF THE COMMITTEE

- Responsible for reviewing and interrogating any investments or divestments that would have a significant impact on the company's balance sheet.
- Ensuring new investments made by the Company and its subsidiaries comply with the company strategy and with all applicable laws and regulations.
- Ensuring the necessary due diligence is conducted before any investments or divestments are made by the company or its subsidiaries.
- Ensuring investments made by the company take into consideration all the stakeholders of the Company.

### ACTIVITIES OF THE COMMITTEE

The Committee had two meetings during the period under review and dealt with the following business:

- Reviewed the Capital structure of the Company.
- Discussed the foreign exchange hedging proposal for EABL and its subsidiaries.

#### ATTENDANCE AT BOARD INVESTMENT COMMITTEE MEETINGS DURING THE FINANCIAL YEAR

|                  | 17.01.2024 | 19.06.2024 |
|------------------|------------|------------|
| Carol Musyoka    | √          | √          |
| Felix Okoboi     | √          | √          |
| Risper Ohaga     | √          | √          |
| Ory Okolloh      | √          | √          |
| Sathish Krishnan | -          | -          |

\* Felix Okoboi was appointed as a member of the Committee with effect from 1 July 2023.

\* Sathish Krishnan was appointed as a member of the Committee with effect from 25 January 2024.



## INTERNAL REGULATIONS

Besides complying with the Code and the laws, the Group has committed to embed internal rules of engagement to support corporate governance. These internal guidelines are constituted in various policies and in the Code of Business Conduct to which every employee, supplier and the Board makes a commitment to comply with.

## BOARD CHARTER

The Board Charter outlines the specific roles and responsibilities of the Board which are separate from those of Management. The Charter covers areas relating to Board structure, functions, processes, effectiveness and internal controls. The Charter has also embedded policies on Related Party Transactions. The Charter is not a substitute or a replacement of any laws and regulations that govern the running of the Company.

The Board Charter is reviewed annually to ensure that it remains current. The Charter and Committee Charters have been published on the Company's website.

## CODE OF CONDUCT AND ETHICS

The Company pursues ethical decision-making and leadership to promote corporate social responsibility, fair business practices, sustainability and the triple bottom line that focuses on society, the environment and profitability.

The Board has implemented a Code of Ethics and Conduct which binds Directors and Employees and is subscribed to by all members of the Company. Initiatives to ensure its application include training, monitoring, mechanisms for whistle-blowing, taking disciplinary action, etc. The Code has been integrated into the Company's operations through the development of various policies and reporting mechanisms.

Directors and staff are expected to conduct themselves with integrity, sincerity, uprightness, and impartiality in all interactions among themselves and with all stakeholders. The Code of Conduct and Ethics has been disclosed on the website.

## BOARD POLICIES

The Board has established policy and procedure documents to guide the Directors and Management in the implementation of their roles and responsibilities. A brief summary of the governance documents and their key provisions are listed below:

### Conflict of interest policy

- Directors are obligated to fully disclose to the Board any real or potential conflict of interest which come to their attention, whether direct or indirect.
- All business transactions with all parties, directors or their related parties are carried out at arm's length.

### Whistle blowing policy

- The policy outlines mechanisms that facilitate anonymous reporting and anti ethical behaviour by all stakeholders.
- The ethics hotline is managed by an independent, accredited and external institution.

### Insider Trading policy

- The policy is used to institute structures to prevent insider dealings by Directors and Management. Through this, the Company endeavours to prevent the confidentiality of unpublished price sensitive information and prevent misuse of such information.

### Anti Bribery Policy and Anti Fraud and corruption

- This policy prevents employees and agents from giving or receiving bribes (directly or indirectly) and attempts to reduce favours by way of bribes.
- We review compliance with regulatory obligations, particularly those surrounding fraud, corruption and Anti money laundering.

### Board Remuneration policy

- This policy sets out the guidelines and criteria for the compensation of the independent non-executive directors.

### Operational policies

- There are board operational policies that guide management in execution of the Group's operations in an efficient manner.

# GOVERNANCE AND ETHICS (CONTINUED)

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### WHO GOVERNS US (CONTINUED)

#### COMMUNICATION WITH STAKEHOLDERS

East African Breweries PLC is committed to ensuring that there is regular interaction and communication with its stakeholders who include shareholders, investors and the financial markets among others. The Board has mapped all its stakeholders and ensures that they are provided with full and timely information about the company's performance. This is achieved through the release of the half-year and annual results in the local press, distribution of annual reports and holding of investor briefings as appropriate.

The Annual General Meeting provides a useful opportunity for shareholder engagement and in particular, for the Chairman to articulate the Company's progress, receive and answer questions from investors. The Board believes that there is an active and regular interaction with all its stakeholders. In addition to information on the Company's activities the following documents and policies are readily available to stakeholders on the Company's website: The Board Charter; Board Committees Terms of Reference; Past and current copies of the Annual Reports; Investor News; and Share Price performance – Kenya, Uganda and Tanzania.

#### ENGAGEMENT WITH SHAREHOLDERS

The Board seeks to engage with shareholders to maintain a mutual understanding of objectives between them and the Company and manage their expectations. Relations with shareholders and potential investors are managed principally by the Executive Directors, who are contactable both directly and via the Shares Registrar.

EABL remains committed to relating openly with its shareholders by providing regular as well as ad hoc information on operating and financial performance and addressing any areas of concern. This is achieved through the following:

- Interim and Annual Results and publication of extracts of its financial performance in the daily newspapers, preparation of annual audited accounts and holding of the Annual General Meeting.
- Copies of the annual reports are made available to shareholders at least 21 days before the date of the AGM and they are free to raise questions to the Board during the meeting.
- Investor briefing sessions are held immediately after the announcement of interim and full year results.

- The Executive Directors make regular presentations to investors (both existing and potential shareholders), meet with shareholders to discuss long-term issues and obtain their views, present at externally run investor events and communicate regularly during the year.
- The Company's website has a specific web page dedicated to the information requirements of the shareholders and investment analysts.
- The Board of Directors encourages shareholder participation at the Company's annual shareholder meetings. The Board, including the Chairs of the Committees, are available at the Company's AGMs to answer questions from shareholders.
- The Company also retains an external Shares Registrar, Image Registrars Limited who provides feedback from existing shareholders and potential investors.

#### STAKEHOLDERS AND SOCIAL RESPONSIBILITIES

The Group's business model relies heavily on developing and maintaining strong relationships with staff, clients and regulatory authorities. The Board is conscious of its responsibility towards all stakeholders and believes this is an important consideration for the long-term growth of the business. Stakeholder engagement and feedback is taken seriously throughout the Group. Regular communication is made around the Group companies and internal staff. The Group places considerable value on the involvement of its internal staff and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings, information available on the Company's website and workplace. The Group uses social media to engage directly with stakeholders through various channels including Facebook, Twitter and LinkedIn. The Group also engages with regulators and Government agencies both directly and through membership of worldwide trade associations.

#### GOING CONCERN

The Board confirms the financial statements are prepared on a going concern basis and is satisfied that the Group has adequate resources to continue in business for the foreseeable future. In making this assessment, the Directors consider a wide range of information relating to present and anticipated future conditions, including future projections of profitability, cash flows, capital and other resources.

## RUNNING A SUSTAINABLE BUSINESS THROUGH AN EFFECTIVE INTERNAL AUDIT & RISK FUNCTION

EABL has an ambition to not only be the best performing consumer products company, but also the most trusted and respected business in Africa. The EABL Internal Audit and Risk function supports in driving this agenda to embed broad ownership of the company's 'trusted and respected' agenda throughout our business. The function reports directly to the EABL Board Audit & Risk Committee (BARC), with a dotted line to the EABL Group MD & CEO. The function provides the EABL Board Audit & Risk Committee (BARC), Board and Executive Committee with visibility and understanding of the group's risk management capability through independent and objective assurance over the quality of the group's internal controls (including but not limited to internal financial controls) and management of key risks in line with an annual internal audit plan approved by the EABL BARC.

The Internal Audit function is a key component of EABL's risk management and governance framework and promotes the improvement of governance, risk management, and control processes by supporting EABL to enforce clear standards on governance and compliance, in line with 'doing business the right way' and by supporting the EABL Board and Executive management to establish an appropriate risk management framework, to understand EABL's key risks, and to determine whether appropriate risk management activities are in place to reduce risks to an acceptable level

The EABL internal audit and risk team seeks to underpin EABL's reputation as a business that can be relied upon to deliver on its promises to its people, its customers, its consumers and its communities.

### INTERNAL AUDIT CHARTER

The function has a BARC-approved charter that provides the framework for the activities of the function, its role and responsibilities, its authority, the conduct of the function and how it will operate to accomplish its strategy and mission. The scope of the function's responsibilities is set out in the charter.

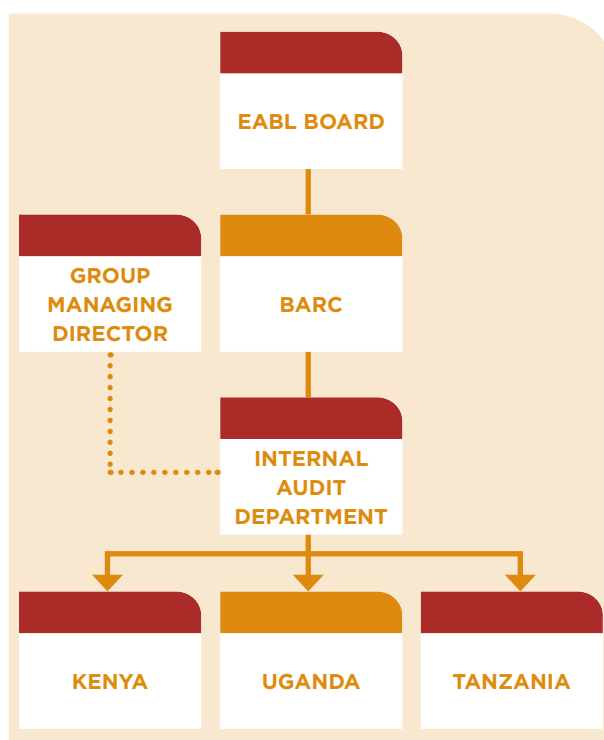
### RISK-BASED INTERNAL AUDITING

EABL internal audits are conducted using a risk-based approach, in line with a defined internal audit methodology and standards. This means that during audit planning the function identifies the risks that it has assessed as likely to prevent EABL from meeting its performance ambition. The objective is to ensure risks are being properly managed and this is reported in three main ways:

- Assessment of the design and effectiveness of guidelines and standards in helping the business manage key risks in various processes
- Assessment of how effectively the business adheres to local and global guidelines and has implemented processes to manage key risks
- Process improvement opportunities and best practices to improve process and risk management maturity

### STANDARDS OF INTERNAL AUDIT PRACTICE

The EABL Internal Audit and Risk function's risk-based approach to audit and advisory work is conducted in line with the Institute of Internal Auditors (IIA) Standards set out in the International Professional Practices Framework (International Standards for the Professional Practice of Internal Auditing). The function is also expected to adhere to the requirements of professional practice outlined by the Institute of Certified Public Accountants of Kenya (ICPAK), the Association of Chartered Certified Accountants (ACCA) and the Information Systems Audit and Control Association (ISACA).





# Captain Morgan

*However*  
**YOU** **SPICE**

**SPICE ON**







**COLA?  
LEMONADE?**  
*Ginger?*

HEALTH. NOT FOR SALE TO PERSONS UNDER THE AGE OF 18 YEARS.  
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# FINANCIAL STATEMENTS



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# ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 30 June 2024

## CORPORATE INFORMATION

### DIRECTORS

|   |                               |
|---|-------------------------------|
| Dr. Martin Oduor-Otieno                               | Group Chairman                |
| Mrs. Jane Karuku                                      | Group Managing Director       |
| Mrs. Risper G Ohaga                                   | Group Chief Financial Officer |
| Mr. Leo Breen*  |                               |
| Ms. Carol Musyoka                                     |                               |
| Mr. John Ulanga*** (resigned on 31 March 2024)        |                               |
| Mr. Jimmy Mugerwa**                                   |                               |
| Ms. Ory Okolloh                                       |                               |
| Mr. Dayalan Nayager**** (resigned on 1 July 2023)     |                               |
| Mr. Felix Okoboi**                                    |                               |
| Mr. John Musunga (appointed on 1 July 2023)           |                               |
| Mr. Sathish Krishnan***** (appointed on 27 July 2023) |                               |
| Mr. Paul Deo Makanza*** (appointed on 2 June 2024)    |                               |

\* British \*\* Ugandan \*\*\*Tanzanian \*\*\*\* South African \*\*\*\*\*Indian

### SECRETARY

Ms. Angela Pearl Namwakira (CPS No. 2425) (appointed on 23 October 2023)  
C/o Adili Corporate Services Kenya LLP  
ALN House, Eldama Ravine Close,  
Off Eldama Ravine Road, Westlands  
P.O. Box 764  
00606 Nairobi, Kenya

### AUDITOR

PricewaterhouseCoopers LLP  
PwC Tower  
Waiyaki Way / Chiromo Road  
P.O. Box 43963  
00100 Nairobi, GPO

### PRINCIPAL ADVOCATE

Bowmans  
5th Floor, ICEA Lion Centre, West Wing  
Riverside Park, Chiromo Road Nairobi  
P.O. Box 10643  
00100 Nairobi, GPO

### SHARE REGISTRAR

Image Registrars Limited  
5th Floor, Absa Towers  
Loita Street  
P.O. Box 9287  
00100 Nairobi, GPO

### PRINCIPAL BANKERS

Standard Chartered Bank Kenya Limited  
48 Westlands Road, Nairobi, Kenya  
P.O. Box 30003  
00100 Nairobi, GPO

Stanbic Bank Kenya Limited  
CfC Stanbic Center  
Chiromo Road, Westlands  
P.O. Box 30550  
00100 Nairobi, GPO

Citibank NA  
Citibank House  
Upper Hill Road  
P.O. Box 30711  
00100 Nairobi, GPO

Absa Bank Kenya Plc  
Barclays Westend Building  
Off Waiyaki Way  
P.O. Box 30120  
00100 Nairobi, GPO

### REGISTERED OFFICE

East African Breweries Plc  
Corporate Centre,  
Garden City Business Park, Ruaraka  
PO Box 30161  
00100 Nairobi GPO

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements for the year ended 30 June 2024, which disclose the state of affairs of East African Breweries Plc ("EABL" or the "Company") together with its subsidiaries (together the "Group"). The annual report and financial statements have been prepared in conformity with the IFRS Accounting Standards and the Kenyan Companies Act 2015 requirements.

### 1. PRINCIPAL ACTIVITIES

The Company and the Group are involved in the marketing, importation, production, and distribution of a collection of brands that range from beer and spirits to adult non-alcoholic drinks across six markets within which we operate in East Africa, especially concentrated in the three core markets of Kenya, Uganda, and Tanzania.

### 2. BUSINESS REVIEW

#### I) FINANCIAL PERFORMANCE

The Group revenue grew by 13% year on year to Kshs 124.1 billion (2023: Kshs 109.6 billion). This growth was realised through a volume growth of 1.2% and strategic pricing taken on both beer and spirits. Kenya saw beer volumes begin to recover as there was no excise increase within the period.

Operating profit increased by 3% to Kshs 24.9 billion (2023: Kshs 24.2 billion). This was realised through pricing to cover inflation, volume growth, innovation and cost management partly offset by a worsening mix as consumer spend was impacted by the rising cost of living. We continued to invest behind our brands, spending Kshs 12.3 billion (2023: Kshs 10.8 billion) to build our brands. Profit after tax declined by 12% to Kshs 10.9 billion (2023: Kshs 12.3 billion) mainly impacted by the rising cost of debt and the devaluation of regional currencies.

#### II) ENVIRONMENT, SOCIAL AND GOVERNANCE

Our Sustainability Strategy, Society 2030: Spirit of Progress, which is our ten-year action plan to manage our most material ESG matters, continues to be deeply ingrained in our long-term business strategy. During the year, we continued to focus our community investment initiatives on the Strategy's three pillars, namely: (i) Promote Positive Drinking, (ii) Champion Inclusion and Diversity, and (iii) Pioneer Grain to Glass Sustainability through water preservation, accelerating a low carbon world and becoming sustainable by design.

We also leveraged partnerships to support our Society 2030: Spirit of Progress objectives and ensured that, together with our stakeholders, we continued to deliver a positive impact on society everywhere we live, work, source and sell.

#### III) OUR PEOPLE

Our people are at the core of our organisation's success. We are committed to creating a vibrant and inclusive culture that empowers employees to achieve their full potential. We foster an enabling work environment where everyone is valued and respected, and we strive to create opportunities for personal and professional growth. We are committed to investing in our employees' development through critical experiences, coaching, and on-the-job learning.

Our key people priorities are aimed at unlocking quality growth for our business and people. We focus on growing diverse talents and building capabilities for the future and enhanced employee experience with outcomes delivered through respect, empowerment, and celebration.

#### IV) RELATED PARTY TRANSACTIONS

The Directors confirm that they have disclosed the Group and Company-related party transactions in these financial statements and there were no insider dealings for the year ended 30 June 2024.

### 3. DIVIDENDS

Directors recommend that the Board approves the proposal to declare final dividend of Kshs 6.0 per share (2023: Kshs 1.75 per share) amounting to Kshs 4.7 billion (2023: Kshs 1.4 billion). An interim dividend of Kshs 1 per share for 2024 (2023: Kshs 3.75 per share) was paid in April 2024. The total dividend pay-out for the year will therefore be KES 7.0 per share (2023: Kshs 5.5 per share) amounting to Kshs 5.4 billion (2023: Kshs 4.4 billion).

### 4. DIRECTORS

The Directors who held office during the year and to the date of this report are set out on page 60.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## DIRECTORS' REPORT (CONTINUED)

### 5. DISCLOSURES TO AUDITORS

The Directors confirm that with respect to each Director at the time of approval of this report:

- a) there was, as far as each Director is aware, no relevant audit information of which the Company's auditor is unaware; and
- b) each Director had taken all steps that ought to have been taken as a Director so as to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### 6. AUDITOR

PricewaterhouseCoopers LLP continue in office in accordance with the Company's Articles of Association and Section 721 of the Companies Act, 2015. The Directors monitor the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the shareholders.

### 7. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 29 July 2024.

By order of the Board

**MS. ANGELA PEARL NAMWAKIRA**  
**COMPANY SECRETARY**

Date: 29 July 2024



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## DIRECTORS' REMUNERATION REPORT

East African Breweries Plc ("EABL" or "Company") ambition is to be the best performing, most trusted and respected consumer products company in Africa. Achieving this will require significant leadership focus and investment behind an ambitious growth strategy. Reward is a key enabler to this strategy - impacting our ability to not only attract, but to motivate and retain talent with the capability to deliver EABL's strategy and performance goals.

EABL is pleased to present the Directors' remuneration report for the year ended 30 June 2024. This report is compiled in accordance with EABL's reward policy, relevant provisions of both the CMA Code of Corporate Governance guidelines on Directors' remuneration and the Kenyan Companies Act, 2015. A key provision of the Company's principles is that reward directly supports the business strategy with clear and measurable linkage to business performance.

EABL seeks to recognize the contribution its employees make towards the success of the Company, while reflecting not only the value of the roles they perform, but also the level to which they perform them. Our approach to recognizing our Directors' contribution to the business is based on our reward principles, which are summarized as below:

- **Competitiveness:** Our reward structure is reviewed regularly and is designed to ensure that we continually offer our Directors a competitive total reward package.
- **Transparency:** Our reward program is simple and globally aligned, and we strive to explain to all stakeholders the component value of the total reward package and the criteria which may affect it.
- **Performance based:** Our reward programs are linked to our performance ambition. They are simple and clearly communicated, recognizing individual and business performance.

As at 30 June 2024, EABL's Board of Directors consisted of:

- 2 Executive Directors: Ms. Jane Karuku and Ms. Risper G. Ohaga
- 3 Non-Executive Directors: Mr. Leo Breen, Mr. John Musunga and Mr. Sathish Krishnan
- 6 Independent Non-Executive Directors ("INEDs"): Dr. Martin Oduor-Otieno, Ms. Carol Musyoka, Mr. Paul Deo Makanza, Mr. Jimmy Mugerwa, Ms. Ory Okolloh and Mr. Felix Okoboi

The next section outlines the details of the remuneration.

### 1. EXECUTIVE DIRECTORS

Executive Directors' remuneration is guided by the principles set out above. It comprises guaranteed elements (base pay and fixed allowances), benefits and variable elements (bonus pay and stock options or awards).

The elements of the Executive Directors' remuneration are as detailed in the table below:

| Reward element | Purpose and link to Strategy  | Operation   | Performance measure                            |
|----------------|---|---|--|
| Base pay       | Attraction and retention of the best talent with the capability to deliver EABL's strategy and performance goals.           | Paid in 12 equal monthly instalments and is pensionable.<br><br>Reviewed annually in October, to reflect changes in market pay levels and individual performance. | Based on individual's level of responsibility. |
| Pension        | Provide competitive post-retirement benefit to attract and retain high caliber talent to drive delivery of EABL's strategy. | 10 % of basic salary  | None   |
| Other benefits | Provide market competitive benefits which help in attraction and retention of top talent.                                   | Range of benefits include car allowance, club membership, company product, medical, accident and life insurance.  | Based on individual's level of responsibility. |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## DIRECTORS' REMUNERATION REPORT (CONTINUED)

### 1. EXECUTIVE DIRECTORS (CONTINUED)

| Reward element         | Purpose and link to Strategy  | Operation   | Performance measure   |
|------------------------|---|---|---|
| Bonus                  | To incentivize delivery of EABL's annual strategic targets.   | Targets are set out annually based on the Company's business plans.<br><br>Bonuses are awarded during the EABL Annual Review Cycle and paid out in cash in October of every year.<br><br>Elements used to calculate bonus are: annual base salary, business multiple and bonus factor | Based on individual and Company performance.  |
| Shares / stock options | To incentivize delivery of long-term sustainable performance in line with business strategy and delivery of value and returns to shareholders | Granted annually as share options or Restricted Stock Units.<br><br>The award vests three years after grant and can be exercised any time within the seven-year period following vesting.   | A growth measure (e.g., net sales growth, operating profit growth);<br><br>A measure of efficiency (e.g., operating margin, cumulative free cash flow, return on invested capital). |

### EXECUTIVE DIRECTORS REMUNERATION - AUDITABLE INFORMATION

TABLE 1: EXECUTIVE DIRECTORS PAY AND BENEFITS

|                                | Salary<br>Kshs '000 | Bonuses<br>Kshs '000 | Allowances<br>and benefits<br>Kshs '000 | Total<br>Kshs '000 |
|--------------------------------|---------------------|----------------------|---|--------------------|
| <b>Year ended 30 June 2024</b> |                     |                      |   |                    |
| Jane Karuku                    | 55,056              | 17,693               | 10,738                                  | <b>83,487</b>      |
| Risper G. Ohaga                | 30,912              | 4,934                | 6,538                                   | <b>42,384</b>      |
| <b>Total</b>                   | <b>85,968</b>       | <b>22,627</b>        | <b>17,276</b>                           | <b>125,871</b>     |
| <b>Year ended 30 June 2023</b> |                     |                      |   |                    |
| Jane Karuku                    | 49,824              | 66,892               | 9,658                                   | <b>126,374</b>     |
| Risper G. Ohaga                | 28,890              | 25,692               | 6,029                                   | <b>60,611</b>      |
| <b>Total</b>                   | <b>78,714</b>       | <b>92,584</b>        | <b>15,687</b>                           | <b>186,985</b>     |

The bonus is awarded during the annual review cycle and paid out in October of every year. Therefore, the disclosed bonus remuneration is the amounts paid in the financial year based on the individual and company performance in the prior year.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## DIRECTORS' REMUNERATION REPORT (CONTINUED)

### 1. EXECUTIVE DIRECTORS (CONTINUED)

#### EXECUTIVE DIRECTORS REMUNERATION - AUDITABLE INFORMATION (CONTINUED)

TABLE 2: EXECUTIVE DIRECTORS STOCK OPTIONS

The movement in the Executive Directors' share options awards is as follows:

|                                | At start of year | Shares/ options awarded | Shares/ options exercised | At end of year |
|--------------------------------|------------------|-------------------------|---------------------------|----------------|
| <b>Year ended 30 June 2024</b> |                  |                         |                           |                |
| Jane Karuku                    | 63,258           | 10,016                  | (7,845)                   | <b>65,429</b>  |
| Risper G. Ohaga                | 8,339            | 609                     | (5,811)                   | <b>3,137</b>   |
| <b>Total</b>                   | <b>71,597</b>    | <b>10,625</b>           | <b>(13,656)</b>           | <b>68,566</b>  |
| <b>Year ended 30 June 2023</b> |                  |                         |                           |                |
| Jane Karuku                    | 59,162           | 10,900                  | (6,804)                   | <b>63,258</b>  |
| Risper G. Ohaga                | 8,441            | 1,226                   | (1,328)                   | <b>8,339</b>   |
| <b>Total</b>                   | <b>67,603</b>    | <b>12,126</b>           | <b>(8,132)</b>            | <b>71,597</b>  |

The charge through profit or loss relating to the share options and awards was Kshs 23,827,000 (2023: Kshs 42,888,000).

### 2. NON-EXECUTIVE DIRECTORS

The Non-Executive Directors, Mr. Leo Breen, Mr. Sathish Krishnan and Mr. John Musunga, are full time employees of the majority shareholder, Diageo plc. As a result of being full time employees of Diageo plc, these Non-Executive Directors did not earn any fees for sitting on the board of EABL.

### 3. INDEPENDENT NON-EXECUTIVE DIRECTORS (INEDS)

#### INDEPENDENT NON-EXECUTIVE DIRECTORS' REMUNERATION POLICY AND FRAMEWORK

Our reward policy targets to ensure that our pay is competitive at all levels across the business including the Non-Executive Directors compensation.

EABL's preferred market positioning for INEDs remuneration is 75th percentile within a comparable peer group of companies. The approved internal policy and market practice is to review remuneration for Board Members every 2 years. The last review was carried out in October 2022.

The list of the reward components is as follows:

#### (I) CONSOLIDATED FEES

Competitive fees paid monthly and aimed at attraction, motivation, and retention. Fees are reviewed every two years, and increases determined in accordance with business affordability.

#### (II) INSURANCE COVER

EABL provides professional indemnity insurance for all the INEDs in line with best practice in the market.

#### (III) COMPANY PRODUCT

INEDs are eligible to receive a discretionary choice from a select product range, valued at Kshs. 3,000 per month to enable them experience the Group's brands.

#### (IV) OFFICIAL TRAVEL AND RELATED EXPENSES

EABL provides for INEDs official travel and related expenses in line with its Travel and Entertainment policy.

#### (V) MEDICAL COVER

The Company provides INEDs with both inpatient and outpatient medical cover, within the limits provided for EABL employees.



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## DIRECTORS' REMUNERATION REPORT (CONTINUED)

### 3. INDEPENDENT NON-EXECUTIVE DIRECTORS (INEDS) (CONTINUED)

#### INDEPENDENT NON-EXECUTIVE DIRECTORS' REMUNERATION POLICY AND FRAMEWORK (CONTINUED)

##### INEDS REMUNERATION - AUDITABLE INFORMATION<sup>1</sup>

|                     | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---------------------|-------------------|-------------------|
| Martin Oduor-Otieno | 10,000            | 9,700             |
| Carol Musyoka       | 6,280             | 6,105             |
| Felix Okoboi        | 6,280             | 667               |
| Jimmy Mugerwa       | 8,000             | 6,105             |
| John Ulanga         | 6,000             | 7,395             |
| Japeth Katto        | —                 | 7,395             |
| Paul Makanza        | 616               | —                 |
| Ory Okolloh         | 6,280             | 6,105             |
| <b>Total</b>        | <b>43,456</b>     | <b>43,472</b>     |

**MS. ANGELA PEARL NAMWAKIRA**  
**COMPANY SECRETARY**

Date: 29 July 2024

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act, 2015 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and Company at the end of the financial year and its financial performance for the year then ended. The Directors are responsible for ensuring that the Group and Company keep proper accounting records that are sufficient to show and explain the transactions of the Group and Company; disclose with reasonable accuracy at any time the financial position of the Group and Company; and that enables them to prepare financial statements of the Group and Company that comply with prescribed financial reporting standards and the requirements of the Companies Act, 2015. They are also responsible for safeguarding the assets of the Group and Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors accept responsibility for the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards and in the manner required by the Companies Act, 2015. They also accept responsibility for:

- i) Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- ii) Selecting suitable accounting policies and then apply them consistently; and
- iii) Making judgements and accounting estimates that are reasonable in the circumstances.

The Directors have assessed the Group's and Company's abilities to continue as going concerns and have no reason to believe the Group and Company will not be a going concern for at least the next twelve months from the date of this statement.

The Group and its subsidiaries have compiled with the terms of financial covenants on borrowings.

Approved by the Board of Directors on 29 July 2024 and signed on its behalf by:

**MS. JANE KARUKU,  
GROUP MANAGING DIRECTOR**

**MS. RISPER G OHAGA,  
GROUP CHIEF FINANCIAL OFFICER**

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF EAST AFRICAN BREWERIES PLC

### REPORT ON THE FINANCIAL STATEMENTS

#### OUR OPINION

We have audited the accompanying financial statements of East African Breweries Plc (the Company) and its subsidiaries (together, the Group) set out on pages 72 to 134, which comprise the consolidated statement of financial position at 30 June 2024 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, together with the Company statement of financial position at 30 June 2024, and the Company statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and the notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company at 30 June 2024 and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

#### KEY AUDIT MATTERS

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



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF EAST AFRICAN BREWERIES PLC (CONTINUED)

### REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

#### KEY AUDIT MATTERS (CONTINUED)

| Key audit matter  | How our audit addressed the key audit matter   |
|---|--|
| <p><b>Carrying value of intangible assets (goodwill and brands) and investments in subsidiaries</b></p> <p>As disclosed in Notes 23 and 24 of the financial statements, the group has goodwill of Kshs 3.0 billion and indefinite lived brand intangible assets of Kshs 512 million as at 30 June 2024 arising from business acquisitions in prior years. The carrying amount of investments in subsidiaries in the Company's statement of financial position at 30 June 2024 was Kshs 47 billion.</p> <p>Management performs an impairment assessment of intangible assets and the investment in subsidiaries on an annual basis as explained in the accounting policies Note 2 (h) and 2 (s) of the financial statements. The impairment assessment is based on a comparison of the carrying amount of the intangible assets and the investments in subsidiaries in the statement of financial position to their respective recoverable amounts.</p> <p>The determination of the recoverable amount, which is the higher of value-in-use and fair value less costs to dispose, requires management judgement in both identifying and valuing the relevant cash generating units (CGUs). Recoverable amounts are based on management's estimate of variables and market conditions such as future selling prices and sales volume growth rates, the timing of future operating expenditure, discount and long-term growth rates and terminal values of the assets. Variations in management estimates and judgements could result in material differences in the outcomes of the assessment.</p> | <p>We evaluated and validated the composition of management's cash flow forecasts and the underlying assumptions based on the historical performance of the CGUs, industry specific reports and the macro-economic outlook.</p> <p>We assessed the appropriateness of the impairment models and the reasonableness of the assumptions by benchmarking the key market-related assumptions in the models, such as discount rates, long term growth rates and foreign exchange rates, against external data, and assessed the reliability of cash flow forecasts through a review of actual past performance and comparison to previous forecasts.</p> <p>We tested the mathematical accuracy and performed sensitivity analysis of the inputs and assumptions to the models.</p> <p>We assessed the adequacy and appropriateness of the related disclosures in Notes 23 and 24 of the financial statements.</p>  |
| <p><b>Provisions and contingent liabilities</b></p> <p>As explained in Note 31 of the financial statements, the group entities have unresolved tax assessments and claims by Revenue Authorities relating to a range of compliance matters in the normal course of business. The Directors use the best available information to make significant judgements at year-end as to the likely outcome of these matters for purposes of calculating any potential liabilities and/or determining the level of disclosures in the financial statements.</p> <p>As explained in Note 31 of the financial statements, since the settlement of these matters is subject to future negotiations and legal proceedings, the calculations of any provisions are subject to inherent uncertainty. The future outcome of these claims could be materially different from the Directors' judgements.</p>   | <p>As explained in Note 31 of the financial statements, since the settlement of these matters is subject to future negotiations and legal proceedings, the calculations of any provisions are subject to inherent uncertainty. We assessed the reasonableness of any provisions recorded in the financial statements in the context of the uncertainty.</p> <p>Our audit focused on assessing the reasonableness of the Directors' judgements in relation to unresolved tax assessments and claims. In particular, our procedures included the following:</p> <ul style="list-style-type: none"> <li>• where relevant, assessing independent professional opinions used in the management judgements and estimates; and</li> <li>• validation of the management judgements and estimates against the supporting internal information and documents, and communications with relevant tax authorities.</li> </ul> <p>We evaluated whether the disclosures in the financial statements appropriately reflect any significant uncertainties that exist around the unresolved tax matters.</p> |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF EAST AFRICAN BREWERIES PLC (CONTINUED)

### REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

#### OTHER INFORMATION

The other information comprises the Corporate information, the Directors' report, the Directors' remuneration report, the statement of Directors' responsibilities and the Principal shareholders and share distribution information, which we obtained prior to the date of this auditor's report, and the rest of the other information in the 2024 Integrated Report and Financial Statements which is expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 we have received 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.

When we read the rest of the other information in the 2024 Integrated Report and Financial Statements and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF EAST AFRICAN BREWERIES PLC (CONTINUED)

### REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Group's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER MATTERS AS PRESCRIBED BY THE COMPANIES ACT, 2015

#### REPORT OF THE DIRECTORS

In our opinion, the information given in the directors' report on pages 61 to 62 is consistent with the financial statements.

#### DIRECTORS' REMUNERATION REPORT

In our opinion the auditable part of the directors' remuneration report on pages 63 to 66 has been properly prepared in accordance with the Companies Act, 2015.

**FCPA MICHAEL MUGASA, PRACTICING CERTIFICATE NUMBER 1478**

**ENGAGEMENT PARTNER RESPONSIBLE FOR THE AUDIT FOR AND ON BEHALF OF PRICEWATERHOUSECOOPERS LLP**

**CERTIFIED PUBLIC ACCOUNTANTS**

**NAIROBI**

29 July 2024



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 30 June 2024

|  | Notes | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------|-------------------|-------------------|
| Revenue from contracts with customers        | 6     | 124,130,660       | 109,649,413       |
| Cost of sales                                | 7     | (70,325,899)      | (62,249,439)      |
| <b>Gross profit</b>                          |       | <b>53,804,761</b> | <b>47,399,974</b> |
| Selling and distribution costs               |       | (12,271,536)      | (10,791,811)      |
| Administrative expenses                      | 8     | (11,512,132)      | (10,361,589)      |
| Other expenses                               | 9     | (5,128,391)       | (2,439,916)       |
| Net impairment reversals on financial assets | 9     | 52,576            | 387,772           |
| <b>Operating profit</b>                      |       | <b>24,945,278</b> | <b>24,194,430</b> |
| Finance income                               | 12    | 68,499            | 75,171            |
| Finance costs                                | 12    | (8,243,065)       | (5,560,462)       |
| <b>Profit before income tax</b>              | 10    | <b>16,770,712</b> | <b>18,709,139</b> |
| Income tax expense                           | 13    | (5,900,500)       | (6,386,222)       |
| <b>Profit for the year</b>                   |       | <b>10,870,212</b> | <b>12,322,917</b> |
| Profit attributable to:                      |       |                   |                   |
| Equity holders of the Company                |       | 8,145,642         | 9,857,351         |
| Non-controlling interest                     | 18    | 2,724,570         | 2,465,566         |
| <b>Profit for the year</b>                   |       | <b>10,870,212</b> | <b>12,322,917</b> |
| <b>Earnings per share</b>                    |       |                   |                   |
| Basic and diluted (Kshs per share)           | 15    | 10.30             | 12.47             |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2024

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| Profit for the year   | 10,870,212        | 12,322,917        |
| Other comprehensive income, net of tax:                         |                   |                   |
| <b>Items that may be reclassified to profit or loss</b>         |                   |                   |
| Exchange differences on translation of foreign operations       | (3,958,971)       | 4,237,207         |
| <b>Total comprehensive income for the year</b>                  | <b>6,911,241</b>  | <b>16,560,124</b> |
| <b>Total comprehensive income for the year attributable to:</b> |                   |                   |
| Equity holders of the Company                                   | 4,276,659         | 13,981,694        |
| Non-controlling interests                                       | 2,634,582         | 2,578,430         |
| <b>Total comprehensive income for the year</b>                  | <b>6,911,241</b>  | <b>16,560,124</b> |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

## COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2024

|  | Notes | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------|-------------------|-------------------|
| Revenue from contracts with customers          | 6     | 2,080,987         | 1,771,128         |
| Dividend income                                |       | 7,366,352         | 11,743,879        |
| <b>Total revenue</b>                           |       | <b>9,447,339</b>  | <b>13,515,007</b> |
| Administrative expenses                        | 8     | (1,349,509)       | (450,941)         |
| Other (expenses)/income                        | 9     | (561,134)         | 336,650           |
| <b>Operating profit</b>                        |       | <b>7,536,696</b>  | <b>13,400,716</b> |
| Finance income                                 | 12    | 4,701,689         | 3,523,579         |
| Finance costs                                  | 12    | (6,344,893)       | (5,147,317)       |
| <b>Profit before income tax</b>                | 10    | <b>5,893,492</b>  | <b>11,776,978</b> |
| Income tax expense                             | 13    | (127,987)         | (407,333)         |
| <b>Profit for the year</b>                     |       | <b>5,765,505</b>  | <b>11,369,645</b> |
| Profit for the year                            |       | 5,765,505         | 11,369,645        |
| Other comprehensive income, net of tax         |       | —                 | —                 |
| <b>Total comprehensive income for the year</b> |       | <b>5,765,505</b>  | <b>11,369,645</b> |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

|   | Note | 30 June<br>2024<br>Kshs '000 | 30 June<br>2023<br>Kshs '000 |
|---|------|------------------------------|------------------------------|
| <b>Equity attributable to owners of the Company</b> |      |                              |                              |
| Share capital                                       | 16   | 1,581,547                    | 1,581,547                    |
| Share premium                                       | 16   | 1,691,151                    | 1,691,151                    |
| Treasury shares                                     | 17   | (613,641)                    | (836,797)                    |
| Share based payment reserve                         | 17   | 161,618                      | 131,918                      |
| Currency translation reserve                        |      | (594,999)                    | 3,273,984                    |
| Retained earnings                                   |      | 16,796,400                   | 14,186,178                   |
| Proposed dividend                                   |      | 4,744,646                    | 1,383,855                    |
|   |      | <b>23,766,722</b>            | <b>21,411,836</b>            |
| Non-controlling interests                           | 18   | 12,965,645                   | 10,332,042                   |
| <b>Total equity</b>                                 |      | <b>36,732,367</b>            | <b>31,743,878</b>            |
| <b>Non-current liabilities</b>                      |      |                              |                              |
| Deferred income tax                                 | 19   | 8,085,378                    | 7,940,868                    |
| Borrowings  | 29   | 41,426,867                   | 48,965,793                   |
| Lease liabilities                                   | 30   | 1,862,922                    | 2,051,832                    |
|   |      | <b>51,375,167</b>            | <b>58,958,493</b>            |
| <b>Total equity and non-current liabilities</b>     |      | <b>88,107,534</b>            | <b>90,702,371</b>            |
| <b>Non-current assets</b>                           |      |                              |                              |
| Property, plant and equipment                       | 20   | 75,935,090                   | 81,476,820                   |
| Right of-use assets                                 | 21   | 2,372,975                    | 2,586,362                    |
| Intangible assets – Software                        | 22   | 595,550                      | 685,775                      |
| Intangible assets – Goodwill                        | 23   | 3,017,724                    | 3,505,408                    |
| Intangible assets – Brand                           | 23   | 512,172                      | 612,770                      |
| Other financial assets                              | 25   | 10,000                       | 10,000                       |
| Deferred income tax                                 | 19   | 229,793                      | 278,255                      |
|   |      | <b>82,673,304</b>            | <b>89,155,390</b>            |
| <b>Current assets</b>                               |      |                              |                              |
| Inventories   | 26   | 12,629,867                   | 15,608,384                   |
| Trade and other receivables                         | 27   | 12,650,292                   | 12,249,505                   |
| Current income tax                                  | 13   | 4,576,662                    | 5,327,280                    |
| Cash and bank balances                              | 34   | 11,716,429                   | 10,252,628                   |
|   |      | 41,573,250                   | 43,437,797                   |
| <b>Current liabilities</b>                          |      |                              |                              |
| Trade and other payables                            | 28   | 28,354,123                   | 30,048,118                   |
| Dividends payable                                   |      | 507,063                      | 977,005                      |
| Borrowings  | 29   | 5,636,117                    | 8,880,082                    |
| Lease liabilities                                   | 30   | 740,298                      | 775,916                      |
| Bank overdraft                                      | 29   | 901,419                      | 1,209,695                    |
|   |      | <b>36,139,020</b>            | <b>41,890,816</b>            |
| <b>Net current assets</b>                           |      | <b>5,434,230</b>             | <b>1,546,981</b>             |
|   |      | <b>88,107,534</b>            | <b>90,702,371</b>            |

The financial statements on pages 72 to 134 were approved for issue by the Board of Directors on 29 July 2024 and signed on its behalf by:

**MS. JANE KARUKU,**  
GROUP MANAGING DIRECTOR

**MS. RISPER G OHAGA**  
GROUP CHIEF FINANCIAL OFFICER

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

## COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

|   | Note | 30 June<br>2024<br>Kshs '000 | 30 June<br>2023<br>Kshs '000 |
|---|------|------------------------------|------------------------------|
| <b>Equity attributable to owners of the Company</b> |      |                              |                              |
| Share capital                                       | 16   | 1,581,547                    | 1,581,547                    |
| Share premium                                       | 16   | 1,691,151                    | 1,691,151                    |
| Proposed dividends                                  |      | 4,744,646                    | 1,383,855                    |
| Share based payment reserve                         | 17   | 161,618                      | 131,918                      |
| Retained earnings                                   |      | 23,971,085                   | 23,741,000                   |
| <b>Total equity</b>                                 |      | <b>32,150,047</b>            | <b>28,529,471</b>            |
| <b>Non-current liabilities</b>                      |      |                              |                              |
| Borrowings  | 29   | 35,150,000                   | 37,666,667                   |
| Lease liabilities                                   | 30   | 2,354                        | 5,202                        |
|   |      | <b>35,152,354</b>            | <b>37,671,869</b>            |
| <b>Total equity and non-current liabilities</b>     |      | <b>67,302,401</b>            | <b>66,201,340</b>            |
| <b>Non-current assets</b>                           |      |                              |                              |
| Property, plant and equipment                       | 20   | 443,885                      | 460,056                      |
| Right of-use assets                                 | 21   | 4,684                        | 9,191                        |
| Intangible assets – Software                        | 22   | 5,748                        | 5,108                        |
| Investment in subsidiaries                          | 24   | 46,891,982                   | 46,891,982                   |
| Other financial assets                              | 25   | 10,000                       | 10,000                       |
| Receivables from related parties                    | 35   | 32,706,070                   | 31,682,322                   |
| Deferred income tax                                 | 19   | 220,987                      | 267,104                      |
|   |      | <b>80,283,356</b>            | <b>79,325,763</b>            |
| <b>Current assets</b>                               |      |                              |                              |
| Trade and other receivables                         | 27   | 3,576,902                    | 3,243,044                    |
| Current income tax                                  |      | 3,558,709                    | 2,868,816                    |
| Cash and bank balances                              | 34   | 6,645,537                    | 4,196,688                    |
|   |      | <b>13,781,148</b>            | <b>10,308,548</b>            |
| <b>Current liabilities</b>                          |      |                              |                              |
| Trade and other payables                            | 28   | 23,696,858                   | 15,971,644                   |
| Dividends payable                                   |      | 504,714                      | 977,005                      |
| Bank overdraft                                      | 29   | –                            | 4,008                        |
| Borrowings  | 29   | 2,557,682                    | 6,475,712                    |
| Lease liabilities                                   | 30   | 2,849                        | 4,602                        |
|   |      | <b>26,762,103</b>            | <b>23,432,971</b>            |
| <b>Net current liabilities</b>                      |      | <b>(12,980,955)</b>          | <b>(13,124,423)</b>          |
|   |      | <b>67,302,401</b>            | <b>66,201,340</b>            |

The financial statements on pages 72 to 134 were approved for issue by the board of Directors on 29 July 2024 and signed on its behalf by:

**MS. JANE KARUKU**  
GROUP MANAGING DIRECTOR

**MS. RISPER G OHAGA**  
GROUP CHIEF FINANCIAL OFFICER



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Year ended 30 June 2024                              | Share capital<br>Kshs '000 | Share<br>Premium<br>Kshs '000 | Treasury<br>shares<br>Kshs '000 |
|--|----------------------------|-------------------------------|---------------------------------|
| At 1 July 2023                                       | 1,581,547                  | 1,691,151                     | (836,797)                       |
| <b>Total comprehensive income</b>                    |                            |                               |                                 |
| Profit for the year                                  | —                          | —                             | —                               |
| Other comprehensive loss                             | —                          | —                             | —                               |
| <b>Total comprehensive income for the year</b>       | <b>—</b>                   | <b>—</b>                      | <b>—</b>                        |
| <b>Transactions with owners of the Company</b>       |                            |                               |                                 |
| Share based payment reserve (Note 17)                | —                          | —                             | —                               |
| Employees share ownership plan (Note 17)             | —                          | —                             | 223,156                         |
| Dividends:   |                            |                               |                                 |
| - Interim for 2024                                   | —                          | —                             | —                               |
| - Final for 2023                                     | —                          | —                             | —                               |
| - Proposed for 2024                                  | —                          | —                             | —                               |
| <b>Total transactions with owners of the Company</b> | <b>—</b>                   | <b>—</b>                      | <b>223,156</b>                  |
| <b>At 30 June 2024</b>                               | <b>1,581,547</b>           | <b>1,691,151</b>              | <b>(613,641)</b>                |

| Year ended 30 June 2023                              | Share capital<br>Kshs '000 | Share<br>Premium<br>Kshs '000 | Treasury<br>shares<br>Kshs '000 |
|--|----------------------------|-------------------------------|---------------------------------|
| At 1 July 2022                                       | 1,581,547                  | 1,691,151                     | (723,774)                       |
| <b>Total comprehensive income</b>                    |                            |                               |                                 |
| Profit for the year                                  | —                          | —                             | —                               |
| Other comprehensive income                           | —                          | —                             | —                               |
| <b>Total comprehensive income for the year</b>       | <b>—</b>                   | <b>—</b>                      | <b>—</b>                        |
| <b>Transactions with owners of the Company</b>       |                            |                               |                                 |
| Share based payment reserve (Note 17(a))             | —                          | —                             | —                               |
| Employees share ownership plan (Note 17(a))          | —                          | —                             | (113,023)                       |
| Dividends:   |                            |                               |                                 |
| - Final for 2022                                     | —                          | —                             | —                               |
| - Interim for 2023                                   | —                          | —                             | —                               |
| - Proposed for 2023                                  | —                          | —                             | —                               |
| <b>Total transactions with owners of the Company</b> | <b>—</b>                   | <b>—</b>                      | <b>(113,023)</b>                |
| <b>At 30 June 2023</b>                               | <b>1,581,547</b>           | <b>1,691,151</b>              | <b>(836,797)</b>                |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

| Share based payment reserve<br>Kshs '000 | Translation reserve<br>Kshs '000 | Proposed dividends<br>Kshs '000 | Retained earnings<br>Kshs '000 | Total<br>Kshs '000 | Non-controlling interests<br>Kshs '000 | Total equity<br>Kshs '000 |
|--|----------------------------------|---------------------------------|--------------------------------|--------------------|--|---------------------------|
| 131,918                                  | 3,273,984                        | 1,383,855                       | 14,186,178                     | <b>21,411,836</b>  | 10,332,042                             | <b>31,743,878</b>         |
| —  | —                                | —                               | 8,145,642                      | <b>8,145,642</b>   | 2,724,570                              | <b>10,870,212</b>         |
| —  | (3,868,983)                      | —                               | —                              | <b>(3,868,983)</b> | (89,988)                               | <b>(3,958,971)</b>        |
| <b>—</b>                                 | <b>(3,868,983)</b>               | <b>—</b>                        | <b>8,145,642</b>               | <b>4,276,659</b>   | <b>2,634,582</b>                       | <b>6,911,241</b>          |
| 29,700                                   | —                                | —                               | —                              | <b>29,700</b>      | —                                      | <b>29,700</b>             |
| —  | —                                | —                               | —                              | <b>223,156</b>     | —                                      | <b>223,156</b>            |
| —  | —                                | —                               | (790,774)                      | <b>(790,774)</b>   | —                                      | <b>(790,774)</b>          |
| —  | —                                | (1,383,855)                     | —                              | <b>(1,383,855)</b> | (979)                                  | <b>(1,384,834)</b>        |
| —  | —                                | 4,744,646                       | (4,744,646)                    | —                  | —                                      | —                         |
| <b>29,700</b>                            | <b>—</b>                         | <b>3,360,791</b>                | <b>(5,535,420)</b>             | <b>(1,921,773)</b> | <b>(979)</b>                           | <b>(1,922,752)</b>        |
| <b>161,618</b>                           | <b>(594,999)</b>                 | <b>4,744,646</b>                | <b>16,796,400</b>              | <b>23,766,722</b>  | <b>12,965,645</b>                      | <b>36,732,367</b>         |

| Share based payment reserve<br>Kshs '000 | Translation reserve<br>Kshs '000 | Proposed dividends<br>Kshs '000 | Retained earnings<br>Kshs '000 | Total<br>Kshs '000 | Non-controlling interests<br>Kshs '000 | Total equity<br>Kshs '000 |
|--|----------------------------------|---------------------------------|--------------------------------|--------------------|--|---------------------------|
| 103,861                                  | (850,359)                        | 5,733,114                       | 8,678,086                      | <b>16,213,626</b>  | 10,200,169                             | <b>26,413,795</b>         |
| —  | —                                | —                               | 9,857,351                      | <b>9,857,351</b>   | 2,465,566                              | <b>12,322,917</b>         |
| —  | 4,124,343                        | —                               | —                              | <b>4,124,343</b>   | 112,864                                | <b>4,237,207</b>          |
| <b>—</b>                                 | <b>4,124,343</b>                 | <b>—</b>                        | <b>9,857,351</b>               | <b>13,981,694</b>  | <b>2,578,430</b>                       | <b>16,560,124</b>         |
| 28,057                                   | —                                | —                               | —                              | <b>28,057</b>      | —                                      | <b>28,057</b>             |
| —  | —                                | —                               | —                              | <b>(113,023)</b>   | —                                      | <b>(113,023)</b>          |
| —  | —                                | (5,733,114)                     | —                              | <b>(5,733,114)</b> | (2,446,557)                            | <b>(8,179,671)</b>        |
| —  | —                                | —                               | (2,965,404)                    | <b>(2,965,404)</b> | —                                      | <b>(2,965,404)</b>        |
| —  | —                                | 1,383,855                       | (1,383,855)                    | —                  | —                                      | —                         |
| <b>28,057</b>                            | <b>—</b>                         | <b>(4,349,259)</b>              | <b>(4,349,259)</b>             | <b>(8,783,484)</b> | <b>(2,446,557)</b>                     | <b>(11,230,041)</b>       |
| <b>131,918</b>                           | <b>3,273,984</b>                 | <b>1,383,855</b>                | <b>14,186,178</b>              | <b>21,411,836</b>  | <b>10,332,042</b>                      | <b>31,743,878</b>         |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## COMPANY STATEMENT OF CHANGES IN EQUITY

| Year ended<br>30 June 2024                      | Share capital<br>Kshs '000 | Share Premium<br>Kshs '000 | Share based payment reserve<br>Kshs '000 | Proposed dividends<br>Kshs '000 | Retained earnings<br>Kshs '000 | Total equity<br>Kshs '000 |
|---|----------------------------|----------------------------|--|---------------------------------|--------------------------------|---------------------------|
| At 1 July 2023                                  | 1,581,547                  | 1,691,151                  | 131,918                                  | 1,383,855                       | 23,741,000                     | <b>28,529,471</b>         |
| Total comprehensive income for the year         | —                          | —                          | —  | —                               | 5,765,505                      | <b>5,765,505</b>          |
| <b>Transactions with owners of the company:</b> |                            |                            |  |                                 |                                |                           |
| Share based payment reserve (Note 17)           | —                          | —                          | 29,700                                   | —                               | —                              | <b>29,700</b>             |
| Dividends:                                      |                            |                            |  |                                 |                                |                           |
| - Interim for 2024                              | —                          | —                          | —  | —                               | (790,774)                      | <b>(790,774)</b>          |
| - Final for 2023                                | —                          | —                          | —  | (1,383,855)                     | —                              | <b>(1,383,855)</b>        |
| - Proposed for 2024                             | —                          | —                          | —  | 4,744,646                       | (4,744,646)                    | <b>—</b>                  |
| Total transactions with owners of the company   | —                          | —                          | 29,700                                   | 3,360,791                       | (5,535,420)                    | <b>(2,144,929)</b>        |
| <b>At 30 June 2024</b>                          | <b>1,581,547</b>           | <b>1,691,151</b>           | <b>161,618</b>                           | <b>4,744,646</b>                | <b>23,971,085</b>              | <b>32,150,047</b>         |
| At 1 July 2022                                  | 1,581,547                  | 1,691,151                  | 103,861                                  | 5,733,114                       | 16,720,614                     | <b>25,830,287</b>         |
| Total comprehensive income for the year         | —                          | —                          | —  | —                               | 11,369,645                     | <b>11,369,645</b>         |
| <b>Transactions with owners of the company:</b> |                            |                            |  |                                 |                                |                           |
| Share based payment reserve (Note 17(a))        | —                          | —                          | 28,057                                   | —                               | —                              | <b>28,057</b>             |
| Dividends:                                      |                            |                            |  |                                 |                                |                           |
| - Interim for 2023                              | —                          | —                          | —  | —                               | (2,965,404)                    | <b>(2,965,404)</b>        |
| - Final for 2022                                | —                          | —                          | —  | (5,733,114)                     | —                              | <b>(5,733,114)</b>        |
| - Proposed for 2023                             | —                          | —                          | —  | 1,383,855                       | (1,383,855)                    | <b>—</b>                  |
| Total transactions with owners of the Company   | —                          | —                          | 28,057                                   | (4,349,259)                     | (4,349,259)                    | <b>(8,670,461)</b>        |
| <b>At 30 June 2023</b>                          | <b>1,581,547</b>           | <b>1,691,151</b>           | <b>131,918</b>                           | <b>1,383,855</b>                | <b>23,741,000</b>              | <b>28,529,471</b>         |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## CONSOLIDATED STATEMENT OF CASH FLOWS

| <b>Year ended 30 June</b>  |              |                          |                          |
|--|--------------|--------------------------|--------------------------|
|  | <b>Notes</b> | <b>2024<br/>Kshs'000</b> | <b>2023<br/>Kshs'000</b> |
| Profit before income tax   |              | 16,770,712               | 18,709,139               |
| <b>Adjusted for:</b>   |              |                          |                          |
| Interest income  | 12           | (68,499)                 | (75,171)                 |
| Interest expense on borrowings   | 12           | 7,755,793                | 5,341,478                |
| Interest expense on lease liabilities                                    | 12           | 207,140                  | 140,984                  |
| Depreciation of property, plant and equipment                            | 20           | 7,153,704                | 6,126,012                |
| Amortisation of right-of-use asset                                       | 21           | 891,314                  | 795,962                  |
| Amortisation of intangible asset - software                              | 22           | 154,802                  | 170,859                  |
| Share based payments   | 17           | 29,700                   | 28,057                   |
| Write-off of property, plant and equipment                               |              | 98,755                   | 210,563                  |
| <b>Cash generated from operations before working capital adjustments</b> |              | <b>32,993,421</b>        | <b>31,447,883</b>        |
| <b>Changes in working capital:</b>                                       |              |                          |                          |
| - Trade and other receivables  | 34           | (1,057,415)              | 278,066                  |
| - Inventories  | 34           | 2,321,741                | (1,345,587)              |
| - Trade and other payables   | 34           | 357,030                  | (4,235,061)              |
| <b>Cash generated from operations</b>                                    |              | <b>34,614,777</b>        | <b>26,145,301</b>        |
| <b>Operating activities</b>  |              |                          |                          |
| Interest received  | 12           | 68,499                   | 75,171                   |
| Interest paid on borrowings  |              | (7,891,908)              | (5,419,501)              |
| Interest paid on lease liabilities                                       | 30           | (207,140)                | (140,984)                |
| Income tax paid  | 13           | (4,486,063)              | (9,605,826)              |
| <b>Net cash flows from operating activities</b>                          |              | <b>22,098,165</b>        | <b>11,054,161</b>        |
| <b>Investing activities</b>  |              |                          |                          |
| Purchase of property, plant and equipment                                | 20           | (7,235,567)              | (12,925,517)             |
| Purchase of intangible assets - software                                 | 22           | (24,015)                 | (99,021)                 |
| Transfer of intangible assets from related parties                       | 22           | —                        | (1,879)                  |
| <b>Net cash flows from investing activities</b>                          |              | <b>(7,259,582)</b>       | <b>(13,026,417)</b>      |
| <b>Financing activities</b>  |              |                          |                          |
| Repayment of principal portion of lease liabilities                      | 30           | (840,934)                | (770,385)                |
| Dividends paid to Company's shareholders                                 |              | (2,174,629)              | (8,405,114)              |
| Dividends paid to non-controlling interest                               |              | (979)                    | (2,446,557)              |
| Proceeds from borrowings   | 29           | 1,740,618                | 37,962,560               |
| Repayment of borrowings  | 29           | (10,609,492)             | (23,563,013)             |
| <b>Net cash flows from financing activities</b>                          |              | <b>(11,885,416)</b>      | <b>2,777,491</b>         |
| <b>Increase in cash and cash equivalents</b>                             |              | <b>2,953,167</b>         | <b>805,235</b>           |
| <b>Movement in cash and cash equivalents</b>                             |              |                          |                          |
| At start of year   |              | 9,042,933                | 8,066,971                |
| Foreign exchange impact on translation                                   |              | (1,181,090)              | 170,727                  |
| Net increase in the year   |              | 2,953,167                | 805,235                  |
| <b>At end of year</b>  | 34           | <b>10,815,010</b>        | <b>9,042,933</b>         |



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## COMPANY STATEMENT OF CASH FLOWS

| <b>Year ended 30 June</b>  |              |                          |                          |
|--|--------------|--------------------------|--------------------------|
|  | <b>Notes</b> | <b>2024<br/>Kshs'000</b> | <b>2023<br/>Kshs'000</b> |
| Profit before income tax   |              | 5,893,492                | 11,776,978               |
| <b>Adjusted for:</b>   |              |                          |                          |
| Interest income  | 12           | (4,701,689)              | (3,523,579)              |
| Interest expense on borrowings   | 12           | 6,269,515                | 5,078,484                |
| Interest expense on lease liabilities                                    | 12           | 768                      | 1,300                    |
| Depreciation of property, plant and equipment                            | 20           | 51,309                   | 30,825                   |
| Amortisation of right-of-use asset                                       | 21           | 4,507                    | 7,177                    |
| Amortisation of intangible asset - software                              | 22           | 1,054                    | 1,069                    |
| Share based payments   | 17           | 29,700                   | 28,057                   |
| Dividend income  |              | (7,366,352)              | (11,743,879)             |
| Settlement of amounts due from non-controlling interests (non-cash)      | 18           | —                        | 57,703                   |
| Write-off of property, plant and equipment                               |              | 772                      | —                        |
| <b>Cash generated from operations before working capital adjustments</b> |              | <b>183,076</b>           | <b>1,714,135</b>         |
| <b>Changes in working capital:</b>                                       |              |                          |                          |
| - Trade and other receivables  |              | (186,440)                | (2,365,054)              |
| - Trade and other payables   |              | (315,664)                | (962,104)                |
| - Cashpool balances  | 28           | 7,255,440                | (8,458,447)              |
| <b>Cash generated from operations</b>                                    |              | <b>6,936,412</b>         | <b>(10,071,470)</b>      |
| <b>Operating activities</b>  |              |                          |                          |
| Interest received  |              | 4,466,035                | 3,483,118                |
| Interest paid on borrowings  |              | (6,341,786)              | (5,142,515)              |
| Interest paid on lease liabilities                                       | 30           | (768)                    | (1,300)                  |
| Income tax paid  | 13           | (771,763)                | (383,110)                |
| <b>Net cash flows from operating activities</b>                          |              | <b>4,288,130</b>         | <b>(12,115,277)</b>      |
| <b>Investing activities</b>  |              |                          |                          |
| Purchase of property, plant and equipment                                | 20           | (35,910)                 | (68,940)                 |
| Purchase of intangible assets  | 22           | (1,694)                  | (4,236)                  |
| Property, plant and equipment- transfer to related companies             | 20           | —                        | 20,019                   |
| Intangible assets - transfer to related companies                        | 22           | —                        | 4,267                    |
| Net funding of subsidiaries  |              | (1,023,748)              | (558,159)                |
| Dividends received from subsidiaries                                     |              | 7,366,352                | 11,743,879               |
| <b>Net cash flows from investing activities</b>                          |              | <b>6,305,000</b>         | <b>11,136,830</b>        |
| <b>Financing activities</b>  |              |                          |                          |
| Repayment of principal portion of lease liabilities                      | 30           | (4,601)                  | (6,040)                  |
| Dividends paid to Company's shareholders                                 |              | (1,702,338)              | (8,405,114)              |
| Proceeds from borrowings   | 29           | —                        | 31,700,000               |
| Repayment of borrowings  | 29           | (6,433,334)              | (23,441,666)             |
| <b>Net cash flows from financing activities</b>                          |              | <b>(8,140,273)</b>       | <b>(152,820)</b>         |
| <b>Increase/(decrease) in cash and cash equivalents</b>                  |              | <b>2,452,857</b>         | <b>(1,131,267)</b>       |
| <b>Movement in cash and cash equivalents</b>                             |              |                          |                          |
| At start of year   |              | 4,192,680                | 5,323,947                |
| Increase/(decrease) in the year  |              | 2,452,857                | (1,131,267)              |
| <b>At end of year</b>  | <b>34</b>    | <b>6,645,537</b>         | <b>4,192,680</b>         |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES

### 1. GENERAL INFORMATION

East African Breweries Plc (the "Company") is incorporated as a limited liability company in Kenya under the Companies Act, 2015 and is domiciled in Kenya. The address of its registered office and principal place of business is as follows:

*East African Breweries Plc  
Corporate Centre,  
Garden City Business Park, Ruaraka  
PO Box 30161  
00100 Nairobi GPO*

The consolidated financial statements for the Company as at 30 June 2024 and for the year ended comprise the Company and the subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

The Company's shares are listed on the Nairobi Securities Exchange, Uganda Stock Exchange and Dar es Salaam Stock Exchange.

For Companies Act, 2015 reporting purposes, the balance sheet is represented by the statement of financial position and the profit or loss account by the statement of profit or loss and other comprehensive income, in these financial statements.

### 2. MATERIAL ACCOUNTING POLICIES

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

#### (A) BASIS OF PREPARATION

##### (I) BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with IFRS Accounting Standards and in the manner required by the Companies Act, 2015. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below.

##### (II) GOING CONCERN

The financial statements have been prepared in accordance with IFRS Accounting Standards and in the manner required by the Companies Act, 2015. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below.

##### (III) FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Kenya Shillings which is the Company's functional currency. All

financial statements presented in Kenya Shillings have been rounded to the nearest thousand except when otherwise indicated.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates 'the functional currency' except where otherwise indicated.

#### (IV) USE OF JUDGEMENT AND ESTIMATES

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

#### (V) NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The following standards and amendments have been applied by the Group for the first time for the financial year beginning 1 July 2023:

##### AMENDMENTS TO IAS 12, INCOME TAXES: DEFERRED TAX RELATED TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION

Effective from annual periods beginning on or after 1 January 2023.

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

##### NARROW SCOPE AMENDMENTS TO IAS 1 'PRESENTATION OF FINANCIAL STATEMENTS', PRACTICE STATEMENT 2 AND IAS 8 'ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS'

Effective from annual periods beginning on or after 1 January 2023.

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

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES

(CONTINUED)

#### (A) BASIS OF PREPARATION

(CONTINUED)

#### (V) NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

(CONTINUED)

##### AMENDMENTS TO IAS 12 INTERNATIONAL TAX REFORM—PILLAR TWO MODEL RULES

Effective from annual periods beginning on or after 1 January 2023.

These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

The application of the above amendments did not have a material impact on the financial statements.

#### (VI) RELEVANT NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE

##### AMENDMENTS TO IAS 1 - NON-CURRENT LIABILITIES WITH COVENANTS

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

##### AMENDMENT TO IFRS 16 - LEASES ON SALE AND LEASEBACK

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

##### AMENDMENTS TO SUPPLIER FINANCE ARRANGEMENTS (IAS 7 AND IFRS 7)

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

#### AMENDMENTS TO IAS 21 LACK OF EXCHANGEABILITY (AMENDMENTS TO IAS 21)

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

#### (VII) EARLY ADOPTION OF STANDARDS

The Group did not early adopt new or amended standards in the year ended 30 June 2024.

Adoption of the above interpretations and amendments is not expected to have a material impact on the group's financial statements.

#### (B) BASIS OF CONSOLIDATION

The consolidated financial statements include the results of the Company and its subsidiaries. A subsidiary is an entity controlled by East African Breweries Plc. Control is the power to direct the relevant activities of the subsidiary that significantly affects the subsidiary's return so as to have rights to the variable return from its activities.

Where the Group has the ability to exercise joint control over an entity but has rights to specified assets and obligations for liabilities of that entity, the entity is consolidated on the basis of the group's rights over those assets and liabilities.

#### (I) SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Investments in subsidiaries are accounted for at cost in the Company's financial statements.

#### (II) NON-CONTROLLING INTERESTS (NCI)

NCI are initially measured at their proportionate share of the acquired identifiable net assets at the acquisition date.

#### (III) CHANGES IN THE GROUP'S OWNERSHIP INTERESTS IN EXISTING SUBSIDIARIES

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES

(CONTINUED)

#### (B) BASIS OF CONSOLIDATION

(CONTINUED)

##### (III) CHANGES IN THE GROUP'S OWNERSHIP INTERESTS IN EXISTING SUBSIDIARIES

(CONTINUED)

The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair values of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

##### (IV) BALANCES AND TRANSACTIONS ELIMINATED AT CONSOLIDATION

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### (C) REVENUE RECOGNITION

The Group recognises revenue from the sale of goods and services in the ordinary course of the Group's activities. The Group recognises revenue at a point in time as and when it satisfies a performance obligation by transferring control of a product or service to a customer.

The amount of revenue recognised is the amount the Group expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as value-added tax (VAT), excises, returns, rebates and discounts and after eliminating sales within the Group.

Revenue is recognised as follows:

- (i) Sales of goods are recognised in the period in which the Group delivers products to the customer, the customer accepts the products and collectability of the related receivables is reasonably assured.
- (ii) Royalty income is recognised based on agreed rates applied on net sales value of the related products.
- (iii) Management fee is recognised based on actual costs plus an agreed mark up.

Generally, payment of the transaction price is due within credit period of between 7 to 8 days with no element of financing.

The company does not have contract assets or contract liabilities at the reporting date.

#### (D) DIVIDEND INCOME

Dividend income is recognised as income in the period in which the right to receive the payment is established.

#### (E) FINANCE INCOME AND COSTS

Finance income comprises interest income and foreign exchange gains that relate to borrowings and cash and cash equivalents. Interest income is recognised in profit or loss on a time proportion basis using the effective interest method. Once a financial asset is identified as credit-impaired, the effective interest rate is applied to the amortised cost (net of impairment losses) in subsequent reporting periods.

Finance costs comprise interest expense and foreign exchange losses that relate to borrowings and cash and cash equivalents. Interest expense is recognised in profit or loss using the effective interest method.

All other foreign exchange gains and losses are presented in profit or loss within 'other income/expenses'.

#### (F) FOREIGN CURRENCY TRANSLATION

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

#### CONSOLIDATION OF GROUP ENTITIES

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at actual rates at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve except to the extent that the translation difference is allocated to Non-controlling interest (NCI).



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES

(CONTINUED)

#### (F) FOREIGN CURRENCY TRANSLATION (CONTINUED)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the profit or loss as part of the gain or loss on sale.

If the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, then the relevant proportion of the cumulative amount is reattributed to NCI.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into presentation currency at the closing exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at actual exchange rates at the dates of the transactions.

#### (G) PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Expenditure on assets under construction is charged to work in progress until the asset is brought into use. Subsequent expenditure is capitalised only when it is probable that future economic benefits of the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

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

Buildings 25 years or unexpired period of lease if less than 25 years

Plant, equipment, furniture and fittings 5 - 33 years

Motor vehicles 4 - 5 years

Returnable packaging 5 - 15 years

Freehold land and capital work in progress are not depreciated.

Depreciation methods, useful lives and residual values are reassessed annually at each reporting date and adjusted if appropriate.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income/expenses" in the profit or loss.

#### (H) INTANGIBLE ASSETS

##### (I) COMPUTER SOFTWARE

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of the software from the date that they are available for use. The estimated useful life is three to five years.

##### (II) GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on subsidiaries is carried at cost less accumulated impairment losses. Goodwill is tested annually for impairment. Impairment losses on goodwill are not reversed. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

##### (III) BRANDS

Brands acquired as part of acquisitions of businesses are capitalised as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group. Brands are considered to have an indefinite economic life because of the institutional nature of the brands and the Group's commitment to develop and enhance their value. The carrying value of these intangible assets is reviewed at least annually for impairment and adjusted to the recoverable amount if required.

#### (I) FINANCIAL INSTRUMENTS

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

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES

(CONTINUED)

#### (I) FINANCIAL INSTRUMENTS

(CONTINUED)

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.

##### CLASSIFICATION

The Group classifies its financial instruments into the following categories:

- (i) Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at amortised cost;
- (ii) Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at fair value through other comprehensive income;
- (iii) All other financial assets are classified and measured at fair value through profit or loss.
- (iv) Notwithstanding the above, the Group may:
  - a) on initial recognition of an equity investment that is not held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income.
  - b) on initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.
- (v) Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a

loan at a below-market interest rate are classified and measured at fair value through profit or loss. The Group may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

- (vi) All other financial liabilities are classified and measured at amortised cost. Financial instruments held during the year were classified as follows:
  - Cash and bank balances and trade and other receivables are classified at amortised cost.
  - Borrowings and trade and other payables are classified at amortised cost.

##### INITIAL MEASUREMENT

On initial recognition:

- i) Trade receivables are measured at their transaction price.
- ii) All other categories of financial assets and financial liabilities are measured at the fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the instrument.

##### SUBSEQUENT MEASUREMENT

Financial assets and financial liabilities after initial recognition are measured either at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss according to their classification.

Interest income, dividend income, and exchange gains and losses on monetary items are recognised in profit or loss.

##### DERECOGNITION

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. A financial liability is derecognised when it is extinguished, cancelled or expires.

#### (J) OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

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

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES

(CONTINUED)

#### (K) LEASES

##### (I) LEASES UNDER WHICH THE GROUP IS THE LESSEE

On the commencement date of each lease (excluding leases with a term of 12 months or less on commencement and leases for which the underlying asset is of low value), the Group recognizes a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Group is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used.

For leases that contain non-lease components, the Group allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life. If ownership of the underlying asset is not expected to pass to the Group at the end of the lease term, the estimated useful life would not exceed the lease term.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the

total lease payments are recognized in profit or loss on a straight-line basis over the lease period.

##### (II) LEASES UNDER WHICH THE GROUP IS THE LESSOR

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the lessee are classified as finance leases. All other leases are classified as operating leases. Payments received under operating leases are recognized as income in the profit and loss account on a straight-line basis over the lease term.

##### (L) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average method and expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. The cost of finished goods and work in progress comprises an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

##### (M) TREASURY SHARES

Treasury shares are shares in East African Breweries Plc that are held by the East African Breweries Plc Employee Share Ownership Plan for the purpose of issuing shares under the Group's share ownership scheme. Treasury shares are recognised at cost where cost is determined to be the purchase price of the shares in an open market (Nairobi Securities Exchange). Shares issued to employees are recognised on a first-in-first-out basis.

##### (N) SHARE-BASED PAYMENT ARRANGEMENTS

The Group operates equity-settled share-based compensation plans for its employees and executives.

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share based payment reserve in equity.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES

(CONTINUED)

#### (O) EMPLOYEE BENEFITS

##### (I) RETIREMENT BENEFITS OBLIGATIONS

The Group operates defined contribution retirement benefit schemes for some of its employees. The assets of all schemes are held in separate trustee administered funds, which are funded by contributions from both the Group and employees. The Group and all its employees also contribute to the National Social Security Funds, which are defined contribution schemes.

The Group's contributions to the defined contribution schemes are recognised in the profit or loss in the year to which they relate. The Group has no further obligation once the contributions have been paid.

##### (II) TERMINATION BENEFITS

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

##### (III) SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### (P) INCOME TAX EXPENSE

The tax expense for the year comprises current and deferred income tax. Tax is recognised in the profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the amount of tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation and any adjustment to tax payable or receivable in respect of previous years. The current tax charge is calculated on the basis of the tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred income tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured using tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. A tax rate reconciliation that reconciles the notional taxation charge as calculated at the Kenya tax rate, to the actual total tax charge is prepared on a materiality basis. As a Group operating in multiple countries, the actual tax rates applicable to profits in some of countries are different from the Kenya tax rate.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

#### (Q) DIVIDENDS

Dividends payable on ordinary shares are charged to retained earnings in the period in which they are declared. Proposed dividends are not accrued for until ratified in an Annual General Meeting.



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES

(CONTINUED)

#### (R) SEGMENTAL REPORTING

Segment information is presented in respect of the Group's geographical segments, which is the primary format and is based on the countries in which the Group operates. The Group has no other distinguishable significant business segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm's length basis.

#### (S) IMPAIRMENT

##### IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises a loss allowance for expected credit losses on financial instruments that are measured at amortised cost or at fair value through other comprehensive income. The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which: (a) the credit risk has increased significantly since initial recognition; or (b) there is observable evidence of impairment (a credit-impaired financial asset). If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

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

##### IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment of loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

#### (T) EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of any dilutive potential ordinary shares.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES

(CONTINUED)

#### (U) BORROWING COSTS

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such a time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### (V) SHARE CAPITAL

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

#### (W) CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances and deposits held at call with the banks net of bank overdrafts.

#### (X) COMPARATIVES

Where necessary, comparative figures have been adjusted to confirm with changes in presentation in the current year.

#### (Y) RETURNABLE PACKAGING

As returnable packaging is the fixed asset of the Group, the expectation is that the customer will regularly return them, therefore they are not due for payment.

The asset values are maintained accurately through the normal depreciation process – where Gross Book Value (GBV) of a Returnable Packaging asset is constantly and actively reduced throughout the period of useful life in a linear way (normal depreciation).

Depreciation of returnable packaging:

| Bottles | Crates   | Kegs     |
|---------|----------|----------|
| 5 years | 10 years | 10 years |

The asset quantities must be accurate to ensure that the reported quantity of returnable packaging in Fixed Asset Register is reliable and represents the total population of bottles/kegs/crates available for the business therefore can serve as a basis for commercial planning, production planning and enable the right business decisions.

#### (Z) COST OF SALES

Costs of sales include costs directly associated with generating revenues. They include direct material and labour costs but also indirect costs that can be directly attributed to generating revenue, e.g. depreciation of assets used in the production.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expected future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

#### (I) IMPAIRMENT OF GOODWILL AND OTHER INDEFINITE LIVED INTANGIBLE ASSETS (BRAND)

Assessment of the recoverable value of an intangible asset, the useful economic life of an asset, or that an asset has an indefinite life, requires management judgement. The Group annually tests whether goodwill and brands have suffered any impairment, in accordance with the accounting policy stated in Note 2(s). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations as stated in Note 23.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

#### (II) CALCULATION OF LOSS ALLOWANCE ON FINANCIAL ASSETS

When measuring expected credit loss on financial assets, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

#### (III) TAX PROVISIONS

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the Group's provision for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax provisions in the period in which such determination is made. Disclosures on contingent liabilities with respect to tax are included in Note 31.

#### (IV) PROPERTY, PLANT AND EQUIPMENT

Critical estimates are made by the Directors in determining useful lives for property, plant and equipment. The depreciation rates used are set out in Note 2(g). Directors also apply estimates in determining the existence of returnable packaging materials.

#### (V) LEASE LIABILITIES

In order to make a judgement to determine the term of the lease and the corresponding lease liability, the Directors consider any options regarding extension or termination of the lease contract which may be available and whether it is probable that such options will be exercised.

Unless there is an implicit interest rate contained in the lease contract, the discount rate used to calculate the net present value of the lease liability is the Group's incremental borrowing rate. This rate is estimated by the Directors to be the rate which would be paid by the Group to purchase a similar asset.

### (VI) PROVISIONS AND CONTINGENT LIABILITIES PROVISIONS

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

#### CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability (Note 31).

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risks which mainly comprise effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. This note presents information about the Group's exposure to financial risks, the Group's objectives, policies and processes for measuring and managing the financial risks. Further quantitative disclosures are included throughout these financial statements.

The Group has established a risk management committee made up of senior management which is responsible for developing and monitoring the Group's risk management policies. These 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.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(CONTINUED)

These risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group has also established a controls and compliance function, which carries out regular and adhoc reviews of risk management controls and procedures. The results are reported to senior management.

#### MARKET RISK

##### I) FOREIGN CURRENCY RISK

Foreign currency risk arises on sales, purchases, borrowings and other monetary balances denominated in currencies other than Kenya Shillings. Management's policy to manage foreign exchange risk is to actively manage the foreign currency denominated procurement contracts. The Group also enters into short term cash flow hedge contracts using available cash balance.

A 5 percent strengthening of the Kenya shilling against the following currencies at 30 June 2024 would have increased/(decreased) profit for the year by the amounts shown below. This analysis

assumes that all other variables, in particular interest rates, remains constant. The analysis was performed on the same basis for 2023.

##### II) PRICE RISK

The Group does not hold any financial instruments subject to price risk.

##### III) INTEREST RATE RISK

The Group's interest-bearing financial instruments include bank loans, bank overdrafts and related party borrowings. These are at various rates, and they are therefore exposed to cash flow interest rate risk. The Group regularly monitors financing options available to ensure optimum interest rates are obtained.

As at 30 June 2024, an increase/decrease of 3 percentage point would have resulted in a decrease/increase in profit for the year of Kshs 981,003,508 (2023: Kshs 401,506,653), mainly as a result of higher/lower interest charges on variable rate borrowings. For the Company, an increase/decrease of 3 percentage point would have resulted in a decrease/increase in profit for the year of Kshs 791,000,000 (2023: Kshs 308,700,000), mainly as a result of higher/lower interest charges on variable rate borrowings.

|                     |                    | Profit or loss   |                  |
|---------------------|--------------------|------------------|------------------|
| Group<br>At 30 June |                    | 2024<br>Kshs'000 | 2023<br>Kshs'000 |
| EUR                 | Euro               | 4,624            | (106,620)        |
| GBP                 | Sterling Pound     | (181,879)        | (28,691)         |
| RWF                 | Rwandan Franc      | —                | 9,255            |
| TZS                 | Tanzania Shillings | 457              | (37,517)         |
| UGX                 | Uganda Shillings   | (4,899)          | (2,530)          |
| USD                 | US Dollar          | 2,697            | 207,175          |
| ZAR                 | South African Rand | (116)            | (445)            |
|                     |                    | <b>(179,116)</b> | <b>40,627</b>    |

|                       |                    | Profit or loss   |                  |
|-----------------------|--------------------|------------------|------------------|
| Company<br>At 30 June |                    | 2024<br>Kshs'000 | 2023<br>Kshs'000 |
| EUR                   | Euro               | 3,470            | 2,725            |
| GBP                   | Pound Sterling     | 1,143            | 26,603           |
| TZS                   | Tanzanian Shilling | 2,236            | 582              |
| UGX                   | Ugandan Shilling   | 3,576            | 3,743            |
| USD                   | US Dollar          | 75,420           | 392,669          |
|                       |                    | <b>85,845</b>    | <b>426,322</b>   |

#### CREDIT RISK

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from bank balances (including deposits with banks and financial institutions), derivative financial instruments, as well as credit exposures to customers, including outstanding trade and other receivables, financial guarantees and committed transactions.

#### MAXIMUM EXPOSURE TO CREDIT RISK

The table below represents the Group's maximum exposure to credit risk at the end of the reporting period excluding the impact of any collateral held or other credit enhancements:



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### CREDIT RISK (CONTINUED)

#### MAXIMUM EXPOSURE TO CREDIT RISK (CONTINUED)

|   | 2024<br>Kshs 000  | 2023<br>Kshs 000  |
|---|-------------------|-------------------|
| <b>(a) Group</b>                                  |                   |                   |
| Trade receivables (Note 27)                       | 8,664,825         | 7,905,743         |
| Other receivables (Note 27)                       | 1,527,993         | 1,611,329         |
| Receivables from related companies (Note 27)      | 1,539,894         | 1,103,331         |
| Bank balances (Note 34)                           | 11,716,429        | 10,252,628        |
|   | <b>23,449,141</b> | <b>20,873,031</b> |
| <b>(b) Company</b>                                |                   |                   |
| Trade receivables (Note 27)                       | 6,589             | 912               |
| Long-term receivables from subsidiaries (Note 35) | 32,706,070        | 31,682,322        |
| Other receivables (Note 27)                       | 195,896           | 243,200           |
| Receivables from related companies (Note 27)      | 3,367,024         | 2,889,533         |
| Bank balances (Note 34)                           | 6,645,537         | 4,196,688         |
|   | <b>42,921,116</b> | <b>39,012,655</b> |

#### CREDIT RISK MANAGEMENT POLICY

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit rating of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk on deposits with banking institutions is managed by dealing with institutions with good credit ratings.

Trade and other receivables exposures are managed locally in the operating units where they arise, and credit limits are set as deemed appropriate for the customer. The operating units analyse credit risk for each new customer before standard payment and delivery terms are offered, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings. The utilisation of credit limits is monitored regularly. In addition, the Group manages credit risk by requiring the customers to provide financial guarantees.

The Group does not have any significant concentrations of credit risk with respect to trade and other receivables as the Group has a large number of customers which are geographically dispersed. The credit risk associated with receivables is minimal and the allowance expected credit losses that the Group has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

#### IMPAIRMENT OF FINANCIAL ASSETS

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the customer and an analysis of the customer's current financial position, adjusted for factors that are specific to the customers, general economic conditions in which the customers operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### CREDIT RISK (CONTINUED)

##### IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

The table below reflects the trade and other receivables, together with the provision for expected credit losses:

|   | 2024<br>Kshs'000 | 2023<br>Kshs'000 |
|---|------------------|------------------|
| <b>(a) Group</b>  |                  |                  |
| Not due   | 1,865,266        | 354,030          |
| Past due but not impaired:                                  |                  |                  |
| -by up to 30 days   | 5,402,654        | 5,759,298        |
| -by 31 to 120 days  | 1,231,340        | 1,794,246        |
| -over 121 days  | 1,150,568        | 1,203,530        |
| <b>Trade receivables (Note 27)</b>                          | <b>9,649,828</b> | <b>9,111,104</b> |
| Receivables determined to be impaired:                      |                  |                  |
| Carrying amount before provision for expected credit losses | 9,649,828        | 9,111,104        |
| Provision for expected credit losses                        | (985,003)        | (1,205,361)      |
| <b>Net carrying amount (Note 27)</b>                        | <b>8,664,825</b> | <b>7,905,743</b> |

|   | 2024<br>Kshs'000 | 2023<br>Kshs'000 |
|---|------------------|------------------|
| <b>(b) Company</b>  |                  |                  |
| Not due   | 6,589            | 912              |
| Past due but not impaired:                                  |                  |                  |
| - by up to 30 days  | —                | —                |
| - by 31 to 120 days   | —                | —                |
| - by 121 days and above                                     | —                | —                |
| <b>Trade receivables (Note 27)</b>                          | <b>6,589</b>     | <b>912</b>       |
| Receivables determined to be impaired:                      |                  |                  |
| Carrying amount before provision for expected credit losses | 6,589            | 912              |
| Provision for expected credit losses                        | —                | —                |
| <b>Net carrying amount</b>                                  | <b>6,589</b>     | <b>912</b>       |

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

Cash and bank balances were assessed for impairment using the credit ratings of the banking institutions. The resulted ECL was immaterial.

Due from related parties was assessed for impairment by reference to the financial strength of the counter party. The resulted ECL was immaterial.

Other receivables were assessed for impairment based on past collection history and expectation of cash flows from the debtor. A loss rate based on past collection history adjusted for forward looking information is used to calculate ECL as set out in Note 27 of the financial statements.

#### LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances

and ensuring the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines.

Management performs cash flow forecasting and monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Group's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### LIQUIDITY RISK (CONTINUED)

| At 30 June 2024:         | Current<br>Kshs'000 | Less than 1<br>year<br>Kshs'000 | Between 1<br>and 2 years<br>Kshs'000 | Between 2<br>and 5 years<br>Kshs'000 | Over 5<br>years<br>Kshs'000 | Total<br>Kshs'000 |
|--------------------------|---------------------|---------------------------------|--------------------------------------|--------------------------------------|-----------------------------|-------------------|
| <b>Group</b>             |                     |                                 |                                      |                                      |                             |                   |
| Borrowings               | —                   | 14,616,677                      | 27,064,959                           | 21,359,866                           | 3,793,888                   | <b>66,835,390</b> |
| Lease liabilities        | —                   | 790,722                         | 704,044                              | 876,436                              | 918,225                     | <b>3,289,427</b>  |
| Trade and other payables | —                   | 28,354,123                      | —                                    | —                                    | —                           | <b>28,354,123</b> |
| Bank overdraft           | —                   | 901,419                         | —                                    | —                                    | —                           | <b>901,419</b>    |
| Dividend payable         | 507,063             | —                               | —                                    | —                                    | —                           | <b>507,063</b>    |
|                          | <b>507,063</b>      | <b>44,662,941</b>               | <b>27,769,003</b>                    | <b>22,236,302</b>                    | <b>4,712,113</b>            | <b>99,887,422</b> |

| At 30 June 2024:         | Current<br>Kshs'000 | Less than 1<br>year<br>Kshs'000 | Between 1<br>and 2 years<br>Kshs'000 | Between 2<br>and 5 years<br>Kshs'000 | Over 5<br>years<br>Kshs'000 | Total<br>Kshs'000 |
|--------------------------|---------------------|---------------------------------|--------------------------------------|--------------------------------------|-----------------------------|-------------------|
| <b>Company</b>           |                     |                                 |                                      |                                      |                             |                   |
| Borrowings               | —                   | 11,542,107                      | 23,690,862                           | 15,722,170                           | 3,793,888                   | <b>54,749,027</b> |
| Lease liabilities        | —                   | 5,369                           | 5,658                                | —                                    | —                           | <b>11,027</b>     |
| Trade and other payables | —                   | 23,696,858                      | —                                    | —                                    | —                           | <b>23,696,858</b> |
| Dividend payable         | 504,714             | —                               | —                                    | —                                    | —                           | <b>504,714</b>    |
|                          | <b>504,714</b>      | <b>35,244,334</b>               | <b>23,696,520</b>                    | <b>15,722,170</b>                    | <b>3,793,888</b>            | <b>78,961,626</b> |

| At 30 June 2023:         | Current<br>Kshs'000 | Less than 1<br>year<br>Kshs'000 | Between 1<br>and 2 years<br>Kshs'000 | Between 2<br>and 5 years<br>Kshs'000 | Over 5<br>years<br>Kshs'000 | Total<br>Kshs'000  |
|--------------------------|---------------------|---------------------------------|--------------------------------------|--------------------------------------|-----------------------------|--------------------|
| <b>Group</b>             |                     |                                 |                                      |                                      |                             |                    |
| Borrowings               | —                   | 15,038,072                      | 12,716,009                           | 38,529,167                           | 5,536,221                   | <b>71,819,469</b>  |
| Lease liabilities        | —                   | 521,588                         | 798,495                              | 1,467,530                            | 1,113,158                   | <b>3,900,771</b>   |
| Trade and other payables | —                   | 30,048,118                      | —                                    | —                                    | —                           | <b>30,048,118</b>  |
| Bank overdraft           | —                   | 1,209,695                       | —                                    | —                                    | —                           | <b>1,209,695</b>   |
| Dividend payable         | 977,005             | —                               | —                                    | —                                    | —                           | <b>977,005</b>     |
|                          | <b>977,005</b>      | <b>46,817,473</b>               | <b>13,514,504</b>                    | <b>39,996,697</b>                    | <b>6,649,379</b>            | <b>107,955,058</b> |

| At 30 June 2023:         | Current<br>Kshs'000 | Less than 1<br>year<br>Kshs'000 | Between 1<br>and 2 years<br>Kshs'000 | Between 2<br>and 5 years<br>Kshs'000 | Over 5<br>years<br>Kshs'000 | Total<br>Kshs'000 |
|--------------------------|---------------------|---------------------------------|--------------------------------------|--------------------------------------|-----------------------------|-------------------|
| <b>Company</b>           |                     |                                 |                                      |                                      |                             |                   |
| Borrowings               | —                   | 11,251,105                      | 6,834,825                            | 27,647,066                           | 5,536,221                   | <b>51,269,217</b> |
| Lease liabilities        | —                   | 5,369                           | 5,658                                | —                                    | —                           | <b>11,027</b>     |
| Trade and other payables | —                   | 15,971,644                      | —                                    | —                                    | —                           | <b>15,971,644</b> |
| Bank overdraft           | —                   | 4,008                           | —                                    | —                                    | —                           | <b>4,008</b>      |
| Dividend payable         | 977,005             | —                               | —                                    | —                                    | —                           | <b>977,005</b>    |
|                          | <b>977,005</b>      | <b>27,232,126</b>               | <b>6,840,483</b>                     | <b>27,647,066</b>                    | <b>5,536,221</b>            | <b>68,232,901</b> |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(CONTINUED)

#### CAPITAL RISK MANAGEMENT

The Group's primary focus is on enhancing shareholder value in the long term by investing in businesses and brands, aiming for continued improvement in returns. The Board's policy emphasizes maintaining a robust capital base to instil confidence among investors, creditors, and the market, ensuring sustained future business development.

In managing the capital structure, the Group closely monitors two key ratios:

a) Net Debt to Equity: As of 30 June 2024, the net debt to equity ratio is x1.05, well below the maximum limit of 3x set by the Company's Articles of Association for directors' borrowing powers.

b) Net Borrowings to EBITDA Leverage: The Group targets a net borrowings to EBITDA leverage of 0.5 to 1.5 times. As of 30 June 2024, the reported ratio is x1.17, within the target and banking covenants of 3.5x.

By adhering to these principles, the Group ensures its sustainability as a going concern while maximizing stakeholder returns and supporting current and future business development needs.

The Group reported net borrowings to EBITDA leverage reflected in the table below:

|  | 2024<br>Kshs'000  | 2023<br>Kshs'000  |
|--|-------------------|-------------------|
| <b>Net borrowings:</b>                 |                   |                   |
| Total borrowings (Note 29)             | 47,062,984        | 57,845,875        |
| Lease liabilities (Note 30)            | 2,603,220         | 2,827,748         |
| Bank overdrafts (Note 29)              | 901,419           | 1,209,695         |
| Less: cash and bank balances (Note 34) | (11,716,429)      | (10,252,628)      |
| <b>Net debt</b>                        | <b>38,851,194</b> | <b>51,630,690</b> |
| <b>EBITDA</b>                          |                   |                   |
| Profit before tax                      | 16,770,712        | 18,709,139        |
| <b>Adjusted for:</b>                   |                   |                   |
| Net finance costs                      | 8,174,566         | 5,485,291         |
| Depreciation and amortisation          | 8,199,820         | 7,092,833         |
| <b>Total EBITDA</b>                    | <b>33,145,098</b> | <b>31,287,263</b> |
| <b>Net Debt to EBITDA</b>              | <b>x1.17</b>      | <b>x1.65</b>      |

|  | 2024<br>Kshs'000  | 2023<br>Kshs'000  |
|--|-------------------|-------------------|
| <b>Company</b>                         |                   |                   |
| <b>Net borrowings:</b>                 |                   |                   |
| Total borrowings (Note 29)             | 37,707,682        | 44,146,387        |
| Lease liabilities (Note 30)            | 5,203             | 9,804             |
| Bank overdrafts (Note 29)              | —                 | 4,008             |
| Less: cash and bank balances (Note 34) | (6,645,537)       | (4,196,688)       |
| <b>Net debt</b>                        | <b>31,067,348</b> | <b>39,963,511</b> |
| <b>EBITDA</b>                          |                   |                   |
| Profit before tax                      | 5,893,492         | 11,776,978        |
| <b>Adjusted for:</b>                   |                   |                   |
| Net finance costs                      | 1,643,204         | 1,623,738         |
| Depreciation and amortisation          | 56,870            | 39,071            |
| <b>Total EBITDA</b>                    | <b>7,593,566</b>  | <b>13,439,787</b> |
| <b>Net Debt to EBITDA</b>              | <b>x4.09</b>      | <b>x2.97</b>      |



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(CONTINUED)

#### FAIR VALUE MEASUREMENT

Fair value measurements of financial instruments are presented through the use of a three-level fair value hierarchy that prioritises the valuation techniques used in fair value calculations. The Group specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources while unobservable inputs reflect the Group's market assumptions.

The different levels in the fair value hierarchy have been defined as follows:

- i) Level 1 fair value measurements are derived from quoted prices (unadjusted) in active trading markets for identical assets or liabilities. This level includes listed debt and equity instruments traded mainly on the Nairobi Securities Exchange ("NSE").
- ii) Level 2 fair value measurements are derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as a price) or indirectly (i.e. derived from prices).

iii) Level 3 fair value measurements are derived from valuation techniques that include inputs that are not based on observable market data (unobservable inputs).

The Group maintains policies and procedures to value instruments using the most relevant data available. If multiple inputs that fall into different levels of the hierarchy are used in the valuation of an instrument, the instrument is categorised on the basis of the most subjective input.

Foreign currency forward contracts are valued using discounted cash flows technique that incorporate the prevailing market rates. Under this technique, future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period), discounted at a rate that reflects the credit risk of the counterparties.

As significant inputs to the valuation are observable in active markets, these instruments are categorised as level 2 in the hierarchy. Other investments are carried at cost as there is no suitable basis for its valuation and are therefore categorised as level 3 in the hierarchy.

The following table presents the Group and Company's financial assets and liabilities that are measured at fair value at 30 June 2024.

|   | Level 1<br>Kshs'000 | Level 2<br>Kshs'000 | Level 3<br>Kshs'000 | Total<br>Kshs'000 |
|---|---------------------|---------------------|---------------------|-------------------|
| <b>Financial assets at fair value through profit or loss:</b> |                     |                     |                     |                   |
| Other financial assets  | —                   | —                   | 10,000              | 10,000            |
| <b>Net assets at fair value through profit or loss</b>        | <b>—</b>            | <b>—</b>            | <b>10,000</b>       | <b>10,000</b>     |

The following table presents the Group and Company's financial assets and liabilities that are measured at fair value at 30 June 2023.

|   | Level 1<br>Kshs'000 | Level 2<br>Kshs'000 | Level 3<br>Kshs'000 | Total<br>Kshs'000 |
|---|---------------------|---------------------|---------------------|-------------------|
| <b>Financial assets at fair value through profit or loss:</b> |                     |                     |                     |                   |
| Other financial assets  | —                   | —                   | 10,000              | 10,000            |
| <b>Net assets at fair value through profit or loss</b>        | <b>—</b>            | <b>—</b>            | <b>10,000</b>       | <b>10,000</b>     |

There were no transfers between levels during the years ended 30 June 2024 and 30 June 2023.

# SHIKILIA Uzito, THE TUSKER WAY!



**KENYA**  
*Milele*



EXCESSIVE ALCOHOL CONSUMPTION IS HARMFUL TO YOUR HEALTH.  
NOT FOR SALE TO PERSONS UNDER THE AGE OF 18 YEARS.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 5. OPERATING SEGMENTS

Directors have determined the operating segments based on the reports reviewed by the Group Executive Committee that are used to make strategic decisions. The Group Executive Committee includes the Group Managing Director and the Group Chief Financial Officer.

The Group Executive Committee considers the business from a geographical perspective. Geographically, the Group Executive Committee considers the performance of the business in Kenya, Uganda and Tanzania.

Exports to South Sudan, Rwanda, Burundi and the Great Lakes Region are recognised in the country of origin.

The reportable operating segments derive their revenue primarily from brewing, marketing and selling of drinks, malt and barley. The Group Executive Committee assesses the performance of the operating segments based on a measure of net sales value.

The segmental information provided to the Group Executive Committee is as follows:

|                     | Kenya                  |                        | Uganda                 |                        |
|---------------------|------------------------|------------------------|------------------------|------------------------|
|                     | June 2024<br>Kshs '000 | June 2023<br>Kshs '000 | June 2024<br>Kshs '000 | June 2023<br>Kshs '000 |
| External sales      | 80,953,126             | 70,608,483             | 25,841,212             | 23,141,952             |
| Inter segment sales | 2,501,189              | 3,574,142              | 118,979                | 44,523                 |
| <b>Total sales</b>  | <b>83,454,315</b>      | <b>74,182,625</b>      | <b>25,960,191</b>      | <b>23,186,475</b>      |

Reportable segments assets and liabilities are as follows:

|                               | Kenya                           |                                 | Uganda                          |                                 |
|-------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|                               | As at<br>June 2024<br>Kshs '000 | As at<br>June 2023<br>Kshs '000 | As at<br>June 2024<br>Kshs '000 | As at<br>June 2023<br>Kshs '000 |
| Segment non-current assets    | 90,893,426                      | 91,501,099                      | 20,186,766                      | 20,623,668                      |
| Total segment assets          | 121,490,552                     | 119,696,799                     | 27,227,988                      | 29,474,449                      |
| Segment liabilities           | 60,973,997                      | 67,292,152                      | 16,923,041                      | 19,332,007                      |
| Capital expenditure           | 2,297,591                       | 4,198,367                       | 3,424,401                       | 3,061,665                       |
| Depreciation and amortisation | 4,078,995                       | 3,976,953                       | 2,263,712                       | 1,746,259                       |

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year. Segment revenue is based on the geographical location of both customers and assets. The revenue from external parties reported to the Group Executive Committee is measured in a manner consistent with that in the statement of profit or loss.

There is no reliance on individually significant customers by the Group. The amounts provided to the Group Executive Committee in respect to total assets and total liabilities are measured in a manner consistent with that of the statement of financial position.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

|  | Tanzania               |                        | Eliminations           |                        | Consolidated           |                        |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|  | June 2024<br>Kshs '000 | June 2023<br>Kshs '000 | June 2024<br>Kshs '000 | June 2023<br>Kshs '000 | June 2024<br>Kshs '000 | June 2023<br>Kshs '000 |
|  | 17,336,322             | 15,898,978             | —                      | —                      | 124,130,660            | 109,649,413            |
|  | 30,490                 | 24,265                 | (2,650,658)            | (3,642,930)            | —                      | —                      |
|  | <b>17,366,812</b>      | <b>15,923,243</b>      | <b>(2,650,658)</b>     | <b>(3,642,930)</b>     | <b>124,130,660</b>     | <b>109,649,413</b>     |

|  | Tanzania                        |                                 | Eliminations                    |                                 | Consolidated                    |                                 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|  | As at<br>June 2024<br>Kshs '000 | As at<br>June 2023<br>Kshs '000 | As at<br>June 2024<br>Kshs '000 | As at<br>June 2023<br>Kshs '000 | As at<br>June 2024<br>Kshs '000 | As at<br>June 2023<br>Kshs '000 |
|  | 19,019,153                      | 22,844,237                      | (47,426,041)                    | (45,813,614)                    | 82,673,304                      | 89,155,390                      |
|  | 25,037,286                      | 29,869,505                      | (49,509,272)                    | (46,447,566)                    | 124,246,554                     | 132,593,187                     |
|  | 15,999,834                      | 18,104,629                      | (6,382,685)                     | (3,879,479)                     | 87,514,187                      | 100,849,309                     |
|  | 1,537,590                       | 5,764,506                       | —                               | —                               | 7,259,582                       | 13,024,538                      |
|  | 1,857,113                       | 1,369,621                       | —                               | —                               | 8,199,820                       | 7,092,833                       |



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 6. REVENUE FROM CONTRACTS WITH CUSTOMERS

|                    | 2024<br>Kshs '000  | 2023<br>Kshs '000  |
|--------------------|--------------------|--------------------|
| <b>(a) Group</b>   |                    |                    |
| Gross sales        | 220,977,478        | 197,611,778        |
| Indirect taxes     | (96,846,818)       | (87,962,365)       |
|                    | <b>124,130,660</b> | <b>109,649,413</b> |
| <b>(b) Company</b> |                    |                    |
| Management fees    | 656,999            | 560,634            |
| Royalties          | 1,423,988          | 1,210,494          |
|                    | <b>2,080,987</b>   | <b>1,771,128</b>   |

### 7. COST OF SALES

|                               | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|-------------------------------|-------------------|-------------------|
| <b>(a) Group</b>              |                   |                   |
| Raw materials and consumables | 38,011,433        | 33,245,303        |
| Distribution and warehousing  | 9,404,893         | 8,281,022         |
| Maintenance and other costs   | 11,092,001        | 10,249,265        |
| Staff costs                   | 5,143,915         | 4,728,375         |
| Depreciation and amortization | 6,673,657         | 5,745,474         |
|                               | <b>70,325,899</b> | <b>62,249,439</b> |
| <b>(b) Company</b>            |                   |                   |
| Cost of goods sold            | —                 | —                 |
| Distribution and warehousing  | —                 | —                 |
| Staff costs                   | —                 | —                 |
|                               | <b>—</b>          | <b>—</b>          |

### 8. ADMINISTRATIVE EXPENSES

|                                 | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---------------------------------|-------------------|-------------------|
| <b>(a) Group</b>                |                   |                   |
| Staff costs                     | 8,148,986         | 8,015,111         |
| Office supplies and other costs | 1,549,624         | 728,446           |
| Depreciation and amortisation   | 1,526,163         | 1,347,359         |
| Travelling and entertainment    | 287,359           | 270,673           |
|                                 | <b>11,512,132</b> | <b>10,361,589</b> |
| <b>(b) Company</b>              |                   |                   |
| Staff costs                     | 1,457,847         | 571,615           |
| Office supplies and other costs | (218,118)         | (246,935)         |
| Depreciation and amortisation   | 56,870            | 39,071            |
| Travelling and entertainment    | 52,910            | 87,190            |
|                                 | <b>1,349,509</b>  | <b>450,941</b>    |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 9. OTHER INCOME/(EXPENSES)

|  | 2024<br>Kshs '000  | 2023<br>Kshs '000  |
|--|--------------------|--------------------|
| <b>(a) Group</b>                           |                    |                    |
| <b>Other income</b>                        |                    |                    |
| Returnable packaging liability release     | —                  | 762,569            |
| Sundry income                              | 448,898            | 502,218            |
|  | <b>448,898</b>     | <b>1,264,787</b>   |
| <b>Other expense</b>                       |                    |                    |
| Indirect tax expenses (**)                 | 881,278            | 1,061,510          |
| Net transactional foreign exchange losses  | 3,873,198          | 2,100,540          |
| Write-off of property, plant and equipment | 98,755             | 210,563            |
| Sundry expenses                            | 724,058            | 332,090            |
|  | <b>5,577,289</b>   | <b>3,704,703</b>   |
| <b>Net other expenses</b>                  | <b>(5,128,391)</b> | <b>(2,439,916)</b> |

(\*\*) Indirect tax expenses are expenses associated with irrecoverable VAT, irrecoverable withholding tax and other tax provisions.

|   |               |                |
|---|---------------|----------------|
| <b>b) Net impairment reversals/(losses) on financial assets</b> |               |                |
| Trade receivables (Note 27)                                     | (53,324)      | 19,909         |
| Other receivables (Note 27)                                     | 105,900       | 367,863        |
|   | <b>52,576</b> | <b>387,772</b> |

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| <b>(c) Company</b>                        |                   |                   |
| <b>Other income</b>                       |                   |                   |
| Net transactional foreign exchange gains  | —                 | 734,406           |
| Sundry income                             | 10,368            | 38,211            |
|   | <b>10,368</b>     | <b>772,617</b>    |
| <b>Other expense</b>                      |                   |                   |
| Indirect tax expenses (*)                 | —                 | 97,366            |
| Net transactional foreign exchange losses | 359,927           | —                 |
| Sundry expenses                           | 211,575           | 338,601           |
|   | <b>571,502</b>    | <b>435,967</b>    |
|   | <b>(561,134)</b>  | <b>336,650</b>    |

(\*) Indirect tax expenses are expenses associated with irrecoverable VAT, irrecoverable withholding tax and other tax provisions.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 10. PROFIT BEFORE INCOME TAX

The following items have been charged in arriving at the profit before tax:

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| <b>(a) Group</b>  |                   |                   |
| Inventories expensed (raw materials and consumables) (Note 7) | 38,011,433        | 33,245,303        |
| Employee benefits expense (Note 11(a))                        | 14,141,664        | 14,254,272        |
| Depreciation on property, plant and equipment (Note 20(a))    | 7,153,704         | 6,126,012         |
| Amortisation of right-of-use assets (Note 21(a))              | 891,314           | 795,962           |
| Amortisation of intangible assets - software (Note 22(a))     | 154,802           | 170,859           |
| Auditor's remuneration  | 38,741            | 34,122            |
| <b>(b) Company</b>  |                   |                   |
| Employee benefits expense (Note 11 (b))                       | 1,457,847         | 571,615           |
| Depreciation of property and equipment (Note 20(b))           | 51,309            | 30,825            |
| Amortisation of right-of-use assets (Note 21(b))              | 4,507             | 7,177             |
| Amortisation of intangible assets - software (Note 22(b))     | 1,054             | 1,069             |
| Auditor's remuneration  | 8,036             | 7,406             |

### 11. EMPLOYEE BENEFITS EXPENSE

The following items are included within employee benefits expense:

|  | 2024              | 2023              |
|--|-------------------|-------------------|
| <b>(a) Group</b>                                       |                   |                   |
| Salaries and wages                                     | 9,503,258         | 9,139,519         |
| Defined contribution scheme                            | 685,653           | 698,486           |
| National Social Security Fund                          | 196,563           | 290,202           |
| Share based payments                                   | 29,700            | 28,057            |
| Employee share ownership plan of the parent company(*) | 125,222           | 155,873           |
| Other staff costs                                      | 3,601,268         | 3,186,742         |
|  | <b>14,141,664</b> | <b>13,498,879</b> |

The average number of employees during the year was as follows:

|                               | 2024         | 2023         |
|-------------------------------|--------------|--------------|
| Production                    | 838          | 759          |
| Sales and distribution        | 442          | 442          |
| Management and administration | 233          | 207          |
|                               | <b>1,513</b> | <b>1,408</b> |

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| <b>(b) Company</b>   |                   |                   |
| The following items are included within employee benefits expense: |                   |                   |
| Salaries and wages   | 1,205,432         | 340,462           |
| Defined contribution scheme  | 79,696            | 74,943            |
| National Social Security Fund                                      | 1,323             | 3,654             |
| Share based payments   | 29,700            | 28,057            |
| Employee share ownership plan of the parent company(*)             | 63,478            | 84,396            |
| Other staff costs  | 78,218            | 40,103            |
|  | <b>1,457,847</b>  | <b>571,615</b>    |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 11. EMPLOYEE BENEFITS EXPENSE (CONTINUED)

The average number of employees during the year was as follows:

|                               | 2024      | 2023      |
|-------------------------------|-----------|-----------|
| Management and administration | 16        | 14        |
|                               | <b>16</b> | <b>14</b> |

(\*) Some of the senior executives of the Group participate in the share ownership schemes linked to the share price of Diageo plc shares and administered by Diageo plc. The schemes are of various categories. The costs associated with these schemes are recharged to the Company and accounted for as part of staff costs.

### 12. FINANCE INCOME/(EXPENSES)

|                                       | 2024<br>Kshs '000  | 2023<br>Kshs '000  |
|---------------------------------------|--------------------|--------------------|
| <b>(a) Group</b>                      |                    |                    |
| <b>Finance income</b>                 |                    |                    |
| Interest income                       | 68,499             | 75,171             |
|                                       | <b>68,499</b>      | <b>75,171</b>      |
| <b>Finance cost</b>                   |                    |                    |
| Interest expense on borrowings        | (7,755,793)        | (5,341,478)        |
| Interest expense on lease liabilities | (207,140)          | (140,984)          |
| Other finance costs                   | (280,132)          | (78,000)           |
|                                       | <b>(8,243,065)</b> | <b>(5,560,462)</b> |
| <b>(b) Company</b>                    |                    |                    |
| <b>Finance income</b>                 |                    |                    |
| Interest income                       | 4,701,689          | 3,523,579          |
|                                       | <b>4,701,689</b>   | <b>3,523,579</b>   |
| <b>Finance cost</b>                   |                    |                    |
| Interest expense on borrowings        | (6,269,515)        | (5,078,484)        |
| Interest expense on lease liabilities | (768)              | (1,300)            |
| Other finance costs                   | (74,610)           | (67,533)           |
|                                       | <b>(6,344,893)</b> | <b>(5,147,317)</b> |

### 13. INCOME TAX EXPENSE

The income tax expense has been calculated using applicable tax rates based on respective income tax laws.

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| <b>(a) Group</b>  |                   |                   |
| <b>Current income tax</b>                                 |                   |                   |
| Current year charge                                       | 5,233,702         | 4,311,673         |
| (Over)/under provision of tax in prior years              | 2,979             | 274,229           |
| <b>Current income tax charge</b>                          | <b>5,236,681</b>  | <b>4,585,902</b>  |
| <b>Deferred income tax</b>                                |                   |                   |
| Current year charge (Note 19(a))                          | 630,503           | 1,897,684         |
| Under/(over) provision of tax in prior years (Note 19(a)) | 33,316            | (97,364)          |
| <b>Deferred income tax charge</b>                         | <b>663,819</b>    | <b>1,800,320</b>  |
| <b>Total income tax expense</b>                           | <b>5,900,500</b>  | <b>6,386,222</b>  |



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 13. INCOME TAX EXPENSE (CONTINUED)

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

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| <b>(a) Group</b>  |                   |                   |
| Profit before income tax  | 16,770,712        | 18,709,139        |
| Tax calculated at the statutory income tax rate of 30% (30 June 2023 - 30%) | 5,030,512         | 5,612,742         |
| <b>Tax effects of:</b>  |                   |                   |
| - Expenses not deductible for tax purposes                                  | 833,693           | 677,284           |
| - Effect of different tax rates of foreign subsidiaries                     | —                 | (80,669)          |
| (Over)/under provision of current tax in prior years                        | 2,979             | 274,229           |
| Under/(over) provision of deferred tax in prior years                       | 33,316            | (97,364)          |
| <b>Income tax expense</b>   | <b>5,900,500</b>  | <b>6,386,222</b>  |

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| <b>(b) Company</b>  |                   |                   |
| <b>Income tax expense</b>   |                   |                   |
| <b>Current income tax:</b>  |                   |                   |
| Current year charge   | 81,871            | 131,156           |
| (Over)/under provision of tax in prior years                      | (1)               | 2,729             |
| <b>Current income tax charge</b>                                  | <b>81,870</b>     | <b>133,885</b>    |
| <b>Deferred income tax</b>  |                   |                   |
| Current year charge (Note 19(b))                                  | 46,117            | 275,054           |
| Over provision of deferred income tax in prior years (Note 19(b)) | —                 | (1,606)           |
| Deferred income tax charge  | 46,117            | 273,448           |
| <b>Total tax (credit)/expense</b>                                 | <b>127,987</b>    | <b>407,333</b>    |

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

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| Profit before income tax  | 5,893,492         | 11,776,978        |
| Tax calculated at the statutory income tax rate of 30% (30 June 2023 - 30%) | 1,768,048         | 3,533,093         |
| <b>Tax effects of:</b>  |                   |                   |
| - Income not subject to tax   | (2,209,906)       | (3,523,164)       |
| - Expenses not deductible for tax purposes                                  | 569,846           | 396,281           |
| Over provision of deferred tax in prior years                               | —                 | (1,606)           |
| (Over)/under provision of current tax in prior years                        | (1)               | 2,729             |
| <b>Income tax (credit)/expense</b>  | <b>127,987</b>    | <b>407,333</b>    |

|   | 2024<br>Kshs '000  | 2023<br>Kshs '000  |
|---|--------------------|--------------------|
| <b>(c) Current tax assets of the Group</b>        |                    |                    |
| Opening balance                                   | (5,327,280)        | (404,326)          |
| Balance of prior year tax settled in current year | —                  | (4,186,325)        |
| Instalment tax paid in the year                   | (4,486,063)        | (5,419,501)        |
| Current year tax charge (Note 13(a))              | 5,233,702          | 4,585,902          |
| Prior year over/(under)provision                  | 2,979              | 96,970             |
| <b>Current income tax assets</b>                  | <b>(4,576,662)</b> | <b>(5,327,280)</b> |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 13. INCOME TAX EXPENSE (CONTINUED)

|  | 2024<br>Kshs '000  | 2023<br>Kshs '000  |
|--|--------------------|--------------------|
| <b>(d) Current tax assets of the Company</b> |                    |                    |
| Opening balance                              | (2,868,816)        | (2,619,590)        |
| Instalment tax paid in the year              | (771,763)          | (383,110)          |
| Current year tax charge (Note 13(a))         | 81,871             | 131,156            |
| Prior year over/(under)provision             | (1)                | 2,728              |
| <b>Current income tax assets</b>             | <b>(3,558,709)</b> | <b>(2,868,816)</b> |

### 14. DIVIDENDS

Management recommends that the Board approves the proposal to declare final dividend of Kshs 6.0 per share (2023: Kshs 1.75 per share) amounting to Kshs 4.7 billion (2023: Kshs 1.4 billion). An interim dividend of Kshs 1 per share for 2024 (2023: Kshs 3.75 per share) was paid in April 2024. The total dividend pay-out for the year will therefore be Kshs

7.0 per share (2023: Kshs 5.5 per share) amounting to Kshs 5.5 billion (2023: Kshs 4.3 billion).

Payment of dividends is subject to withholding tax at a rate of 0%, 5%, 10% and 15% depending on the residence and the percentage shareholding of the respective shareholders.

### 15. EARNINGS PER SHARE

#### BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic earnings per share at 30 June 2024 was based on profit attributable to ordinary shareholders of Kshs 8,145,642,000 (2023: Kshs 9,857,351,000) and a weighted average

number of ordinary shares outstanding during the year ended 30 June 2024 of 790,774,356 (2023: 790,774,356). The basic and diluted earnings per share are the same as there is no dilutive effect.

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| Profit attributable to ordinary shareholders          | 8,145,642         | 9,857,351         |
| <b>Weighted average number of ordinary shares</b>     |                   |                   |
| Issued and paid shares (Note 16)                      | 790,774,356       | 790,774,356       |
| Basic and diluted earnings per share (Kshs per share) | 10.30             | 12.47             |

### 16. SHARE CAPITAL

|  | Number of<br>shares | Ordinary<br>shares<br>Kshs'000 | Share<br>premium<br>Kshs'000 |
|--|---------------------|--------------------------------|------------------------------|
| Issued and fully paid                                    |                     |                                |                              |
| Balance as at 1 July 2023, 30 June 2023 and 30 June 2024 | 790,774,356         | 1,581,547                      | 1,691,151                    |

The total authorised number of ordinary shares is 1,000,000,000 with a par value of Kshs 2.00 per share.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 17. OTHER RESERVES

#### (A) EMPLOYEE SHARE BASED PAYMENT RESERVES

The Company operates three equity settled employee share ownership plans (ESOPs) as follows:

**a) Executive Share Option Plan (ESOP)** - Under the plan, an employee is given an option to buy units at a future date but at a fixed price, which is set at the time when the option is granted. The vesting period for the shares is three years after which an employee can exercise the option within seven years. There are no performance conditions attached to this share plan.

**b) Restricted Share Units (RSU)** - Effective financial year 2020, the Group introduced RSU. RSU are shares offered for free i.e. at no subscription price as at grant date. The vesting period for the shares is three years after

which an employee can exercise the option within seven years. There are no performance conditions attached to this share plan.

**c) Employees Share Save Scheme (ESSS)** - This plan enables the eligible employee to save a fixed amount of money over a three-year period. If an employee joins the plan, he or she is given an option to buy units at a future date at a fixed price set at the grant date. The grant price is fixed at 80% of the market price at grant date. The vesting period for the shares is three years after which an employee can exercise the option within seven years. There are no performance conditions attached to this share plan.

The reserves that arise from employee share based payments are as follows:

#### (B) TREASURY SHARES RESERVE

Treasury shares reserve represent the cost of the shares held by the Company's Employee Share Ownership Plan at the end of year. The movement in the treasury shares reserve in the year is as follows:

|  | 30 June 2024     |                  | 30 June 2023     |                |
|--|------------------|------------------|------------------|----------------|
|  | Number of shares | Kshs'000         | Number of shares | Kshs'000       |
| At start of year                         | 3,817,189        | 836,797          | 3,619,786        | 723,774        |
| <b>Movement in the year:</b>             |                  |                  |                  |                |
| Purchase of shares                       | 195,500          | 28,690           | 224,735          | 35,958         |
| Share transfer to the Trust              | 168,847          | 24,778           | —                | —              |
| Issue of shares upon exercise of options | —                | —                | (27,332)         | (4,373)        |
| Revaluation                              | —                | (276,624)        | —                | 81,438         |
| <b>Total movement in the year</b>        | <b>364,347</b>   | <b>(223,156)</b> | <b>197,403</b>   | <b>113,023</b> |
| <b>At end of year</b>                    | <b>4,181,536</b> | <b>613,641</b>   | <b>3,817,189</b> | <b>836,797</b> |

#### (C) SHARE BASED PAYMENT RESERVE

The share based payment reserve represents the charge to the profit or loss account in respect of share options granted to employees. The allocated shares for the employee share based payments are held by the East African Breweries Employee Share Ownership Plan.

|                          | 2024           | 2023           |
|--------------------------|----------------|----------------|
|                          | Kshs '000      | Kshs '000      |
| At start of year         | 131,918        | 103,861        |
| Charge to profit or loss | 29,700         | 28,057         |
| <b>At end of year</b>    | <b>161,618</b> | <b>131,918</b> |

Share based payments are measured at fair value at the grant date, which is expensed over the period of vesting. The fair value of each option granted is estimated at the date of grant

using Black Scholes option pricing model. The assumptions supporting inputs into the model for options granted during the period are as follows:

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 17. OTHER RESERVES (CONTINUED)

#### (C) SHARE BASED PAYMENT RESERVE (CONTINUED)

|                        | 2023 series | 2022 series | 2021 series | 2020 series |
|------------------------|-------------|-------------|-------------|-------------|
| Grant date share price | 129         | 134         | 144         | n/a         |
| Exercise price         |             |             |             |             |
| -ESOP                  | 129         | n/a         | 167         | n/a         |
| -ESSS                  | n/a         | 158         | 131         | n/a         |
| Expected volatility    | 54%         | 28%         | 13%         | n/a         |
| Dividend yield         | 0.68%       | 2.36%       | 2.60%       | n/a         |
| Forfeiture rate        | 3.30%       | 3.30%       | 3.30%       | n/a         |
| Option life            | 3 years     | 3 years     | 3 years     | n/a         |

The assumptions above were determined based on the historical trends.

Share based payment reserves are not distributable.

#### (D) CURRENCY TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currency to the Group's presentation currency (Kenya shillings) are

recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on disposal or partial disposal of a foreign operation. Translation reserves are not distributable.

### 18. NON-CONTROLLING INTERESTS

#### (A) SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The following table summarises the information relating to the Group's subsidiaries that have material non-controlling interests.

| At 30 June 2024                                    | UDV<br>(Kenya)<br>Limited | Serengeti<br>Breweries<br>Limited | Other<br>subsidiaries* | Total             |
|--|---------------------------|-----------------------------------|------------------------|-------------------|
|  | Kshs'000                  | Kshs'000                          | Kshs'000               | Kshs'000          |
| <b>Non-controlling interest percentage</b>         | 53.68 %                   | 7.50%                             | 1% - 1.8%              |                   |
| Non-current assets                                 | 3,214,805                 | 20,789,692                        | 20,123,536             |                   |
| Currents assets                                    | 25,751,192                | 5,275,203                         | 6,878,154              |                   |
| Non-current liabilities                            | (1,505,458)               | (6,269,839)                       | (7,762,911)            |                   |
| Current liabilities                                | (5,192,784)               | (8,746,238)                       | (9,035,789)            |                   |
| Net assets   | 22,267,755                | 11,048,818                        | 10,202,990             |                   |
| <b>Carrying amount of non-controlling interest</b> | <b>11,953,331</b>         | <b>828,661</b>                    | <b>183,653</b>         | <b>12,965,645</b> |
| Net sales  | 30,770,516                | 17,366,813                        | 25,957,906             |                   |
| Profit/(loss) after tax                            | 5,111,382                 | (891,730)                         | 2,647,746              |                   |
| Total comprehensive income/(loss)                  | 5,111,382                 | (891,730)                         | 2,647,746              |                   |
| <b>In respect of non-controlling interest</b>      | <b>2,743,790</b>          | <b>(66,880)</b>                   | <b>47,660</b>          | <b>2,724,570</b>  |
| Cash generated from operating activities           | 1,895,549                 | 3,886,239                         | 7,343,415              |                   |
| Cash used in investment activities                 | (360,429)                 | (1,555,933)                       | (3,424,400)            |                   |
| Cash used in financing activities                  | (17,731)                  | (350,320)                         | (2,777,002)            |                   |
| <b>Net increase in cash and cash equivalents</b>   | <b>1,517,389</b>          | <b>1,979,986</b>                  | <b>1,142,013</b>       |                   |

\* Other subsidiaries include Uganda Breweries Limited and East African Breweries (South Sudan) Limited



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 18. NON-CONTROLLING INTERESTS (CONTINUED)

#### (A) SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

| At 30 June 2023                                    | UDV<br>(Kenya)<br>Limited | Serengeti<br>Breweries<br>Limited | Other<br>subsidiaries* | Total             |
|--|---------------------------|-----------------------------------|------------------------|-------------------|
|  | Kshs'000                  | Kshs'000                          | Kshs'000               | Kshs'000          |
| <b>Non-controlling interest percentage</b>         | 53.68 %                   | 7.50 %                            | 1% - 1.8%              |                   |
| Non-current assets                                 | 3,120,600                 | 23,396,147                        | 20,527,511             |                   |
| Currents assets                                    | 19,851,319                | 6,371,053                         | 8,663,129              |                   |
| Non-current liabilities                            | (1,249,828)               | (8,620,288)                       | (9,661,717)            |                   |
| Current liabilities                                | (4,565,717)               | (8,582,885)                       | (9,517,887)            |                   |
| Net assets   | 17,156,374                | 12,564,027                        | 10,011,036             |                   |
| <b>Carrying amount of non-controlling interest</b> | <b>9,209,542</b>          | <b>942,302</b>                    | <b>180,198</b>         | <b>10,332,042</b> |
| Net sales  | 27,690,815                | 15,923,243                        | 23,182,277             |                   |
| Profit/(loss) after tax                            | 4,535,155                 | (145,283)                         | 2,332,823              |                   |
| Total comprehensive income/(loss)                  | 4,535,155                 | (145,283)                         | 2,332,823              |                   |
| <b>In respect of non-controlling interest</b>      | <b>2,434,471</b>          | <b>(10,896)</b>                   | <b>41,991</b>          | <b>2,465,566</b>  |
| Cash generated from operating activities           | 8,266,063                 | 2,755,523                         | 5,713,215              |                   |
| Cash used in investment activities                 | (627,923)                 | (5,809,420)                       | (3,061,666)            |                   |
| Cash used in financing activities                  | (4,521,853)               | 3,403,967                         | 491,819                |                   |
| <b>Net increase in cash and cash equivalents</b>   | <b>3,116,287</b>          | <b>350,070</b>                    | <b>3,143,368</b>       |                   |

\* Other subsidiaries include Uganda Breweries Limited and East African Breweries (South Sudan) Limited

#### (B) TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The amounts due from the non-controlling interests arising from the capital restructuring of Serengeti Breweries Limited in 2018,

are classified as part of the investment in subsidiaries in the Company's statement of financial position. The movement in the balance during the period is as follows:

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| At start of period   | 931,347           | 868,627           |
| Settlement through assignment of 50% of dividends declared by subsidiary | —                 | (57,703)          |
| Total settlement of the loan to non-controlling shareholders             | —                 | (57,703)          |
| Effect of exchange rate changes  | (139,749)         | 120,423           |
| <b>At end of year</b>  | <b>791,598</b>    | <b>931,347</b>    |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 19. DEFERRED INCOME TAX

Deferred income tax is calculated using the enacted domestic tax rate of 30% as at 30 June 2024 (30 June 2023 – 30%). The movement on the deferred income tax account is as follows:

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| <b>(a) Group</b>   |                   |                   |
| At start of year   | 7,662,613         | 5,229,813         |
| Charge/(credit) to profit or loss (Note 13(a))                   | 630,503           | 1,897,684         |
| Over provision of deferred income tax in prior year (Note 13(a)) | 33,316            | (97,364)          |
| Effect of change in exchange rates                               | (470,847)         | 632,480           |
| Total deferred income tax movement                               | 192,972           | 2,432,800         |
| <b>At end of year</b>  | <b>7,855,585</b>  | <b>7,662,613</b>  |

|                                 | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---------------------------------|-------------------|-------------------|
| <b>Analysed as follows:</b>     |                   |                   |
| Deferred income tax liabilities | 8,085,378         | 7,940,868         |
| Deferred income tax assets      | (229,793)         | (278,255)         |
| <b>At end of year</b>           | <b>7,855,585</b>  | <b>7,662,613</b>  |

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| <b>(b) Company</b>                                  |                   |                   |
| At start of year                                    | (267,104)         | (540,552)         |
| Charge to profit or loss (Note 13)                  | 46,117            | 275,054           |
| Over provision of deferred income tax in prior year | —                 | (1,606)           |
| Total deferred income tax movement                  | 46,117            | 273,448           |
| <b>At end of year</b>                               | <b>(220,987)</b>  | <b>(267,104)</b>  |

Deferred income tax assets and liabilities and deferred income tax charge/(credit) in the profit or loss are attributable to the following items:

| Year ended 30 June 2024                | At 1 July 2023     | Prior year<br>(over)/under<br>provision | Charged/<br>(credited) to<br>profit or loss | Effects of<br>exchange rate<br>changes | At 30 June<br>2024 |
|--|--------------------|---|---|--|--------------------|
|  | Kshs'000           | Kshs'000                                | Kshs'000                                    | Kshs'000                               | Kshs'000           |
| <b>(a) Group</b>                       |                    |   |   |  |                    |
| <b>Deferred income tax liabilities</b> |                    |   |   |  |                    |
| Property, plant and equipment          | 10,178,878         | 32,739                                  | 744,378                                     | (644,988)                              | 10,311,007         |
| Right-of-use assets                    | 645,283            | —                                       | (23,580)                                    | (38,328)                               | 583,375            |
| Unrealised exchange gains              | 52,583             | 577                                     | 187,032                                     | (7,855)                                | 232,337            |
| <b>Deferred income tax liabilities</b> | <b>10,876,744</b>  | <b>33,316</b>                           | <b>907,830</b>                              | <b>(691,171)</b>                       | <b>11,126,719</b>  |
| <b>Deferred income tax assets</b>      |                    |   |   |  |                    |
| Unrealised exchange gains/(losses)     | 120,580            | —                                       | (59,041)                                    | 41,341                                 | 102,880            |
| Lease liabilities                      | (659,219)          | —                                       | 9,263                                       | 26,576                                 | (623,380)          |
| Tax losses carried forward             | (153,265)          | —                                       | (440,871)                                   | 119,508                                | (474,628)          |
| Other deductible differences           | (2,522,227)        | —                                       | 213,322                                     | 32,899                                 | (2,276,006)        |
| <b>Deferred income tax assets</b>      | <b>(3,214,131)</b> | <b>—</b>                                | <b>(277,327)</b>                            | <b>220,324</b>                         | <b>(3,271,134)</b> |
| <b>Net deferred income tax</b>         | <b>7,662,613</b>   | <b>33,316</b>                           | <b>630,503</b>                              | <b>(470,847)</b>                       | <b>7,855,585</b>   |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 19. DEFERRED INCOME TAX (CONTINUED)

| Year ended 30 June 2023                | At 1 July 2022     | Prior year (over)/under provision | Charged/ (credited) to profit or loss    | Effects of exchange rate changes             | At 30 June 2023        |
|--|--------------------|-----------------------------------|--|--|------------------------|
|  | Kshs'000           | Kshs'000                          | Kshs'000                                 | Kshs'000                                     | Kshs'000               |
| <b>(a) Group (continued)</b>           |                    |                                   |  |  |                        |
| <b>Deferred income tax liabilities</b> |                    |                                   |  |  |                        |
| Property, plant and equipment          | 8,419,388          | (13,413)                          | 1,040,534                                | 732,369                                      | 10,178,878             |
| Right-of-use assets                    | 441,578            | —                                 | 173,171                                  | 30,534                                       | 645,283                |
| Unrealised exchange gains/(losses)     | 177,558            | (82,346)                          | (48,298)                                 | 5,669  | 52,583                 |
| <b>Deferred income tax liabilities</b> | <b>9,038,524</b>   | <b>(95,759)</b>                   | <b>1,165,407</b>                         | <b>768,572</b>                               | <b>10,876,744</b>      |
| <b>Deferred income tax assets</b>      |                    |                                   |  |  |                        |
| Unrealised exchange gains/(losses)     | 338,380            | —                                 | (192,276)                                | (25,524)                                     | 120,580                |
| Lease liabilities                      | (477,921)          | —                                 | (176,566)                                | (4,732)                                      | (659,219)              |
| Tax losses carried forward             | (139,913)          | (1,605)                           | (11,747)                                 | —  | (153,265)              |
| Other deductible differences           | (3,529,257)        | —                                 | 1,112,866                                | (105,836)                                    | (2,522,227)            |
| <b>Deferred income tax assets</b>      | <b>(3,808,711)</b> | <b>(1,605)</b>                    | <b>732,277</b>                           | <b>(136,092)</b>                             | <b>(3,214,131)</b>     |
| <b>Net deferred income tax</b>         | <b>5,229,813</b>   | <b>(97,364)</b>                   | <b>1,897,684</b>                         | <b>632,480</b>                               | <b>7,662,613</b>       |
| <b>(b) Company</b>                     |                    |                                   |  |  |                        |
| <b>Deferred income tax liabilities</b> |                    |                                   |  |  |                        |
| Property, plant and equipment          |                    | (44,367)                          | —  | 7,100  | (37,267)               |
| Right-of-use assets                    |                    | 2,757                             | —  | (1,352)                                      | 1,405                  |
| Unrealised exchange gains/(losses)     |                    | —                                 | —  | 212  | 212                    |
| <b>Deferred income tax liabilities</b> |                    | <b>(41,610)</b>                   | <b>—</b>                                 | <b>5,960</b>                                 | <b>(35,650)</b>        |
| <b>Deferred income tax assets</b>      |                    |                                   |  |  |                        |
| Unrealised exchange gains/(losses)     |                    | —                                 | —  | (7,738)                                      | (7,738)                |
| Lease liabilities                      |                    | (2,941)                           | —  | 1,383  | (1,558)                |
| Tax losses carried forward             |                    | (153,265)                         | —  | 57,404                                       | (95,861)               |
| Other deductible differences           |                    | (69,288)                          | —  | (10,892)                                     | (80,180)               |
| <b>Deferred income tax assets</b>      |                    | <b>(225,494)</b>                  | <b>—</b>                                 | <b>40,157</b>                                | <b>(185,337)</b>       |
| <b>Net deferred income tax</b>         |                    | <b>(267,104)</b>                  | <b>—</b>                                 | <b>46,117</b>                                | <b>(220,987)</b>       |
| <b>Year ended 30 June 2024</b>         |                    | <b>At 1 July 2023</b>             | <b>Prior year (over)/under provision</b> | <b>Charged/ (credited) to profit or loss</b> | <b>At 30 June 2024</b> |
|  |                    | Kshs'000                          | Kshs'000                                 | Kshs'000                                     | Kshs'000               |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 19. DEFERRED INCOME TAX (CONTINUED)

| Year ended 30 June 2023                | At 1 July 2022   | Prior year (over)/under provision | Charged/ (credited) to profit or loss | At 30 June 2023  |
|--|------------------|-----------------------------------|---------------------------------------|------------------|
|  | Kshs'000         | Kshs'000                          | Kshs'000                              | Kshs'000         |
| <b>(b) Company (continued)</b>         |                  |                                   |                                       |                  |
| <b>Deferred income tax liabilities</b> |                  |                                   |                                       |                  |
| Property, plant and equipment          | (54,186)         | —                                 | 9,819                                 | (44,367)         |
| Right-of-use assets                    | 4,752            | —                                 | (1,995)                               | 2,757            |
| Unrealised exchange gains/(losses)     | —                | —                                 | —                                     | —                |
| <b>Deferred income tax liabilities</b> | <b>(49,434)</b>  | <b>—</b>                          | <b>7,824</b>                          | <b>(41,610)</b>  |
| <b>Deferred income tax assets</b>      |                  |                                   |                                       |                  |
| Unrealised exchange gains/(losses)     | (40,130)         | —                                 | 40,130                                | —                |
| Lease liabilities                      | (4,595)          | —                                 | 1,654                                 | (2,941)          |
| Tax losses previously not recognised   | (96,924)         | (1,606)                           | (54,735)                              | (153,265)        |
| Other deductible differences           | (349,469)        | —                                 | 280,181                               | (69,288)         |
| <b>Deferred income tax assets</b>      | <b>(491,118)</b> | <b>(1,606)</b>                    | <b>267,230</b>                        | <b>(225,494)</b> |
| <b>Net deferred income tax</b>         | <b>(540,552)</b> | <b>(1,606)</b>                    | <b>275,054</b>                        | <b>(267,104)</b> |

### 20. PROPERTY, PLANT AND EQUIPMENT

| Year ended 30 June 2024                   | Freehold property | Leasehold buildings | Plant & equipment | Returnable packaging | Capital work in progress | Total              |
|---|-------------------|---------------------|-------------------|----------------------|--------------------------|--------------------|
|   | Kshs '000         | Kshs '000           | Kshs '000         | Kshs '000            | Kshs '000                | Kshs '000          |
| <b>(a) Group</b>                          |                   |                     |                   |                      |                          |                    |
| <b>Cost</b>                               |                   |                     |                   |                      |                          |                    |
| At 1 July 2023                            | 7,434,669         | 10,432,830          | 76,917,531        | 24,465,429           | 7,780,245                | 127,030,704        |
| Additions                                 | 463,530           | 196,899             | 2,142,953         | 2,365,627            | 2,066,558                | 7,235,567          |
| Transfers from work in progress           | 743,925           | 512,584             | 6,452,671         | 118,707              | (7,827,887)              | —                  |
| Transfer to intangible assets (Note 22)   | —                 | —                   | 3,495             | —                    | (89,951)                 | (86,456)           |
| Assets written off/derecognised           | (15,234)          | —                   | (421,963)         | (1,595,871)          | (1,069)                  | (2,034,137)        |
| Effect of exchange rate changes           | (8,447)           | (1,055,881)         | (5,224,069)       | (1,784,223)          | 71,879                   | (8,000,741)        |
| <b>At 30 June 2024</b>                    | <b>8,618,443</b>  | <b>10,086,432</b>   | <b>79,870,618</b> | <b>23,569,669</b>    | <b>1,999,775</b>         | <b>124,144,937</b> |
| <b>Depreciation</b>                       |                   |                     |                   |                      |                          |                    |
| At 1 July 2023                            | 2,022,024         | 1,783,999           | 32,196,574        | 9,551,287            | —                        | 45,553,884         |
| Charge for the year                       | 289,423           | 209,477             | 3,941,473         | 2,713,331            | —                        | 7,153,704          |
| Assets written off/derecognised           | (11,812)          | —                   | (385,929)         | (1,537,641)          | —                        | (1,935,382)        |
| Effect of exchange rate changes           | (5,729)           | (229,410)           | (1,830,263)       | (496,957)            | —                        | (2,562,359)        |
| <b>At 30 June 2024</b>                    | <b>2,293,906</b>  | <b>1,764,066</b>    | <b>33,921,855</b> | <b>10,230,020</b>    | <b>—</b>                 | <b>48,209,847</b>  |
| <b>Carrying amount as at 30 June 2024</b> | <b>6,324,537</b>  | <b>8,322,366</b>    | <b>45,948,763</b> | <b>13,339,649</b>    | <b>1,999,775</b>         | <b>75,935,090</b>  |

There are no assets pledged by the Group to secure liabilities other than as disclosed under Note 29.



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 20. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The capitalisation during the year and work in progress mainly relates to SBL Moshi project phase II, Kenya Micro Brewery and innovations as well as UBL capacity expansion.

| Year ended<br>30 June 2023                    | Freehold<br>property | Leasehold<br>buildings | Plant &<br>equipment | Returnable<br>packaging | Capital<br>work in<br>progress | Total              |
|---|----------------------|------------------------|----------------------|-------------------------|--------------------------------|--------------------|
|   | Kshs '000            | Kshs '000              | Kshs '000            | Kshs '000               | Kshs '000                      | Kshs '000          |
| <b>(a) Group<br/>(continued)</b>              |                      |                        |                      |                         |                                |                    |
| <b>Cost</b>                                   |                      |                        |                      |                         |                                |                    |
| 1 July 2022                                   | 6,729,319            | 8,169,501              | 63,263,701           | 20,760,919              | 9,003,246                      | 107,926,686        |
| Additions                                     | 263,835              | 642,586                | 2,993,573            | 3,292,317               | 5,733,206                      | 12,925,517         |
| Transfers from<br>capital work in<br>progress | 424,415              | 534,789                | 6,081,075            | 564,560                 | (7,604,839)                    | —                  |
| Transfer to<br>intangible assets<br>(Note 22) | —                    | —                      | —                    | —                       | 1,896                          | 1,896              |
| Assets<br>written off/<br>derecognised        | —                    | (662)                  | (742,647)            | (2,008,125)             | (6,474)                        | (2,757,908)        |
| Effect of<br>exchange rate<br>changes         | 17,100               | 1,086,616              | 5,321,829            | 1,855,758               | 653,210                        | 8,934,513          |
| <b>At 30 June 2023</b>                        | <b>7,434,669</b>     | <b>10,432,830</b>      | <b>76,917,531</b>    | <b>24,465,429</b>       | <b>7,780,245</b>               | <b>127,030,704</b> |
| <b>Depreciation</b>                           |                      |                        |                      |                         |                                |                    |
| 1 July 2022                                   | 1,768,041            | 1,389,870              | 27,594,786           | 8,588,526               | —                              | 39,341,223         |
| Charge for the<br>year                        | 242,428              | 166,037                | 3,400,494            | 2,317,053               | —                              | 6,126,012          |
| Assets<br>written off/<br>derecognised        | —                    | (221)                  | (685,539)            | (1,861,585)             | —                              | (2,547,345)        |
| Effect of<br>exchange rate<br>changes         | 11,555               | 228,313                | 1,886,833            | 507,293                 | —                              | 2,633,994          |
| <b>At 30 June 2023</b>                        | <b>2,022,024</b>     | <b>1,783,999</b>       | <b>32,196,574</b>    | <b>9,551,287</b>        | <b>—</b>                       | <b>45,553,884</b>  |
| <b>Carrying amount<br/>as at</b>              |                      |                        |                      |                         |                                |                    |
| <b>30 June 2023</b>                           | <b>5,412,645</b>     | <b>8,648,831</b>       | <b>44,720,957</b>    | <b>14,914,142</b>       | <b>7,780,245</b>               | <b>81,476,820</b>  |

There are no assets pledged by the Group to secure liabilities other than as disclosed under Note 29.

The capital work in progress mainly relates to SBL Moshi project phase II, Kenya packaging line and Micro Brewery as well as UBL capacity expansion.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 20. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| Year ended<br>30 June 2024                    | Freehold<br>property | Leasehold<br>buildings | Plant &<br>equipment | Capital work<br>in progress | Total          |
|---|----------------------|------------------------|----------------------|-----------------------------|----------------|
|   | Kshs '000            | Kshs '000              | Kshs '000            | Kshs '000                   | Kshs '000      |
| <b>(b) Company</b>                            |                      |                        |                      |                             |                |
| <b>Cost</b>                                   |                      |                        |                      |                             |                |
| At 1 July 2023                                | 361,992              | 14,896                 | 204,871              | 2,958                       | 584,717        |
| Additions                                     | —                    | —                      | 35,910               | —                           | 35,910         |
| Assets written off                            | —                    | —                      | (29,190)             | —                           | (29,190)       |
| <b>At 30 June 2024</b>                        | <b>361,992</b>       | <b>14,896</b>          | <b>211,591</b>       | <b>2,958</b>                | <b>591,437</b> |
| <b>Depreciation</b>                           |                      |                        |                      |                             |                |
| At 1 July 2023                                | 21,519               | 877                    | 102,265              | —                           | 124,661        |
| Charge for the year                           | 6,450                | —                      | 44,859               | —                           | 51,309         |
| Assets written off                            | —                    | —                      | (28,418)             | —                           | (28,418)       |
| <b>At 30 June 2024</b>                        | <b>27,969</b>        | <b>877</b>             | <b>118,706</b>       | <b>—</b>                    | <b>147,552</b> |
| <b>Carrying amount as at<br/>30 June 2024</b> | <b>334,023</b>       | <b>14,019</b>          | <b>92,885</b>        | <b>2,958</b>                | <b>443,885</b> |

There are no assets pledged by the Group to secure liabilities other than as disclosed under Note 29.

| Period ended<br>30 June 2023                  | Freehold<br>property | Leasehold<br>buildings | Plant &<br>equipment | Capital work<br>in progress | Total          |
|---|----------------------|------------------------|----------------------|-----------------------------|----------------|
|   | Kshs '000            | Kshs '000              | Kshs '000            | Kshs '000                   | Kshs '000      |
| <b>(b) Company</b>                            |                      |                        |                      |                             |                |
| <b>Cost</b>                                   |                      |                        |                      |                             |                |
| 1 July 2022                                   | 361,992              | 14,896                 | 134,473              | 2,048                       | 513,409        |
| Additions                                     | —                    | —                      | 65,122               | 3,818                       | 68,940         |
| Assets written off/<br>derecognised           | —                    | —                      | (14,960)             | —                           | (14,960)       |
| Transfers from work in<br>progress            | —                    | —                      | 20,236               | (20,236)                    | —              |
| Transfer to intangible assets<br>(Note 22)    | —                    | —                      | —                    | 37,347                      | 37,347         |
| Transfer to Group<br>companies                | —                    | —                      | —                    | (20,019)                    | (20,019)       |
| <b>At 30 June 2023</b>                        | <b>361,992</b>       | <b>14,896</b>          | <b>204,871</b>       | <b>2,958</b>                | <b>584,717</b> |
| <b>Depreciation</b>                           |                      |                        |                      |                             |                |
| 1 July 2022                                   | 15,069               | 877                    | 92,850               | —                           | 108,796        |
| Charge for the year                           | 6,450                | —                      | 24,375               | —                           | 30,825         |
| Assets written off/<br>derecognised           | —                    | —                      | (14,960)             | —                           | (14,960)       |
| <b>At 30 June 2023</b>                        | <b>21,519</b>        | <b>877</b>             | <b>102,265</b>       | <b>—</b>                    | <b>124,661</b> |
| <b>Carrying amount as at<br/>30 June 2023</b> | <b>340,473</b>       | <b>14,019</b>          | <b>102,606</b>       | <b>2,958</b>                | <b>460,056</b> |

There are no assets pledged by the Group to secure liabilities other than as disclosed under Note 29.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 21. RIGHT-OF-USE ASSETS MOVEMENT OF RIGHT-OF-USE ASSETS

| Year ended 30 June 2024                | Buildings      | Motor vehicles   | Leasehold property | Total              |
|--|----------------|------------------|--------------------|--------------------|
|  | Kshs '000      | Kshs '000        | Kshs '000          | Kshs '000          |
| <b>(a) Group</b>                       |                |                  |                    |                    |
| <b>Gross carrying value</b>            |                |                  |                    |                    |
| At 1 July 2023                         | 828,356        | 3,467,965        | 69,485             | <b>4,365,806</b>   |
| Additions                              | 63,166         | 824,192          | —                  | <b>887,358</b>     |
| Disposals                              | (51,692)       | (1,127,590)      | —                  | <b>(1,179,282)</b> |
| Effect of exchange rate changes        | (34,699)       | (239,061)        | (87)               | <b>(273,847)</b>   |
| <b>At 30 June 2024</b>                 | <b>805,131</b> | <b>2,925,506</b> | <b>69,398</b>      | <b>3,800,035</b>   |
| <b>Accumulated amortisation</b>        |                |                  |                    |                    |
| At 1 July 2023                         | 345,658        | 1,406,674        | 27,112             | <b>1,779,444</b>   |
| Amortisation charge                    | 121,882        | 769,422          | 10                 | <b>891,314</b>     |
| Disposals                              | (51,692)       | (1,107,949)      | —                  | <b>(1,159,641)</b> |
| Effect of exchange rate changes        | (9,752)        | (74,295)         | (10)               | <b>(84,057)</b>    |
| <b>At 30 June 2024</b>                 | <b>406,096</b> | <b>993,852</b>   | <b>27,112</b>      | <b>1,427,060</b>   |
| <b>Carrying amount at 30 June 2024</b> | <b>399,035</b> | <b>1,931,654</b> | <b>42,286</b>      | <b>2,372,975</b>   |
| <b>Year ended 30 June 2023</b>         |                |                  |                    |                    |
|  | Kshs '000      | Kshs '000        | Kshs '000          | Kshs '000          |
| <b>Gross carrying value</b>            |                |                  |                    |                    |
| At 1 July 2022                         | 747,457        | 1,998,173        | 69,308             | 2,814,938          |
| Additions                              | 23,229         | 1,855,695        | —                  | 1,878,924          |
| Disposals                              | —              | (629,379)        | —                  | (629,379)          |
| Effect of exchange rate changes        | 57,670         | 243,476          | 177                | 301,323            |
| <b>At 30 June 2023</b>                 | <b>828,356</b> | <b>3,467,965</b> | <b>69,485</b>      | <b>4,365,806</b>   |
| <b>Accumulated amortisation</b>        |                |                  |                    |                    |
| At 1 July 2022                         | 227,227        | 1,227,624        | 27,084             | 1,481,935          |
| Amortisation charge                    | 101,664        | 694,289          | 9                  | 795,962            |
| Disposals                              | —              | (618,412)        | —                  | (618,412)          |
| Effect of exchange rate changes        | 16,767         | 103,173          | 19                 | 119,959            |
| <b>At 30 June 2023</b>                 | <b>345,658</b> | <b>1,406,674</b> | <b>27,112</b>      | <b>1,779,444</b>   |
| <b>Carrying amount at 30 June 2023</b> | <b>482,698</b> | <b>2,061,291</b> | <b>42,373</b>      | <b>2,586,362</b>   |

The Group leases space for offices, motor vehicles and office equipment. The leases of office space is for an average of 10 years with an option to renew. The Directors were not reasonably certain that the option to renew the lease would be exercised at the expiry of the lease. The option has therefore not been considered in determining the lease term. The leases of motor vehicles are on average 4 to 5 years,

while the leases of office equipment are for periods of not more than 12 months.

In the year ended 30 June 2024 short term and low value leases included in operating lease expenses in respect of extended vehicle leases comprised of Kshs 1.1 billion and machinery of Kshs 33 million (2023: Kshs 769 million and 71 million respectively).

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 21. RIGHT-OF-USE ASSETS (CONTINUED)

#### MOVEMENT OF RIGHT-OF-USE ASSETS (CONTINUED)

|  | <b>Motor vehicles</b> |
|--|-----------------------|
|  | <b>Kshs '000</b>      |
| <b>(b) Company</b>                     |                       |
| <b>Gross carrying value</b>            |                       |
| At 1 July 2023                         | 20,686                |
| Disposal                               | (10,096)              |
| <b>At 30 June 2024</b>                 | <b>10,590</b>         |
| <b>Accumulated amortisation</b>        |                       |
| At 1 July 2023                         | 11,495                |
| Amortisation charge                    | 4,507                 |
| Disposal                               | (10,096)              |
| <b>At 30 June 2024</b>                 | <b>5,906</b>          |
| <b>Carrying amount at 30 June 2024</b> | <b>4,684</b>          |
| <b>Gross carrying value</b>            |                       |
| At 1 July 2022                         | 35,117                |
| Remeasurement                          | 529                   |
| Disposals                              | (14,960)              |
| <b>At 30 June 2023</b>                 | <b>20,686</b>         |
| <b>Accumulated amortisation</b>        |                       |
| At 1 July 2022                         | 19,278                |
| Amortisation charge                    | 7,177                 |
| Disposals                              | (14,960)              |
| <b>At 30 June 2023</b>                 | <b>11,495</b>         |
| <b>Carrying amount at 30 June 2023</b> | <b>9,191</b>          |

### 22. INTANGIBLE ASSETS - SOFTWARE

|  | 2024             | 2023             |
|--|------------------|------------------|
|  | Kshs '000        | Kshs '000        |
| <b>(a) Group</b>   |                  |                  |
| <b>Cost</b>  |                  |                  |
| At start of year   | 1,745,525        | 2,689,022        |
| Additions  | 24,015           | 99,021           |
| Disposals  | (1,722)          | (1,175,193)      |
| Transfer from/(to) property plant and equipment (Note 20(a)) | 86,456           | (1,896)          |
| Transfer from/(to) related parties                           | —                | 1,879            |
| Effect of exchange rate changes                              | (135,228)        | 132,692          |
| <b>At end of year</b>  | <b>1,719,046</b> | <b>1,745,525</b> |
| <b>Amortisation</b>  |                  |                  |
| At start of year   | 1,059,750        | 1,974,172        |
| Charge for the year  | 154,802          | 170,859          |
| Disposals  | —                | (1,175,193)      |
| Effect of exchange rate changes                              | (91,056)         | 89,912           |
| <b>At end of year</b>  | <b>1,123,496</b> | <b>1,059,750</b> |
| <b>Carrying amount</b>                                       | <b>595,550</b>   | <b>685,775</b>   |

Transfer of assets from property and equipment to intangible assets relate to costs incurred in the acquisition of software.



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 22. INTANGIBLE ASSETS – SOFTWARE (CONTINUED)

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| <b>(b) Company</b>   |                   |                   |
| <b>Cost</b>  |                   |                   |
| At start of year   | 12,626            | 1,225,197         |
| Additions  | 1,694             | 4,236             |
| Transfer from/(to) property plant and equipment (Note 20(b)) | —                 | (37,347)          |
| Transfer to Group companies                                  | —                 | (4,267)           |
| Write-off/derecognition                                      | —                 | (1,175,193)       |
| <b>At end of year</b>  | <b>14,320</b>     | <b>12,626</b>     |
| <b>Amortisation</b>  |                   |                   |
| At start of year   | 7,518             | 1,181,642         |
| Charge for the year  | 1,054             | 1,069             |
| Write-off/derecognition                                      | —                 | (1,175,193)       |
| <b>At end of year</b>  | <b>8,572</b>      | <b>7,518</b>      |
| <b>Carrying amount</b>                                       | <b>5,748</b>      | <b>5,108</b>      |

### 23. INTANGIBLE ASSETS - GOODWILL AND BRAND

#### (A) GOODWILL

| Year ended 30 June 2024                         | Carrying amount at start of year | Effect of exchange rate changes | Carrying value at end of year |
|---|----------------------------------|---------------------------------|-------------------------------|
|   | Kshs'000                         | Kshs'000                        | Kshs'000                      |
| Serengeti Breweries Limited (SBL)               | 2,826,147                        | (464,100)                       | 2,362,047                     |
| UDV (Kenya) Limited (UDV)                       | 415,496                          | —                               | 415,496                       |
| International Distillers (Uganda) Limited (IDU) | 263,765                          | (23,584)                        | 240,181                       |
| <b>Total</b>                                    | <b>3,505,408</b>                 | <b>(487,684)</b>                | <b>3,017,724</b>              |

| Year ended 30 June 2023                         | Carrying amount at start of year | Effect of exchange rate changes | Carrying value at end of year |
|---|----------------------------------|---------------------------------|-------------------------------|
|   | Kshs'000                         | Kshs'000                        | Kshs'000                      |
| Serengeti Breweries Limited (SBL)               | 2,431,004                        | 395,143                         | 2,826,147                     |
| UDV (Kenya) Limited (UDV)                       | 415,496                          | —                               | 415,496                       |
| International Distillers (Uganda) Limited (IDU) | 216,022                          | 47,743                          | 263,765                       |
| <b>Total</b>                                    | <b>3,062,522</b>                 | <b>442,886</b>                  | <b>3,505,408</b>              |

Goodwill represents the excess of cost of acquisitions over the fair value of identifiable assets and liabilities of the respective subsidiaries at acquisition date. For each of the subsidiaries, the goodwill was recognised due to the expected synergies arising from the business combination as at the acquisition date.

#### (B) BRAND

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| Carrying amount at beginning of period  | 612,770           | 527,119           |
| Effect of exchange rate changes         | (100,598)         | 85,651            |
| <b>Carrying amount at end of period</b> | <b>512,172</b>    | <b>612,770</b>    |

The balance represents the purchase price allocation to the “Premium Serengeti Lager” brand at acquisition of Serengeti Breweries Limited.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 23. INTANGIBLE ASSETS - GOODWILL AND BRAND (CONTINUED)

#### (C) IMPAIRMENT TESTING FOR CASH-GENERATING UNITS CONTAINING GOODWILL AND BRAND

##### (I) IMPAIRMENT TESTING METHODOLOGY

For the purposes of impairment testing, goodwill is allocated to the Group's operating segments which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount of an operating segment is determined based on a detailed 5-year model that has been extrapolated in perpetuity by applying the long-term growth rate of the country. Profit has been amended with working capital and capital expenditure requirements. The net cash flows have been discounted using the country-specific weighted average cost of capital (WACC). These calculations use cash flow projections approved by management covering a 5-year period. Cash flows beyond the five-year period are extrapolated using estimated terminal growth rates.

##### (II) KEY ASSUMPTIONS USED FOR VALUE IN USE CALCULATIONS

|                                   | Tanzania |        | Kenya  |        | Uganda |        |
|-----------------------------------|----------|--------|--------|--------|--------|--------|
|                                   | 2024     | 2023   | 2024   | 2023   | 2024   | 2023   |
| Terminal growth rate <sup>1</sup> | 4.50%    | 4.50%  | 5.00%  | 5.00%  | 5.00%  | 5.00%  |
| WACC rate <sup>2</sup>            | 16.40%   | 17.50% | 13.60% | 13.66% | 13.30% | 13.28% |

1. Weighted average growth rate used to extrapolate cash flows beyond the projected period.

2. Discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each operating segment. Management determined forecast profit margin based on past performance and its expectations for market developments. The weighted average growth rates used are consistent with the forecasts included in industry reports.

#### BRAND

Based on the above assumptions and considering the forecast sales growth rates, operating profits and cash inflows, the recoverable value of the brand exceeded the carrying value at 30 June 2024. As a result, the Group has not recognised an impairment charge (2023: Nil).

##### (III) RESULTS OF IMPAIRMENT TESTING ON THE CARRYING AMOUNT OF GOODWILL AND BRAND

#### GOODWILL

Based on the above assumptions and considering the forecast sales growth rates, operating profits and cash inflows, the recoverable value of the relevant operating segment exceeded the carrying net asset amount (including the goodwill) for SBL, UDV and IDU at 30 June 2024. As a result, the Group has not recognised an impairment charge (2023: Nil).

##### (IV) SIGNIFICANT ESTIMATES: IMPACT OF POSSIBLE CHANGES IN KEY ASSUMPTIONS

There were no reasonably possible changes in any of the key assumptions that would have resulted in an impairment charge for SBL, UDV and IDU goodwill and the SBL brand.

A 1% change in the WACC/Terminal Growth Rate would increase/(decrease) profit for the year by the amounts shown below. None of these changes would result in impairment.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 23. INTANGIBLE ASSETS - GOODWILL AND BRAND (CONTINUED)

#### (C) IMPAIRMENT TESTING FOR CASH GENERATING UNITS CONTAINING GOODWILL AND BRAND (CONTINUED)

##### IV) SIGNIFICANT ESTIMATES: IMPACT OF POSSIBLE CHANGES IN KEY ASSUMPTIONS (CONTINUED)

**Year ended 30 June 2024 (Amounts in Kshs'000)**

| <b>International Distillers (Uganda) Limited (IDU)</b> |                 |               |               |               |
|--|-----------------|---------------|---------------|---------------|
|  | <b>TGR/WACC</b> | <b>12.30%</b> | <b>13.30%</b> | <b>14.30%</b> |
|  | <b>4.00%</b>    | 1,323         | (3,907)       | (8,115)       |
|  | <b>5.00%</b>    | 6,457         | —             | (5,061)       |
|  | <b>6.00%</b>    | 13,222        | 4,978         | (1,272)       |
| <b>Serengeti Breweries Limited (SBL)</b>               |                 |               |               |               |
|  | <b>TGR/WACC</b> | <b>15.40%</b> | <b>16.40%</b> | <b>17.40%</b> |
|  | <b>3.50%</b>    | 689           | (1,472)       | (3,315)       |
|  | <b>4.50%</b>    | 2,484         | —             | (2,092)       |
|  | <b>5.50%</b>    | 4,642         | 1,742         | (664)         |
| <b>UDV (Kenya) Limited (UDV)</b>                       |                 |               |               |               |
|  | <b>TGR/WACC</b> | <b>12.60%</b> | <b>13.60%</b> | <b>14.60%</b> |
|  | <b>4.00%</b>    | 4,025         | (11,397)      | (23,894)      |
|  | <b>5.00%</b>    | 18,874        | —             | (14,926)      |
|  | <b>6.00%</b>    | 38,223        | 14,397        | (3,873)       |

**Year ended 30 June 2023 (Amounts in Kshs'000)**

| <b>International Distillers (Uganda) Limited (IDU)</b> |                 |               |               |               |
|--|-----------------|---------------|---------------|---------------|
|  | <b>TGR/WACC</b> | <b>12.28%</b> | <b>13.28%</b> | <b>14.28%</b> |
|  | <b>4.00%</b>    | 1,135         | (3,321)       | (6,907)       |
|  | <b>5.00%</b>    | 5,503         | —             | (4,312)       |
|  | <b>6.00%</b>    | 11,262        | 4,235         | (1,091)       |
| <b>Serengeti Breweries Limited (SBL)</b>               |                 |               |               |               |
|  | <b>TGR/WACC</b> | <b>16.50%</b> | <b>17.50%</b> | <b>18.50%</b> |
|  | <b>3.50%</b>    | 1,072         | (2,151)       | (4,930)       |
|  | <b>4.50%</b>    | 3,657         | —             | (3,120)       |
|  | <b>5.50%</b>    | 6,713         | 2,509         | (1,032)       |
| <b>UDV (Kenya) Limited (UDV)</b>                       |                 |               |               |               |
|  | <b>TGR/WACC</b> | <b>12.66%</b> | <b>13.66%</b> | <b>14.66%</b> |
|  | <b>4.00%</b>    | 2,825         | (7,831)       | (16,484)      |
|  | <b>5.00%</b>    | 13,011        | —             | (10,314)      |
|  | <b>6.00%</b>    | 26,256        | 9,875         | (2,720)       |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 24. INVESTMENTS IN SUBSIDIARIES

|  | Principal place of business | Effective ownership interest | Book value at            |                          |
|--|-----------------------------|------------------------------|--------------------------|--------------------------|
|  |                             |                              | 30 June 2024<br>Kshs'000 | 30 June 2023<br>Kshs'000 |
| Kenya Breweries Limited                      | Kenya                       | 100%                         | 22,377,809               | 22,377,809               |
| Serengeti Breweries Limited                  | Tanzania                    | 92.5%                        | 22,242,202               | 22,242,202               |
| East African Maltings (Kenya) Limited        | Kenya                       | 100%                         | 687,662                  | 687,662                  |
| Uganda Breweries Limited                     | Uganda                      | 98%                          | 687,648                  | 687,648                  |
| UDV (Kenya) Limited                          | Kenya                       | 46%                          | 589,410                  | 589,410                  |
| International Distillers Uganda Limited      | Uganda                      | 100%                         | 300,000                  | 300,000                  |
| EABL Tanzania Limited                        | Tanzania                    | 100%                         | 5,610                    | 5,610                    |
| East African Breweries (Rwanda) Limited      | Rwanda                      | 100%                         | 1,337                    | 1,337                    |
| East African Beverages (South Sudan) Limited | South Sudan                 | 99%                          | 299                      | 299                      |
| Allsopps (EA) Sales Limited                  | Kenya                       | 100%                         | 3                        | 3                        |
| EABL International Limited                   | Kenya                       | 100%                         | 2                        | 2                        |
| East African Maltings (Uganda) Limited       | Uganda                      | 100%                         | —                        | —                        |
| <b>Net book amount</b>                       |                             |                              | <b>46,891,982</b>        | <b>46,891,982</b>        |

### MOVEMENT IN INVESTMENT IN SUBSIDIARIES

The movement in the carrying amount of the total investment in subsidiaries figure is as reflected below:

#### Year ended 30 June 2024

|  | Kshs'000          |
|--|-------------------|
| At 1 July 2023   | 46,891,982        |
| <b>Serengeti Breweries Limited</b>                                     |                   |
| Settlement of amounts due from non-controlling interests (Note 18 (b)) | —                 |
| <b>At 30 June 2024</b>   | <b>46,891,982</b> |

#### Year ended 30 June 2023

|  | Kshs'000          |
|--|-------------------|
| At 1 July 2022   | 46,949,685        |
| <b>Serengeti Breweries Limited</b>                       |                   |
| Settlement of amounts due from non-controlling interests | (57,703)          |
| <b>At 30 June 2023</b>                                   | <b>46,891,982</b> |

As explained in Note 18, the carrying amount of investment in subsidiaries includes loans due from the non-controlling shareholders in Serengeti Breweries Limited of Kshs 791,598,000 (2023: Kshs 931,347,000) arising from the capital restructuring of the subsidiary in 2018.



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 24. INVESTMENTS IN SUBSIDIARIES

(CONTINUED)

#### MOVEMENT IN INVESTMENT IN SUBSIDIARIES (CONTINUED)

The details of the movement in investment in subsidiaries is as disclosed below:

#### (A) SERENGETI BREWERIES LIMITED (SBL)

The investment in SBL did not decrease in the year ended 30 June 2024.

#### IMPAIRMENT ASSESSMENT

An impairment assessment of the carrying amount of the investment in SBL at Company level was performed at the end of the year using the value-in-use model. The key assumptions used in the value-in-use model are shown in Note 23. Based on the assumptions, the carrying amount of the investment was lower than the recoverable amount.

#### SIGNIFICANT ESTIMATE: IMPACT OF POSSIBLE CHANGES IN KEY ASSUMPTIONS

If the budgeted cash flows used in the value-in-use calculation for SBL had been 10% lower than management's estimates at 30 June 2024, the Company would not have recognised any impairment against the carrying amount of the investment in subsidiary (2023: Nil).

If the discount rate applied to the cash flow projections for SBL had been 1% higher than management's estimates (17.40% instead of 16.40%), the Company would not have to recognise an impairment against the carrying value of the investment in subsidiary (2023: Nil).

If the terminal growth rate applied to the cash flow projections for SBL had been 1% lower than management's estimates (3.50% instead of 4.50%), the Company would not have had to recognise any impairment against the carrying value of the investment in subsidiary (2023: Nil).

### 25. OTHER FINANCIAL ASSETS (GROUP AND COMPANY)

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| 20% investment in Challenge Fund Limited who in turn have subscribed to 50% in Central Depository and Settlement Corporation Limited | 10,000            | 10,000            |
| <b>At end of year</b>  | <b>10,000</b>     | <b>10,000</b>     |

During the year, the investment in Challenge Fund Limited did not change. The carrying amount of the investment estimates its fair value.

### 26. INVENTORIES

#### (A) GROUP

|                               | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|-------------------------------|-------------------|-------------------|
| Raw materials and consumables | 7,591,766         | 10,501,529        |
| Work in progress              | 930,711           | 906,267           |
| Finished goods                | 3,739,825         | 4,046,856         |
| Goods in transit              | 367,565           | 153,732           |
|                               | <b>12,629,867</b> | <b>15,608,384</b> |

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to Kshs 38,011,433,000 (2023: Kshs 33,245,303,000).

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 27. TRADE AND OTHER RECEIVABLES

#### (A) GROUP

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| Trade receivables                                    | 9,649,828         | 9,111,104         |
| Less: provision for expected credit losses           | (985,003)         | (1,205,361)       |
|  | <b>8,664,825</b>  | <b>7,905,743</b>  |
| Other receivables                                    | 2,732,432         | 2,924,323         |
| Less: provision for expected credit losses           | (1,204,439)       | (1,312,994)       |
| Prepayments  | 917,580           | 1,629,102         |
| Receivables from related parties (Note 35 (a) (iii)) | 1,539,894         | 1,103,331         |
|  | <b>12,650,292</b> | <b>12,249,505</b> |

#### MOVEMENT IN EXPECTED CREDIT LOSSES ALLOWANCE

The following table shows the movement in lifetime expected credit losses that has been recognized for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| <b>Trade receivables</b>                       |                   |                   |
| At start of year                               | 1,205,361         | 1,564,033         |
| Charge/(release) to profit or loss (Note 9(b)) | 53,324            | (19,909)          |
| Write-offs                                     | (273,682)         | (338,763)         |
| <b>At end of year</b>                          | <b>985,003</b>    | <b>1,205,361</b>  |
| <b>Other receivables</b>                       |                   |                   |
| At start of year                               | 1,312,994         | 2,613,027         |
| Release to profit or loss (Note 9(b))          | (105,900)         | (367,863)         |
| Write-offs                                     | (2,655)           | (932,170)         |
| <b>At end of year</b>                          | <b>1,204,439</b>  | <b>1,312,994</b>  |

#### (B) COMPANY

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| Trade receivables                                      | 6,589             | 912               |
| Receivables from related companies (Note 35 (b) (iii)) | 3,367,024         | 2,889,533         |
| Other receivables                                      | 195,896           | 243,200           |
| Prepayments  | 7,393             | 109,399           |
|  | <b>3,576,902</b>  | <b>3,243,044</b>  |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 28. TRADE AND OTHER PAYABLES

#### (A) GROUP

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| Trade payables                                | 12,269,598        | 14,160,590        |
| Other payables                                | 7,565,881         | 11,341,659        |
| Accruals                                      | 2,872,576         | 2,765,234         |
| Payables to related parties (Note 35(a)(iii)) | 5,646,068         | 1,780,635         |
|   | <b>28,354,123</b> | <b>30,048,118</b> |
| <b>(B) COMPANY</b>                            |                   |                   |
| Trade payables                                | 133,708           | 82,291            |
| Payables to related parties (Note 35(b)(iii)) | 79,184            | 90,151            |
| Other payables and accrued expenses           | 489,459           | 60,136            |
| Cashpool balances (Note 35(b)(iv))            | 22,994,507        | 15,739,066        |
|   | <b>23,696,858</b> | <b>15,971,644</b> |

### 29. BORROWINGS

#### (A) GROUP

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| The borrowings are made up as follows: |                   |                   |
| <b>Non-current</b>                     |                   |                   |
| Bank loans                             | 30,426,867        | 37,965,793        |
| Medium term note                       | 11,000,000        | 11,000,000        |
|  | <b>41,426,867</b> | <b>48,965,793</b> |
| <b>Current</b>                         |                   |                   |
| Bank loans                             | 5,636,117         | 8,880,082         |
| Bank overdraft                         | 901,419           | 1,209,695         |
|  | <b>47,964,403</b> | <b>59,055,570</b> |

The carrying amounts of current borrowings approximate their fair value, as the impact of discounting is not material.

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| The movement in borrowings is as follows: |                   |                   |
| At start of year                          | 58,576,180        | 43,670,339        |
| Advanced in the year                      | 1,740,618         | 37,962,560        |
| Repayments in the year                    | (10,609,492)      | (23,563,013)      |
| Movement in bank overdrafts               | (308,276)         | (665,080)         |
| Effect of exchange rate changes           | (1,770,480)       | 1,171,374         |
| <b>At end of year</b>                     | <b>47,628,550</b> | <b>58,576,180</b> |
| Accrued interest                          | 335,853           | 479,390           |
|   | <b>47,964,403</b> | <b>59,055,570</b> |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 29. BORROWINGS (CONTINUED)

#### (A) GROUP (CONTINUED)

##### (I) BANK LOANS COMPRISE

| Country  | Nature                    | Currency | Amount '000 |            | Interest Base        | Interest |        | Maturity |
|----------|---------------------------|----------|-------------|------------|----------------------|----------|--------|----------|
|          |                           |          | 2024        | 2023       |                      | 2024     | 2023   |          |
| Kenya    | Long Term Borrowing       | Kshs     | 1,266,667   | 3,800,000  | Fixed Rate 182 Day   | 9.00%    | 9.00%  | Dec-24   |
| Kenya    | Long Term Borrowing       | Kshs     | 1,500,000   | 1,500,000  | Tbill +1.5% 182 Day  | 18.39%   | 13.36% | Jun-28   |
| Kenya    | Long Term Borrowing       | Kshs     | 2,000,000   | 2,000,000  | Tbill +1.8% 182 Day  | 18.69%   | 13.66% | Jun-30   |
| Kenya    | Long Term Borrowing       | Kshs     | 6,500,000   | 6,500,000  | Tbill +1.8% 182 Day  | 18.56%   | 13.66% | Jun-30   |
| Kenya    | Long Term Borrowing       | Kshs     | 1,500,000   | 1,500,000  | Tbill +1.5% 182 Day  | 18.26%   | 13.36% | Jun-28   |
| Kenya    | Long Term Borrowing       | Kshs     | 2,000,000   | 2,000,000  | Tbill +1.5% 182 Day  | 18.26%   | 13.36% | Jun-28   |
| Kenya    | Long Term Borrowing       | Kshs     | 1,500,000   | 1,500,000  | Tbill +1.8% 182 Day  | 18.56%   | 13.66% | Jun-30   |
| Kenya    | Revolving Credit Facility | Kshs     | 5,000,000   | 5,000,000  | Tbill +1.8% 183 Day  | 18.26%   | 13.66% | Jun-30   |
| Kenya    | Revolving Credit Facility | Kshs     | 3,000,000   | 3,000,000  | Tbill +1.7% 182 Day  | 18.56%   | 11.50% | Dec-26   |
| Kenya    | Medium Term Facility      | Kshs     | 2,400,000   | 2,400,000  | +2.45% 182 Day       | 19.21%   | 10.86% | Jun-26   |
| Uganda   | Medium Term Borrowing     | Ushs     | 22,166,667  | 34,833,333 | Tbill +1.85% 182 Day | 14.85%   | 12.90% | Mar-26   |
| Uganda   | Medium Term Borrowing     | Ushs     | 25,333,333  | 38,000,000 | Tbill +1.9% 182 Day  | 14.90%   | 12.90% | Jun-26   |
| Uganda   | Medium Term Borrowing     | Ushs     | 30,250,000  | 33,000,000 | Tbill +1.75% 182 Day | 14.75%   | 12.26% | Mar-27   |
| Uganda   | Medium Term Borrowing     | Ushs     | 33,000,000  | 33,000,000 | Tbill +1.8% 182 Day  | 14.90%   | 14.16% | Dec-27   |
| Tanzania | Medium Term Borrowing     | Tshs     | -           | 50,000,000 | Tbill +5.8% 182 Day  | 14.25%   | 9.88%  | Apr-27   |
| Tanzania | Medium Term Borrowing     | Tshs     | 10,400,000  | -          |                      | 13.50%   | 0.00%  | Jun-29   |
| Tanzania | Short Term Borrowing      | Tshs     | 10,000,000  | -          |                      | 13.50%   | 0.00%  | Jun-29   |
| Tanzania | Medium Term Borrowing     | Tshs     | 15,000,000  | -          |                      | 12.00%   | 0.00%  | Sep-24   |
| Tanzania | Medium Term Borrowing     | Tshs     | 70,000,000  | 70,000,000 | Tbill +5.4% 182 Day  | 13.39%   | 10.80% | Dec-27   |
| Tanzania | Overdrafts                | Tshs/USD | 901,485     | 1,209,752  | Tbill +4%            | 12.45%   | 10.34% |          |
| Kenya    | term note                 | Kshs     | 11,000,000  | 11,000,000 | Fixed Rate           | 12.25%   | 12.25% | Oct-26   |

The Group had available undrawn facilities of Kshs 16.6 billion as at 30 June 2024 (2023: Kshs 10.4 billion). The weighted average interest rate for the year was 15.67% (2023: 11.86%).



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 29. BORROWINGS (CONTINUED)

#### (B) COMPANY

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| The borrowings are made up as follows: |                   |                   |
| <b>Non-current</b>                     |                   |                   |
| Bank loans                             | 24,150,000        | 26,666,667        |
| Medium term note                       | 11,000,000        | 11,000,000        |
|  | <b>35,150,000</b> | <b>37,666,667</b> |
| <b>Current</b>                         |                   |                   |
| Bank loans                             | 2,557,682         | 6,475,712         |
|  | <b>2,557,682</b>  | <b>6,475,712</b>  |
| Bank overdraft                         | —                 | 4,008             |
|  | <b>2,557,682</b>  | <b>6,479,720</b>  |
| <b>Total borrowings</b>                | <b>37,707,682</b> | <b>44,146,387</b> |

The carrying amounts of current borrowings approximate their fair value, as the impact of discounting is not material.

The movement in borrowings is as follows:

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| <b>The movement in borrowings is as follows:</b> |                   |                   |
| At start of year                                 | 44,104,008        | 37,507,073        |
| Advanced in the year                             | —                 | 31,700,000        |
| Repayments                                       | (6,433,334)       | (23,441,666)      |
| Movement in bank overdrafts                      | (4,008)           | (1,661,399)       |
| <b>At end of year</b>                            | <b>37,666,666</b> | <b>44,104,008</b> |
| Accrued interest                                 | 41,016            | 42,379            |
|  | <b>37,707,682</b> | <b>44,146,387</b> |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 29. BORROWINGS (CONTINUED)

#### (B) COMPANY (CONTINUED)

##### (I) BANK LOANS COMPRISE

| Country | Nature                    | Currency | Amount '000 |            | Base                    | Interest |        | Maturity |
|---------|---------------------------|----------|-------------|------------|-------------------------|----------|--------|----------|
|         |                           |          | 2024        | 2023       |                         | 2024     | 2023   |          |
| Kenya   | Long Term Borrowing       | Kshs     | 1,266,667   | 3,800,000  | Fixed Rate              | 9.00%    | 9.00%  | Dec-24   |
| Kenya   | Long Term Borrowing       | Kshs     | 1,500,000   | 1,500,000  | Tbill +1.5%<br>182 Day  | 18.39%   | 13.36% | Jun-28   |
| Kenya   | Long Term Borrowing       | Kshs     | 2,000,000   | 2,000,000  | Tbill +1.8%<br>182 Day  | 18.69%   | 13.66% | Jun-30   |
| Kenya   | Long Term Borrowing       | Kshs     | 6,500,000   | 6,500,000  | Tbill +1.8%<br>182 Day  | 18.56%   | 13.66% | Jun-30   |
| Kenya   | Long Term Borrowing       | Kshs     | 1,500,000   | 1,500,000  | Tbill +1.5%<br>182 Day  | 18.26%   | 13.36% | Jun-28   |
| Kenya   | Long Term Borrowing       | Kshs     | 2,000,000   | 2,000,000  | Tbill +1.5%<br>182 Day  | 18.26%   | 13.36% | Jun-28   |
| Kenya   | Long Term Borrowing       | Kshs     | 1,500,000   | 1,500,000  | Tbill +1.8%<br>182 Day  | 18.56%   | 13.66% | Jun-30   |
| Kenya   | Long Term Borrowing       | Kshs     | 5,000,000   | 5,000,000  | Tbill +1.8%<br>182 Day  | 18.26%   | 13.66% | Jun-30   |
| Kenya   | Revolving Credit Facility | Kshs     | 3,000,000   | 3,000,000  | Tbill +1.7%<br>183 Day  | 18.56%   | 11.50% | Dec-26   |
| Kenya   | Revolving Credit Facility | Kshs     | 2,400,000   | 2,400,000  | Tbill +2.45%<br>182 Day | 19.21%   | 10.86% | Jun-26   |
| Kenya   | Overdrafts                | Kshs     | -           | -          | Tbill +2%<br>182 Day    | 18.46%   |        |          |
| Kenya   | Medium term note          | Kshs     | 11,000,000  | 11,000,000 | Fixed Rate              | 12.25%   | 12.25% | Oct-26   |

The Company has unutilised bank overdraft facilities of Kshs 11,821,225,995.

The weighted average interest rate for the year was 16.38% (2023: 13.89%).

### 30. LEASE LIABILITIES

#### (A) GROUP

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| <b>Movement of lease liabilities:</b>                     |                   |                   |
| At 1 July   | 2,827,748         | 1,436,403         |
| Additions   | 887,358           | 1,878,924         |
| Interest expense on leases                                | 207,140           | 140,984           |
| Repayment of lease liabilities                            |                   |                   |
| - Payment of the principal portion of the lease liability | (840,934)         | (770,385)         |
| - Interest paid on lease liabilities                      | (207,140)         | (140,984)         |
| Effect of change in exchange rates                        | (270,952)         | 282,806           |
| <b>At the end of the year</b>                             | <b>2,603,220</b>  | <b>2,827,748</b>  |
| <b>Presented as:</b>                                      |                   |                   |
| Current lease liabilities                                 | 740,298           | 775,916           |
| Non-current lease liabilities                             | 1,862,922         | 2,051,832         |
|   | <b>2,603,220</b>  | <b>2,827,748</b>  |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 30. LEASE LIABILITIES (CONTINUED)

#### (B) COMPANY (CONTINUED)

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| <b>Movement of lease liabilities:</b>                     |                   |                   |
| At 1 July   | 9,804             | 15,317            |
| Additions   | —                 | 527               |
| Interest expense on leases                                | 768               | 1,300             |
| Repayment of lease liabilities                            |                   |                   |
| - Payment of the principal portion of the lease liability | (4,601)           | (6,040)           |
| - Interest paid on lease liabilities                      | (768)             | (1,300)           |
| <b>At the end of the year</b>                             | <b>5,203</b>      | <b>9,804</b>      |
| <b>Presented as:</b>                                      |                   |                   |
| Current lease liabilities                                 | 2,849             | 4,602             |
| Non-current lease liabilities                             | 2,354             | 5,202             |
|   | <b>5,203</b>      | <b>9,804</b>      |

### 31. CONTINGENT LIABILITIES

The Group has operations in East African countries and is subject to a number of legal and tax claims incidental to these operations, the outcome of which cannot at present be foreseen and the possible loss or range of loss of which cannot at present be meaningfully quantified.

Based on their own judgement and professional advice received from legal, tax and other advisors, the Directors believe that the provision made for all these claims sufficiently covers the expected losses arising from them. For most of these cases, the likelihood that the Group will suffer significant charges or payments is remote; however, in a few cases the Directors consider it possible but not probable that such charges will be incurred.

The Group continues to vigorously defend its position. The Directors continue to monitor the development of these matters and to the extent those developments may have a major impact on its financial position or may significantly affect its ability to meet its commitments, the Group shall disclose those developments in line with its listing obligations as required by relevant regulations.

The international tax environment has seen increased scrutiny and rapid change over recent years bringing with it greater uncertainty for multinationals. Against this backdrop, EABL has

been monitoring developments and continues to engage transparently with the tax authorities in the countries where EABL operates to ensure that the Group manages its arrangements on a sustainable basis.

Kenya Breweries Limited (KBL), a subsidiary of EABL, was involved in a number of protracted excise duty disputes with the Kenya Revenue Authority (KRA) over locally produced keg beer. In January 2021, the Cabinet Secretary of Treasury (CS) approved the abandonment of some taxes demanded by KRA under the disputes, as per the provisions of section 37 of the Tax Procedures Act, and consequently, KBL paid the agreed final settlement of Kshs 3.5Bn, and the KRA closed all the matters related to the disputes. However, in April 2023, the Cabinet Secretary issued a letter revoking the abandonment, citing advice from the KRA and lack of justification for the abandonment. Shortly thereafter, KBL received a demand letter from the KRA for immediate payment of Kshs 8.2Bn. KBL sought legal advice and has extensive documentation showing the involvement and approval of both the Cabinet Secretary and KRA in the abandonment process. Based on independent legal advice, the directors believe that the company lawfully obtained the abandonment of assessed tax in 2021 and its petition at the High Court has strong grounds to succeed.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 32. COMMITMENTS

#### I. CAPITAL COMMITMENTS - GROUP

Capital expenditure contracted for at the reporting date but not recognised in the financial statements is as follows:

|                                 | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---------------------------------|-------------------|-------------------|
| Contracted but not provided for | 2,610,161         | 9,406,223         |
|                                 | <b>2,610,161</b>  | <b>9,406,223</b>  |

### 33. FINANCIAL INSTRUMENTS - FAIR VALUES

#### (A) GROUP

| At 30 June 2024              | At amortised cost | Level 2           |
|------------------------------|-------------------|-------------------|
|                              | Kshs '000         | Kshs '000         |
| <b>Financial assets</b>      |                   |                   |
| Trade and other receivables  | 12,650,292        | 12,650,292        |
| Bank balances                | 11,716,429        | 11,716,429        |
|                              | <b>24,366,721</b> | <b>24,366,721</b> |
| <b>Financial liabilities</b> |                   |                   |
| Borrowings                   | 47,628,550        | 47,628,550        |
| Lease liabilities            | 2,603,220         | 2,603,220         |
| Trade and other payables     | 28,354,123        | 28,354,123        |
| Dividend payable             | 507,063           | 507,063           |
|                              | <b>79,092,956</b> | <b>79,092,956</b> |

Amortised cost approximates to the fair value for all financial instruments.

| At 30 June 2023              | At amortised cost | Level 2           |
|------------------------------|-------------------|-------------------|
|                              | Kshs '000         | Kshs '000         |
| <b>Financial assets</b>      |                   |                   |
| Trade and other receivables  | 12,249,505        | 12,249,505        |
| Bank balances                | 10,252,628        | 10,252,628        |
|                              | <b>22,502,133</b> | <b>22,502,133</b> |
| <b>Financial liabilities</b> |                   |                   |
| Borrowings                   | 58,576,180        | 58,576,180        |
| Lease liabilities            | 2,827,748         | 2,827,748         |
| Trade and other payables     | 30,048,118        | 30,048,118        |
| Dividend payable             | 977,005           | 977,005           |
|                              | <b>92,429,051</b> | <b>92,429,051</b> |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 33. FINANCIAL INSTRUMENTS - FAIR VALUES

#### (B) COMPANY

| At 30 June 2024              | At amortised cost | Level 2           |
|------------------------------|-------------------|-------------------|
|                              | Kshs '000         | Kshs '000         |
| <b>Financial assets</b>      |                   |                   |
| Trade and other receivables  | 3,576,902         | 3,576,902         |
| Bank balances                | 6,645,537         | 6,645,537         |
|                              | <b>10,222,439</b> | <b>10,222,439</b> |
| <b>Financial liabilities</b> |                   |                   |
| Borrowings                   | 37,707,682        | 37,707,682        |
| Lease liabilities            | 5,203             | 5,203             |
| Trade and other payables     | 23,696,858        | 23,696,858        |
| Dividend payable             | 504,714           | 504,714           |
|                              | <b>61,914,457</b> | <b>61,914,457</b> |

Amortised cost approximates to the fair value for all financial instruments.

| At 30 June 2023              | At amortised cost | Level 2           |
|------------------------------|-------------------|-------------------|
|                              | Kshs '000         | Kshs '000         |
| <b>Financial assets</b>      |                   |                   |
| Trade and other receivables  | 3,243,044         | 3,243,044         |
| Bank balances                | 4,196,688         | 4,196,688         |
|                              | <b>7,439,732</b>  | <b>7,439,732</b>  |
| <b>Financial liabilities</b> |                   |                   |
| Borrowings                   | 44,146,387        | 44,146,387        |
| Lease liabilities            | 9,804             | 9,804             |
| Trade and other payables     | 15,971,644        | 15,971,644        |
| Dividend payable             | 977,005           | 977,005           |
|                              | <b>61,104,840</b> | <b>61,104,840</b> |

### 34. CASH GENERATED FROM OPERATIONS

#### (A) CASH AND CASH EQUIVALENTS

|                             | 30 June 2024      | 30 June 2023     |
|-----------------------------|-------------------|------------------|
|                             | Kshs'000          | Kshs'000         |
| <b>Group</b>                |                   |                  |
| Cash and bank balances      | 11,716,429        | 10,252,628       |
| Bank overdraft (Note 29(a)) | (901,419)         | (1,209,695)      |
|                             | <b>10,815,010</b> | <b>9,042,933</b> |
| <b>Company</b>              |                   |                  |
| Cash and bank balances      | 6,645,537         | 4,196,688        |
| Bank overdraft (Note 29(a)) | —                 | (4,008)          |
|                             | <b>6,645,537</b>  | <b>4,192,680</b> |



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 34. CASH GENERATED FROM OPERATIONS (CONTINUED)

#### (B) MOVEMENT IN WORKING CAPITAL

|   | 30 June<br>2024<br>Kshs'000 | 30 June<br>2023<br>Kshs'000 |
|---|-----------------------------|-----------------------------|
| <b>Group</b>  |                             |                             |
| <b>Movement in trade and other receivables</b>      |                             |                             |
| Movement per statement of financial position        | (400,787)                   | (456,964)                   |
| Foreign currency translation differences            | (656,628)                   | 735,030                     |
| <b>Net movement in receivables as per cash flow</b> | <b>(1,057,415)</b>          | <b>278,066</b>              |
| <b>Movement in inventory</b>                        |                             |                             |
| Movement per statement of financial position        | 2,978,517                   | (2,336,134)                 |
| Foreign currency translation differences            | (656,776)                   | 990,547                     |
| <b>Net movement in inventory as per cash flow</b>   | <b>2,321,741</b>            | <b>(1,345,587)</b>          |
| <b>Movement in trade and other payables</b>         |                             |                             |
| Movement per statement of financial position        | (1,693,995)                 | (1,682,361)                 |
| External interest payable                           | 143,537                     | (167,498)                   |
| Foreign currency translation differences            | 1,907,488                   | (2,385,202)                 |
| <b>Net movement in payables as per cash flow</b>    | <b>357,030</b>              | <b>(4,235,061)</b>          |

### 35. RELATED PARTY TRANSACTIONS

The ultimate parent of the Group is Diageo Plc, incorporated in the United Kingdom. The Company is controlled by Diageo Kenya Limited incorporated in Kenya and other subsidiaries of Diageo Plc.

There are other Companies that are related to East African Breweries Plc through common shareholdings.

The following are transactions and balances with related parties:

#### (A) GROUP

##### (I) MANAGEMENT AND MANUFACTURING FEES AND ROYALTIES PAID/(RECEIVED)

|                            | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|----------------------------|-------------------|-------------------|
| Diageo Great Britain       | 983,266           | 2,164,215         |
| Diageo Ireland             | 636,916           | 570,120           |
| Diageo North America, Inc. | 308,504           | 282,401           |
| Diageo Brands B.V.         | 178,987           | 208,324           |
| Other related parties      | 116,887           | (50,508)          |
| Guinness Cameroon S.A.     | —                 | 231               |
|                            | <b>2,224,560</b>  | <b>3,174,783</b>  |

##### (II) PURCHASE OF GOODS AND SERVICES

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| Diageo Brands B.V.                     | 2,809,255         | 1,848,545         |
| Diageo Ireland                         | 1,347,197         | 1,230,373         |
| Diageo Great Britain                   | 1,219,391         | 2,695,660         |
| Guinness Nigeria Plc                   | 22,444            | 4,230             |
| United Spirits Limited                 | 10,652            | —                 |
| Diageo Üzletviteli Szolgáltatások Zrt. | 292               | 64                |
| Diageo Scotland Limited                | 79                | 492               |
| Diageo South Africa (Pty) Limited      | 34                | 71                |
| Guinness Cameroun S. A.                | —                 | 231               |
| Diageo Business Services India         | —                 | 157               |
|  | <b>5,409,344</b>  | <b>5,779,823</b>  |



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 35. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (B) COMPANY

##### (I) MANAGEMENT FEES AND ROYALTIES RECEIVED/(PAID)

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| <b>Transactions with subsidiaries</b>    |                   |                   |
| Kenya Breweries Limited                  | 220,022           | 240,734           |
| UDV (Kenya) Limited                      | 115,248           | 137,897           |
| Uganda Breweries Limited                 | 105,930           | 109,228           |
| Serengeti Breweries Limited              | 73,876            | 80,712            |
|  | <b>515,076</b>    | <b>568,571</b>    |
| <b>Transactions with related parties</b> |                   |                   |
| Diageo Great Britain Limited             | (122,954)         | (366,221)         |
| Other related parties                    | (98,158)          | (145,914)         |
|  | <b>(221,112)</b>  | <b>(512,135)</b>  |
|  | <b>293,964</b>    | <b>56,436</b>     |

##### (II) LONG-TERM RECEIVABLES FROM SUBSIDIARIES

|                              | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|------------------------------|-------------------|-------------------|
| Kenya Breweries Limited      | 26,800,000        | 26,800,000        |
| Uganda Breweries Limited     | 2,819,070         | 3,095,322         |
| UDV Kenya Limited            | 1,100,000         | 1,100,000         |
| East Africa Maltings Limited | 687,000           | 687,000           |
| Serengeti Breweries Limited  | 1,300,000         | —                 |
|                              | <b>32,706,070</b> | <b>31,682,322</b> |

The Company has advanced loans to the subsidiaries to finance their capital expenditure and working capital requirements as part of the Group's centralized treasury management process. Long-term receivables from Kenya Breweries Limited of Kshs 15 billion, 8.8 billion and 3 billion are repayable on 30 April 2028, 30 June 2029 and 30 June 2025 respectively and interest is received at an effective interest rate of 13.53%, 14.95% and 13.23% respectively. The long-term receivable from Uganda Breweries Limited of Kshs 2.8 billion is repayable on 1 November 2025 and interest

is received at an effective interest rate of 17.14%. The long-term receivable from UDV Kenya Limited of Kshs 1.1 billion is repayable on 30 June 2029 and interest is received at an effective interest rate of 14.27%. The long-term receivable from East African Maltings Limited of Kshs 0.7 billion is repayable on demand and interest is received at an effective interest rate of 14.13%. The long-term receivable from Serengeti Breweries Limited of Kshs 1.3 billion is repayable on 4 November 2028 and interest is received at an effective interest rate of 9.77%.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 35. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (B) COMPANY (CONTINUED)

#### (III) OUTSTANDING BALANCES ARISING FROM SALE AND PURCHASES OF GOODS AND SERVICES

##### RECEIVABLES FROM RELATED COMPANIES

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| <b>Receivables from subsidiaries</b>          |                   |                   |
| Kenya Breweries Limited                       | 1,496,023         | 1,565,133         |
| UDV (Kenya) Limited                           | 702,244           | 654,426           |
| Serengeti Breweries Limited                   | 532,514           | 130,203           |
| Uganda Breweries Limited                      | 269,082           | 277,968           |
| East African Maltings Limited                 | 529               | 13,241            |
|   | <b>3,000,392</b>  | <b>2,640,971</b>  |
| <b>Receivables from other related parties</b> |                   |                   |
| Diageo Great Britain Ltd                      | 277,200           | 130,370           |
| Guinness Nigeria Plc                          | 65,451            | 54,156            |
| Guinness Ghana Breweries                      | 18,271            | 9,693             |
| Other related parties                         | 3,397             | 44,915            |
| Diageo Angola Limitada                        | 2,313             | 2,314             |
| Guinness Cameroun S.A.                        | —                 | 6,589             |
| Diageo plc                                    | —                 | 312               |
| Seychelles Breweries Ltd                      | —                 | 213               |
|   | <b>366,632</b>    | <b>248,562</b>    |
|   | <b>3,367,024</b>  | <b>2,889,533</b>  |

##### PAYABLES TO RELATED COMPANIES

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| <b>Payables to subsidiaries</b>         |                   |                   |
| International Distillers Uganda Limited | —                 | 42,452            |
| EABL International Limited              | 35,485            | 35,485            |
| East African Breweries Tanzania Limited | 5,610             | 5,610             |
|   | <b>41,095</b>     | <b>83,547</b>     |
| <b>Payables to related parties</b>      |                   |                   |
| Seychelles Breweries Limited            | 22,636            | —                 |
| Diageo Scotland                         | 10,514            | 6,448             |
| Diageo Business Services India          | 4,928             | —                 |
| Vietnam Spirit and Wine                 | 11                | —                 |
| Diageo Mexico Comercializadora          | —                 | 156               |
|   | <b>38,089</b>     | <b>6,604</b>      |
|   | <b>79,184</b>     | <b>90,151</b>     |

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 35. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (B) COMPANY (CONTINUED)

##### (IV) CASHPOOL (PAYABLES)/RECEIVABLES

|                               | 2024<br>Kshs '000   | 2023<br>Kshs '000   |
|-------------------------------|---------------------|---------------------|
| East African Maltings Limited | 579,741             | (114,631)           |
| EABL International Limited    | 22,531              | 22,531              |
| UDV (Kenya) Limited           | (18,973,511)        | (13,064,045)        |
| Kenya Breweries Limited       | (4,623,268)         | (2,582,921)         |
|                               | <b>(22,994,507)</b> | <b>(15,739,066)</b> |

#### (C) OTHER RELATED PARTY DISCLOSURES

##### (I) DIRECTORS' REMUNERATION

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| <b>Group</b>   |                   |                   |
| Fees for services as a Director  | 43,456            | 43,472            |
| Share based payments   | 23,827            | 42,888            |
| Other emoluments (included in key management compensation in (ii) below) | 125,870           | 186,985           |
|  | <b>193,153</b>    | <b>273,345</b>    |

Directors' remuneration include fees in relation to non-executive Directors and compensation to executive Directors in the Company and its subsidiaries.

|  | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|--|-------------------|-------------------|
| <b>Company</b>   |                   |                   |
| Fees for services as a Director  | 43,456            | 43,472            |
| Share based payments   | 23,827            | 42,888            |
| Other emoluments (included in key management compensation in (ii) below) | 125,870           | 186,985           |
|  | <b>193,153</b>    | <b>273,345</b>    |

##### (II) KEY MANAGEMENT COMPENSATION

Key management includes executive Directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| <b>Group</b>  |                   |                   |
| Salaries and other shorter term employment benefits | 1,813,760         | 1,160,554         |
| Share based payments                                | 89,563            | 125,039           |
| Post-employment benefits                            | 141,651           | 97,539            |
|   | <b>2,044,974</b>  | <b>1,383,132</b>  |

|   | 2024<br>Kshs '000 | 2023<br>Kshs '000 |
|---|-------------------|-------------------|
| <b>Company</b>                                      |                   |                   |
| Salaries and other shorter term employment benefits | 383,675           | 342,872           |
| Share based payments                                | 32,034            | 56,724            |
| Post-employment benefits                            | 30,054            | 21,543            |
|   | <b>445,763</b>    | <b>421,139</b>    |



# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## NOTES (CONTINUED)

### 36. EVENTS AFTER THE REPORTING PERIOD

As at the date of approval of the financial statements for issue, the Directors were not aware of any matter or circumstances arising since the

end of the financial year, not otherwise dealt with in the financial statements, which would significantly affect the financial position of the Group and results of its operation as laid out in these financial statements.

# ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2024

## APPENDIX

### PRINCIPAL SHAREHOLDERS AND SHARE DISTRIBUTION

The ten largest shareholdings in the Company and the respective number of shares held at 30 June 2024 are as follows:

| Name(s) and Address                                    | Number of shares   | %             |
|--|--------------------|---------------|
| Diageo Kenya Limited                                   | 514,003,331        | 65.00%        |
| Standard Chartered Kenya Nominees A/C KE004667         | 22,935,194         | 2.90%         |
| Standard Chartered Kenya Non-Resd. A/C KE10085         | 20,804,500         | 2.63%         |
| Kenya Commercial Bank Nominees Ltd. A/C 915BB          | 9,757,254          | 1.23%         |
| Stanbic Nominees Limited R6631578                      | 7,995,122          | 1.01%         |
| Stanbic Nominees Ltd NR3530153-1                       | 5,860,400          | 0.74%         |
| Stanbic Nominees Ltd A/C NR1031461                     | 5,106,494          | 0.73%         |
| Stanbic Nominees Ltd A/C NR1031436                     | 5,039,345          | 0.57%         |
| Secretary To The Treasury - "PF" Account The Permanent | 4,829,436          | 0.61%         |
| Standard Chartered Kenya Nominees Resd A/C KE11443     | 4,426,480          | 0.56%         |
| <b>Total number of shares</b>                          | <b>600,757,556</b> | <b>75.98%</b> |

|                                     | Number of shares   | Number of shareholders | %           |
|-------------------------------------|--------------------|------------------------|-------------|
| <b>Distribution of shareholders</b> |                    |                        |             |
| 1 - 500 shares                      | 2,569,432          | 13,879                 | 0.32%       |
| 501 - 5,000 shares                  | 15,627,776         | 9,811                  | 1.98%       |
| 5,001 - 10,000 shares               | 6,699,813          | 944                    | 0.85%       |
| 10,001 - 100,000 shares             | 35,211,930         | 1,224                  | 4.45%       |
| 100,001 - 1,000,000 shares          | 70,084,161         | 236                    | 8.86%       |
| Over 1,000,000 shares               | 660,581,244        | 41                     | 83.54%      |
| <b>Total</b>                        | <b>790,774,356</b> | <b>26,135</b>          | <b>100%</b> |

| Director's names  | Number of shares |
|---|------------------|
| <b>EABL Directors' shareholding as at 30 June 2024:</b> |                  |
| Caroline Musyoka  | 5,782            |
| Jane Karuku   | 1,296            |
| Ory Okolloh   | 1,220            |
| Risper Ohaga  | 700              |

# SUPPLEMENTARY INFORMATION



|     |  |
|-----|--|
| 138 | Notice and Agenda<br>of AGM                    |
| 139 | Notes on The Annual<br>General Meeting ('AGM') |
| 145 | Proxy Form                                     |
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“ EABL IS COMMITTED TO  
CREATING ECONOMIC, SOCIAL,  
AND ENVIRONMENTAL VALUE  
IN THE COMMUNITIES WHERE  
WE LIVE, WORK, SOURCE,  
AND SELL. ”



*Tanqueray*



EXCESSIVE ALCOHOL CONSUMPTION IS HARMFUL TO YOUR HEALTH.  
NOT FOR SALE TO PERSONS UNDER THE AGE OF 18 YEARS.



# SUPPLEMENTARY INFORMATION (CONTINUED)

## NOTICE AND AGENDA OF AGM TO ALL SHAREHOLDERS

NOTICE is hereby given that the 102<sup>nd</sup> Annual General Meeting ('AGM') of East African Breweries PLC (the 'Company') will be held as a hybrid meeting (partly physical and partly virtual using electronic means) on Thursday, 12<sup>th</sup> September 2024 at Safari Park Hotel, along Thika Road, Exit 7 Nairobi at 11:00 a.m. (East Africa Time (EAT), GMT+3) to conduct the following business: -

### ORDINARY BUSINESS:

- 1) To receive, consider and if thought fit, adopt the Annual Report and Audited Financial Statements for the year ended 30<sup>th</sup> June 2024 together with the Directors' Report and Auditors' Reports thereon.
- 2) Dividend
  - a) To confirm the Interim Dividend in respect of the Financial Year ended 30<sup>th</sup> June 2024, of Kshs 1 per ordinary share, which was paid subject to withholding tax, on or about 28<sup>th</sup> April 2024 to shareholders registered at the close of business on 16<sup>th</sup> February 2024.
  - b) To approve a final dividend of Kshs 6 per ordinary share for the Financial Year ended 30<sup>th</sup> June 2024, payable net of withholding tax as recommended by the Directors. The dividend will be payable on or 28<sup>th</sup> October 2024, to Shareholders on the Register of Members as at the close of business on 16<sup>th</sup> September 2024.
- 3) Election of Directors:
  - a) Dr. Martin Oduor-Otieno retires by rotation in accordance with the provisions of Articles 117 of the Company's Articles of Association, and being eligible, offers himself for re-election.
  - b) Jimmy Mugerwa retires by rotation in accordance with the provisions of Articles 117 of the Company's Articles of Association, and being eligible, offers himself for re-election.
  - c) Paul Deo Makanza was appointed during the year to fill a casual vacancy on the Board. He retires in accordance with the provisions of Article 116 of the Company's Articles of Association, and being eligible, offers himself for re-election.
- 4) In accordance with the provisions of Section 769 of the Companies Act 2015, the following Directors being members of the Board Audit & Risk Management Committee, be elected to continue serving as members of the said Committee, subject to the re-election of the Directors who are named in Agenda 3 above: Felix Okoboi; Jimmy Mugerwa; Leo Breen; Ory Okolloh and Sathish Krishnan.
- 5) To receive, consider and if thought fit approve the Directors' Remuneration Report and the remuneration paid to the Directors for the year ended 30<sup>th</sup> June 2024.
- 6) To re-appoint Messrs. PricewaterhouseCoopers (PwC) LLP as auditor of the Company in accordance with the provisions of Section 721(2) of the Companies Act, 2015 and to authorize the Board to fix their remuneration for the ensuing financial year.
- 7) To consider any other business of which due notice has been given.

BY ORDER OF THE BOARD

**ANGELA NAMWAKIRA**  
**COMPANY SECRETARY**

Date: 21<sup>st</sup> August 2024



## NOTES ON THE ANNUAL GENERAL MEETING ('AGM')

- 1) East African Breweries PLC (the 'Company') has convened and is conducting this AGM as a hybrid meeting, in line with the provisions of the Company's Articles of Association.

Shareholders should register to attend the AGM either physically or electronically by Tuesday, 10<sup>th</sup> September 2024 at 11:00 a.m. (East Africa Time (EAT), GMT+3) as described further below.

- 2) Shareholders wishing to participate in the AGM should register by doing the following: -
  - a) Dialing **\*483\*810#** from any network and follow the prompts; or
  - b) Send an email request to be registered to [eabl.agm@eabl.com](mailto:eabl.agm@eabl.com); or
  - c) Shareholders with email addresses will receive a registration link via email which they can use to register.

In order to complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number at hand.

For assistance, shareholders should dial the following helpline number: (+254) 709 170 000 from 8:00 a.m. to 5:00 p.m. from Monday to Friday.

Shareholders are requested to indicate at the point of registration, if they will attend the meeting physically, at Safari Park Hotel.

Kindly note that registration for the AGM will only be undertaken as outlined above; shareholders will not be able to register for the AGM at the venue of the meeting on the 12<sup>th</sup> September 2024.

- 3) Registration for the AGM opens on Thursday, 22<sup>nd</sup> August 2024 at 11:00 am East Africa Time (GMT+3) and will close on Tuesday, 10<sup>th</sup> September 2024 at 11:00 am East Africa Time (GMT+3).
- 4) In accordance with Section 180 of the Company's Articles of Association, the following documents may be viewed on the Company's website [www.eabl.com](http://www.eabl.com)
  - (i) a copy of this Notice and the Proxy form; (ii) the Company's Audited Financial Statements for the year ended 30<sup>th</sup> June 2024.
  - (ii) The Condensed Audited Financial Statements for the year ended 30<sup>th</sup> June 2024 have been published with this Notice.

The reports may also be accessed upon request by dialing the USSD code above and selecting the Reports option. The reports and agenda can also be accessed on the livestream link.

- 5) Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
  - a) Sending their written questions by email to [eabl.agm@eabl.com](mailto:eabl.agm@eabl.com); or
  - b) Shareholders who will have registered to participate in the meeting shall be able to ask questions via SMS by dialing the USSD code above and selecting the option (ask Question) on the prompts; or
  - c) Visiting [www.eabl.com](http://www.eabl.com) and accessing the 2024 AGM page where you can log a question directly on the webpage; and
  - d) In the event that the above is not possible, written questions should be physically delivered with a return physical address or email address to the registered office of the Company at EABL Bustani Office, 5<sup>th</sup> Floor, Garden City Business Park, Block A, Garden City Road, off Exit 7 Thika Superhighway, Ruaraka, Nairobi OR delivered to Image Registrars Limited, 5<sup>th</sup> Floor, Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 - 00100 GPO, Nairobi.

Shareholders must provide their full details (full names, ID/Passport Number/CDSC Account Number) when submitting their questions and clarifications.

All questions received will be responded to via the channel used by the shareholder i.e. SMS (for USSD option), Email, Letter or Telephone call. Questions will also be responded to during the meeting.

A full list of all questions received arranged in thematic areas, and the answers thereto will be published on the Company's website not later than 24 hours following the conclusion of the meeting.

- 6) In accordance with Section 298(1) of the Companies Act, 2015 shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf.

A proxy need not be a member of the Company. If the Proxy appointed is not the Chairman of the AGM, the appointed proxy will need access to a mobile telephone.

## SUPPLEMENTARY INFORMATION (CONTINUED)

### NOTES ON THE ANNUAL GENERAL MEETING ('AGM') (CONTINUED)

A proxy form is available on the Company's website via this link: [www.eabl.com](http://www.eabl.com). Physical copies of the proxy form are also available at the Company Office Headquarters, situated at EABL Bustani Office, 5<sup>th</sup> Floor, Garden City Business Park, Block A, Garden City Road, off Exit 7 Thika Superhighway, Ruaraka, Nairobi OR from Image Registrars Limited offices, 5<sup>th</sup> Floor Absa Towers (formerly Barclays Plaza), Loita Street.

A proxy must be signed by the appointor or his attorney duly authorized in writing. If the appointor is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such body corporate.

A completed form of proxy should be emailed to [eabl.agm@eabl.com](mailto:eabl.agm@eabl.com) or delivered to Image Registrars Limited, 5<sup>th</sup> Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 - 00100 GPO, Nairobi, so as to be received not later than 48 hours before the time of holding the meeting i.e. by Tuesday, 10<sup>th</sup> September 2024 at 11:00 a.m. Any person appointed as a proxy should submit his/her mobile telephone number or email address to the Company no later than Tuesday, 10<sup>th</sup> September 2024 at 11:00 a.m. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Wednesday, 11<sup>th</sup> September 2024 to allow time to address any issues.

- 7) The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the general meeting. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour ahead of the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hour's time and providing a link to the live stream.
- 8) Duly registered shareholders and proxies may follow the proceedings of the AGM using the live stream platform and may access the agenda. Duly registered shareholders and proxies may vote when prompted by the Chairman.
- 9) A poll shall be conducted electronically for all the resolutions put forward in the notice.
- 10) Results of the poll shall be published within 48 hours following the conclusion of the AGM, in two newspapers of national circulation and on the Company's website.
- 11) To ensure receipt of future dividends in a timely manner, Shareholders are hereby requested to provide their bank details and update their payment option to electronic funds transfer or Mobile Money. To do so, shareholders are requested to update their dividend payment details via any one of the following channels:
  - a) Complete an online opt-in form through <https://eabl.azurewebsites.net/>
  - b) Send an email to Image Registrars Limited through [eabl@image.co.ke](mailto:eabl@image.co.ke)
  - c) Opt-In via USSD by dialling \*483\*810# as you register for the Annual General Meeting (AGM).
  - d) Shareholders who maintain CDS Accounts are also encouraged to notify any change of address or request for payment of dividends through bank accounts /MPESA via their stockbroker or investment bank.
  - e) Shareholders with certificates are advised to contact Image Registrars Limited offices, 5<sup>th</sup> Floor Absa Towers (formerly Barclays Plaza), Loita Street, Nairobi via Email address [eabl@image.co.ke](mailto:eabl@image.co.ke) or Telephone no. 0709170000.
- 12) Shareholders are encouraged to continuously monitor the Company's website [www.eabl.com](http://www.eabl.com) for updates relating to the AGM. Please report any challenges or issues that you may face to us immediately for quick resolution using the email address [eabl.agm@eabl.com](mailto:eabl.agm@eabl.com) or our helpline (+254) 709 170 000 from 8:00 a.m. to 5:00 p.m. from Monday to Friday.
- 13) The Company offices are open during normal business hours on any weekday (Saturday, Sunday and Kenya public holidays excluded), unless closed for any other legal or legitimate reason. Unless stated otherwise, all timings quoted in this notice are East Africa Time (GMT+3).

## **ILANI NA AJENDA YA AGM KWA WENYEHISA WOTE**

ILANI inatolewa hapa kwamba Mkutano Mkuu wa Kila Mwaka (AGM) wa 102 wa East African Breweries PLC ('Kampuni') utafanyika kwa njia ya mchanganyiko (sehemu itahusisha wenyehisa kukongamana na nyingine ifanyike kwa njia ya mawasiliano ya kielektroniki ) mnamo Alhamisi, 12 Septemba, 2024 katika hoteli ya Safari Park, katika Barabara ya Thika, ukitumia njia ya kuondokea nambari 7, Nairobi, saa 11:00 a.m. (tano asubuhi), (saa za Afrika Mashariki (EAT), GMT+3), kutekeleza shughuli zifuatazo: -

### **SHUGHULI ZA KAWAIDA:**

- 1) Kupokea, kutathmini na iwapo itakubalika, kuidhinisha Ripoti ya Kila Mwaka na Taarifa za Kifedha Zilizokaguliwa za mwaka uliokamilika 30 Juni 2024 pamoja na ripoti ya Wakurugenzi na Ripoti za Wakaguzi wa hesabu zilizomo kwenye ripoti hiyo.
- 2) Mgawo wa Faida
  - a) Kuthibitisha Mgawo wa faida wa Muda kwa ajili ya Mwaka wa Kifedha uliokamilika 30 Juni 2024, wa Kshs 1 kwa kila hisa ya kawaida, uliolipwa baada ya kutolewa kwa kodi ya zuio au withholding tax, mnamo au karibu na 28 Aprili 2024 kwa wenyehisa waliokuwa wamesajiliwa kufikia kufungwa kwa shughuli za kibiashara mnamo 16 Februari 2024.
  - b) Kuidhinisha mgawo wa faida wa mwisho wa Kshs 6 kwa kila hisa ya kawaida kwa Mwaka wa Kifedha Uliokamilika 30 Juni 2024, ambao utatozwa kodi ya zuio au withholding tax, kama ilivyopendekezwa na Wakurugenzi. Mgawo huo wa faida utalipwa mnamo au karibu na 28 Oktoba 2024, kwa Wenyehisa watakaokuwa kwenye Sajili ya Wanachama kufikia kufungwa kwa shughuli za kibiashara mnamo 16 Septemba, 2024.
- 3) Kuchaguliwa kwa Wakurugenzi:
  - a) Martin Oduor-Oteino anastaafu kwa mzunguko kuambatana na Kifungu 117 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.
  - b) Jimmy Mugerwa anastaafu kwa mzunguko kuambatana na Kifungu 117 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.
  - c) Paul Deo Makanza aliteuliwa katika mwaka huo kujaza pengo la muda katika Bodi. Anastaafu kuambatana na Kifungu 116 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.
- 4) Kuambatana na maelezo katika Kifungu 769 cha Sheria ya Kampuni ya mwaka 2015, Wakurugenzi wafuatao, ambao ni wanachama wa Kamati ya Bodi ya Ukaguzi wa Hesabu & Usimamizi wa Hatari, wachaguliwe kuendelea kuhudumu kama wanachama

wa Kamati hiyo, kwa kutegemea kuchaguliwa tena kwa Wakurugenzi waliotajwa katika Ajenda nambari 3 hapa juu: Felix Okobo; Jimmy Mugerwa; Leo Breen; Ory Okolloh, na Sathish Krishnan.

- 5) Kupokea, Kutathmini na iwapo itakubalika, kuidhinisha Ripoti ya Malipo ya Wakurugenzi na malipo ya Wakurugenzi kwa mwaka uliomalizika 30 Juni 2024.
- 6) Kuwateua tena PricewaterhouseCoopers (PwC) LLP kuhudumu kama Wakaguzi wa Hesabu wa Kampuni kwa mujibu wa Kifungu 721(2) cha Sheria ya Kampuni, 2015 na kuipa idhini Bodi kuamua malipo yao kwa mwaka wa kifedha unaofuata.
- 7) Kutekeleza shughuli nyingine yoyote ile ambayo ilani yake itakuwa imepokelewa ifaavyo.

KWA AGIZO LA BODI

**ANGELA NAMWAKIRA**  
**KATIBU WA KAMPUNI**  
Tarehe: 21 Agosti 2024

# SUPPLEMENTARY INFORMATION (CONTINUED)

## MAELEZO KUHUSU MKUTANO MKUU WA KILA MWAKA ('AGM')

- 1) East African Breweries PLC ('Kampuni') imeitisha na itaandaa mkutano wake mkuu wa kila mwaka (AGM), kwa njia ya mchanganyiko (kukongamana na njia ya kielektroniki), kuambatana na Sheria za Kuundwa kwa Kampuni.

Wenyehisa wanafaa kujiandikisha, kwa ajili ya kuhudhuria mkutano huu wa AGM kwa kufika wenyewe mkutanoni au kwa njia ya kielektroniki, kufikia Jumanne, 10 Septemba 2024 saa tano asubuhi (11:00 a.m.) (saa za Afrika Mashariki (EAT), GMT+3) kama ilivyoelezwa hapa chini.

- 2) Wenyehisa ambao wangependa kushiriki katika mkutano huu wa AGM wanafaa kujisajili kwa kufanya yafuatayo:-

- Kupiga simu \*483\*810# kutoka kwa mtandao wowote wa simu na kufuata maelezo yatakayotolewa; au
- Kutuma ombi la kusajiliwa kwa njia ya barua pepe kwa [eabl.agm@eabl.com](mailto:eabl.agm@eabl.com); au
- Wenyehisa waliowasilisha anwani za barua pepe watapokea kiunganisho au link cha kujisajili kupitia barua pepe ambacho wanaweza kukitumia kujisajili.

Ili kukamilisha shughuli hiyo ya kujisajili, wenyehisa watahitajika kuwa na nambari ya kitambulisho/pasipoti waliyoitumia kununua hisa zao na/au nambari ya akaunti ya CDSC.

Kwa usaidizi, wenyehisa wanafaa kupiga nambari hii ya simu ya msaada: (+254) 709 170 000 kati ya saa mbili asubuhi (8:00 a.m.) na saa kumi na moja jioni (5:00 p.m.) kuanzia Jumatatu hadi Ijumaa.

Wenyehisa wanaombwa kueleza, wakati wa kujiandikisha, iwapo watafika kuhudhuria mkutano wao wenyewe, katika hoteli ya Safari Park.

Tafadhali, fahamu kwamba shughuli ya kujiandikisha kuhudhuria AGM itafanyika tu kama ilivyoelezwa hapa juu; wenyehisa hawataweza kujiandikisha kuhudhuria AGM pahala pa mkutano wenyewe wakati wa mkutano 12 Septemba 2024.

- 3) Shughuli ya kujisajili kwa ajili ya AGM itaanza mnamo Alhamisi, 22 Agosti 2024 saa tano asubuhi (11:00 a.m.) saa za Afrika Mashariki (GMT+3) na kufungwa Jumanne tarehe 10 Septemba, 2024 saa tano asubuhi (11:00 a.m.) saa za Afrika Mashariki (GMT+3).
- 4) Kuambatana na Kifungu 180 cha Sheria za Kuundwa kwa Kampuni, stakabadhi zifuatazo zinaweza kutazamwa kwenye tovuti ya Kampuni katika [www.eabl.com](http://www.eabl.com)
- nakala ya Ilani hii na Fomu ya uwakilishi;
  - taarifa za kifedha za Kampuni zilizokaguliwa za mwaka uliokamilika 30 Juni 2024.

Nakala ya ufupisho wa Taarifa za Kifedha za mwaka uliomalizika 30 Juni 2024 imechapishwa pamoja na Ilani hii.

Ripoti hizi zinaweza pia kupatikana kwa kupiga simu nambari ya USSD iliyotolewa hapa juu na kuchagua kiungo cha Ripoti. Ripoti na ajenda zinaweza pia kupatikana kwenye link au kiunganisho cha kupeperusha mkutano moja kwa moja.

- 5) Wenyehisa wenye nia ya kuuliza maswali au ufafanuzi kuhusu AGM hii wanaweza kufanya hivyo kwa:

- Kutuma maswali yao kwa maandishi kama barua pepe kwa [eabl.agm@eabl.com](mailto:eabl.agm@eabl.com); au
- Wenyehisa ambao watakuwa wamejiandikisha kuhudhuria mkutano huu wataweza kuuliza maswali kupitia SMS kwa kupiga simu kwa nambari ya ujumbe (USSD) iliyoorodheshwa hapa juu na kuchagua sehemu ya (uliza Swali) kwenye yale yatakayojitokeza; au
- Kutembelea [www.eabl.com](http://www.eabl.com) na kufika kwenye ukurasa wa 2024 AGM ambapo unaweza kutuma swali moja kwa moja kupitia ukurasa huo wa mtandao; na
- Iwapo hayo hayatawezekana, maswali hayo yakiwa kwa njia ya maandishi na yakiwa na anwani au barua pepe ya kupokelewa majibu yanaweza kufikishwa kwa afisi zilizosajiliwa za Kampuni katika EABL Bustani Office, Ghorofa ya 5, Garden City Business Park, Jumba A, Barabara ya Garden City, ukitumia Exit 7 katika Barabara Kuu ya Thika, Ruaraka, Nairobi AU yawasilishwe kwa Image Registrars Limited, Ghorofa ya 5, jumba la Absa Towers (zamani ikiitwa Barclays Plaza), Loita Street, S.L.P. 9287-00100 GPO, Nairobi.

Wenyehisa ni sharti waandike maelezo kamili kuwahusu (majina kamili, Nambari ya Kitambulisho/Nambari ya Pasipoti/Nambari ya Akaunti ya CDSC) wanapowasilisha maswali yao au maombi ya ufafanuzi.

Maswali yote yaliyopokelewa yatajibiwa kupitia njia iliyotumiwa na mwenyehisa, hii ina maana ya SMS (kwa watakaotumia USSD), Barua pepe, Barua, au Simu. Maswali yatajibiwa pia wakati wa mkutano wenyewe.

Orodha kamili ya maswali yaliyopokelewa, yakiwa yamepangwa kwa kufuata mada husika, pamoja na majibu yaliyotolewa, itachapishwa katika tovuti ya Kampuni si chini ya saa 24 baada ya mkutano kumalizika.

- 6) Kuambatana na Kifungu 298 (1) cha Sheria za Kampuni za 2015, wenyehisa walio na haki ya kuhudhuria na kupiga kura katika AGM wana haki ya kuteua wawakilishi wa kupiga kura kwa niaba yao.

Mwakilishi huyo si lazima awe mwanachama wa Kampuni. Iwapo Mwakilishi aliyeteuliwa si Mwenyekiti wa AGM, mwakilishi aliyeteuliwa atahitaji kuwa na simu ya mkononi.

## MAELEZO KUHUSU MKUTANO MKUU WA KILA MWAKA ('AGM') (MWEENDELEZO)

Fomu ya uwakilishi inapatikana katika tovuti ya Kampuni kwa kufuata link au kiunganisho hiki cha mtandaoni: [www.eabl.com](http://www.eabl.com). Nakala za karatasi za fomu za uwakilishi zinapatikana pia katika afisi za Kampuni katika EABL Bustani Office, Ghorofa ya 5, Garden City Business Park, Jumba A, Barabara ya Garden City, ukitumia Exit 7 katika Barabara Kuu ya Thika, Ruaraka, Nairobi AU kutoka kwa afisi za Image Registrars, Ghorofa ya 5, jumba la Absa Towers (zamani ikiitwa Barclays Plaza), Loita Street.

Fomu ya uwakilishi inafaa kutiwa saina na mwenyehisa aliyemteua mwakilishi au wakili aliyeidhinishwa na mwenyehisa anayewakilishwa kwa njia ya maandishi. Iwapo anayeteua mwakilishi ni kampuni au shirika, fomu ya uteuzi inafaa kupigwa mhuri rasmi wa kampuni au kuidhinishwa na afisa au wakili aliyeidhinishwa kuiwakilisha kampuni au shirika hilo.

Fomu ya uwakilishi iliyojazwa inafaa kutumwa kwa njia ya barua pepe kwa [eabl.agm@eabl.com](mailto:eabl.agm@eabl.com) au ifikishwe kwa Image Registrars, Ghorofa ya 5, jumba la Absa Towers (zamani ikiitwa Barclays Plaza), Loita Street, S.L.P. 9287-00100 GPO, na ifike si chini ya saa 48 kabla ya wakati wa kufanyika kwa mkutano, sawa na kusema si baada ya Jumanne 10 Septemba, 2024 saa tano asubuhi (11:00 a.m.). Mtu yeyote aliyeteuliwa kuwa mwakilishi anafaa kutuma nambari yake ya simu ya mkononi kwa Kampuni kabla ya Jumanne, 10 Septemba, 2024 saa tano asubuhi (11:00 a.m.) Mwenyehisa ambaye usajili wa mwakilishi wake utakataliwa atafahamishwa kabla ya Jumanne, 11 Septemba 2024 kumpa muda wa kushughulikia masuala yatakayoibuka.

- 7) Matukio ya AGM yatapeperushwa moja kwa moja kupitia kiunganisho (link) ambacho kitatumwa kwa wenyehisa wote watakaokuwa wamejiandikisha kushiriki katika AGM. Wenyehisa na wawakilishi waliojiandikisha watapokea ujumbe mfupi (SMS/ USSD) kwenye nambari zao za simu zilizosajiliwa, saa 24 kabla ya AGM kufanyika kuwakumbusha kuhusu AGM. SMS/USSD ya pili itatumwa saa moja kabla ya AGM kufanyika, kuwakumbusha wenyehisa waliojisajili na wawakilishi kwamba AGM itaanza katika muda wa saa moja na ujumbe huo pia utakuwa na link au kiunganisho cha kufuatilia matukio moja kwa moja.
- 8) Wenyehisa na wawakilishi waliosajiliwa wanaweza kufuatilia matukio ya AGM wakitumia link au kiunganisho cha matangazo ya moja kwa moja na wanaweza pia kupata ajenda za mkutano. Wenyehisa na wawakilishi waliosajiliwa wanaweza kupiga kura wakiombwa kufanya hivyo na Mwenyekiti.

- 9) Kura itapigwa kwa njia ya kielektroniki kwa maazimio yote ambayo yameorodheshwa kwenye ilani.
- 10) Matokeo ya kura yatachapishwa katika kipindi cha saa 48 baada ya kumalizika kwa AGM, katika magazeti mawili yanayosambazwa kitaifa na katika tovuti ya Kampuni.
- 11) Ili kuhakikisha wanapokea malipo ya mgawo wa faida ya siku zijazo kwa wakati, Wenyehisa wanaombwa kuwasilisha maelezo yao ya benki na pia kuhakikisha kubadilisha chaguo lao la malipo kuwa kwa njia ya kielektroniki au kwa njia ya simu. Ili kufanya hivyo, wenyehisa wanaombwa kuweka sawa maelezo yao ya kupokea malipo ya mgawo wa faida kupitia moja ya njia zifuatazo:
  - a) Kujaza fomu ya kujumuishwa kwenye njia ya malipo kupitia <https://eabl.azurewebsites.net/>
  - b) Kutuma barua pepe kwa Image Registrars Limited kupitia [eabl@image.co.ke](mailto:eabl@image.co.ke)
  - c) Kujiunga kupitia USSD kwa kupiga simu nambari **\*483\*810#** unapojiandikisha kushiriki Mkutano Mkuu wa Kila Mwaka (AGM).
  - d) Wenyehisa ambao wana akaunzi za CDS wanaombwa pia kutoa arifa kuhusu mabadiliko ya anwani zao au kuomba malipo yao ya mgawo wa faida kutolewa kupitia akaunti za benki / MPESA kupitia madalali wao wa hisa au benki ya uwekezaji.
  - e) Wenyehisa wenye vyeti wanaombwa kuwasiliana na afisi za Image Registrars Limited, Ghorofa ya 5, jumba la Absa Towers (zamani ikiitwa Barclays Plaza), Loita Street, Nairobi kupitia barua pepe [eabl@image.co.ke](mailto:eabl@image.co.ke) au nambari ya simu 0709170000.
- 12) Wenyehisa wanahimizwa kufuatilia tovuti ya Kampuni [www.eabl.com](http://www.eabl.com) mara kwa mara kwa taarifa na maelezo kuhusiana na AGM. Tafadhali tujulishe kuhusu matatizo au changamoto zozote unazoweza kukumbana nazo kwa utatuzi wa haraka kwa kutumia barua pepe [eabl.agm@eabl.com](mailto:eabl.agm@eabl.com) au kwa kutumia nambari yetu ya simu ya msaada ambayo ni (+254) 709 170 000 kati ya saa mbili asubuhi (8:00 a.m.) na kumi na moja jioni (5:00 p.m.) Jumatatu hadi Ijumaa.
- 13) Afisi za Kampuni huwa zimefunguliwa wakati wa saa za kawaida za kuendesha shughuli za kikazi kila siku ya wiki (isipokuwa Jumamosi, Jumapili na siku za mapumziko Kenya) isipokuwa tu ziwe zimefungwa kwa sababu nyingine za kisheria au halali. Isipokuwa kama imeelezwa vinginevyo, saa zote zilizorejelewa kwenye ilani hii ni za Afrika Mashariki (GMT+3).



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## EAST AFRICAN BREWERIES PLC

### PROXY

I/WE: \_\_\_\_\_

Share A/c No \_\_\_\_\_

Of (Address) \_\_\_\_\_

Being a member (s) of East African Breweries PLC, hereby appoint:

\_\_\_\_\_ Or failing him/her, the duly appointed Chairman of the Meeting, to be my/our proxy, to vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, 12th September 2024 and at any adjournment thereof.

As witness I/We lay my/our hand (s) this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

Signature \_\_\_\_\_ Signature \_\_\_\_\_

Please clearly mark the box below to instruct your proxy how to vote

| Resolution  | For | Against | Abstain |
|---|-----|---------|---------|
| 1) To receive, consider and adopt the audited Financial Statements for the year ended 30th June 2024 together with the Chairman's, Directors' and Auditors' Reports thereon.  |     |         |         |
| 2) <b>Dividend</b><br>a) To confirm the Interim Dividend in respect of the Financial Year ended 30th June 2024, of Kshs 1.00 per ordinary share, which was paid subject to withholding tax, on or about 28th April 2024 to shareholders registered at the close of business on 16th February 2024.<br>b) To approve a final dividend of Kshs 6.00 per ordinary share for the Financial Year ended 30th June 2024, payable net of withholding tax as recommended by the Directors. The dividend will be payable on or about 28th October 2024, to Shareholders on the Register of Members as at the close of business on 16th September 2024.                          |     |         |         |
| 3) Election of Directors:<br>a) Martin Oduor-Otieno retires by rotation in accordance with the provisions of Articles 117 of the Company's Articles of Association, and being eligible, offers himself for re-election.<br>b) Jimmy Mugerwa retires by rotation in accordance with the provisions of Articles 117 of the Company's Articles of Association, and being eligible, offers himself for re-election.<br>c) Paul Deo Makanza was appointed during the year to fill a casual vacancy on the Board. He retires in accordance with the provisions of Article 116 of the Company's Articles of Association, and being eligible, offers himself for re-election. |     |         |         |
| 4) To elect the following Directors, being members of the Board Audit & Risk Management Committee to continue to serve as members of the said Committee, subject to the re-election of the Director who is named in Agenda 3 above: Felix Okoboi, Jimmy Mugerwa; Leo Breen; Ory Okolloh, and Sathish Krishnan.  |     |         |         |
| 5) To receive, consider and if thought fit approve the Directors' Remuneration Report and the remuneration paid to the Directors' for the year ended 30th June 2024.  |     |         |         |
| 6) To re-appoint the Auditors Messrs. PricewaterhouseCoopers (PwC) to continue in office as auditors by virtue of Section 721(2) of the Companies Act 2015 and to authorize the Board of Directors to fix their remuneration for the ensuing financial year.  |     |         |         |

# SUPPLEMENTARY INFORMATION (CONTINUED)

## ELECTRONIC COMMUNICATIONS CONSENT FORM

Please complete in BLOCK CAPITALS

Full name of Proxy(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

### Mobile number

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Please tick **ONE** of the boxes below and return to Image Registrars at P.O. Box 9287- 00100 Nairobi, 5th Floor, Absa Towers (formerly Barclays Plaza), Loita Street:

### Approval of Registration

I/WE approve to register to participate in the Hybrid Annual General Meeting to be held on 12th September 2024.

### Consent for use of the Mobile Number provided

I/WE would give my/our consent for the use of the mobile number provided for purposes of voting at the AGM.

### Notes:

1. If a member is unable to attend personally, this Proxy Form should be completed, signed and emailed to [eabl.agm@eabl.com](mailto:eabl.agm@eabl.com) or delivered (together with a power of attorney or other authority (if any) under which it is assigned or a notarized certified copy of such power or authority) to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi, so as to be received by Tuesday, 10th September 2024 at 11:00 a.m. i.e. 48 hours before the meeting or any adjournment thereof or, in the case of a poll taken subsequent to the date of the meeting, or any adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll which is taken more than 48 hours after the day of the meeting or adjourned meeting.
2. In case of a member being a corporate body, the Proxy Form must be under its common seal or under the hand of an officer or duly authorized attorney of such corporate body.
3. As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. The appointment of the Chairman of the meeting as proxy has been included for convenience. To appoint as a proxy any other person, delete the words “the Chairman of the Meeting or” and insert the full name of your proxy in the space provided. A proxy need not to be a shareholder of the Company.
4. Completion and submission of the form of proxy will not prevent you from attending the meeting and voting at the meeting in person, in which case any votes cast by your proxy will be excluded.
5. A vote “abstain” option has been included on the form of proxy. The legal effect of choosing this option on any resolution is that you will be treated as not having voted on the relevant resolution. The number of votes in respect of which votes are withheld will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.

## EAST AFRICAN BREWERIES PLC FOMU YA UWAKILISHI

MIMI/SISI: \_\_\_\_\_

Akaunti ya Hisa Nambari \_\_\_\_\_

Wa (Anwani) \_\_\_\_\_

Nikiwa/tukiwa mwanachama/wanachama wa East African Breweries PLC, namteua/tunamteua:

Na asipopatikana, Mwenyekiti wa Mkutano aliyeteuliwa, kuwa mwakilishi wangu/wetu na kupiga kura kwa niaba yangu/yetu katika Mkutano Mkuu wa Kila Mwaka wa Kampuni utakaoandaliwa Alhamisi, 12 Septemba 2024 na tarehe nyingine yoyote iwapo utahirishwa.

Kama shahidi/mashahidi Naweka saini /Tunaweka saini leo tarehe \_\_\_\_\_ ya mwezi wa \_\_\_\_\_ 2024.

Saini \_\_\_\_\_ Saini \_\_\_\_\_

Tafadhali weka alama vyema kwenye kijisanduku hapa chini kumuelekeza mwakilishi wako/wenu jinsi ya kupiga kura

| Azimio   | Kuunga | Kupinga | Kususia |
|--|--------|---------|---------|
| 1) Kupokea, kutathmini na kuidhinisha Taarifa za Kifedha Zilizokaguliwa za mwaka uliokamilika mnamo 30 Juni 2024 pamoja na ripoti za Mwenyekiti, Wakurugenzi na Wakaguzi wa Hesabu zilizomo.   |        |         |         |
| 2) <b>Mgawo wa faida</b><br>a) Kuthibitisha mgawo wa faida wa muda kwa ajili ya Mwaka wa Kifedha uliokamilika 30 Juni 2024, wa Kshs 1.00 kwa kila hisa ya kawaida, uliolipwa baada ya kutozwa kodi ya zuio au withholding tax, mnamo au karibu na 28 Aprili 2024 kwa wenyehisa waliokuwa wamesajiliwa kufikia kufungwa kwa shughuli za kibiashara 16 Februari 2024.<br>b) Kuidhinisha mgawo wa faida wa mwisho wa Kshs 6.00 kwa kila hisa ya kawaida kwa Mwaka wa Kifedha Uliokamilika 30 Juni 2024, ambao utalipwa baada ya kutozwa kodi ya zuio au withholding tax, kama ilivyopendekezwa na Wakurugenzi. Mgawo huo wa faida utalipwa mnamo au karibu na 28 Oktoba 2024, kwa Wenyehisa watakaokuwa kwenye Sajili ya Wanachama kufikia kufungwa kwa shughuli za kibiashara mnamo 16 Septemba, 2024. |        |         |         |
| 3) Kuchaguliwa kwa wakurugenzi:<br>a) Martin Oduor-Oteino anastaafu kwa mzunguko kuambatana na Kifungu 117 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.<br>b) Jimmy Mugerwa anastaafu kwa mzunguko kuambatana na Kifungu 117 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.<br>c) Paul Deo Makanza aliteuliwa katika mwaka huo kujaza pengo la muda katika Bodi. Anastaafu kuambatana na Kifungu 116 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.  |        |         |         |
| 4) Kuwachagua Wakurugenzi wafuatao, ambao ni wanachama wa Kamati ya Ukaguzi wa Hesabu & Usimamizi wa Hatari, wachaguliwe kuendelea kuhudumu kama wanachama wa Kamati hiyo, kwa kutegemea kuchaguliwa tena kwa Wakurugenzi waliotajwa katika Ajenda nambari 3 hapa juu: Felix Okoboi; Jimmy Mugerwa; Leo Breen; Ory Okolloh, na Sathish Krishnan.   |        |         |         |
| 5) Kupokea, Kutathmini na iwapo itakubalika, kuidhinisha Ripoti ya Malipo ya Wakurugenzi na malipo ya Wakurugenzi kwa mwaka uliomalizika 30 Juni 2024.   |        |         |         |
| 6) Kuwateua tena PricewaterhouseCoopers (PwC) kuendelea kuhudumu kama Wakaguzi wa Hesabu wa Kampuni kwa mujibu wa Kifungu 721(2) cha Sheria ya Kampuni, 2015 na kuipa idhini Bodi ya Wakurugenzi kuamua malipo yao kwa mwaka wa kifedha unaofuata.   |        |         |         |



# SUPPLEMENTARY INFORMATION (CONTINUED)

## FOMU YA IDHINI YA MAWASILIANO YA KIELEKTRONIKI

### Tafadhali jaza kwa HERUFI KUBWA

Jina kamili la Mwakilishi (Wawakilishi): \_\_\_\_\_

\_\_\_\_\_

Anwani: \_\_\_\_\_

Email Address: \_\_\_\_\_

### Nambari ya Simu

Tarehe: \_\_\_\_\_

Saini: \_\_\_\_\_

Tafadhali weka alama katika **MOJA** kati ya visanduku vilivyo hapa chini na kuirejesha fomu hii kwa Image Registrars katika S.L.P. 9287- 00100 Nairobi, Ghorofa ya 5, jumba la Absa Towers (zamani ikiitwa Barclays Plaza), Loita Street:

### Idhini ya Kusajiliwa

MIMI/SISI ninatoa/tunatoa idhini ya kusajiliwa kushiriki katika Mkutano Mkuu wa Kila Mwaka utakaofanyika mnamo 1 2 Septemba, 2024.

### Idhini ya kutumiwa kwa Nambari ya Simu iliyotolewa

NINGEPENGA/TUNGEPENDA kutoa idhini yangu/yetu ya kutumiwa kwa nambari ya simu niliyoitoa/tuliyoitoe kwa ajili ya kupiga kura katika AGM..

### Maelezo:

1. Iwapo mwanachama atashindwa kuhudhuria yeye binafsi, Fomu hii ya Uwakilishi inafaa kujazwa, kutiwa saini na kutumiwa kupitia barua pepe kwa [eabl.agm@eabl.com](mailto:eabl.agm@eabl.com) au iwasilishwe (pamoja na barua ya idhini ya wakili au mamlaka nyingine (iwapo itakuwepo) ambayo imetiwa saini chini yake au nakala ya cheti cha kutoa idhini au mamlaka ambacho kimetiwa muhuri) kwa Image Registrars Limited, Ghorofa ya 5, jumba la Absa Towers (zamani ikiitwa Barclays Plaza), Loita Street, S.L.P. 9287-00100 GPO Nairobi ili ipokelewe kabla ya Jumanne 10 Septemba, 2024 saa tano asubuhi (11:00 a.m.), yaani si chini ya saa 48 kabla ya wakati wa kufanyika kwa mkutano au iwapo utaahirishwa au, iwapo kura itapigwa baada ya tarehe ya kufanyika kwa mkutano, au baada ya mkutano ulioahirishwa, sio chini ya saa 24 kabla ya wakati uliowekwa wa kura kupigwa ambayo hupigwa zaidi ya saa 48 baada ya kufanyika kwa mkutano au mkutano ulioahirishwa.
2. Iwapo anayeteua mwakilishi ni kampuni au shirika, Fomu ya Uwakilishi inafaa kupigwa mhuri rasmi wa kampuni au kuidhinishwa na afisa au wakili aliyeidhinishwa kuiwakilisha kampuni au shirika hilo.
3. Kama mwenyehisa, una haki ya kumteua mwakilishi au wawakilishi wa kutekeleza haki zako zote au baadhi ya haki zako kama mwenyehisa na kuzungumza na kupiga kura kwa niaba yako katika mkutano. Uteuzi wa Mwenyekiti kama mwakilishi umetolewa kama njia moja ili kurahisisha mambo. Ili kuteua mtu mwingine kuwa mwakilishi, piga kalamu maneno "Mwenyekiti wa Mkutano aliyeteuliwa" na uandike majina kamili ya mwakilishi wako katika nafasi iliyotolewa. Mwakilishi sio lazima awe mwenyehisa wa Kampuni.
4. Kujazwa na kuwasilishwa kwa fomu ya uwakilishi hakutakuzuia wewe mwenyewe kuhudhuria na kupiga kura mkutanoni, ambapo, iwapo itafanyika, kura itakayopigwa na mwakilishi wako haitahesabiwa.
5. Chaguo la "kususia" limeorodheshwa kwenye sehemu ya kupiga kura kwenye fomu hii ya uwakilishi. Matokeo ya kisheria ya kutumia chaguo hili kwenye azimio lolote ni kwamba utahesabiwa kama mtu ambaye hakupigia kura azimio hilo. Idadi ya kura zilizosusuliwa, hata hivyo, itahesabiwa na kurekodiwa, lakini hazitatumiwa katika kuhesabu idadi ya kura zilizounga mkono au kupinga kila azimio.





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