SINCE 1922

eabl

CELEBRATING LIFE

BREWING GOOD TODAY FOR A SUSTAINABLE TOMORROW

2023

INTEGRATED REPORT & FINANCIAL STATEMENTS


BREWTIFUL,
ISN'T IT?
TUSKER
COLD CRISP LAGER
TUSKER

About *This Report*

Our reporting scope and boundary

The Integrated Report for the fiscal year ended June 30, 2023, provides a comprehensive overview of East African Breweries PLC's (EABL's) business model. It encompasses information regarding our company's strategy, governance, material risks, approach to operating responsibly, and financial and non-financial performance. The objective is to deliver a cohesive and inclusive report to our current and potential investors that reflects how the company creates value for all its stakeholders.

Framework

Our Integrated Report follows the principles outlined in the International Integrated Reporting Framework, ensuring adherence to its fundamental concepts. The Annual Financial Statements have been diligently prepared in accordance with the International Financial Reporting Standards (IFRS). The report is part of our commitment to fostering transparency and accountability towards our stakeholders. The Group continuously evaluates whether there are additional reporting frameworks or metrics we could use to further enrich our disclosures.

Materiality

We apply the principle of materiality in assessing which information is to be included in our Integrated Report. Through a review of our operating environment and engagement with our key stakeholders, we have identified and reported on the issues, risks, and opportunities that we believe could materially affect EABL and its ability to be a sustainable business that consistently delivers value to our key stakeholders.

Assurance

To enhance the integrity of our report, the financial statements were audited by PricewaterhouseCoopers LLP. Their independent report in relation to the financial statements of the Group is set out on page 139 to page 143 of this report.

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Inside *The Report*

EABL is committed to creating economic, social, and environmental value in the communities where we live, work, source, and sell.

We are focussed on preserving the resources upon which our business and our communities depend. We are working to preserve water for life, accelerate to a low-carbon world and become sustainable by design – helping to create a better future for communities everywhere.

Our *Business*

EABL *Overview*

East African Breweries PLC is the leading branded alcohol beverage business in East Africa. Since the inception of our flagship product, Tusker, over 100 years ago, EABL has grown through constant innovation to offer a wide and outstanding collection of brands that range from beer and spirits to adult non-alcoholic drinks (ANADs), reaffirming our standing as a total adult beverage company.

We are proud of our achievements over the last century and especially the impact we have generated among our people. Our expansive value chain is deeply intertwined within the tapestry of our communities, touching farmers, transporters, distributors and retailers, to the people employed directly and indirectly because of our products.

Our Geographic Footprint

Our extensive network of breweries, distilleries, and distribution facilities spans the six markets within which we operate in East Africa, especially concentrated in the three core markets of Kenya, Uganda and Tanzania. Despite operating in East Africa, our unique products can be found in more than 10 countries across Africa and beyond. The Group's geographic diversity is an important factor in delivering the highest quality brands to East African consumers and long-term value to investors.

Kenya

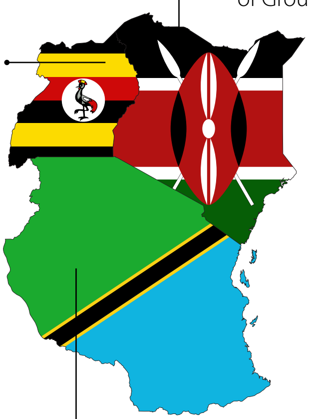
72%
of Group Volumes

64%
of Group Net Sales

Uganda

18%
of Group Volumes

21%
of Group Net Sales



Tanzania

10%
of Group Volumes

15%
of Group Net Sales

**Geographical distribution for EABL as at June 30, 2023*

Group Corporate Structure

- Diageo Kenya Limited **65%***
- Other Public Shareholders **35%**

EABL (Holding company)

- Kenya Breweries Ltd (KBL) **100%**
- UDV (Kenya) Limited **46.3%**
- East African Maltings Ltd (EAML) **100%**
- Uganda Breweries Ltd (UBL) **98.2%**
- International Distillers Uganda (IDU) Limited **100%**
- East African Breweries (Rwanda) Limited **100%**
- Serengeti Breweries Limited **85%****

**During the year, Diageo Kenya Limited increased its aggregate equity stake in EABL PLC from 50.03% to a maximum of 65%.*

***Due to transaction with non-controlling interests, the effective economic interest in SBL is 92.5%, while the legal shareholding is 85%.*


SINCE
1922
TUSKER
FINEST KENYAN LAGER
500ml
TUSKER
FINEST KENYAN LAGER
500ml
SINCE
1922
BREWED WITH THE FINEST
KENYAN INGREDIENTS

Corporate History and Significant Milestones

1922
KBL incorporated as a private company and the first beer is brewed on December 14.

1934
KBL becomes a public company.

1935
KBL acquires Tanganyika Breweries and changed its name to East African Breweries Limited.

1959
EABL acquires the financial holding of Uganda Breweries Limited.

1972
EABL completes the largest public issue in Kenya's history offering Kshs 3 million shares at a price of Ksh 18 each, raising the number of shareholders to more than 23,000.

2000
Diageo acquires majority control of EABL.

2001
EABL cross-lists on the Uganda Securities Exchange.

2002
EABL acquires 100% of shares in International Distillers Uganda (IDU) Limited and 46.23% of UDV (Kenya) Limited.

2004
Senator brand is launched.

2005
EABL cross-lists on the Dar-es-Salaam Stock Exchange and becomes the first company in East Africa to reach US$ 1 billion in market capitalisation. EABL Foundation is launched.

2010
EABL acquires a controlling interest (51%) in Tanzania's Serengeti Breweries.

2015
EABL issues Ksh 5 billion, 5-year fixed rate notes in the debt capital markets as the first tranche of notes under a Kshs 11 billion Medium-Term notes programme.

2017
EABL issues Ksh 6 billion, 5-year fixed rate notes in the debt capital markets as the second tranche of notes under a Kshs 11 billion medium-term notes programme.

2018
KBL brewery in Kisumu is commissioned enabling the business to recruit 15,000 new sorghum farmers, bringing to 60,000 the total number of farmers in East Africa.

2020
EABL acquires an additional 34% stake in Serengeti Breweries.

2021
EABL issues Kshs 11 billion medium term notes, the largest public issue in Kenya's history.

2022
EABL marks the centenary celebrating 100 years since its founding.

2023
Diageo increases its aggregate equity stake in EABL from 50.03% to a maximum of 65%.

Sustainable Sourcing

We have a network of 62,000 farmers from whom we source 80% of our sorghum and barley. In F23, EABL Agri Forum brought together over 100 stakeholders from the private sector, government, academia and NGOs to discuss pertinent issues around sustainable agriculture in the region.

Our *Brands*

Our broad portfolio consists of outstanding local jewels and international brands, reaching across categories, occasions and price points. Our brands are iconic, relevant and culturally present. They are flagships of everyday meaningful connections; many with rich legacies spanning generations, while others have more recently been launched. We are incredibly proud of the positive impact they have in bringing people together, to celebrate life everyday everywhere.

A Selection of our Brands:

Global Giants

Beer Brands

Spirits Brands

Award-winning

Our Purpose

Celebrating life, every day, everywhere.

Our purpose is about being the best we can be at work, at home and in the community. We are passionate about our high-quality brands to suit every consumer occasion and economic level, and the role they play in celebrating life. At the core of our approach is a commitment to serving the communities in which we operate by ensuring alcohol continues to play a positive role in society as part of a balanced lifestyle: doing so is good for consumers and good for business.

We believe that our responsibility and influence extend beyond our direct operations. Our 'Society 2030: Spirit of Progress' ESG action plan sets ambitious goals that support our commitment to shaping a more sustainable and inclusive business and society. We take great care in building sustainable supply chains; in protecting the environment and the natural resources we all rely on; and in our commitment to skills development, empowerment, inclusion and diversity.

Our Ambition

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

To be best performing, we need to deliver efficient growth and long-term shareholder value. This means delivering quality, sustainable growth in net sales, steady margin expansion, feasible investments and reliable cash flows year after year. To be most trusted and respected, we do business the right way from grain to glass and ensure our people are highly engaged and continuously learning.

Our Values

Our values underpin our business and guide how we work.

We are **passionate about our customers and consumers** and want to **be the best.**

We give each other the **freedom to succeed** and **value each other.**

Pride is a source of energy for our company and we work hard so we can be **proud of what we do.**

Our Culture

Our culture is rooted in a deep sense of our purpose and values. We are the present-day custodians of some of the most iconic brands in the world, with a responsibility to ensure they remain as relevant today as they have done in the past and to pass them on to the next generation in even better shape.

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'.

BOLDPR
OGRESS
IVECON
NECTED

How We Create Value For Our Stakeholders *Through Our Business Model*

We are a proud grain-to-glass business that operates with the simple purpose of supporting our consumers in celebrating life everyday, everywhere.

We deliver our strategic priorities through a business model that has the consumer at its heart and puts our responsibilities to our stakeholders front and centre.

Consumers | **Customers** | **Suppliers** | **Our People** | **Communities** | **Government and Regulators** | **Investors**

Our Business Activities	Our Capital Resources		Top Risks Affecting Availability of Our Capitals
Consumer Insights We continually evolve our data tools to understand consumers' attitudes and motivations. We convert this information into insights which enable us to respond with agility to our consumers' interests and preferences.	**Financial Capital** Financial capital provided by our equity and debt holders, as well as cash flow earned from our operations are a critical input in executing our business activities and in generating, accessing and deploying other forms of capital. **Stakeholders:** Investors Regulators	■ **Shareholders equity: Kshs 32bn** (2022: Kshs 26bn). ■ **Total Debt: Kshs 61bn** (2022: Kshs 45bn). ■ **Cash generated from Operations: Kshs 26bn** (2022: Kshs 35bn).	■ Tax regulatory and legislative environment ■ Slowed economic growth and macroeconomic volatility ■ Consumer disruption ■ Illicit trade ■ Supply chain disruptions ■ Impact of climate change ■ Cyber threats
Research We have invested heavily in research and development programmes such as new brewing materials and brewing technologies, liquid product development for alcoholic and non-alcoholic beverages, and development of new packaging and dispensing solutions. **Sourcing** EABL has built a solid sorghum and barley value chain that comprises farmers, research institutes, seed companies, financial institutions, fertiliser providers, mechanisation companies and other sector service providers. We partner with a network of suppliers to procure high quality materials and services.	**Human Capital** We are proud of our people, whose passion, commitment and specialist skills make the difference. We invest in training and career development and develop well-being policies for our people to be the best that they can be. Championing inclusion and diversity is fundamental to driving engagement and achieving the best possible outcomes for our business. **Stakeholders:** Our People	■ A **workforce** of **>2000** employees and contractors. ■ Fair pay and benefits and terms of employment. ■ **Kshs 13.5bn** total employee costs. (2022: Kshs 13.2bn). ■ Training and development spend: **Kshs 146mn** (2022: Kshs 135mn). ■ A refreshed culture that is people-centred, bold, innovative and competitive. ■ Continued investment in employee welfare and well-being policies.	

Our Business Activities

Manufacturing
We distil, brew, bottle and distribute our spirits and beer brands through a globally coordinated supply operation, working to the highest quality and manufacturing standards.

Marketing
We invest in world-class marketing to responsibly build vibrant brands that resonate with our consumers. We have a rigorous Marketing Code that sets mandatory minimum standards for responsible marketing.

Innovation
Using our deep understanding of evolving tastes, trends and consumer sessioning occasions, we focus on driving sustainable innovation that provides new products and experiences for consumers.

Selling
We grow by working closely with our customers. Our sales teams use data, digital tools and insights to extend our sales reach, improve our execution and help generate value for us and for our customers. When our customers grow, we grow too.

Our Capital Resources

Intellectual Capital

Our intellectual property includes the equity of our brands that we have built over the years, consumer insights, commercial data, new product innovations and investments in manufacturing, logistics and sales execution.

Stakeholders:
Our People
Consumers

- Marketing, selling and distribution spend: **Ksh 10bn** (2022: Ksh 9.7bn).
- World-class IT systems and digital platforms.

Social And Relationship Capital

Maintaining the trust of stakeholders is essential to our business. Our most valuable relationships are with our people, the communities we operate in, our customers, consumers, suppliers, governments and regulators. We are committed to doing our business the right way, from grain to glass.

Stakeholders:
Consumers
Customers
Suppliers
Communities
Investors
Governments and Regulators

- **> 200,000** retailers, distributors and agents.
- Investment in product innovation to meet consumer needs.
- **> 60,000** suppliers operating across our value chain.

Manufacturing Capital

We have a regional network of sites devoted to research and development, distillation, maturation, brewing, warehousing and packaging of spirits and beer. Our investment in our manufacturing and logistics assets are a source of competitive differentiation.

Stakeholders:
Our People
Suppliers
Communities
Investors
Governments and Regulators

- **Kshs 81bn** book value in property, plant and equipment (2022: Kshs 69bn).

Natural Capital

We recognise that the threats to our environment are urgent and growing, and we are committed to taking actions to preserve the scarce resources.

Stakeholders:
Communities
Investors
Governments and Regulators

- **2,782,748 m^3** of water used in our operations. (2022: 2,950,522 m^3).
- Energy usage: **1,076,555,445 mj** (2022: 1,175,162,815 mj).

The Value we Create

Consumers

We provide high-quality beverages and invest in world-class marketing to cater to a growing range of tastes and offers choice across every occasion.

We advocate for moderation and use our platforms to campaign against harmful drinking.

Customers

Getting to our consumer, through our route-to-market programme is an important facet of our strategy. We work together with qualified partners, creating shared value and growing their and our business.

Suppliers

We are working with our suppliers to support their sustainable practices. Our business activities generate revenue for our suppliers and their extended value chain.

Our People

People are our most important asset. We are investing behind our people, building the best teams, supporting their wellbeing through progressive policies and creating an inclusive growth culture.

Communities

We are a part of our communities, providing employment directly or through the wider value chain.

We make a difference through programmes like Learning4Life and through progress on our sustainability commitments.

Governments and Regulators

We create socio-economic value for the communities in which we operate by creating jobs, training people, building physical infrastructure, procuring raw materials, paying taxes, expanding access to products and services, and creating growth opportunities for our distributors, retailers and suppliers.

Investors

For our investors we are delivering sustainable and resilient financial performance. We provide access through open engagement virtually and physically through Annual General Meetings (AGMs), investor relations forums, etc.

We uphold the highest governance standards through responsible and sound Board governance framework and practices.

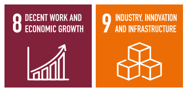
Outputs and Outcomes

Contributing to the SDGs

We create socio-economic value for the societies in which we operate by creating jobs, training people, building physical infrastructure, procuring raw materials, transferring technology, paying taxes, expanding access to products and services, and creating growth opportunities for our customers, distributors, retailers and suppliers.

Millions of consumers across the region enjoy our brands and experiences as part of celebrations big, or small.

> Kshs 10bn value created for customers.



We spent about **Kshs 90bn** with local suppliers and contractors.

- **65% : 35%** men to women ratio across EABL.
- **47%** women in senior leadership positions.
- In F23 we provided jobs directly to over **2,000** full-time employees and contractors in 3 countries.

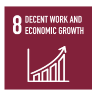
- **>500,000** indirect jobs across the value chain.
- **8,932** people trained in business and hospitality skills through our Learning4Life programme to boost employability.
- **17,278** training sessions through the Diageo Bar Academy.
- Litres of water used per litre of packaged product: **3.3**.
- Carbon emissions reduced by **56%** this year to **28,134** tonnes.
- Renewable energy use increased to 65% this year.

In F23, we paid over **Kshs 105bn** to the exchequer in the form of corporation tax, excise, VAT and PAYE.

Kshs 12.9 bn CapEx spend.

Kshs 12.3bn in Earnings after Tax and ROCE of **27%**.

Kshs 5.50 dividend per share amounting to **Kshs 4.3bn.**



Stakeholder *Management*

We are deeply connected to the environment and communities in which we operate. Our ability to create and protect value is dependent on our relationships with and the contributions we make to our stakeholders. They include business partners, such as suppliers and customers, our people and workforce, government, consumers and the wider communities in which we operate. We consider their key interests in our decision-making and communicate with them on a regular basis. This dialogue helps us build trust and respect and make choices as a business that help shape the role we play in society.

Our People

Our people are at the core of our business. We aim to build a trusting, respectful and inclusive culture in which every individual feels highly engaged and can be their best. We want our people to feel their human rights are respected and that they are treated with dignity. We are committed to creating opportunities for growth and to a continuous learning culture.

Material Issues:

- Prioritisation of health, safety and well-being
- Human rights, diversity and inclusion
- Employee engagement, growth and development
- Ways of working, culture and benefits programme

Capitals Impacted:

Human Capital

Intellectual Capital

Social and Relationship Capital

How We Engage:

- Safety strategy anchored on our Zero Harm goal that ensures everyone goes home safely everyday
- Employee well-being policies and Employee Assistance Programme
- Company-wide employee surveys to understand and act on needs and well-being
- Consistent talent and performance management approach
- Extensive online learning and development material
- Informative and up-to-date employee communication channels

Key Objectives and Metrics We Track:

- Employee engagement
- Percentage gender representation
- Lost Time Accident Rate

Outcomes:

- **90%** staff engagement scores (2022: 89%)
- Net exporter of talent, **21** employees on international assignments
- **65%: 35%** men to women ratio
- **47%** senior leadership roles held by women
- **One** Lost Time Accident

Principal Risks:

- People retention
- Health and safety
- Security environment

Read more on page 100 to page 102

Consumers

Understanding our consumers is key to growing our business sustainably for the long term. Consumer motivations, attitudes and behaviour form the basis of our brand marketing and innovations. We make our brands with pride and want them to be enjoyed responsibly. On occasions when consumers choose alcohol, we want them to 'drink better, not more'.

Material Issues:

- Choice of brands for different occasions
- Responsible marketing
- Affordable products
- Product quality and supply

Capitals Impacted:

Social and Relationship Capital

How We Engage:

- We understand consumers' needs and preferences through our access to consumer insights
- Broad portfolio of choices across categories and price points
- Insightful innovation that satisfies consumer preferences
- Responsible advertising and marketing that adheres to our strict Diageo Marketing Code
- Active engagement and education to promote moderation and reduce the harmful use of alcohol
- High-quality manufacturing and environmental standards

Key Objectives and Metrics We Track:

- Market share data
- Number of people reached with our message of moderation
- Compliance with product quality and food safety standards
- Number of consumer complaints

Outcomes:

- We continued to evolve our portfolio with innovations to address changing consumer needs. In F23, innovations contributed 4% to total net sales
- We have invested further in digital and e-commerce to meet new shopper needs

Principal Risks:

- Slowed economic growth and macroeconomic volatility
- Consumer disruption
- Supply chain disruption
- Illicit trade
- Increased competition

Read more on page 42 and page 43

Customers

Our customer partners are experts in the products they buy and sell, as well as in the experiences they create and deliver. We work with a wide range of customers: big and small, on-trade and off, digital and e-commerce. Our passion is to ensure we nurture mutually beneficial relationships that deliver joint value and the best outcome for all our consumers.

Material Issues:

- A portfolio of leading brands that meets evolving consumer preferences
- Identification of opportunities that offer profitable growth
- Insights into consumer behaviour and shopper trends
- Technical selling expertise, promotional support and merchandising
- Availability and reliable supply

Capitals Impacted:

Intellectual Capital

Social and Relationship Capital

How We Engage:

- Use of best practice sales analytics and technology to support our retailers and distributors
- Commercial account managers engage with our customers at a strategic level and develop joined-up business plans
- Our account managers continue to make regular visits to outlets
- Ongoing dialogue and account management support
- Training through unique offerings like the Diageo Bar Academy

Key Objectives and Metrics We Track:

- Volume and revenue growth
- Outlet sales call coverage
- High merchandising standards
- Customer feedback

Outcomes:

20 of our distributors have achieved our Gold Standard in world class distributorship standards while 35 have been certified silver status moving towards Gold status

Principal Risks:

- Slowed economic growth and macroeconomic volatility
- Consumer disruption
- Supply chain disruption
- Illicit trade
- Increased competition

Read more on page 67 to page 69

Suppliers

Our suppliers and agencies are experts in the wide range of goods and services we require to create and market our brands. By working with them, we not only deliver high-quality products marketed responsibly, but improve our collective impact, ensuring sustainable supply chains, reducing our environmental impact and making positive contributions to society.

Material Issues:

- Sustainable sourcing
- Supplier standards
- Environmental concerns
- Fair contract and payment terms

Capitals Impacted:

Intellectual Capital

Social and Relationship Capital

How We Engage:

- Local raw material supply partnerships
- Partnering with Suppliers standard, our code for working with suppliers
- Supplier performance measurement and performance reviews
- Regular trainings on sustainable farming practices to our farmers
- Provision of drought resistant seed varieties

Key Objectives and Metrics We Track:

- Percentage of key raw materials sustainably sourced
- Percentage of our suppliers in compliance with EABL's Know Your Business Partner (KYBP) and Partnering with Suppliers (PwS) programmes

Outcomes:

All our suppliers are in compliance with our Know Your Business Partner (KYBP) and Partnering with Suppliers (PwS) programmes

Principal Risks:

- Slowed economic growth and macroeconomic volatility
- Supply chain disruption
- Impact of climate change

Communities

Investing in sustainable growth means supporting and empowering the communities where we live, work, source and sell. By ensuring we make a positive contribution, we can help build thriving communities, and strengthen our business.

Material Issues:
- Economic Impact
- Opportunities for employment and supplier opportunities
- Gender equality, inclusion and diversity
- Responsible use of natural resources
- Impact of climate change

Capitals Impacted:
Social and Relationship Capital

Natural Capital

How We engage:
- Driving impactful initiatives that advocate for responsible drinking
- We engage with community partners to understand what skills and training young adults need in our markets
- Community programme design that includes gender equality and inclusion and diversity considerations
- Various sustainability initiatives to reduce the environmental impact of our operations

Key objectives and Metrics We Track:
- Number of people reached with positive drinking messages
- Number of young people trained in our communities through Learning4Life (L4L)
- Water usage and replenishment metrics
- Number of water stewardship projects in water-priority locations
- Percentage of absolute carbon emissions reduction
- Number of and investments in community projects

Outcomes:
- Through Learning4Life (L4L), our global training programme for hospitality and retail sector workers, we have increased the employability of young people
- Tree-planting and water replenishment programmes
- Our community water, sanitation and hygiene (WASH) programme

Principal Risks:
- Slowed economic growth and macroeconomic volatility
- Water availability
- Managing our carbon footprint
- Impact of climate change

Read more on page 72 to page 79

Investors

We want to enable equity and debt investors to have an in-depth understanding of our strategy and our operational and financial performance, so they can more accurately assess the value of our shares and the opportunities to finance our business.

Material Issues:
- Economic impact
- Corporate governance
- Financial performance
- Environmental and social commitments and progress

Capitals Impacted:
Financial Capital

Social and Relationship Capital

How We Engage:
- Management access and participation in investor conferences
- Communication during our Annual General Meeting (AGM), press releases and results briefings
- Investors' information on www.eabl.com

Key Objectives and Metrics We Track:
- Positive investor perception
- Total shareholder return

Outcomes:
- Stepped up two-way dialogue between the Company and investors, ensuring good understanding of long-term Company strategy in the markets

Principal Risks:
- Slowed economic growth and macroeconomic volatility
- Increased competition
- Tax-related regulatory changes
- Impact of climate change

Governments and Regulators

The regulatory environment is critical to the success of our business. We believe it is important that those who can influence policy, laws and regulation understand our views. We also want to share information and perspectives on areas that can impact our business and public health.

Material Issues:

- Economic impact
- Responsible drinking
- High-quality manufacturing and environmental standards
- Corporate governance
- Responsible use of natural resources
- Climate change

Capitals Impacted:

Financial Capital

Social and Relationship Capital

Natural Capital

How We Engage:

- Ongoing dialogue at industry level through trade associations
- Collaboration on responsible drinking initiatives and promotion of moderation, and strengthening industry standards
- Participation in governments business and industry advisory groups
- Embedding business integrity into the way we work

Key objectives and Metrics We Track:

- Compliance with laws and industry regulations
- Compliance with product quality and food safety standards
- Number of water stewardship projects in water-priority locations
- Percentage of absolute carbon emissions reduction

Principal Risks:

- Tax-related regulatory changes
- Impact of climate change

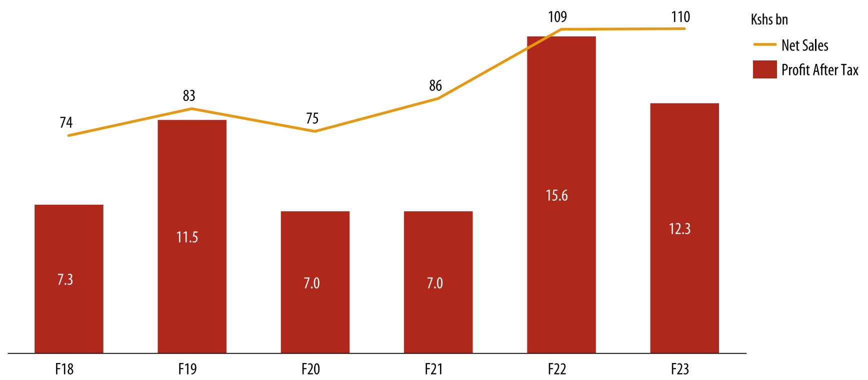
Economic contribution in the region through jobs created and business partnerships.

In F23, EABL provided jobs directly to over 2,000 full-time employees and contractors in the East African region. EABL also employed more than 500,000 people indirectly across the value chain and trained 8,932 people in business and hospitality skills through the Learning4Life programme to boost employability.

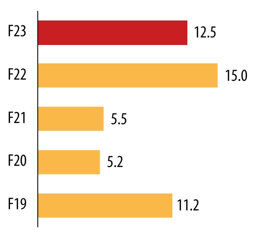
Our *Performance*

Our *Performance*

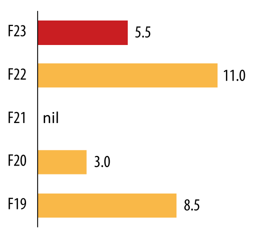
Performance Highlights



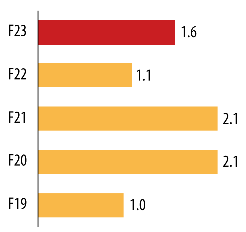
EPS (Kshs)



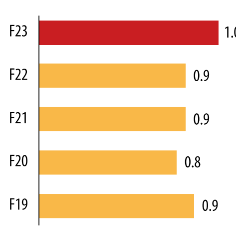
DPS (Kshs)



Net Debt / EBITDA



Current Ratio



Non-Financial Highlights

29,011,638 reached with messages of moderation.

47% senior leadership roles are held by women.

Women make up **50%** of our community programme beneficiaries.

398,624m³ water volume recycled and reused in our production processes in the last year representing **14%** of our total withdrawals.

Total waste to landfill from our direct operations: **2.12** tonnes (within the minimum zero waste threshold)

Biomass plants helped reduce our carbon emissions by **56%** this year to **28,134** tonnes.

65% of renewable energy utilised across our direct operations.


Tanqueray
BLACKCURRANT
ROYALE
A SUMPTUOUS NEW GIN WITH
FRENCH BLACKCURRANTS
Tanqueray
BLACKCURRANT
ROYALE
DISTILLED GIN
MADE WITH
FRENCH BLACKCURRANTS
& VANILLA
PRODUCED & BOTTLED IN GREAT BRITAIN
CHARLES TANQUERAY & Co
LONDON. ENGLAND
700mL 41.3%vol

Group *Chairman's Statement*

Overview

It gives me great pleasure to share with you the strides our Company made in fiscal year 2023. Despite operating in an increasingly tough macro-economic environment, coupled with geopolitical disruptions which disproportionately raised our costs and depressed consumer spending, the Group remained resilient and delivered a respectable performance.

Multiple excise tax increases in the course of the financial year continued to have a lagging effect on consumers' spending power, leading to slower offtake of our products. Amid these challenges, we maintained our strategic focus and agility on delivering value to our consumers and all our stakeholders through executional excellence and operational efficiency.

Regional Operating Environment

As mentioned above, in the last fiscal year, the business navigated an increasingly complex operating landscape characterised by a host of macroeconomic headwinds. The regional economic slowdown and inflationary pressure not only impacted consumers' disposable incomes but also significantly increased the cost of doing business.

Additionally, local currency depreciation, higher taxes and rising interest rates mainly in Kenya further impacted our business performance. During the year, we witnessed volume contraction as consumers adjusted their purchasing behaviour due to reduced disposable income. The economic recession has also led to a resurgence in illicit trade as some consumers move to cheaper unregulated products.

Supporting our Community

The Group's Environmental, Social and Governance (ESG) plan to promote positive drinking, champion inclusion and diversity and pioneer grain-to-glass sustainability continued apace with significant investments behind strategic sustainability initiatives across East Africa.

We are involved in various water and sanitation projects to improve water access and sanitation in communities. We have implemented projects through building and renovating water sources, constructing toilets, and promoting proper water management practices.

We have invested in education and skills development programmes to empower individuals and enhance their employability. We provide scholarships, grants, and vocational training opportunities to support education at various levels.

Our 10-year action plan "The Society 2030: Spirit of Progress", meant to help create a more inclusive and sustainable world, is built on the legacy of our founders to create a positive impact in our company, with our communities and for society. This is how we will continue to celebrate life, every day, everywhere.

We have set targets to increase women's representation and participation in two key areas – promoting inclusion and diversity across the value chain amongst our partners, suppliers and communities. And also, reflecting inclusion and diversity through our brands and employer brand.

Dividend

The Board of Directors has recommended a final dividend of KShs 1.75 per share, bringing the total dividend for the year to Kshs 5.50 per share.

Looking Ahead

Despite the operating environment

Our 10-year action plan *Society 2030: Spirit of Progress,* meant to help create a more inclusive and sustainable world, is built on the legacy of our founders to create a positive impact in our company, with our communities and for society.

headwinds, the Board affirms its confidence in our strategy and our commitment to delivering sustainable growth. As a Company, we will continue to serve our consumers with focus on commercial execution excellence, to invest behind our strong brands and manage cost and investments effectively. We remain deeply committed to environmental stewardship, social responsibility, and governance practices that align with our values and guarantee long-term sustainability.

I take this opportunity on behalf of the Board to recognise and celebrate our employees, customers, consumers, suppliers, partners, agencies, and governments in the respective countries in which we operate.

Board Changes

The Board is pleased to welcome Mr. Sathish Krishnan as a Non-Executive Director with effect from July 27, 2023. Mr. Krishnan brings on board a wealth of experience as a seasoned finance professional, board member and organisational leader with more than two decades of experience in leading multinationals.

The Board is also pleased to welcome Mr. John Musunga as a Non-Executive Director effective July 1, 2023. As you will recall, John was previously Managing Director for Kenya Breweries Limited.

Mr. Japheth Katto, a long-serving director and previously Chairman of Uganda Breweries Limited retired as a Director of the Company on February 28, 2023.

Mr. Dayalan Nayager, Diageo President for Africa, also resigned this fiscal year after serving on the Board from March 2021.

Appreciation

In conclusion, I take this opportunity on behalf of the Board to recognise and celebrate our employees, customers, consumers, suppliers, partners, agencies, and governments in the respective countries in which we operate.

Dr. Martin Oduor-Otieno, CBS
Group Chairman

Taarifa ya *Mwenyekiti wa Kundi*

Kwa Ufupi

Ni furaha kubwa kwangu kuwafahamisha hatua zilizopigwa na Kampuni yetu katika mwaka wa kifedha wa 2023. Licha ya kuendesha shughuli zetu katika mazingira ya kiuchumi yanayoendelea kuwa magumu pamoja na matukio ya kisiasa ambayo yalichangia kuongezeka kwa gharama zetu mwaka huo na kuathiri uwezo wa wateja kununua bidhaa, Kundi liliendelea kuwa na ukakamavu na kuhakikisha matokeo ya kuridhisha.

Kadhalika, kuongezwa kwa kodi ya bidhaa mara kadha, katika mwaka huo, kuliendelea kuathiri uwezo wa mteja kufanya manunuzi. Hii ilichangia kushuka kwa mauzo ya bidhaa zetu. Lakini licha ya changamoto hizo, tuliendelea kuangazia lengo letu la mkakati na kuwa na wepesi wa kuchukua hatua katika kuwasilisha thamani kwa wateja wetu na wadau wetu wote. Tulifanya hivyo kupitia ustadi katika utekelezaji wa shughuli zetu, na kuboresha na kuimarisha uendeshaji wa shughuli zetu.

Mazingira ya Uendeshaji Shughuli katika Kanda

Kama nilivyoeleza hapa juu, katika mwaka wa kifedha uliopita, biashara yetu ililazimika kupitia mazingira ya uendeshaji shughuli yaliyojawa na changamoto za kiuchumi. Kupungua kwa kasi ya ukuaji wa uchumi katika kanda Pamoja na shinikizo za mfumko wa bei viliathiri kiasi cha pesa za matumizi ya hiari upande wa wateja na pia kuongeza gharama ya uendeshaji biashara.

Kadhalika, kudorora kwa thamani ya sarafu, kodi ya juu, na kuongezeka kwa viwango vya riba, hasa nchini Kenya ni mambo ambayo yaliathiri matokeo ya biashara yetu. Katika mwaka huo, tulishuhudia kupungua kwa kiasi cha bidhaa tulizouza baada ya wateja kulazimika kubadilisha mtindo wao wa matumizi kutokana na kupungua kwa pesa za matumizi ya hiari. Kudodora kwa uchumi pia kulichangia kuibuka tena kwa biashara ya magendo, wateja wakinunua zaidi bidhaa zisizodhibitiwa na serikali za bei nafuu.

Kusaidia Jamii Yetu

Mpango wa Kundi wa Mazingira, Jamii na Utawala (ESG) wa kuhamasisha unywaji pombe wa kuwajibika, kujumuishwa na kushirikishwa kwa watu wa asili zote na mpango wa uendelevu wa kutoka kwa nafaka hadi kwa gilasi uliendelea. Hii ni pamoja na uwekezaji mwingine mkubwa katika mikakati mingine ya maendeleo endelevu kote Afrika Mashariki.

Tunashiriki katika miradi mbalimbali ya maji na usafi katika jamii. Tumetekeleza miradi kupitia kujenga na kukarabati vyanzo vya maji, kujenga vyoo, na kuhamasisha mbinu bora za kutumia na kusimamia maji.

Tumewekeza katika mipango ya elimu na utoaji ujuzi ili kuwawezesha watu binafsi na kuongeza uwezekano wao wa kuajiriwa. Huwa tunatoa misaada ya ufadhili wa masomo, ruzuku na fursa za kupokea mafunzo anuwai kusaidia jamii katika elimu katika ngazi tofauti.

Mpango wetu wa uchukuaji hatua wa miaka 10 kwa jina "Jamii 2030: Moyo wa Maendeleo", unalenga kuunda ulimwengu endelevu na wenye kujumuisha na kuwashirikisha watu wa asili na sifa mbalimbali. Umejengwa katika historia ya waanzilishi wetu na azma yao ya kuwa na faida kwa kampuni, jamii zetu na jamii yote kwa jumla. Hivi ndivyo tutakavyoyasherehekea Maisha, kila siku, na popote.

Tumejiwekea malengo ya kuongeza uwakilishi na ushiriki wa wanawake katika mambo mawili makuu – kuendeleza ujumuishaji na ushiriki wa watu wa asili na sifa mbalimbali kote katika mfumo wetu

Mpango wetu wa uchukuaji hatua wa miaka 10 kwa jina *Jamii 2030: Moyo wa Maendeleo,* unalenga kuunda ulimwengu endelevu na wenye kujumuisha na kuwashirikisha watu wa asili na sifa mbalimbali.

wa uzalishaji na uuzaji miongoni mwa washirika wetu, wanaotuuzia bidhaa na jamii. Na pia, kuonyesha hilo kupitia nembo zetu na nembo yetu ya uajiri.

Mgawo wa Faida
Bodi ya Wakurugenzi imependekeza mgawo wa faida wa mwisho wa KShs 1.75 kwa kila hisa, ambao utafikisha jumla ya mgawo wa faida kwa mwaka huo kuwa Kshs 5.50 kwa kila hisa.

Kutazama Mbele
Licha ya changamoto katika mazingira ya uendeshaji shughuli, Bodi inatilia mkazo imani yake kwenye mkakati wetu na kujitolea kwetu katika kuhakikisha ukuaji endelevu. Kama Kampuni, tutaendelea kuwatumikia wateja wetu kwa kuangazia ustadi na weledi katika uandaaji wa bidhaa zetu, uwekezaji katika nembo zetu thabiti, na kudhibiti matumizi pamoja na kuwekeza kwa busara. Bado tumejitolea kuwa kiongozi katika uhifadhi wa mazingira, uwajibikaji kwa jamii na maamuzi na hatua za kiutawala zinazoendana na maadili yetu na kuhakikisha uendelevu wa kipindi kirefu.

Mabadiliko kwenye Bodi
Bodi ina furaha kumkaribisha Bw. Sathish Krishnan kama Mkurugenzi asiye Mtendaji kuanzia Julai 27, 2023. Bw. Krishnan analeta uzoefu wake kama mtaalamu wa masuala ya kifedha aliyebobea, mwanachama wa bodi na kiongozi wa mashirika mwenye uzoefu wa zaidi ya miongo miwili katika mashirika makubwa ya kimataifa.

"Ningependa kuchukua fursa hii kwa niaba ya Bodi kuwatambua na kuwasherehekea wafanyakazi wetu, wateja, watumiaji wa bidhaa zetu, wanaotuuzia bidhaa, washirika, mashirika, na serikali katika mataifa husika ambayo tunaendeshea shughuli zetu.

Bodi pia ina furaha kumkaribisha John Musunga kama Mkurugenzi asiye Mtendaji kuanzia Julai 1, 2023. Kama mnavyokumbuka, John alikuwa akihudumu kama Meneja Mkurugenzi wa Kenya Breweries Limited.

Japheth Katto, mkurugenzi aliyehudumu kipindi kirefu na ambaye alikuwa Mwenyekiti wa Uganda Breweries Limited alistaafu kutoka nafasi yake kama Mkurugenzi wa Kampuni mnamo Februari 28, 2023.

Dayalan Nayager, Rais wa Diageo wa Afrika, pia alijiuzulu mwaka huo wa kifedha baada ya kuhudumu kwenye Bodi kuanzia Machi 2021.

Shukrani
Nikihitimisha, ningependa kuchukua fursa hii kwa niaba ya Bodi kuwatambua na kuwasherehekea wafanyakazi wetu, wateja, watumiaji wa bidhaa zetu, wanaotuuzia bidhaa, washirika, mashirika, na serikali katika mataifa husika ambayo tunaendeshea shughuli zetu.

Dkt. Martin Oduor-Otieno, CBS
Mwenyekiti wa Kundi

Group *CEO's Statement*

Overview

Over the past fiscal year, the word most used to describe the environment in which we have been operating has been 'tough', and it was evident in households and countries as well as the market in Eastern Africa and the Great Lakes region in which we operate. Discretionary spending reduced as the cost of living has gone up, with the increased cost of energy the main culprit, exacerbated by the continued effects of the global geopolitical tensions and a devastating drought in Kenya partly blamed on climate change.

The key impact of inflation on our business was felt in the cost of manufacturing, where the cost of grains increased by thirty one percent, logistics by fourteen percent, electricity by forty percent, and neutral spirits by sixty one percent. The cost of glass also went up significantly in Kenya after the introduction of a twenty five per cent tax on imported glass. On the regulatory front, we experienced in Kenya several excise tax increments with the business having to absorb the compounded effect of the increase via the Finance Act 2022 and the inflationary adjustment. The worsened macro environment was in full effect in the second half of fiscal year 2023.

It is therefore with much pride that I report a resilient performance on the back of a challenging operating environment.

Performance

Our net sales were unchanged from last year, at Kshs110 billion, with growth in Uganda at seventeen percent and Tanzania at one percent, offset by a decline of four percent in Kenya. Growth was driven by two of our four imperatives, mainstream spirits and premium, which delivered an additional three and five percent, respectively. We recorded slight declines in beer and new frontier drinks, with the challenges in Kenya the biggest contributor to this. Uganda delivered a strong performance on the back of premiumisation, Route To Consumer development and strategic pricing.

The effect of the stress was a twenty one percent decline in net profit to Kshs12 billion, but it was nevertheless a good result that we can continue to build on as we maintain our strategic focus on delivering value to our consumers and all our stakeholders through execution excellence and operational efficiency.

Sustainability

Our work in Environmental, Social and Governance (ESG) is as important as our financial performance, and we are keen not only on our reputation but on ensuring that we maintain our social licence to operate. We remain guided by our sustainability strategy, Society 2030: Spirit of Progress, to help create a more inclusive and sustainable world. Since we published our inaugural Sustainability Report in 2021, we have been keen on reporting on our progress in implementing our plan.

SMASHED, our initiative to create awareness on the perils of underage drinking, reached 338,550 students across schools in Kenya, Uganda and Tanzania and aims to reach still more teenagers across the region.

In the "Wrong Side of the Road" campaign, we continued to sustain and develop our partnership with the National Transport and Safety Authority in Kenya and to work with influencers and Traffic Police in Uganda and Tanzania on responsible drinking to enhance road safety.

"It is therefore with much pride that I report a resilient performance on the back of a challenging operating environment.

We have been at the forefront of driving awareness of the perils of illicit alcohol in the region. In Kenya, we partnered with industry associations and the national and county governments to create awareness among the public and to the law and tax enforcement authorities to clamp down on emerging trends in the consumption of illicit alcohol. We have completed detailed research on the prevalence of illicit alcohol in Kenya that we hope will guide policy-making and in cracking down on illicit alcohol.

One of our most significant achievements in ESG was the operationalisation of biomass plants in Kampala, Kisumu and Nairobi, which has brought us up to the point where we are using renewable energy in sixty five percent of our operations.

We have continued to make progress in our goals of championing inclusion and diversity and pioneering grain-to-glass sustainability (read more on page 78 and page 79).

Looking into the future

While we expect the headwinds to persist, we are keen on continuing to stick to our strategy. We do this knowing that like some of the challenges we have faced in the past, like the Covid-19 pandemic, we will weather the challenges at some point.

“We are confident that with sustained investment in brand-building, exciting innovations and excellent commercial execution, we shall continue on the trajectory of sustainable growth.

We will therefore continue investing behind our brands, building a vibrant beer category, exploding mainstream spirits, winning in premium and innovating to shape new frontiers. We will also continue to invest in our Route To Consumer, which we believe will remain our competitive edge. We continue to invest in our supply footprint by making capital expenditures in our plants across the region. We will do this so that as we emerge stronger from these challenges, we can deliver better results to our shareholders, as we have done.

We are confident that with sustained investment in brand-building, exciting innovations and excellent commercial execution, we shall continue on the trajectory of sustainable growth.

Ms. Jane Karuku
Group Managing Director & CEO

Taarifa ya Meneja *Mkurugenzi wa Kundi*

Kwa Ufupi

Katika mwaka wa kifedha uliopita, neno lililotumika mara nyingi kueleza mazingira ya uendeshaji shughuli ambayo tuliyapitia ni 'magumu'. Na hili ni dhahiri kwa jamii na mataifa, pamoja na katika masoko ambayo tunaendesha shughuli zetu kanda za Afrika Mashariki na Maziwa Makuu. Kiwango cha matumizi ya hiari kwa watu wengi kilipungua kutokana na kupanda kwa gharama ya maisha. Kupanda kwa gharama ya mafuta na nishati kulichangia zaidi, lakini pia mambo yalifanywa magumu zaidi na kuendelea kwa athari za misukosuko ya kisiasa duniani na ukame mbaya Kenya ambao kwa kiwango fulani unatokana na mabadiliko ya tabia nchi.

Athari kuu zaidi ya mfumko wa bei katika biashara yetu ilikuwa ni katika gharama ya uzalishaji wa bidhaa viwandani. Gharama ya nafaka iliongezeka kwa asilimia 31, mipango na usafirishaji kwa asilimia 14, umeme kwa asilimia 40, na pombe kali ambayo haijawekwa ladha kwa asilimia 61. Gharama ya gilasi pia ilipanda pakubwa Kenya baada ya kodi ya asilimia 25 kuanza kutozwa katika uagizaji wa gilasi kutoka nje ya nchi. Katika upande wa kisheria na usimamizi, nchini Kenya tulishuhudia, katika kipindi cha miezi 14 iliyopita, ongezeko la juu zaidi la kodi ya bidhaa kuwahi kushuhudiwa. Biashara ililazimika kubeba mzigo wa nyongeza hiyo iliyotekelezwa kupitia Sheria ya Kifedha ya mwaka 2022, na pia mfumko wa bei. Kudorora kwa mazingira ya kiuchumi kuliuma zaidi katika nusu ya pili ya mwaka wa kifedha wa 2023.

Kwa hivyo, ni kwa kujionea fahari kubwa, ambapo ninawasilisha kwenu mwaka wa matokeo thabiti katika mazingira magumu ya uendeshaji shughuli.

Matokeo

Mauzo yetu halisi hayakubadilika sana kutoka mwaka uliopita, ambapo yalikuwa bado KSh110 bilioni. Ukuaji wa asilimia kumi na saba nchini Uganda na asilimia moja nchini Tanzania ulifutwa na kupungua kwa mauzo halisi kwa asilimia nne nchini Kenya. Ukuaji ulichangiwa na vitengo viwili kati ya vinne vya bidhaa zetu, pombe kali za kawaida na za bei ya juu, ambazo zilichangia ukuaji wa asilimia tatu na tano mtawalia. Mauzo yetu yalishuka kiasi katika bia na vinywaji vigeni, ambapo changamoto katika soko letu Kenya ndizo zilizochangia pakubwa kupungua huko. Uganda kwa kiwango kikubwa ilisalia kuwa imara, kutokana na hali kwamba kulikuwa na shinikizo chache sana za kiuchumi katika soko hilo.

Matokeo ya changamoto zilizotokea ilikuwa ni kushuka kwa asilimia 21 katika faida halisi hadi KSh12 bilioni. Hata hivyo, hayo yalikuwa bado ni matokeo mazuri ambayo tunaweza kuyatumia na kuendelea kujijenga tukiendelea kuangazia mkakati wetu wa kuhakikisha tunatoa thamani kwa watumiaji wa bidhaa zetu na wadau wetu wote kupitia ustadi na weledi katika uendeshaji wa shughuli zetu.

Uendelevu

Kazi yetu katika Mazingira, Jamii na Utawala (ESG) ina umuhimu wa kiwango sawa na matokeo yetu ya kifedha. Na tuna nia, sio tu ya kuboresha sifa zetu kama kampuni, lakini pia kuhakikisha tuna manufaa kwa jamii maeneo tunayoendeshea shughuli zetu. Tunaendelea kuongozwa na mkakati wetu wa uendelevu, Jamii 2030: Moyo wa Maendeleo, kutusaidia kuhakikisha ulimwengu wenye kujumuisha zaidi watu wa asili na sifa mbalimbali na wenye uendelevu. Tangu tuzindue ripoti yetu ya uendelevu ya kwanza mwaka 2021, tumekuwa

Kwa hivyo, ni kwa kujionea fahari kubwa, ambapo ninawasilisha kwenu mwaka wa matokeo thabiti katika mazingira magumu ya uendeshaji shughuli.

tukitilia maanani ripoti kuhusu hatua tunazozipiga katika utekelezaji wa mpango wetu.

SMASHED, mkakati wetu wa kutoa uhamasisho kuhusu hatari za watoto kunywa pombe, uliwafikia wanafunzi 305,628 katika shule mbalimbali nchini Kenya na Tanzania, na zaidi ya shule 50 nchini Uganda. Mkakati huo unalenga kuwafikia vijana wengi waliobalehe kote katika kanda.

Katika "Wrong Side of the Road campaign" kwa maana ya Upande Usiofaa wa Barabara, tuliendelea kuendeleza na kukuza ushirikiano wetu na Mamlaka ya Taifa ya Uchukuzi na Usalama Barabarani Kenya (NTSA) na kufanya kazi na watu wenye ushawishi kwa umma na Polisi wa Trafiki Uganda na Tanzania kuhusu unywaji pombe wa kuwajibika ili kuimarisha usalama barabarani.

Tumekuwa kwenye mstari wa mbele katika kuongeza uhamasisho kuhusu madhara ya pombe haramu katika kanda hii. Nchini Kenya, tumeshirikiana na vyama vya wadau katika sekta hii pamoja na serikali ya taifa na za kaunti kuhamasisha umma. Pia, tumeshirikiana na mamlaka za kisheria na za utekelezaji wa sheria katika kukabiliana na unywaji wa pombe haramu. Tumekamilisha utafiti wa kina kuhusu kuenea kwa pombe haramu nchini Kenya na ni matumaini yetu kwamba utafiti huo utaongoza maandalizi ya sera na katika vita dhidi ya pombe haramu.

Moja ya mafanikio yetu makuu zaidi katika ESG ilikuwa ni kuanza kazi kwa kiwanda chetu cha kawi hai Kampala, Kisumu na Nairobi. Hii imetufikisha katika hatua ambapo sasa tunatumia kawi safi katika asilimia sitini na tano ya shughuli zetu.

Tumeendelea kupiga hatua katika malengo yetu ya kupigania kujumuishwa kwa watu wa asili na sifa mbali mbali na kuthamini tofauti zetu na pia kuendeleza mpango endelevu wa kuanzia kwa nafaka hadi kwa gilasi (soma zaidi kuanzia ukurasa 78 na 79).

Tuna imani kwamba kupitia ustadi wetu wa kujenga nembo za bidhaa imara, ubunifu na uvumbuzi wa kusisimua, na kutumia dijitali kuwasikiliza watumiaji wa bidhaa zetu kutimiza matamanio na mahitaji yao, tutaendelea katika mwekeleo mwema tulio nao wa ukuaji endelevu.

Tukisonga mbele

Ingawa tunatarajia changamoto zitaendelea kuwepo, tumejitolea kuendelea na mkakati wetu. Tunafanya hivi tukifahamu kwamba sawa na ilivyotokea kwa baadhi ya changamoto tulizokumbana nazo awali, kwa mfano janga la Covid-19, tutazishinda na kupita changamoto hizi wakati fulani.

Kwa hivyo, tutaendelea kuwekeza katika nembo zetu, kujenga kitengo cha bia zinazopendwa, vileo vikali vya kawaida, na kushinda katika vileo vikali vya thamani ya juu na pia kufanya uvumbuzi wa vinywaji vipya. Tutaendelea pia kuwekeza katika mradi wetu wa Safari ya kumfikia Mtumiaji wa bidhaa, ambao tunaamini utaongeza ushindani wetu. Tutaendelea kuwekeza katika mfumo wa watu wanaotuuzia bidhaa kwa kufanya uwekezaji kwenye viwanda vyetu kote katika kanda. Tutafanya hivyo ili tuibuke tukiwa imara zaidi kutoka kwa changamoto hizi. Tunaweza kutoa matokeo mema zaidi kwa wenyehisa wetu, kama tulivyofanya sasa.

Tuna imani kwamba kupitia ustadi wetu wa kujenga nembo za bidhaa imara, ubunifu na uvumbuzi wa kusisimua, na kutumia dijitali kuwasikiliza watumiaji wa bidhaa zetu kutimiza matamanio na mahitaji yao, tutaendelea katika mwekeleo mwema tulio nao wa ukuaji endelevu. Tutawawezesha watumiaji wa bidhaa zetu kusherehekea maisha kila siku na pahala popote.

Bi. Jane Karuku
Meneja Mkurugenzi wa Kundi & CEO

Group *CFO's Statement*

Overview

The operating environment has been tough as headwinds in the macroeconomic environment, including inflation, currency depreciation and several disruptions in trade have impacted our business. We have particularly felt significant impact from inflation on the cost of our inputs.

Consumers are also feeling the effects, as research shows that consumers share of wallet in East Africa for Total Beverage (TBA) has shrunk from 7% pre-covid to 5% in 2023, with the consumers changing frequency of consumption, and/or downgrading in categories and price points. The price sensitive mainstream beer category and shaping new frontiers category driven by the Senator brand have especially been pressured by the macros.

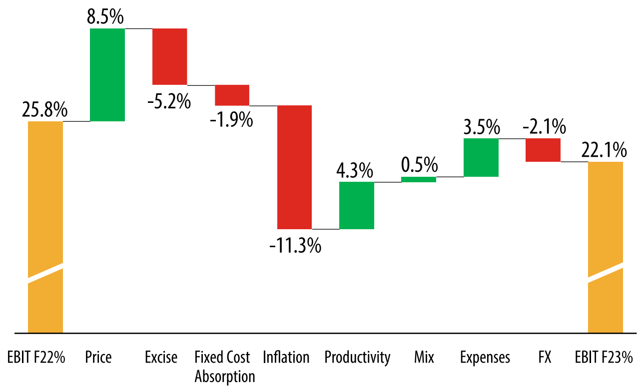
Despite these hurdles, the Group's performance remained largely resilient delivering flat top line and the 2nd highest profit after tax in the last six years, whilst largely meeting our targets on our key ratios.

We remained on strategy continuing to invest in our brands, launch innovations, and invest in our route to consumer while leveraging digital transformation. We are investing ahead in capex for long term growth while optimising our business for cost-efficiency. We also continued to invest in our people, the real engine for our growth as well as in the communities in which we operate.

Performance Review

Net sales came in flat at Kshs 109.6 bn (2022: Kshs 109.4bn) with strong growth in the spirits category offset by performance in the beer category which was more impacted by the multiple excise increases during the year. Pricing and improved mix benefits were offset by volume declines, especially in the mainstream beer category.

Earnings before income and tax (EBIT) declined 14.4% below last year at Kshs 24.2billion (2022: Kshs 28.3 billion) with an EBIT margin decline to 22.1% (2022: 25.8%). The effect of price taken delivered 8.5% to the EBIT margin, fully offsetting the 5.1% impact of excise increases. However, volume declines had an adverse 1.9% impact on the efficiency of our fixed cost absorption. The impact of inflation in cost of inputs of Kshs 9.2 billion, particularly on neutral spirit, grain, electricity, fuel and glass, took 11.3% off our EBIT margin, which we were partly able to mitigate with Kshs 4.2 billion in productivity savings delivering back 4.4% into the EBIT margin. Mix improvement due to the growth of premium category delivered 0.5%, and efficiency in expense management brought in an additional 3.5% which offset the 2.1% impact of foreign exchange (FX) on our bottom line landing us at 22.1% EBIT margin.



Net finance costs came in 29.5% higher at Kshs 5.4 billion, reflective of the increased debt level we're holding primarily to fund capex spend, but also reflective of the rising interest rate environment. Our effective interest rate increased slightly from 9.9% to 10.4% even as the Central Bank Rate (CBR) rate went up from 7.5 to 10.5%.

We had an improvement in our tax efficiency with effective tax rate (ETR), closing at 34.1% compared to 35.2% in 2022.

Resultantly, we reported a Profit after tax of Kshs 12.3 billion (2022: Kshs 15.6 bn), a decline of 20.9%.

The profit attributable to equity holders declined 16.9% to Kshs 9.8 billion (2022: Kshs 11.9 billion) reflecting the decline in profitability, while the non-controlling interests (NCI) declined 33.7% to Kshs 2.5 billion (2022: Kshs 3.7 billion) reflecting the impact of inflation particularly of ethanol on the spirits business.

Earnings Per Share

Earnings per share reduced 16.9% to Kshs 12.47 (2022: Kshs 15.00), reflecting the decline in profitability. The Directors have recommended a final dividend for the year of Kshs 1.75 (2022: Kshs 7.25), which will be put to the shareholders for approval at the Annual General Meeting. We declared an interim dividend of Kshs 3.75 per share (2022: Kshs 3.75) bringing the total payout for the year to Kshs 5.5 per share (2022: Kshs 11.00).

While our dividend policy is to give out a payout of 70% of earnings after tax, subject to the shape of our balance sheet, the level of our key ratios and with that and the continuing volatility in the operating environment we considered it prudent to reduce the payout in order to navigate this period and deleverage the balance sheet.

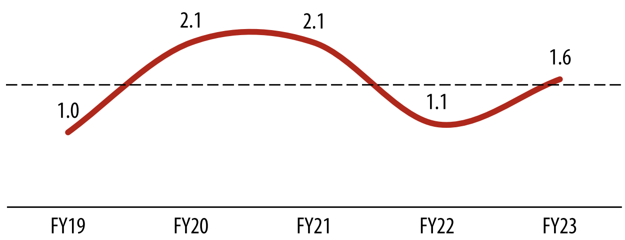
Balance Sheet

The Group closed at a Net Debt to EBITDA ratio of 1.6 slightly above the Board target of 1.5, as Net debt grew 45% to Kshs 51.2 billion (2022: Kshs 35.2 billion) primarily on account of the increased long-term borrowings taken to fund capex investments as well as the lower EBITDA. EBIT/Interest at 4.4 closed above the board target of 4.0.

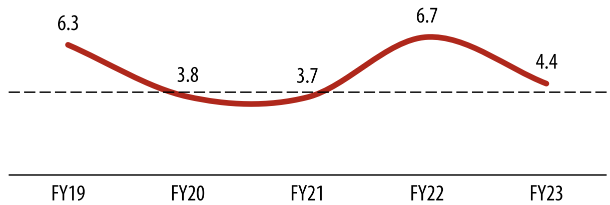
Current ratio stood at x1.04 (2022: x0.85), meeting our regulatory requirement, majorly driven by refinancing of short-term debt as well as capex reprioritization.

The drop in profit was a key driver for the drop on ROCE to 27% (2022: 41%).

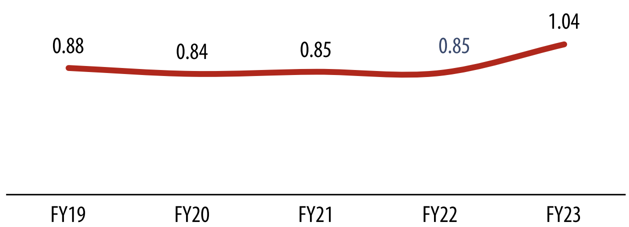
Net Debt / EBITDA



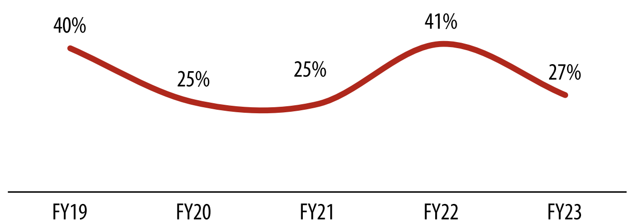
EBIT / Interest



Current Ratio

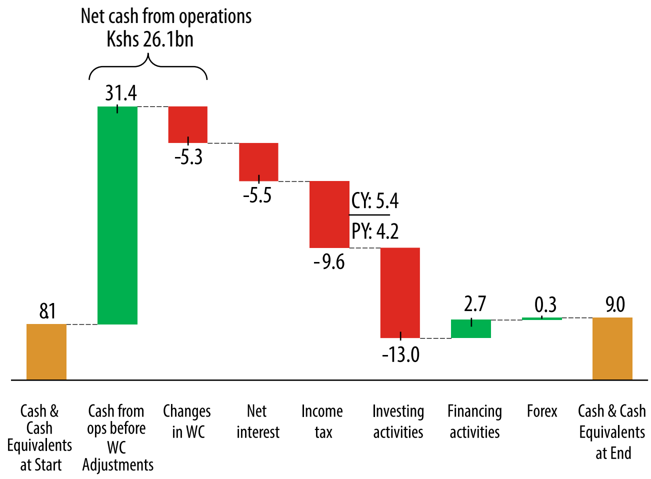


ROCE



Growth in Cash Generation

Net cash from operations declined to Kshs 26.1 billion (2022: Kshs 35.3 billion). Of this Kshs 5.5 billion was paid out in interest costs and Kshs 9.6 billion was paid up in taxes of which prior year consisted of Kshs 4.2 billion in relation to the final tax of F22 income and current year installment taxes of Kshs 5.4 billion. The strong cash generation was used to invest in long-term growth in relation to the investments in capex. Financing activities comprising net increase in borrowings offset by dividends paid during the year contributed to the growth in cash and cash equivalents by the end of the year at Kshs 9.0 billion (2022: Kshs 8.1 billion).



Looking ahead

The business environment is continuing to face tough challenges. However, despite these hurdles our unwavering focus on our long-term strategy together with the resilience and drive of our people are playing a crucial role in steering the company through the turbulence. We remain close to the changing consumer dynamics and continue to invest in our strong brands which are our source of competitive advantage. We will continue to embed efficiency in our operations and in our costs to protect the bottom line.

Our business remains in good shape, and we are taking all the right actions to deliver long term sustainable value for all our stakeholders and a positive impact to the communities in which we operate.

Ms. Risper G. Ohaga
Group Chief Financial Officer

Taarifa ya *CFO wa Kundi*

Kwa Ufupi

Mazingira ya uendeshaji wa shughuli zetu yamekuwa magumu. Changamoto nyingi za kiuchumi zikiwemo mfumko wa bei, kushuka kwa thamani ya sarafu na matukio mengine ya kuvurugwa kwa biashara ziliathiri biashara yetu. Hasa, tuliathiriwa pakubwa na mfumko wa bei katika gharama ya mali ghafi tunayotumia viwandani.

Watumiaji wa bidhaa zetu pia wameathirika. Utafiti unaonyesha kiwango cha matumizi ya watumiaji wa bidhaa kwenye Vinywaji kwa Jumla (TBA) Afrika Mashariki kimepungua kutoka 7% kabla ya janga la Covid hadi 5% mwaka 2023. Wateja pia wamebadilisha mtindo wao wa matumizi ya vinywaji kwa kupunguza ni mara ngapi wanakunywa, na/au kutumia vinywaji vya hadhi au bei ya chini. Kitengo cha bia za kawaida, ambacho huathiriwa sana na bei, pamoja na juhudi za kuwa na kitengo kipya cha vinywaji ambazo zimeongozwa na nembo ya senator, sana vimeathiriwa na matukio haya.

Licha ya changamoto hizi, matokeo ya Kundi yalisalia imara kwa kiwango kikubwa, ambapo tuliandikisha faida ya pili kwa ukubwa baada ya kutozwa ushuru katika kipindi cha miaka sita iliyopita, na tulitimiza malengo yetu katika viashiria vingi muhimu.

Tuliendelea kuufuata mkakati wetu na kuendelea kuwekeza katika nembo zetu, kuvumbua bidhaa mpya, na kuwekeza katika njia za kumfikia mteja hasa kwa kutumia mageuzi katika dijitali. Tunawekeza katika mitambo na mashine kwa ajili ya ukuaji wa kipindi kirefu na pia kuiboresha biashara yetu kuhakikisha tunapunguza gharama. Tuliendelea pia kuwekeza katika watu wetu, ambao ndio kichocheo halisi cha ukuaji, pamoja na kuwekeza pia katika jamii katika maeneo tunayohudumu.

Tunajivunia matokeo tuliyoyaandikisha na tuna imani kwamba yanaweka msingi wa ukuaji imara siku za usoni kama biashara.

Utathmini wa matokeo

Mauzo halisi hayakubadilika pakubwa ambapo yalikuwa Kshs 109.6 bn (2022: Kshs 109.4bn) ambapo ukuaji mkubwa katika kitengo cha pombe kali ulifutwa na kupungua kwa mauzo katika kitengo cha bia ambacho kiliathiriwa na kuongezwa kwa kodi ya bidhaa mara kadha mwaka huo. Mapato kutoka kwa uongezaji wa bei na manufaa mengine yalififishwa na kushuka kwa jumla ya mauzo, hasa katika kitengo cha bia.

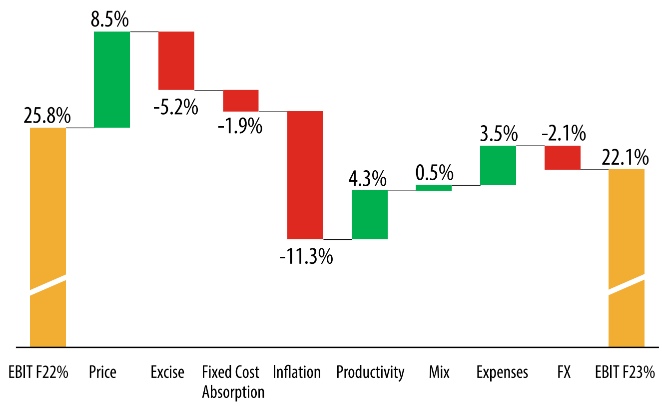
Mapato kabla ya kuondoa gharama na kodi (EBIT) yalishuka 14.4% ukilinganisha na mwaka uliotangulia na kufikia Kshs 24.2bilioni (2022: Kshs 28.3 bilioni) ambapo kiwango cha uwiano cha EBIT kulishuka hadi 22.1% (2022: 25.8%). Kuongezwa kwa bei kulichangia ongezeko la 8.5% kwenye kipimo cha uwiano cha EBIT, ambapo kilifuta kabisa 5.1% ya athari za nyongeza ya kodi hiyo ya bidhaa. Hata hivyo, kupungua kwa kiasi cha bidhaa zilizouzwa kuliathiri kwa 1.9% uwezo wetu wa kufidia gharama zetu zisizobadilika. Mfumko wa bei katika gharama ya mali ghafi ya kutumiwa viwandani, hasa kwa kilevi kisichoongezwa ladha, nafaka, umeme, mafuta na gilasi ilikuwa kubwa ambapo ilifikia Kshs 9.2 bilioni, uliondoa 11.3% kwenye kiwango chetu cha uwiano wa EBIT, ambapo tuliweza kufidia kwa kiwango fulani kupitia Kshs 4.2 bilioni zilizopatikana kupitia uhifadhi wa pesa katika uzalishaji. Hii ilirejesha 4.4% kwenye kiwango hicho cha uwiano wa EBIT. Maboresho mseto kutokana na ukuaji wa vinywaji vya bei ya juu kuliwezesha kupatikana kwa 0.5%, na uboreshaji wa usimamizi wa matumizi 3.5% jambo lililosaidia kufuta athari ya 2.1% ya hasara iliyotokana na ubadilishaji wa sarafu (FX) za kigeni. Matokeo yake ni kwamba kiwango chetu cha uwiano wa EBIT kilifikia 22.1%.

Gharama halisi za kifedha zilipanda 29.5% na kufikia Kshs 5.4 bilioni, hii ikiashiria kuongezeka kwa kiwango cha mikopo yetu ambayo sana ilikuwa ya kufadhili matumizi yetu katika mitambo na mashine. Lakini pia inaashiria kuongezeka kwenye viwango vya riba sokoni. Kiwango chetu halisi cha riba kiliongezeka kiasi kutoka 9.9% hadi 10.4% ingawa Kiwango cha Riba cha Benki Kuu (CBR) kilipanda kutoka 7.5 hadi 10.5%.

Tulishuhudia kuimarika katika kiwango chetu cha kodi ambapo kiwango chetu cha wastani cha ulipaji kodi (ETR), kilifikia 34.1% ukilinganisha na 35.2% mwaka 2022.

Faida baada ya ushuru ilifikia Kshs 12.3 bilioni (2022: Kshs 15.6 bn) ambapo ni kushuka kwa 20.9%.

Faida inayohusishwa na wenye mtaji ilishuka 16.9% hadi Kshs 9.8 bilioni (2022: Kshs 11.9 bilioni) ikiashiria kushuka kwa utengenezaji faida. Faida inayohusishwa na wenyehisa wadogo (NCI) ilishuka 33.7% hadi Kshs 2.5 bilioni (2022: Kshs 3.7 bilioni) na kuashiria athari za mfumko wa bei hasa katika biashara ya ethanol na pombe kali.



Mapato kwa Kila Hisa

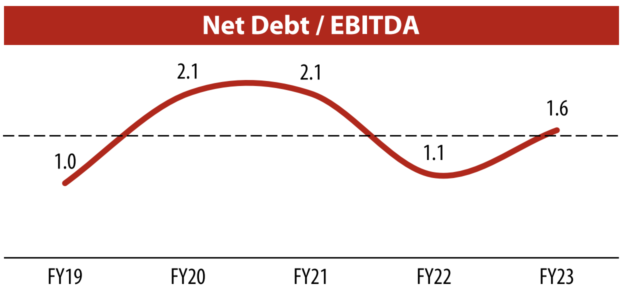
Mapato kwa kila hisa yalishuka 16.9% hadi Kshs 12.47 (2022: Kshs 15.00), jambo linaloonyesha kushuka kwa utengenezaji faida. Wakurugenzi wamependekeza mgawo wa mwisho wa faida wa Kshs 1.75 kwa mwaka huu (2022: Kshs 7.25), pendekezo ambalo litawasilishwa ili kuidhinishwa na wenyehisa katika Mkutano Mkuu wa Kila Mwaka. Tulitangaza mgawo wa faida wa muda wa Kshs 3.75 kwa kila hisa (2022: Kshs 3.75) na kwa hivyo jumla ya mgawo wa faida kwa mwaka huo ni Kshs 5.5 kwa kila hisa (2022: Kshs 11.00).

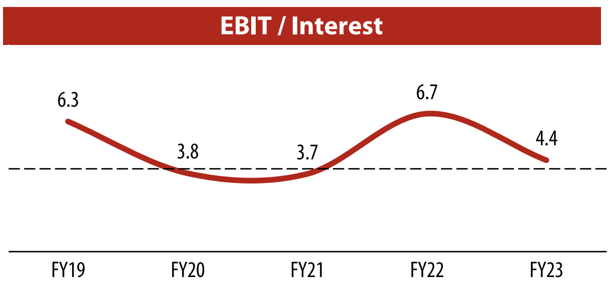
Ingawa sera yetu ya mgawo wa faida imekuwa ni kutoa mgawo wa 70% wa mapato baada ya ushuru, kwa kutegemea hali yetu ya kifedha, kwa kutegemea kiwango cha viashiria muhimu vya kibiashara na pia misukosuko katika mazingira tunayoendeshea shughuli zetu, tulionelea ni busara kupunguza malipo ya mgawo wa faida ili kupitia kipindi hiki kigumu na kuimarisha hali yetu ya kifedha.

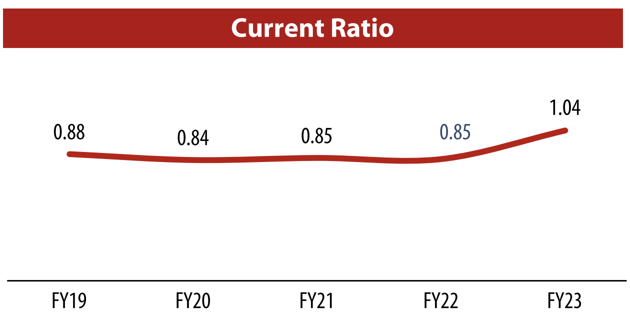
Mizania ya Biashara

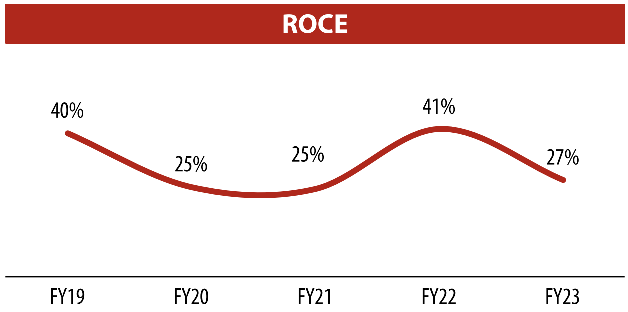
Kundi lilifunga mwaka likiwa na kiwango cha uwiano wa mikopo halisi na EBITDA cha 1.6, ambacho kipo juu kidogo ya lengo la bodi la kiwango cha 1.5 kutokana na kuongezeka kwa mikopo na pia kiwango cha chini kidogo cha EBITDA. Tunaamini kwamba tutaweza kurejelea lengo la bodi ndani ya mwaka ujao wa kifedha. Kiwango cha uwiano wa EBIT na Riba pia kilikuwa 4.4 ambapo ni juu ya lengo la bodi la kiwango cha 4.0 kutokana na sababu sawa. Kuhusu kiwango cha sasa, tumefanikiwa kutimiza kiwango cha kisheria cha 1.0 na nia yetu ni kuendeleza hilo siku sijazo.

Kushuka kwa faida kulichangia pakubwa katika kushuka kwa mapato kutoka kwa mtaji uliotumika (ROCE) hadi 27% (2022: 41%).



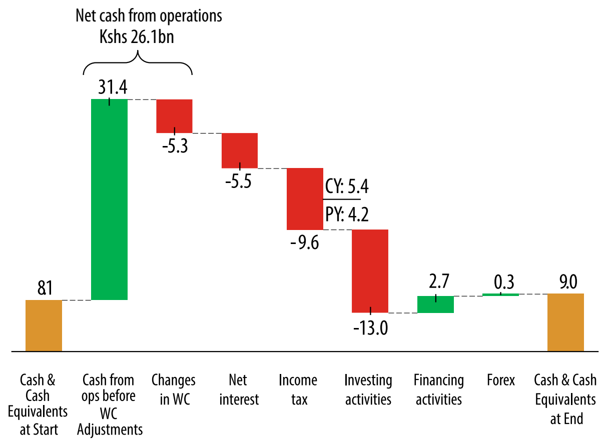






Ukuaji katika Mtiririko wa Pesa

Pesa taslimu zilizotokana na shughuli zetu zilipungua kidogo hadi Kshs 26.1 bilioni (2022: Kshs 26.4 bilioni). Kati ya hizo, Kshs 5.5 bilioni zililipwa kama gharama ya riba na Kshs 9.6 bilioni zikawa malipo ya kodi ambapo mwaka uliopita zilikuwa Kshs 4.2 bilioni kuhusiana na jumla ya kodi ya mwaka wa kifedha wa 2022. Kulikuwa pia na malipo ya sehemu ya kodi ya mwaka huu ya Kshs 5.4 bilioni. Upatikanaji huu wa pesa ulitumiwa kuwekeza katika ukuaji wa kipindi kirefu kuhusiana na uwekezaji katika mitambo na mashine. Shughuli za ufadhili wa kifedha zilizojumuisha ongezeko katika mikopo, ambazo zilishushwa na malipo ya mgawo wa faida katika mwaka huo, zilichangia ukuaji katika pesa taslimu na visawe vyake kufikia mwisho wa mwaka huo hadi Kshs 9.0 bilioni (2022: Kshs 8.1 bilioni).



Kutazama Mbele

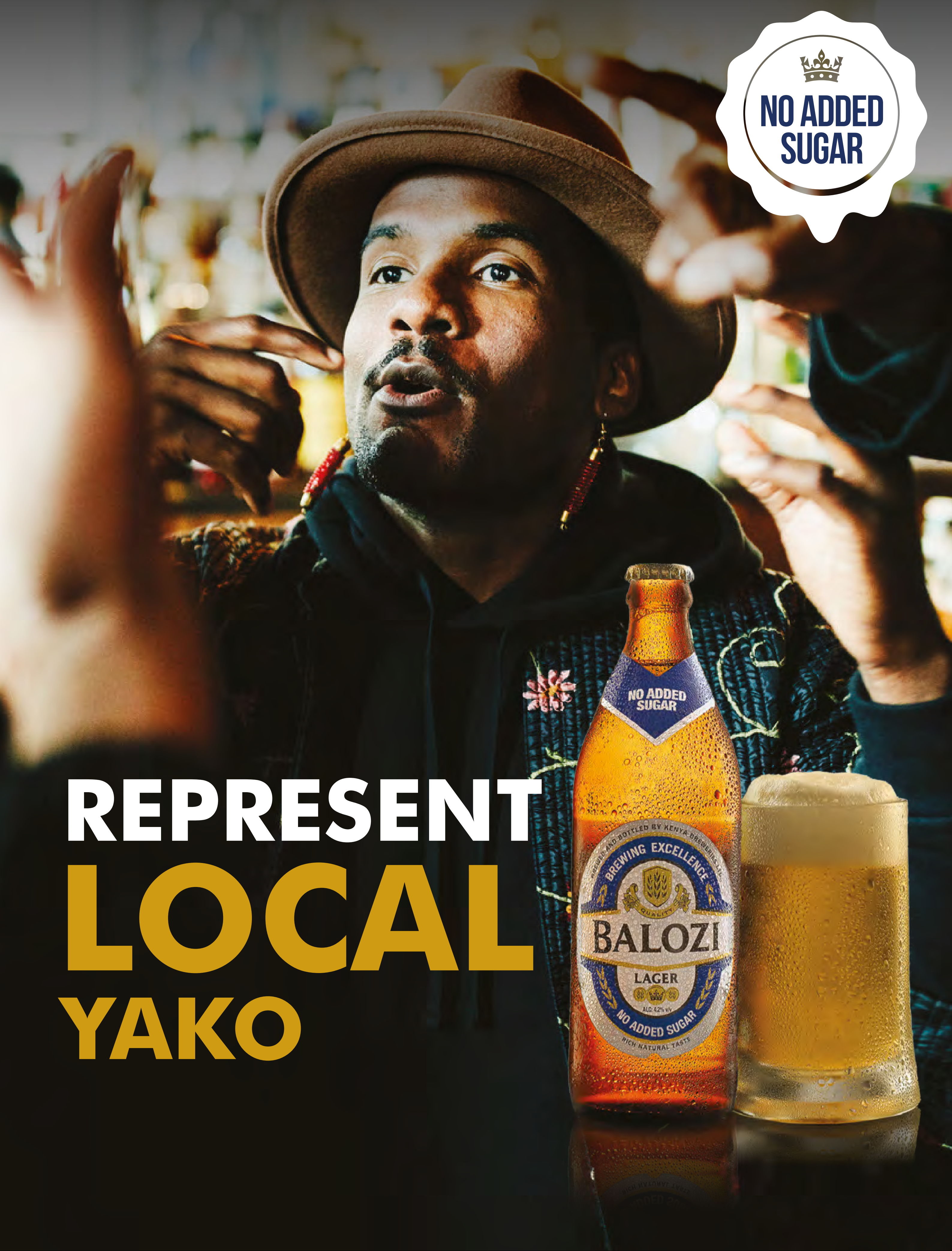
Mazingira ya kibiashara yanaendelea kuwa na changamoto. Hata hivyo, licha ya changamoto hizi, kuangazia mkakati wetu wa muda mrefu pamoja na ukakamavu na mchango wa watu wetu vinatekeleza mchango muhimu katika kuiongoza biashara yetu kupitia changamoto hizo. Tunaendelea kufuatilia kwa karibu mabadiliko katika mahitaji na mitindo ya wateja na kuendelea kuwekeza katika bidhaa thabiti ambazo hutupatia ushindani. Tutaendelea kuutumia ustadi na weledi katika utekelezaji wa shughuli zetu na katika kudhibiti gharama ili kulinda hali ya kifedha ya kampuni.

Biashara yetu ipo katika hali nzuri, na tunachukua hatua zifaazo kuhakikisha thamani endelevu na kwa kipindi kirefu kwa wadau wetu wote na kuwa na manufaa kwa jamii katika maeneo tunayohudumu.

Bi. Risper G. Ohaga
Afisa Mkuu wa Kifedha wa Kundi

Fostering regional growth through tax contributions.

The group continues to be a major contributor to the revenues of Governments in the region. Taxes in the form of excise duty, corporate income taxes and other duties in the period amounted to over KSh 105 billion.

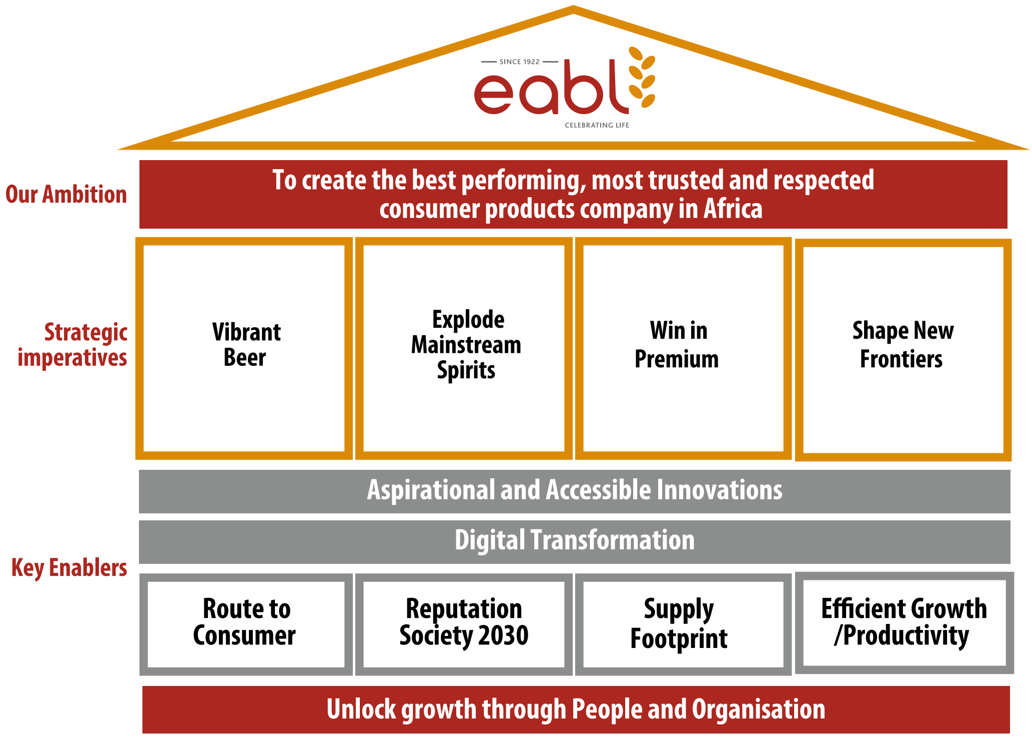

NO ADDED SUGAR
NO ADDED SUGAR
BREWING EXCELLENCE
BALOZI
LAGER
NO ADDED SUGAR
REPRESENT
LOCAL
YAKO

Our broad portfolio of over 100 brands includes local globally recognised jewels such as Tusker and WhiteCap as well as international brands such as Johnnie Walker and Guinness. This year EABL brands won five golds in the Monde Selection Awards for Tusker Lager, WhiteCap Lager, WhiteCap Crisp, Balozi Lager and Uganda Waragi and silver medals for Tusker Malt Lager and Tusker Lite Lager.

Strategic Review

Strategic *Review*

Our strategy is underpinned by our passionate desire to serve our consumers with high-quality brands to suit every occasion and economic level, and our desire to deliver long-term shareholder value to our investors. We are committed to serving the communities in which we operate by ensuring alcohol continues to play a positive role in society as part of a balanced lifestyle.



Our Strategic Imperatives

Our strategy is delivered through four **execution priorities:**

Metrics

- % Volume growth
- % Revenue growth
- %Market Share growth
- Growth in brand equity scores

Principal Risks

- Slowed economic growth and macroeconomic volatility
- Consumer disruption
- Increased competition
- Tax-related regulatory changes

Bringing Vibrancy and Dynamism to Beer

Beer is at the core of our business and represents a significant opportunity for our entire value chain. With our rich heritage and extensive presence across East Africa, we are well-positioned to further develop and expand the beer category led by our iconic national brands and the global strength of the Guinness trademark.

We have strategically repositioned our beer offerings to cater to a broader audience of consumers, encompassing not only the traditional lagers, stouts, and malts but also introducing flavoured beer options to appeal to the curious consumer. Drawing from consumer insights on the demand for enriching consumer experiences, we have strategically aligned our beers with relevant occasions, transforming the traditional perception of beer consumption. By pairing our beers with varied occasions, we have expanded the range of times when beer can be enjoyed, creating a more versatile and inclusive drinking experience.

Our beer consumers have a strong affinity for sports and music. In light of this, we actively support and sponsor these cultural spheres with our brands, connecting with our audience through their passions.

Learn more about our beer brands on page 48

Stakeholders

- Customers
- Consumers
- Investors

Exploding Mainstream Spirits with an affordable and aspirational portfolio

The mainstream spirits segment is experiencing rapid growth and demonstrates resilience throughout East Africa, holding the largest market share within the various subcategories of spirits. Our diverse and dynamic portfolio, encompassing a range of price points and spirit types, positions us strongly in this category.

We offer a wide selection of spirits, including Vodka, Gin, Whisky, Rum, and Liqueur, at affordable price points, enabling access and appeal to a broad spectrum of consumers. This category fosters inclusivity across consumer groups and recruitment to more premium offerings.

Within this category, we proudly house iconic national brands such as Kenya Cane, Kane Extra, Chrome, and Uganda Waragi, as well as renowned international brands like Black & White and Gilbey's Gin.

Learn more about our mainstream spirits brands on page 50

Win in Premium

Consumers are increasingly choosing to trade up and 'drink better, not more'. They aspire to indulge in brands and categories that embody superior quality, authenticity and exquisite taste and have a greater desire to explore new aspirational experiences. Our exciting globally leading brands partnered with local jewels across beer and spirits provide accessibility to consumers across the divide allowing them to experience premium and luxury brands. This positions us well to drive growth, accelerate, and expand the category.

Within our premium portfolio we feature globally acclaimed brands such as Johnnie Walker, Singleton and Gordon's as well as local favourites like WhiteCap, Tusker Lite and Tusker malt.

Learn more about our premium brands on page 52

Shape New Frontiers by Recruiting New Consumers Within Total Beverage Alcohol

Expanding the total beverage alcohol market is a key priority for us, by tapping into new and incremental consumer occasions. Our brand, Senator, in Kenya, has played a crucial role by recruiting consumers away from informal alcohol consumption, positively impacting society. Furthermore, our significant play in the ready-to-drink category enables us to extend beyond the conventional beer and spirits occasions, reaching a wider audience.

We also recognise the growing consumer demand or healthier options and flavours. To meet this need, we have focused on innovation in low-alcohol, no-sugar, and flavoured drinks catering to consumers seeking healthier alternatives and enhanced taste experiences.

Learn more about our brands that have shaped new frontiers on page 57

Our Strategy Enablers

Delivery of our strategic ambition is powered by a laser focus on executing our **strategic enablers:**

Our Strategy Enablers	KPIs
Aspirational and accessible **innovations** *Read more about our Innovations on page 61 to page 63*	• No. of innovation launches • New innovations contribution to net revenue
Digital transformation *Read more on our Digital Transformation on page 64*	• Fully-integrated digital eco-system • Net revenue increase through digital execution • Net revenue generated through digital platforms • Time saved • Reduced cost to serve
Building an effective **route-to-consumer**, ensuring our brands are highly accessible and available. *Read more on our Route-to-Consumer on page 67 to page 69*	• Volume and revenue growth • Sales outlet coverage • Numeric distribution percentage • Product share of shelf • Adoption of digital platforms - Distributor Management System (DMS), Diageo One
We pride ourselves in the **reputation** we continue to build and solidify as a respected partner in the community by enforcing a culture of integrity and compliance across the business. *Read more on how we are solidifying our Reputation on page 72 to page 87*	• No. of people reached with positive drinking messaging • Gender representation in the organisation and across our value chain • Representation of women as beneficiaries of our community programmes • No. of young people in our communities trained through Learning4Life skills programme • Percentage of water replenished and reused • Number of water stewardship projects in water-priority locations • Total direct carbon emissions • Percentage of renewable energy in our operations • Total waste to landfill from our direct operations • Percentage of recyclable/ reusable / compostable plastics • Confirmed breaches of our Code of Business Conduct
Guaranteeing supply through investing across our supply chain from grain to glass. *Read more on how we Guarantee Supply on page 96 and page 97*	• Employee health and Safety • Human rights, diversity and inclusion • Absolute carbon emissions • Water usage • Waste management
Enforcing a culture of continuous evaluation to **optimise our costs** for maximum returns. *Read more about our work on Productivity and Cost Efficiency on page 98*	• Productivity savings • Profit margin expansion
Unlocking growth through our **people** and organisation. *Read more on our People Strategy on page 100 to page 102*	• Health and safety • Employee engagement scores • Gender representation and representation of people living with disabilities • Active utilisation of training platform by employees • Average span (no. of reportees per leader) • Staff attrition rate • Internal vs external hires

Market *Trends*

Our strategy allows us to swiftly adapt and respond to shifts in the operating, regulatory and macroeconomic environments as they occur. We have observed the emergence of the following trends within our markets, which have implications for our business.

Trend	How We are Responding	Principal Risk
Macroeconomic Environment		
Cost of living is an important theme, with high inflation in essentials such as food and energy putting consumers' disposable income under pressure. However, though affordability remains a key theme, we still see premiumisation opportunities as consumers seek quality and occasional treats despite budget pressure.	We are highly mindful of the need for affordability in a period of high inflation. Our extensive portfolio across various categories and price points, offers consumers a wide range of product choices that deliver quality and affordability.	• Strategy execution • Financial risk
Consumer Environment		
• Consumers are seeking new experiences: We are observing a growing trend among consumers who are actively seeking new and diverse experiences.	Our innovation is driven by deep consumer insights into trends and occasions, enabling us to offer a diverse range of choices that align with evolving consumer attitudes and motivations. To enhance vibrancy, we are curating experiences that allow our consumers to savour our products and enjoy memorable moments at an affordable value.	• Consumer disruption • Increased competition
• There is also a heightened awareness of the benefits of living a healthy lifestyle with an increasing preference for lower-alcohol beverages that align with their dietary and lifestyle choices.	We have introduced innovative low-alcohol and no-sugar brands to cater to the specific needs of this consumer segment.	
• Value-seeking: In the current operating environment, consumers are prioritising value for their money, emphasising cost-effectiveness and quality in their purchasing decisions.	With our extensive portfolio spanning all categories along the value chain, we ensure accessibility for consumers based on their affordability preferences.	
• Occasional luxury indulgence: As the number of high-net-worth individuals continues to rise, we also notice a segment of consumers who desire occasional moments of luxury and are willing to treat themselves to premium experiences.	Our premium brands transcend the value chain, appealing to aspirational and habitual consumers.	
Illicit Trade		
The generalised economic downturn and inflationary pressure, has led to resurgence in illicit trade (counterfeit, contraband, substandard and unregulated products) as consumers move away from our brands to alternative products.	We continue to innovate at scale to provide safe and accessible alternatives to our value driven consumers. We are also committed to partnering with governments across the region in addressing the health risks associated with consumption of illicit alcohol.	• Financial risk • Reputational exposure
Sustainability		
There is a growing demand from our stakeholders, including consumers, for businesses to showcase a positive impact on various aspects of society. They seek to align themselves with companies that contribute to the betterment of society, creating wealth, promoting inclusion and diversity, upholding human rights throughout the value chain, supporting local communities, and taking tangible steps to address crucial societal and environmental challenges.	The business, through the Society 2030 vision, is focused on driving the right actions to improve the environment we operate in. Our plan tackles responsible drinking, inclusion and diversity, building a sustainable value chain and doing business the right way and aligns with the United Nations' Sustainable Development Goals (SDGs). We have designed a series of distinct key performance indicators to ensure that our progress against Society 2030 is justifiably measured, evaluated and reported.	• Reputational risk • Impact of climate change

Market Trends

Trend	How We are Responding	Principal Risk
Regulatory Environment		
The beverage alcohol industry is highly regulated. Excise Taxes and VAT on beer and spirits are a key revenue stream for Governments and the market has some of the highest alcohol excise tax rates in Sub Saharan Africa. The industry continues to face excise duty pressure as Governments seek to collect additional revenues to address budgetary requirements. High taxes in turn result in reduced consumer purchasing power due to low disposable incomes.	Compliance with law and regulation wherever we operate is a minimum requirement. Generally, across our markets we play our role in providing evidence-based tax advocacy, demonstrating the long-term impact of excise tax implications on our business, value chains and consumers.	• Financial risk • Compliance risk
Digital Revolution		
The growing trend towards digitisation continues with consumers across the region having become very active on digital platforms and much more comfortable and familiar with e-commerce. Technology has advanced, and convenience and ease-of-use of online shopping have improved.	We have increased the use of digital tools to improve efficiency of operations, customer service and marketing spend. We are reaching our consumers where they spend the most time, increasing our advertising spend in digital media. Our e-commerce platform "Ke.Thebar.com" remains a strategic channel and we are continuing to build our partnerships with all leading digital platforms to offer convenience to the consumer at their fingertips. Through our digital tools we are also driving efficiency in our RTC as we are able to collect real-time data and analytics that help us drive the right action in the shortest time. Our business-to-business (b2b) platform, Diageo One, is now deployed in all our markets.	• Cyber risk


EXPERTLY BREWED
GOLDEN & SMOOTH
Uganda's Heritage
NO SUGAR ADDED
BELL
EXPERTLY BREWED
BELL
PREMIUM QUALITY LAGER
SINCE 1961
MONDE SELECTION
BRUXELLES
2019
GOLD AWARD
SINCE 1961
MONDE SELECTION
2018
GOLD AWARD
18+
EXCESSIVE CONSUMPTION OF ALCOHOL IS HARMFUL TO YOUR HEALTH. PLEASE DRINK RESPONSIBLY.

Our *Strategic* Imperatives

Vibrant Beer

Tusker Lager

There is nothing quite like Tusker, the original beer of Kenya with a heritage spanning over 100 years. Made with 100% locally sourced ingredients, this crisp, refreshing, and perfectly balanced lager has been a source of fellowship, identity, and pride since 1922.

But Tusker is not just a beer, it is a brand that is reigniting its focus to sustainably recruit and meaningfully connect with the next generation of consumers. With initiatives like Nexters, Oktoberfest, Tusker Fest, Olympics partnerships, Rugby partnerships, Football, and elephant conservation, the brand is making remarkable strides towards winning with a new generation of consumers.

Tusker is leading the way towards a sustainable future while still providing the same great taste and quality that has made it a beloved beer for over a century.

Balozi Lager

Balozi Lager is a rich, natural tasting beer made from the finest malted barley with no added sugar. Balozi Lager is all about a great drinking experience and perfect for connection moments, socialising, networking and relaxing with friends after a day's work over a cold bottle of Balozi Lager.

Positioned as the "beer ya wananchi", the brand name, Balozi, translates to Ambassador, and the brand has provided a platform to encourage the masses to become ambassadors of all things chill by starting conversations around unity, love and what makes us truly Kenyan i.e., a True Balozi.

Balozi has gradually grown to be one of Kenya's finest lagers - ultimately raking in the Monde Selection Award in 2022 (Silver) and 2023 (Gold).

Bell Lager

With a single-minded focus on re-igniting the brand as the most-loved iconic beer of modern Uganda, Bell has continued to dial up dynamism and a strong appeal among the young, fun-loving consumer. We have further anchored the brand in culture through a campaign dubbed the "Bell CEO" – Chief Enjoyments Officer, coupled with a revamped brand role in the consumers' socialisation occasions.

We continue to serve enjoyment to our consumers as Uganda's beer that lets the good times flow.

Tusker Cider

Tusker Cider continues to be one of our most successful beer innovations yet. Its performance has consistently grown year-on-year, as the brand continues to be the perfect drink for life's moments and delivers an understated sophistication to any everyday occasion.

Celebrations, milestones or just a simple lunch with friends – big, small, everyday moments of meaningful connection all call for a Tusker Cider. It is crafted from premium apples and delivers a deliciously crisp and refreshing drink.

Serengeti Lager

Serengeti Premium Lager is a world class recipe formulated with 100% malt to give you a smooth palatable, slightly mellow, full bodied malty and grainy flavour. Pride is taken in producing this beer, the pride Serengeti Breweries has in its nation and heritage, making it a truly iconic Tanzanian beer.

The brand takes its name from the world-famous national park – Serengeti – an icon for the nation and a symbol of its long-standing heritage. The name Serengeti, the leopard, and Swahili are icons of Tanzania and hence the relevance of the brand slogan OUR NATION. OUR PRIDE. OUR BEER.

Serengeti Premium Lager has truly become Tanzanians' beer brand, taking pride in supporting the national football team, Taifa Stars – further entrenching the brand in the hearts of Tanzanians.

Serengeti Lite

Serengeti Premium Lite is the light variant of Serengeti Premium Lager. Like lager, variants are high quality beers, rooted in the national heritage of Tanzania. Serengeti Premium Lite as a full-flavoured light beer – a light beer for real beer lovers. To communicate its uniqueness and its fuller beer taste, Serengeti Premium Lite is tagged as "The only Lite with a Bite".

The combination of great tasting liquid, and premium packaging have proved to be a winning factor. Consumers associate the brand with experiences that are Vibey, Exciting and Inviting.

Serengeti Premium Lite is championing, nurturing and developing women football in Tanzania through sponsorship of Tanzania Women's League. Further, the brand has partnered with Mdundo to empower female artists in Tanzania and Clouds Media Group to support the "Malkia Wa Nguvu" platform that supports women in Tanzania who are making an impact in society.

Our Strategic Imperatives

Explode Mainstream Spirits

Chrome

Chrome is Kenya's No. 1 most loved spirits' brand with the highest volume and value contribution and market share. Its success has been anchored on consistency in quality, whilst still being affordable with modern, international cues that drive aspiration for the young, trendy, vibrant Kenyan consumer. The launch of Chrome Gin in 2020, a distinctively crisp and smooth gin packaged in a sleek, green bottle with a bold, vibrant, multi-colored label has continued to elevate the brand's modern, aspirational cues.

The popularity that the brand continues to enjoy is driven by a strategic partnership with popular, leading music group Sol Generation and launch of an exciting in-culture brand campaign dubbed 'Street Filosofia' (street philosophy in Kiswahili) that celebrates the Chrome consumer's street culture.

Gilbey's

Gilbey's continues to keep up to its promise of championing open good times with friends. The brand has continued to champion its unrivalled refreshing taste in every pour for over 165 years. The brand's refreshing taste and mixability makes it a favourite gin brand.

We continue to encourage our consumers to drink better, not more through our campaigns and in partnership with influencers.

We champion good times with friends whenever and however they may occur, opening new drinking experiences for all to enjoy.

Kenya Cane

Kenya Cane has been at the heart of Kenyan celebrations since 1976. We know what it takes to build a legacy of excellence. We learn our lessons from the past and we pull together to inspire the future and reach our goals. Kenya Cane believes that Kenyan excellence is only achieved one step at a time. The path of excellence is not a race, but a journey we make together side by side. Along the way, we celebrate and cherish every victory no matter how small. We mark our successes with superior quality and the smoothest of taste to strengthen our spirit to go forward.

The brand has partnered with Kenyan artist Savara on a new thematic brand campaign 'The Greats Toast Twice'.

Uganda Waragi

Uganda Waragi continues to be the true spirit of Uganda, representing the country's progressive culture and values and standing head and shoulders above all others in a highly competitive category. Uganda Waragi is Uganda's most loved spirit. With a leading market share, it has maintained its position as the most consumed gin in Uganda, despite new entrants into the segment. Uganda Waragi has been resilient, driven by its portfolio advantage by way of flavours; Uganda Waragi Pineapple and Coconut and its formats; 1.5 Litre (Bulk format), 750 ML and 200 ML that ensure that it remains accessible and affordable.

Uganda Waragi has continued to drive cultural relevance amongst its consumers through positive associations with iconic and vibrant Ugandan platforms such as Nyege Nyege, Local Tourism and Comedy.

Uganda Waragi's purpose to inspire the expression of the vibrant Ugandan spirit aligns well with the country's warm and amiable nature. The brand's commitment to maintaining its reputation as a high-quality, world-class gin is evident with yet more Gold wins in the Monde Selection Award for all the 3 variants in 2022. This award further solidifies Uganda Waragi's position as a top-notch gin and ensures that it continues to be endeared among consumers.


BIA SAFI
KILA WAKATI
SENATOR

Our Strategic Imperatives

Primary Scotch

Black & White has continued its journey to being the playful side of Scotch! With a vibrant brand world, memorable brand assets and vibrant activations we continue to make a bang in the world of Scotch.

We are for good times with friends, memories that last a lifetime and always at our core made for sharing. With our focus on the new generation of drinkers, we have stood sentinel at the doors of whisky, welcoming new drinkers into the beautiful world of Scotch. Opening our portfolio to drive performance and grow the brand and category.

Our ambition stays huge, and we have our sights set on the next frontier for the brand. We will become the gateway to premium Scotch and the top choice of Scotch to share with friends over a meal or game.

Win in Premium

Guinness

Guinness Foreign Extra Stout is a beer born of a thirst for adventure and brewed to travel the world. No beer has gone further, no beer has a greater depth of history and for 264 years, Guinness has continued to inspire greatness, vibrancy and brightness in everyone who encounters us.

As the most loved alcohol brand and most associated with football, the number one passion point across East Africa, Guinness has a clear and unique role in culture – to add a dash of magic to matchdays. In F23, Guinness has brought this to life through extending the sentiment of the "Black Shines Brightest" campaign to football; celebrating the optimism, creativity and potential of football fans across East Africa because like Guinness, Matchdays Shine Brightest when football fans do their thing together.

WhiteCap Lager

The choice of presidents, and pioneers, WhiteCap is the beer for the self-made. Born over 70 years ago, WhiteCap has always been admired for its unrivalled quality brought to life through its all-natural, no-added-sugar taste made from the finest hops from Naro Moru and the purest spring water from the slopes of Mt. Kenya.

Our passion for progress aligns with our bigger vision to become the most-loved premium beer by leveraging the natural power of WhiteCap to profitably recruit the next generation of premium, unpretentious, self-made consumer.

WhiteCap's commitment to being an all-natural, progressive brand extends beyond beer into involvement in environmental conservation and a passion for the next great adventure; as seen in its partnerships with Rhino Charge with an intentional focus on sponsorship of women-led teams and teams featuring persons with disabilities, motorcross, and the World Safari Rally championships over the years.


Serebuka
ASILIMIA MIA NA
100% MALT
SERENGETI
PREMIUM LAGER
TAIFA LETU. FAHARI YETU. BIA YETU.
HAIRUHUSIWI KUSAMBAZWA AU KUUZWA KWA WALIO NA UMRI CHINI YA MIAKA 18. TAFADHALI KUNYWA KIISTAARABU.

Our Strategic Imperatives

Win in Premium

Tusker Lite

At 4% ABV Tusker Lite provides all the refreshing and fresh taste one looks for but without the additional calories we are all trying to avoid. This great liquid is achieved by formulating a special recipe consisting of barley, cornstarch, and hops to deliver a great tasting, easy drinking experience that is perfect for a fun time with friends and loved ones.

Tusker Lite is a light beer with a fun point of view about life. It is easy-going, friendly and progressive and is owning spaces that are buzzing in energy.

Tusker Malt

The three ingredients that make the magic in this bold lager are malt, water, and hops. With the finest malt that matures for twice as long as ordinary beers and rich flavourful hops each Tusker Malt is 100% slow-brewed to perfection. Because we take time to brew this beautiful liquid, we also encourage our consumers to take time to savour and indulge in it.

Tusker Malt is paving the way and shaping premium beer culture. This is why you will see us in the spaces the finest of Kenya has to offer.

Johnnie Walker

Scotch, led by Johnnie Walker, is our fastest-growing category. Building meaning for our iconic giant remains our key opportunity to transform and reestablish Johnnie Walker as the most desired, most talked about and most enjoyed whisky brand in East Africa. To harness the power of Johnnie Walker, we worked to embed Johnnie Walker at the heart of culture with our first ever Pan-African Walker campaign. We have built on this in F23 by bringing together storytelling, engaging consumer experiences and whisky desire through our local Walkers, the next-generation disruptors.

WhiteCap Crisp

Owing to the extensive studies undertaken, there is an undeniable growth of the wellness movement as consumers seek brands that fit into their healthy - happier and purposeful passions lifestyle.

WhiteCap Crisp, which stands out from our beer portfolio as a super-premium beer that is light on alcohol, refreshing, full of flavour with no added sugar, is set to win in this space. For our premium consumer with a penchant for something light and low on alcohol, WhiteCap Crisp, at 5.5% ABV, brings all of the same great WhiteCap character in a lower alcohol offering perfect for those midweek lunch meets, afternoon chills, and casual weekends.

Since its launch in 2022, WhiteCap Crisp has continually been refreshing people's moments, as the beer that allows you to have balance and control without compromising on social experiences.

WhiteCap Crisp is super-charged for a great adventure, with its distinct, flavourful, and refreshing liquid to redefine and shape the new way of enjoying and savouring beer among our premium consumers.

The Singleton

We at the Singleton are committed to our purpose of making Single malts enjoyable for all, not just the few. Inspired by a passion for making perfectly balanced, smooth, and delicious single malt whisky and an Epicurean spirit which finds pure joy in exceptional food and drink. We are for lovers of good taste, the chasers of the finer things in life, not for status but because they reward us with moments of absolute enjoyment. The Singleton is an unconventional whisky – quirky, cheeky, light-hearted, without seriousness and stuffiness, it goes against the norms of traditional whisky. We are a brand that allows its drinkers to enjoy The Singleton their own way.

Gordon’s

Gordon’s is the world’s best-selling Gin brand with over 250 years’ heritage. The brand exists to encourage you to stop and enjoy the zest of life a sip at a time. Gordon’s created the classic gin character to make the perfect GT with a clean, juniper-dominant taste and over the years has been recognised as winning multiple global awards.

The brand boards a full range portfolio; with the classic London Dry Gin and three flavours (Premium Pink, Sicilian Lemon, and Mediterranean Orange). These flavours are the perfect antidote as consumers wind down their day offering the perfect most delicious Gordon’s cocktails.

THE BAR

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SINCE 1922
CELEBRATING LIFE

The Bar is set

You order, we deliver in minutes

ke.thebar.com

Whether you are looking for a smooth whisky or an award winning gin to send as a gift or to enjoy at home, we've got it.

At **ke.thebar.com** you are guranteed the highest quality, at the best prices and with our country wide coverage, we can deliver to your door anywhere in Kenya within minutes and for free.

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Click. Sit Back. The Bar is set.

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

Our Strategic Imperatives

Shaping New Frontiers

Ready To Drink (RTD)

Females and the new generation of drinkers are looking for delicious, refreshing, tasty and convenient drinks solutions to socialise with during lively upbeat moments and casual moments to connect with others. This has been shown through the rapid growth of the flavoured drinks category in our markets.

Our RTD portfolio is well-positioned to win with these consumers with the highest market share within the category, contributed to by the variety of offerings across flavours, price points and formats.

Smirnoff Ice is leading the portfolio with brand experiences that are rooted in culture, through the brand owned property "Unleash your Edge Fiesta." This experience has been executed using current music and fashion; pillars that have given the young and upcoming artists a platform to display their craft and grow their careers further.

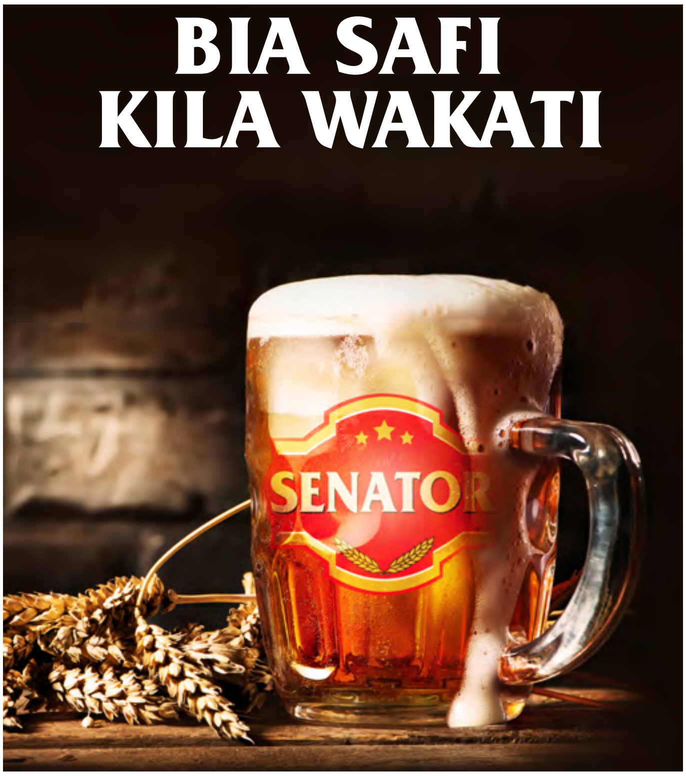
Smirnoff Ice is connecting with its very dynamic consumers, building relevance in culture and driving everyday relevance in the relevant occasions.

Senator Keg Lager

The informal sector is still the largest source of growt in the region, with as high as 50% of alcohol consume and sold through informal channels. Hence, we conti to innovate at scale to provide safe and accessible alternatives to our value-driven consumers.

The iconic Senator Keg beer was launched in 2004 as a response to the issue of illicit liquor in Kenya with th purpose of recruiting and re-recruiting value driven consumers from illicit and local brews. The brand prov consumers with a high-quality value beer, giving ther access to an aspirational drinking experience at an affordable price. As a brand, Senator Keg prides in ha some of the most loyal consumers and a value chain is testament to the fruitful, symbiotic relationship enjo by all members in the chain; touching over 47,000 far 56 distributors, and 23,000 outlets across.

Senator lives its purpose of enriching lives, through activities that are geared at supporting communities. have completed 10 projects in the last 2 years which touched over 930 communities across the country.



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18+

EXCESSIVE CONSUMPTION OF ALCOHOL IS HARMFUL TO YOUR HEALTH.
STRICTLY NOT FOR SALE TO PERSONS UNDER 18 YEARS. PLEASE DRINK RESPONSIBLY.

Curbing illicit alcohol by providing quality, affordable and safe alternatives.

Senator Keg is our revolutionary, quality, value brand providing a safe alternative for value driven consumers.

Our innovations resonate with our consumers by addressing changing consumer needs and delivering enhanced experiences.

Our *Strategy* Enablers

Aspirational and Accessible Innovations

Disrupting and Shaping the Future of Total Beverage Alcohol

Metrics

- No. of innovation launches
- New innovations contribution to net revenue

Principal Risks

- Slowed economic growth and macroeconomic volatility
- Consumer disruption
- Increased competition

Stakeholders

Customers

Consumers

Investors

Driving sustainable growth across our four imperatives, led by consumer insights, lies at the heart of our innovation: we use purposeful innovation to recruit new consumers to our brands and access new occasions in which they can be enjoyed.

Our innovation process comes from a deep understanding of consumer needs and their world, an identification of portfolio gaps, continuously scanning the environment for emerging trends and clarity on future sources of growth for the business. Coming off this process we identify the consumer opportunity, their unmet needs and the size of this opportunity. This process helps us in prioritisation and development of a multi-year innovation pipeline that not only addresses current portfolio gaps but is also future fit. This has enabled us to successfully disrupt the drinks landscape, expand into new occasions, launch brands in culture and ensure sustained growth at scale for new launches.

Riding the Sweet and Flavourful Trend

There is a promising potential to tap into a significant consumer segment that seeks alternative options. The TBA industry has witnessed notable launches in the form of sweet and flavourful propositions With the cohort of consumers avoiding traditional beer for its taste or lack of flavour growing steadily, there is an optimistic outlook for these products. Products such as Smirnoff Pineapple Punch, Rockshore Tropical, and Gordon's premixes have gained attention and success, appealing to young and female consumers who prefer more dynamic and sessionable flavours. These products differentiated themselves through unique taste offerings, premium positioning, and attractive packaging.

Smirnoff Ice Pineapple Punch

With Smirnoff Ice being the Original Innovator in the RTD world, we introduced a delicious Ready to Drink Vodka Mix drink blended with Pineapple flavour. SMIRNOFF ICE Pineapple Punch which awakens the senses, with an explosion of mouth-watering pineapple flavour, combines with our world-renowned vodka to create an extraordinary pleasant ready to drink. Smirnoff Pineapple Punch is well suited to address the desire for a flavourful drink.

This new Smirnoff Ice Pineapple Punch is the perfect accompaniment to those quality times with friends and loved ones during relaxed evenings.

Our Strategy Enablers

Rockshore Tropical

This flavoured beer takes on the popular tropical flavours of vibrant pineapples and zingy passion fruit blended with refreshing tasting lager, to yield a beer that resonates with the land and our people.

This beer seeks to transform the beer category by introducing a world of more choice, style, creativity and exciting elevated experiences.

Rockshore Tropical is inspired by those who play by their own rules: Free in spirit but refined in taste. Cheers to a deliciously refreshing experience. Bring your squad and leave the ordinary behind.

Gordon's RTS

Leveraging on Gordon's Trademark and the aptness of convenience, we introduced the new Ready to Serve category pre-mixes made of Gin and tonic. These new spirit drinks are expertly made by combining the high-quality smooth taste of Gordon's Gin (Premium Dry Pink) with the light bittersweet flavour of tonic water to create a well-balanced refreshing tasting cocktail available in a stylish convenient can for hustle-free enjoyment. Gordon's premixes have proudly shaped new frontiers and are the perfect accompaniment to fun times with friends. Grab a can and you are all set to go!

Exploding flavour through premium gins with the Tanqueray flavours, Gordon's flavours and a sweet addition with the Gilbey's Mixed Berries.

Tanqueray Royale and Tanqueray Rangpur

Tanqueray is a brand rooted in true quality. We strive for the best and in doing so deliver a taste experience like no other, our consumer value being able to discern true quality from the smoke and mirrors of modern life. We embody substance, charisma and style. We usher new consumers into the world of Gin, through exciting new variants, enabling them to discover and experiment with different premium flavoured gins, that fit their pallets and taste.

- **Tanqueray Royale** –juicy blackcurrants with delicate vanilla for a truly sumptuous taste.
- **Tanqueray Rangpur** – exotic Rangpur lime with ginger and bay leaves for a spectacularly fresh flavour.

Gordon's Sicilian Lemon and Gordon's Mediterranean Orange

From its humble beginnings, Gordon's has grown to become the number one international gin. We consider Gordon's the essential gin, not only because of its popularity but because it is light, vibrant and effervescent, enabling our consumers to focus on what really matters to them: enjoying each other's company over a good gin.

Riding on the global gin explosion, we introduced 2 new flavours that will attract a new set of gin consumers (24-25 YO modern, progressive and females) into the brand with an easy to drink new flavours, offering our consumers more choice making their casual moments to connect more special.

- **Gordon's Sicilian Lemon –** Made from 100% natural flavours, perfectly crafted to balance the juniper notes and high quality of Gordon's with the finest Sicilian lemons for a smooth, flavourful taste best enjoyed with friends.
- **Gordon's Mediterranean Orange –** refreshing, zesty orange gin expertly made by pairing the classic taste of Gordon's with delicious Mediterranean oranges.

Gilbey's Mixed Berry

The flavourful Gilbey's Mixed Berry combines the smooth unmistakable taste of Gilbey's Gin with the exotic flavours of hand-picked mixed Berries for a delightful drinking experience. Whether it's the party, the chill, Sunday brunch or just cocktails, nothing suits the vibe like Gilbey's Mixed Berries now with a refreshed flavour; it tastes better than ever!

Digital *Transformation*

Metrics

- Fully-integrated digital eco-system
- Net revenue increase through digital execution
- Net revenue generated through digital platforms
- Time saved
- Reduced cost to serve

Principal Risks

- Cyber security
- Data privacy regulation

Stakeholders

Our People

Consumers

Customers

Accelerated investments behind digitalisation and technology continue to be a key enabler of our growth and business transformation

We are on an accelerated growth to deliver digital transformation with people at the core to drive the change. Our digital transformation ambition is to leverage our people, unified data and technology at scale to build our competitive edge across our value chain and transform access to our brands for our consumers and with our customers to deliver value with efficiency and scale.

New digital tools are improving operational productivity and helping us serve customers in a more cost-effective way with better monitoring of insights and data. We continued to drive a range of technology solutions for digital transformation across different areas of the business during the year, including manufacturing, marketing. and our route to consumer, increasing our capabilities focusing on customer and consumer centricity, employee experience as well as operational productivity.

Leading the way in RTC solutions

We continued our efforts behind a technology enabled route to consumer by further embedding our business analytics tools 'Every Day Great Execution' (EDGE 365) and 'Distributor Management System' (DMS), to support distributors on stock and sales management, and sales force automation. Advanced analytics from 'Diageo One', our b2b self-service portal has enabled generation of outlet-specific orders and improved the order-taking process and outlet execution unlocking previous barriers to servicing customers efficiently.

Connecting with Consumers Through Digital

Further within our digital agenda, we are making significant strides in digital commerce. In the year, we continued to invest in and develop our digital commerce platforms and solutions catering to the growing numbers of consumers choosing to shop online. This is generating incremental revenues for our business, while providing invaluable consumer data and insights that continue to inform our strategy.

Building Digital Transformation Capability with Our People

We have accelerated systematic efforts to raise digital capabilities in our core business teams ensuring that digital transformation of our business model is keeping pace with the evolution of our market and competitive landscape. Digital talent is high in demand and short in supply- skills are niche, expensive, and constantly evolving. At EABL, we are putting significant investment behind digital as a key growth enabler and are investing in growing our internal digital talent pipeline through upskilling programmes.

In 2023, we launched a digital capability programme dubbed '*Digital Now*' which is our company-wide digital capability programme designed to level-set digital awareness and knowledge for all employees and enable more advanced skills acquisition. This talent development programme enables employees to successfully adapt to the digital landscape and contribute effectively to our digital initiatives and future.

Our Digital Capability vision for 'Digital Now' is everyone in EABL has the relevant digital knowledge, skills, mindset, and behaviours to accelerate our ability to engage with consumers, unlocking next generation celebrations and driving incremental growth.


KENYA CANE
TO GREAT THINGS TODAY
AND GREATNESS
TOMORROW
#THEGREATSTOASTTWICE
SMOOTH
KENYA CANE
SPIRIT
SUPERIOR QUALITY
SMOOTH CANE SPIRIT
TRIPLE DISTILLED
FROM OUR MASTER BLENDER
MANUFACTURED BY UDV (KENYA) LTD FOR EABL GROUP
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EXCESSIVE ALCOHOL CONSUMPTION IS HARMFUL TO YOUR HEALTH.
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UDV

Investment in technology to increase competitive advantage.

We have accelerated our efforts towards a technology-enabled route to consumer by further embedding our business analytics tools, 'Every Day Great Execution' (EDGE 365) and 'Distributor Management System' (DMS), to support distributors on stock and sales management, and sales force automation. Our b2b self-service portal Diageo One has improved the order-taking process and outlet execution, unlocking previous barriers to serving customers more efficiently.

Route *to Consumer*

Metrics

- Volume and revenue growth
- Sales outlet coverage
- Numeric distribution percentage
- Product share of shelf
- Adoption of digital platforms - Distributor Management System (DMS), Diageo One

Principal Risks

- Slowed economic growth, macroeconomic volatility and impact of geo-political tensions
- Consumer disruption

Stakeholders

Consumers

Customers

Evolving our Route to Consumer (RTC) in line with the changing consumer and shopper trends

We continuously review our RTC and make necessary changes and adoptions to reach our consumers and shoppers across all consumption occasions. One of the key environmental changes since Covid-19 is the growing significance of the home occasion that offers consumption opportunities off-premise. Consumers and shoppers are seeking convenience. Therefore, our ability to deliver to our consumers when and where they need our brands is more than ever important. Over the year, we reached key milestones in making our RTC agile to optimise these opportunities.

Revamped Gold Standard

At the beginning of the financial year, we revamped and relaunched our Distributor Management playbook, *Gold Standard Journey,* which prescribes standards and guidelines for running a world-class distributorship. The *Gold Standard Journey* seeks to guarantee a community of capable and sustainable distribution partners.

The standard is based on 5 Pillars:

(1) Commercial – that encompasses world-class sales execution standards and performance management routines to guarantee consistent business growth

(2) Finance – right funding structure and guidelines on optimum Working Capital Management

(3) Supply-best-in-class warehousing standards

(4) A fit-for-purpose organisation structure with the right people and capabilities

(5) Use of data and insights from our Distributor Management System for decision-making

Our sales team works with our distribution partners to embed these standards and practices, which are independently audited and upon which certified Gold customers unlock a set of incentives. Since the relaunch, we have seen growth in the number of distributors certified Gold. By the end of the year, 20 of our distributors had achieved the coveted Gold Standard while 35 had been certified silver status moving towards Gold status.

Journey to Digitised RTC

eB2B Acceleration:

Advancements in technology continue to offer retailers options to engage with suppliers any time they need information and product delivery to guarantee all-round product availability to their customers. In today's fast-paced business environment, organisations across various industries are constantly seeking ways to optimise their operations and gain a competitive edge. eB2B has emerged as a powerful solution to streamline and expedite the exchange of business information and transactions between partners, suppliers, and customers, that enables retailers to place their orders through their preferred distributors and receive timely information, products, promotion campaigns and product offers for delivery at their preferred time.

We have made significant strides by digitising ordering for our retailers through Diageo One, a world-class, Diageo-owned platform enabling eB2B retail self-serve, which has revolutionised the way we engage with our trade partners at the point of purchase.

Our key objective for Diageo One is to drive a performance and culture shift enabling sustainable value growth for our business and our RTC partners through the digitalisation of RTC. The platform offers significant benefits for the distributors by allowing them to increase revenues, reduce cost to serve and defend market share against disruption. By offering a 24/7 available platform, Diageo One can make it easier for customers to run their business, improve profitability, and grow further.

Our Digital Transformation Eco-System that Enhances Retail Execution and Enables Commercial Teams Performance

Simplification | Effectiveness | Efficiency | Data-driven Decision-making | Business Impact

THE-BAR (ke.thebar.com)

THE-BAR is our on-demand delivery platform launched in 2020. The platform offers consumers an opportunity to order our products from the comfort of their homes through the link ke.thebar.com. On the platform, a consumer can order from distributors and retailers of their choice, with the promise of delivery in less than 30 minutes. We have partnered with various providers of last-mile logistics to guarantee this.

We have seen significant growth in the use of this platform. Since the launch of THE-BAR, Kenya has realised 215% growth year on year. The platform is also at the forefront in driving EABL's premiumisation agenda, with 65% of sales in Premium and Reserve, setting a new benchmark for on-demand delivery platforms in Africa.

As a testament to the impact the platform is having in the relentless pursuit of excellence and our commitment to meeting the evolving needs of consumers, THE-BAR scooped the Winner's award for Best On-Demand Delivery Platform at the 5th Edition of Kenya E-commerce Awards 2023. We continue to invest in enhancing user experience through the platform.

Other key highlights from THE-BAR:

1. THE-BAR can now deliver orders in 23 minutes from over 150 pick-up stations in Kenya.
2. We launched the first "order a party" option within THE-BAR platform (SOIREE).
3. We have listed our products in all the top eight e-commerce platforms in Kenya and created a bubble for THE-BAR on Glovo's landing page.

REGISTERED
TRADEMARK
ESTABLISHED 1857
GILBEY'S™
Mixed Berries
FLAVOURED GIN
750ML | A/c. 37.7 v/v
By the authority of W & A. Gilbey's & Co.
Distillery 11: 78 Marylebone High Street,
London W1U 5AP, England
Mixed & Matched to your Vibe
Open Good times with
GILBEY'S

We have invested in digital and e-commerce to meet new shopper needs.

Our on-demand delivery platform THE-BAR, allows consumers to order our products from the comfort of their homes. THE-BAR won Best On-Demand Delivery Platform at the 5th Edition of Kenya E-commerce Awards 2023.

Society 2030: *Spirit of Progress*

Metrics

- Number of people reached with positive drinking messaging
- Gender represantation in the organisation and across our value chain
- Representation of women as beneficiaries of our community programmes
- Number of young people in our communities trained through Learning4Life skills programme
- Percentage of water replenished and reused
- Number of water stewardship projects in water priority locations
- Total direct carbon emissions
- Percentage of renewable energy in our operations
- Total waste to landfill from our direct operations
- Confirmed breaches of our Code of Business Conduct

Principal Risks

- Water availability
- Managing our carbon footprint
- Suppliers and sustainable sourcing
- Impact of climate change
- Ethics and compliance

Stakeholders

Our People

Consumers

Governments

Communities

Investors

Suppliers

A snapshot of our progress against our sustainability strategy: Society 2030

We firmly believe that a focus on sustainability is the right thing to do, integral to our culture of "bold, progressive, connected" and a central enabler of our continued success. Our work around governance, environment and societal issues is equally as important as our financial performance.

In 2021, we published our inaugural Sustainability Report, following our year-long materiality assessment process. In 2022, we published a follow up Sustainability Report detailing progress against our strategic objectives and casting a wider net to incorporate the activities that we are undertaking to ensure that sustainability is well embedded across the entire organisation.

As an organisation, sustainability reporting is part of our critical operational functions, and we look forward to further cultivating and documenting our journey.

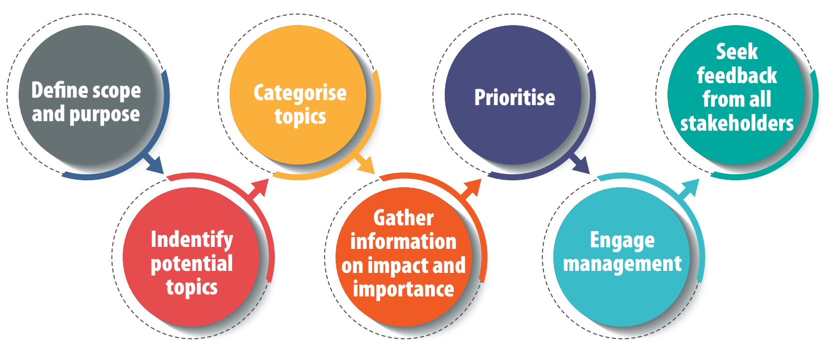
Materiality at EABL

We adopted the GRI definition of materiality and conducted our own intensive materiality assessment process between 2020-2021 to determine the Environmental, Social and Governance issues that matter most to our business and to our stakeholders. The materiality assessment looked at external trends shaping EABL's operating environment in the region and how we can most effectively align EABL's work with the UN Sustainable Development Goals. We interviewed many internal and external stakeholders, analysing their interests and concerns as well as the risks and opportunities for EABL to ensure that our sustainability work is focused on achieving the greatest impact and tackling the issues that matter most.

Data for our comprehensive materiality analysis process was collected using a series of participative, qualitative and quantitative methods, including questionnaires, one-on-one interviews and focus group discussions. We applied a snowballing sampling technique, to support our stakeholder mapping exercise, and identify additional stakeholders across our value chain.

How we determine our material issues

We view materiality as a participative process; a business tool that facilitates integrated thinking.



In 2022, we further refined our materiality assessment to include the Nairobi Securities Exchange (NSE) Mandatory Disclosures.

The detailed results of our materiality assessment and the management approach and evaluation of our additional material topics are contained in our 2022 sustainability report.

We report against our sustainability strategy, Society 2030: Spirit of Progress, our 10-year sustainability action plan to help create a more inclusive and sustainable world. Society 2030: Spirit of Progress reflects the most material issues affecting our company, our people, our brands, our suppliers and our communities.

Our plan includes 25 ambitious targets aligned to the United Nations' Sustainable Development Goals, grouped under the themes shown below.

We want to change the way the world drinks for the better.

We will do this by celebrating moderation and continuing to address the harmful use of alcohol, expanding our programmes that tackle underage drinking, drink driving and binge drinking.

We believe the most inclusive and diverse culture makes for a better business and a better world.

We will champion inclusion and diversity across our business , with our partners and communities, to celebrate diversity and help shape a tolerant society.

We are commited to preserving the natural resources on which we all depend.

We will work in partnership to tackle climate change, water stress and biodiversity loss, and help create a more sustainable world.

Water is the basis of life and our most precious resource.

By 2030, every drink we make will use 30% less water than today and by 2026, we will replenish more water than we use in all our water-stressed areas.

We all have a responsibility to restore the natural world on which life depends.

We will do our bit by eliminating waste from our value chain, collaborating with farmers to regenerate landscapes and creating innovative solutions to grow sustainably.

The planet needs significant science-based action to create a sustainable low-carbon future.

We will decarbonise our own operations by 2030 and work with our suppliers to halve theirs by 2030 too.

We believe doing business the right way contributes to a fair and just society.

We will create an environment where all our people feel they are treated fairly and with respect. We will act with integrity to ensure we are doing business in the right way, meeting external expectations and our standards.

Promote Positive Drinking

We want to change the way the world drinks for the better. That means promoting moderation and continuing to address the harmful use of alcohol by changing attitudes and expanding our programmes to tackle underage drinking, drink driving and binge drinking.

Responsible Marketing:

Promoting positive drinking is central to our 'Society 2030: Spirit of Progress' plan. As a responsible company, EABL wants to make a significant and sustainable impact on creating a more positive role for alcohol in society and making responsible drinking a valued, enjoyable part of life. We are proud of our brands and know the best way to enjoy them is in moderation.

Our Diageo Marketing Code (DMC) and Digital Code set mandatory minimum standards for responsible marketing. These are reviewed every two years. At the heart of DMC is our commitment to ensuring all our activities depict and encourage only responsible and moderate drinking, and never target those who are underage.

Promote Positive Drinking:

SMASHED, our initiative aimed at creating awareness on the perils of underage drinking, has significantly surpassed our annual targets, reaching 289,542 students in Kenya with messages on the dangers of underage drinking. We worked closely with partners such as the Ministry of Education, the Teachers Service Commission, and various secondary schools across the country to be able to achieve this.

In Tanzania, where the prevalence of underage drinking is a growing public health concern SMASHED reached a total of 16,086 students across 18 schools in Dar es Salaam and Tanga. Our results were enabled through strong partnerships including, the Bridge for Change Organisation, Temeke Municipal Council, Tanga Municipal Council, Ubungo Municipal Council and The Ministry of Education. We used live theatre performances to educate students on the dangers of underage alcohol consumption in a creative, and relatable way. The programme's interactive approach engages students and makes them more receptive to the message. The impact of the programme can be demonstrated through pre-

and post-surveys, which showed an average increase of 12% in students' awareness of how to stay safe.

In Uganda we partnered with the Topowa Youth Mentoring Uganda to introduce the SMASHED Live programme in February 2022. SMASHED has been taken to over 50 schools and still aims at reaching many more teenagers in other schools.

Through the "Wrong Side of the Road" campaign, we continued to sustain and develop our partnership with the National Transport and Safety Authority (NTSA) to educate and sensitise road users on responsible drinking in order to enhance road safety in Kenya. In Uganda we worked with influencers during the festive season to push out the messaging around the campaign due to the many accidents registered during the festive season. In Tanzania we also leveraged the festive season and partnered with the country's traffic police authorities to create more awareness and sensitisation on the perils of drink-driving.

We have also been on the forefront in driving awareness on the perils of illicit alcohol within the region. In Kenya, we have actively engaged and partnered with the Government at National and County Levels to create awareness, to the public, on the dangers of illicit alcohol consumption. Through these engagements, awareness sessions were run in various counties in Central and Eastern Kenya, as well as in Nairobi. We have also supported capacity building for enforcement officers in identifying and curbing illicit alcohol.

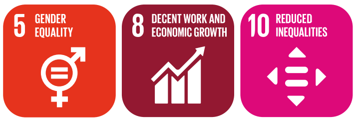
In Uganda, in partnership with the Private Sector Foundation Uganda (PSFU), we held a dialogue aimed at curbing illicit trade. The dialogue also aimed at putting in place ways of engaging various government entities and the private sector to counter illicit trade in Uganda.

Together with other adult beverage manufacturers under Uganda Alcohol Industry Association (UAIA), we unveiled the Responsible Code of Business Conduct 2023. The code intends to ease collective engagements with government agencies on issues of mutual interests, honesty, and truth in the way formal players in the alcoholic beverages sector produce and market their different products.

Dr. Felix Opondo engages KBL staff on the dangers of excessive drinking during the launch of Wajibika – Take Control, an internal staff initiative to educate employees about alcohol.

Champion Inclusion and Diversity

We champion Inclusion and Diversity across our business: from the way we attract, develop, retain and recruit the very best talent, to the way we source services and progressively portray diversity through our brands. We are determined to remove barriers, while having a positive impact on our partners, suppliers and communities.



UBL's Learning4Life programme seeks to promote equal access to hospitality education to enhance the employability and entrepreneurship skills of the trainees and ultimately support a thriving hospitality sector that works for all. Uganda's Permanent Secretary for Trade, Ms. Geraldine Ssali (second left), awards a certificate of participation to one of the beneficiaries during a ceremony held in June 2023. Looking on (from left) are UBL's Finance Director, Ms. Eunice Waweru, Managing Director, Mr. Andrew Kilonzo and Corporate Relations Director, Ms. Juliana Kagwa.

We believe that the most inclusive and diverse culture makes for a better business and a better world. We have been passionate about changing the narrative around the underrepresentation of youth, women and people living with disabilities in employment and supply chains across our business and have made empowering them a business priority.

We are progressing with efforts to ensure that our operations are inclusive spaces for persons with disabilities (PWDs). In July last year, we signed a Memorandum of Understanding (MoU) in Kenya with Inclusive Futures partner, Sightsavers, that's geared towards mainstreaming the inclusion of persons with disabilities into the business. The five-year programme will impact more than 705 farmers with disabilities across eight sub-counties in western Kenya and later one county in eastern Kenya. This follows a successful pilot programme in Homa Bay County where we onboarded farmers with disabilities into the sorghum value chain. Working with Sightsavers, we equipped 71 farmers with disabilities with the skills and resources to grow and supply sorghum for use in the production of Senator Keg beer.

SBL launched training for persons with disabilities to generate income through agriculture

Our business in Tanzania has long been recognised nationally for our transformational work to champion inclusion and diversity. This year SBL partnered with the Ministry of Agriculture and the Foundation for Disability Hope to empower over 100 persons with disabilities through agricultural and business training in Dodoma. 50% of the participants were women, who are historically excluded from economic opportunities. The two-day

Sorghum Farming Women Empowerment

training programme, equipped PWDs who are currently engaged in agricultural activities with knowledge and skills to engage in agri-business activities, entrepreneurial skills and become self-reliant. The training was conducted by experienced agriculture experts from the Sokoine University of Agriculture who provided participants with practical skills. The training was viewed by the participants as a step towards addressing the challenges faced by people with disabilities in accessing economic opportunities. The programme also received support from the government, which emphasised the need for inclusive development and the promotion of economic empowerment for marginalised groups. As a result of the programme, SBL has planned to source our raw materials from the PWDs trained, which will, ultimately, boost their income and raise their standard of living.

In Uganda, we have formulated a recruitment policy to ensure that 10% of all new hires are persons with disabilities. We believe that this will create a workplace and a company culture that is respectful and inclusive towards persons with disabilities and will promote the hiring, retention, and professional development of persons with disabilities.

Women face unique barriers as a result of structural inequity, and we sought to reduce the resultant income gaps that put women at a greater risk of poverty. In March this year, we partnered with CARE International Kenya (CIK) to launch a Community Engagement toolkit for women's equal participation in Water, Sanitation and Hygiene (WASH). The toolkit will be used by EABL employees as well as their WASH delivery partners working on designing and implementing community WASH programmes.

In Uganda, we partnered with the office of the Luzira Women Councillor LC III in March 2023 to offer agribusiness training and donate 2,000 mushroom gardens to Luzira single mothers. We also worked closely with the Mayuge Health Centre and donated a universal anaesthesia machine with a monitor, vaporiser, and ventilator. This donation is part of the corporate society of safe motherhood campaign, implemented by UBL Spirited Women, which seeks to support and build awareness for maternal health, providing hospital equipment to select health facilities and donating 'Mama kits', for expectant women, for the welfare of mothers in underserved hospitals.

To promote youth inclusion in economic growth activities, as part of our Inclusion and Diversity pillar, SBL partnered with the Ministries of Education and Agriculture on our award winning - Kilimo Viwanda Scholarship Programme. The running scholarship programme targets needy high-potential students coming from agricultural communities across Tanzania. This year, the programme awarded 75 students pursuing Diploma level Agricultural Courses with financial support. Further, the programme also offers a package of other benefits to students including:

- Field attachments at SBL to give learners practical exposure to commercial farming
- Brewery tours to SBL factories to get a glimpse of industrial food processing
- Mentorship
- Providing graduate beneficiaries with seeding capital to become farmers

Pioneer Grain-to-Glass Sustainability

We have always understood that for our business to be sustainable, it needs to create enduring value – for us and for those around us. Our 'Society 2030: Spirit of Progress' ambitions take us further than ever in our drive to preserve water for life, accelerate to a low carbon world and become sustainable by design.

Africa remains the most vulnerable to the impact of climate change. According to the Intergovernmental Panel on Climate Change, IPCC, much of Africa is already experiencing temperature rises of approximately 0.7 degrees centigrade. With the predictions that temperatures will rise further, the continent is facing a wider range of effects, including increased droughts and floods. In the near future climate change will contribute to decreased food production, floods and inundation of the continent's coastal zones and deltas, changes in natural ecosystems and loss of biodiversity, as well as the spread of waterborne diseases and the risk of malaria.

Cognisant of these effects, as EABL we continue to advance our business practices in order to more responsibly source, produce, distribute and sell our products with sustainability at the top of our minds. We prioritise fighting climate change with the resources we have and the knowledge we continue to build knowing that doing so will help millions of stakeholders across our supply chain.

Water for Life

As part of our commitment to Grain to Glass Sustainability, we are moving towards 100% replenishment of the water we use in water-stressed areas. Through our 'Water for Life' programme, we provide access to clean and safe water for communities across the East African region. In Kenya, we have completed over 75 water projects in the last decade, which are benefiting over 2.5 million people across the country. We launched a water project in Ndiguini Kikuyu Constituency, Kiambu County, in March this year that is benefiting over 5,000 people. The borehole yields 5,400 litres of water every hour, which is enough drinking water for about 2,700 people per day. The water project was sponsored by the EABL Foundation with a contribution of Ksh 8.4 million, that was utilised for mapping, drilling, equipping a 330m deep borehole, and the construction of an elevated steel-pressed water tank.

Our 'Water for Life' initiative in Tanzania has since 2010 invested over Kshs 85 million on 24 boreholes and other forms of water projects around the country to provide safe and clean water to impoverished rural communities. This year, we injected an additional Kshs 20 million towards the renovation and construction of the Kwamizi water dam in Handeni District, Tanga region. The

KBL MD Mr. Mark Ocitti commissions a water project in Ujimbe, Siaya County

project which is being implemented in partnership with Water Aid and the local government, commenced on Feb 28, 2023, and is expected to be completed in April 2024, with a capacity to hold 137,376 cubic metres of water and provide clean water to 12,000 men, women and children of Handeni district. Upon completion of the Kwamizi water project, we are already working on engaging the local community in Handeni to start Sorghum farming and sell it to SBL at competitive prices to help empower the farmers and spur economic development in the area.

In Uganda we also continued to support local communities in providing support for water and sanitation services. UBL provided 20 hand pump boreholes worth Kshs 20 million to communities in the Northern and North-Eastern sub-regions of Teso and Lango. These boreholes will serve over 9,000 people across the districts of Oyam, Lira, Kapelebyong, Katakwi, and Bukedea. This project demonstrates tremendous progress towards aiding the government in prioritising the development of the nation's human capital under the National Development Plan III, which seeks to increase access to safe water supply from 70% to 85% in rural areas and from 74% to 100% in urban areas.

We also handed over a kitchen facility to traders in the Portbell shopping centre and a modern ablution block for residents of Kamwanyi village in Luzira. The ablution block is serving approximately 2,000 people in the Kamwanyi community while the kitchen has a capacity of 24 stoves, 24 cabinets, and 24 concrete slabs. The ablution facility is improving access to water and sanitation for residents of Kamwanyi, and contains toilets with water supply, a hand washing area as well as a bathroom that the community members will readily access round the clock. . The facility has also considered persons with disabilities and includes user-friendly rooms for men and women.

UBL is also supporting the national Running Out of Trees campaign (ROOTs) which seeks to plant a total of 40 million trees in a period of 5 years. ROOTs brings together different players in the private sector who have joined hands to plant trees across Uganda with the aim of replenishing the forest cover that has been lost due to various human activities. A group of UBL staff went to Nakaseke district and planted 5,000 trees as part of their 2022 contribution to the Running Out of Trees (ROOTs) campaign that was launched in 2020.

Sustainable by Design

Through our Business Partner programme, we provide the necessary logistics to accelerate our suppliers' journey towards zero carbon by partnering with them on circular design, sustainable farming, and more. Our local sourcing programme is a crucial business priority for us because it enables us to grow value together with the farmers in East Africa. We take pride in a network of 62,000 farmers from whom we source 80% of our sorghum and barley.

We recently hosted the EABL Agri Forum that brought together over 100 stakeholders from the private sector, government, academia and NGOs to discuss pertinent issues around sustainable agriculture in the region. Through the forum, we were able to foster meaningful discussions around regenerative agriculture and the level of support farmers need to mitigate and adapt to the effects of climate change.

We have concluded the successful pilot of Project Rudisha, through which, we aim to run a sustainable glass collection spirits business, shifting 100% from one way to a returnable glass model. Rudisha will help us reduce our scope 3 emissions / value chain emissions, which form the majority of the businesses total greenhouse gas emissions.

Other benefits include, reduced water and energy consumption, reduced cost of business and reduced contribution to landfill. Additionally, the project will provide jobs to youth who will collect, wash, sort, and return the glass bottles to EABL.

Doing Business *The Right Way*

In addition to being the best-performing consumer products company, we are equally committed to our ambition to become the most trusted and respected business in East Africa. We are committed to conducting business with integrity from grain to glass, with respect to how we deal with our people, third parties, government and all our stakeholders.

Business Integrity

Compliance with our Code of Business Conduct and conducting our business with integrity are non-negotiable, and our approach to risk and compliance helps us go beyond the basics to encourage the right behaviours and attitudes every day, everywhere.

The COBC is our minimum standards and at the heart of it is a culture of acting with personal integrity at all times as we engage with internal and external stakeholders. The COBC is applicable to all employees, directors, and business partners of the Company.

Annual mandatory training is delivered to all Diageo employees and contractors in an easily accessible e-learning format, with classroom training delivered to those employees who do not have regular access to a computer. Regular training, awareness and communication programmes as well as compliance monitoring mechanisms are in place to ensure that all relevant stakeholders remain aware of and continue to comply with the provisions of our COBC and policies.

Policies and Codes of Conduct

Our COBC covers salient themes which include Health, Safety and Personal Security, Bribery and Corruption, Responsible Drinking, Money Laundering, Discrimination and Human Rights, Information Management and Security, Quality, Insider trading, Conflict of Interest, Competition and Antitrust, Data Privacy, Relationships with customers, suppliers and other business partners, External Communications, and social media amongst others. Fairness, integrity and transparency are the principles that are applied in all our business dealings as entrenched in our COBC and in line with international best practices.

For many years, we have sustained continuous engagements with our people (contractors and employees) in building understanding of our Code, Policies and Corporate Governance principles and to further embed our ethical standards in their daily activities. This way, we expect that they will choose to do the right thing everyday and everywhere and we insist on this as a prerequisite for continuing business relationships with our partners.

Key policies covered in these engagements are Anti Bribery and Corruption, Health and Safety, Competition and Antitrust, Responsible Drinking, Conflict of Interest Declaration, Dignity at Work and Data Privacy.

Human Rights

Everyone who works at EABL is a custodian of our trusted reputation. As part of the 2020 targets for societal impact, we made an external commitment to conduct Human Rights Impact Assessments in our markets in order to identify potential risks in our value chain and develop action plans to mitigate against those risks. These assessments identified three external risks as particularly salient to our business: labor rights, including the risk of child labour; labour standards for contract workers and sexual harassment in the hospitality sector. We have responded to these risks in a number of ways, including awareness programmes focused on child protection in agricultural supply networks, commissioning an independent study into contracted labour, and developing our Brand Promoter Standard and training aimed at protecting brand promotion teams from harassment.


TUSKER
PREMIUM
APPLE CIDER
TUSKER
SINCE 1922
PREMIUM CIDER APPLE
ALC 4.5% V/V
TUSKER
SINCE 1922
PREMIUM CIDER APPLE
A DELICIOUSLY CRISP,
REFRESHING CIDER
CRAFTED FROM PREMIUM APPLES
ALC 4.5% V/V

Anti-bribery and corruption:

EABL will not condone, under any conditions, the offering or receiving of bribes in any form, including what are known as 'facilitating payments' or other improper payments. Our principle is never to engage in bribery and our anti-bribery framework is designed to prevent, detect and respond to bribery and corruption threats. Through our Know Your Business Partner (KYBP) Standard we assess all our business partners for potential economic sanctions and compliance risks such as bribery and corruption, money laundering, facilitation of tax evasion, data privacy or other reputational red flags. We carry out additional due diligence processes for those parties that pose a potentially higher risk. This year, we refreshed our anti-bribery and corruption policy and reissued it as the Global Countering Corruption Policy, which merged the Anti -Bribery and Corruption and Anti- Money Laundering policies into one.

An effective SpeakUp (whistleblowing) framework

We have a SpeakUp policy that encourages our employees, and anyone we do business with, to raise concerns about potential breaches of our Code of Business Conduct or policies. Our confidential and independently managed whistleblowing helpline, SpeakUp, is available via phone or web portal, enabling anyone in or beyond EABL to report a concern. Additionally, we encourage employees to come forward to their line manager; their legal or HR partners; risk and compliance teams; or business integrity partners.

Our approach to breach management is embedded in the Diageo Breach Management Standard and our local Disciplinary Policy. All allegations are taken seriously and those that require action are investigated and addressed promptly. We monitor breaches to identify trends or common areas where further action may be required, and learnings are used to further educate our people.

The Board Audit and Risk Committee receives and reviews regular reports on unethical concern allegations raised by employees and third parties, including trends information and investigation closure rates, and a report is given at Board meetings. A total of **41** concerns were raised in F23. Of the **41** concerns, **28** were unsubstantiated and **13** were substantiated, and disciplinary action taken accordingly.

We have designed a series of distinct key performance indicators to ensure that our progress against Society 2030 is justifiably measured, evaluated and reported.

Target	Key Performance Indicator	Notes on Our Progress
Promote Positive Drinking		
Scale up our SMASHED partnership, and educate 10 million young people, parents, and teachers on the dangers of underage drinking. **SDG alignment: 3.5; 12.8; 17.16**	People educated through SMASHED partnership: **338,550**	We have greatly surpassed our annual target to reach 74,000 young people by **458%** of the target. We have linked our areas of intervention with areas where our research showed high prevalence of underage alcohol consumption.
Promote changes in attitudes to drink driving reaching five million people. **SDG alignment: 3.5; 3.6; 12.8; 17.16**	People educated via Wrong Side of the Road campaign: **47,709**	This year we have surpassed our annual target of 18,500 people achieving a **258%** success rate.
Leverage Diageo marketing and innovation to make moderation the norm – reaching one billion people with dedicated responsible drinking messaging by 2030. **SDG alignment: 3.5; 12.8; 17.16**	People reached with messages of moderation: **29,011,638**	This is a substantial improvement for us. We surpassed last year's reach by **283%.**
Champion Inclusion and Diversity		
Champion gender diversity with an ambition to achieve 50% representation of women in leadership roles by 2030. **SDG alignment: 5.5; 8.1; 10.2; 10.4**	Percentage of female senior leadership: **47%**	We have grown significantly in representation of women in senior leadership roles, increasing from 37% last year to **47%** in 2023, recognising that diversity and inclusion at all levels are necessary for growth.

Target	Key Performance Indicator	Notes on Our Progress

Champion Inclusion and Diversity

Target	Key Performance Indicator	Notes on Our Progress
Increase the percentage of diverse suppliers across our value chain: 10% by 2025 and 15% by 2030. **SDG alignment: 5.5; 5B; 10.2; 10.4** 5 GENDER EQUALITY; 10 REDUCED INEQUALITIES	Spend with diverse suppliers as % of total influenceable spend: **6.8%**	We have, this year, designed frameworks to be able to report on market level performance. Our target for the year was 6%. We have achieved **6.8%**
Provide business and hospitality skills to 200,000 people, increasing employability and improving livelihoods. **SDG alignment: 4.4; 8.1; 8.6; 10.2; 17.16** 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 17 PARTNERSHIPS FOR THE GOALS	People reached via business and hospitality skills programmes: **8,932**	This year we have surpassed our target by **141%,** having trained 8,932 individuals out of a target of 3,700 with various sessions running across the region.
Through the Diageo Bar Academy, we will deliver 1.5 million training sessions providing skills and resources to help build a thriving hospitality sector that works for all. **SDG alignment: 4.4; 8.1; 8.6; 10.2; 17.16** 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 17 PARTNERSHIPS FOR THE GOALS	Training sessions delivered through the Diageo Bar Academy: **17,278**	This year we surpassed our target by **73%** having educated 17,278 individuals out of a target of 10,000.
Ensure 50% of beneficiaries from our community programmes are women. **SDG alignment: 5.5; 5A** 5 GENDER EQUALITY	Percentage of community programme beneficiaries who are women: **50%**	We are proud to prioritise women's engagement in all our community programmes. To this effect, we are on track on our 2030 target to ensure 50% representation.

Target	Key Performance Indicator	Notes on Our Progress
Pioneer Grain to Glass Sustainability: Preserve Water for Life		
Improve water efficiency in our operations by 30% across the company (40% in water stressed areas). **SDG alignment: 6.4** 6 CLEAN WATER AND SANITATION	Litres of water used per litre of packaged product: **3.3**	We are on track to meet this ambitious target.
Replenish more water than we use for our operations for all of our sites in water-stressed areas by 2026. **SDG alignment: 6.1; 6.2; 6.6; 6B; 15.1** 6 CLEAN WATER AND SANITATION; 15 LIFE ON LAND	Volume of water replenished (m^3): **398,264**	This is 114% of our target to replenish 350,760m^3 demonstrating the success of our investment in boosting the water efficiency of our sites.
Engage in collective action in all of our priority water basins to improve water accessibility, availability and quality and contribute to a net positive water impact. **SDG alignment: 6.1; 6.2; 6.5; 6.6; 6A; 6B** 6 CLEAN WATER AND SANITATION	Water collective actions projects completed: **100%**	We completed 100% of our collective action projects, while ensuring that at least 50% of our beneficiaries were women.

Target	Key Performance Indicator	Notes on Our Progress
Pioneer Grain to Glass Sustainability: Accelerate to a Low Carbon World		
Become net zero carbon in our direct operations (Scopes 1 and 2). **SDG alignment: 7.2; 7.3; 12.6; 13.3**	Total direct GHG emissions (Scope 1 and 2) (kt CO2e): **28.29**	This is a significant improvement from last year (63.4 kt CO2e) largely driven by rolling out our biomass projects in Kenya and Uganda.
Use 100% renewable energy across all our direct operations. **SDG alignment: 7.2; 7A; 17.16**	Percentage of renewable energy in our own operations: **64.86%**	This is a significant improvement from last year (25.87%). As a signatory to the RE100 global initiative we are committed to 100% renewable electricity. Our sites run on 96.4% renewable electricity for our operations.
Pioneer Grain to Glass Sustainability: Become Sustainable by Design		
Achieve zero waste in our direct operations and zero waste to landfill in our supply chain. **SDG alignment: 12.5; 12.6**	Total waste to landfills (tonnes) from our direct operations: **2.12**	Our waste to land fill was 2.12 tonnes, which is within the minimum zero waste threshold (200 tonnes).
Achieve 40% average recycled content in our plastic bottles by 2025 (and 100% by 2030). **SDG alignment: 12.5; 12.6**	Percentage of recycled content in plastics: **0**	Our business in Uganda is currently the only one packaging in PET and is currently working to transition to the 40% recycled content target.
Ensure 100% of our plastics is designed to be widely recyclable (or reusable/ compostable) by 2025. **SDG alignment: 12.5; 12.6**	Percentage of plastics that is widely recyclable/ reusable / compostable: **97.9%**	In F23 97.9% of our packaging was technically recyclable. We have an ambition to adjust our recyclability metrics in line with markets-diffrentiated recycling frameworks in the future

Target	Key Performance Indicator	Notes on Our Progress
Doing Business The Right Way		
Adherence and level of commitment to our codes of conduct and global policies.	Total confirmed breaches of our Code of Business Conduct: **2**	All allegations are taken seriously, investigated and where required consequence management is applied. We monitor all breaches to identify trends and root causes where further actions may be required.

A comprehensive review of our performance will be provided in our 2023 EABL Sustainability Report. Please refer to the relevant section on our reporting methodologies for more information on how data has been compiled, including standards and assumptions used.

Responsible business practices have been imperative to protecting our value chain and the communities in which we operate.

NEW

THE GANG'S ALL HERE

WHAT'S YOUR FLAVOUR?

GORDON'S

...SHALL WE?

eabl

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

UDV

Managing *Risk*

Our Approach

At EABL risk management is an integral part of doing business, supported by a clear governance framework. Risks are an essential element when opportunities are assessed, and strategies are set. A proactive approach ensures risk management is part of our executive conversations and is embedded in our processes. Our primary focus is to identify and embed mitigating actions for material risks that could impact our current or future performance, and/or our reputation.

Our risk management efforts aim to be holistic and integrated, bringing together risk management, internal controls and business integrity, ensuring that our activities across this agenda focus on the risks that could have the greatest impact.

Risk Management Framework

We have embedded a robust risk management framework and practice as central to good management, with the Board taking overall responsibility for managing risk. The Board is responsible for determining the nature and extent of the principal risks that the Company is willing to take to achieve its strategic objectives and for maintaining sound risk management and internal control systems.

Below is our risk management framework:

On an annual basis, we undertake a holistic risk mapping and assessment to identify top internal and external existing or emerging material risks including financial, operational, strategic and compliance and regulatory. Information on prevailing trends is provided in relation to each risk and all identified risks are assessed at five levels (negligible/low/moderate/high/critical) by reference to their impact to the business and likelihood of occurring.

These risks are assigned to specific owners who are then tasked with ensuring that robust plans are in place to mitigate these risks or prevent them from crystallising. These risks and mitigation plans are reviewed on a quarterly basis at the Risk Management Committee (RMC) meeting which is chaired by the Managing Director and comprise the heads of functions and other extended leadership team members. The risk registers are reviewed on a quarterly basis and at each Board Audit and Risk Committee meeting.

Internal Controls

We have continued to sustain a strong internal controls programme through our Controls Assurance and Risk Management (CARM) framework, which also ensures EABL complies with all relevant local and international legislations. Our internal controls aim to provide reasonable assurance as to the accuracy of financial information, non-financial disclosures, the Company's compliance with applicable laws and internal policies, and the effectiveness of internal processes. Internal controls have been defined at operating entity level and at process level for key processes, including financial reporting, IT and Tax.

Effective implementation of controls is assessed periodically and deviations from the defined standards are included in a monitoring and follow-up processes, supporting management in addressing these deviations. Management is responsible for the definition and timely implementation of action plans to remediate any deficiency identified as part of these assessments. The results are reported to the Board Audit and Risk Committee.

Our Principal Risks

The Board considers principal risks to be the most significant risks faced by the group, including those that are the most material to our performance and that could threaten our business model or future long-term performance, solvency or liquidity. They do not comprise all the risks associated with our business and are not set out in order of priority.

Principal Risk: Tax Regulatory Environment		
	Key Drivers	**Mitigation**
Unpredictable and aggressive tax, legislative and regulatory environment results in unexpected changes in legislation. **Link to Strategic Imperative/Enabler:** • Vibrant beer • Explode mainstream spirits • Win in premium • Shape new frontiers • Innovation • Reputation/ Society 2030	• As we experience the increasing global inflation crisis, pressures on public finances are driving the risk of unilateral tax increases as governments seek to address fiscal challenges. • Government directives and/or restrictions on the marketing and sale of alcohol in response to the concerns on the impact of alcohol to society. **Risk Outlook** ↑	• Monitoring and, where appropriate, express views on the formulation of tax laws either directly or through trade associations or similar bodies. • We run multi-year public policy engagement to minimise risk and unlock tax, trade and regulatory opportunities.
	Potential Impacts	**Metrics**
	• Financial impact	• Excise duty per case

Principal Risk: Data Privacy Regulation		
	Key Drivers	**Mitigation**
Any failure or perceived failure regarding protection of personal data may result in significant fines, which could have a material adverse effect on our business, operating results or reputation. **Link to Strategic Imperative/Enabler:** • Digital transformation • Reputation/ Society 2030	• Implementation of data privacy regulation **Risk Outlook** ↑	• Our vendors must comply with our standards of collecting and processing of personal data relating to consumers, employees and partners. • All customer and consumer activities that include processing of personal data must comply with our internal controls, codes of conduct and data privacy policies. • We deliver mandatory annual data privacy training to all employees.
	Potential Impacts	**Metrics**
	• Financial losses • Reputational damage	• Percentage of employees trained annually on information management and data privacy. • No. of data privacy breaches.

Principal Risk: Slowed economic growth, macroeconomic volatility and impact of geo-political tensions		
	Key Drivers	**Mitigation**
The economy continues to experience slowed business activities, increased levels of unemployment and inflation resulting in reduced consumer purchasing power and financial loss. During the year we experienced forex liquidity and volatility resulting from the global recession. Inflationary pressures are broadly expected to continue in the short term but then start to ease over the medium term. **Link to Strategic Imperative/Enabler:** • Vibrant beer • Explode mainstream spirits • Win in premium • Shape new frontiers • Innovation • Supply footprint • Efficient Growth/ Productivity	• Macroeconomic conditions and inflationary pressures • Ongoing geopolitical tensions, including Russia/Ukraine crisis • Continuing supply chain volatility **Risk Outlook** ↑	• Review and rationalise cost base and cash position in line with the inflationary pressure on inputs in order to mitigate financial impact. • We operate a rigorous process of strategy development and governance at corporate and market level.
	Potential Impacts	**Metrics**
	• Volume and revenue decline • Financial losses and increased cost base putting pressure on margins	• Input costs per unit case • Organic revenue growth, operating expenses • Profitability

Principal Risk: Supply chain disruptions and impact of climate change		
	Key Drivers	**Mitigation**
Supply chain constraints and disruptions in raw, packaging and other auxiliary materials due to global geo-political tensions (Russia-Ukraine war), climate change and overreliance on single suppliers. Supply chain disruption is likely to grow in the near term, rather than stabilising. Geopolitical tensions, oil and gas prices, ongoing conflict in Ukraine and higher inflation will have an adverse impact on logistics, and material volatility, amidst broader supply chain impacts. Unpredictable weather patterns will result in increased volatility in the supply of raw materials, production costs, capacity constraints and higher costs of compliance. **Link to Strategic Imperative/Enabler:** • Supply footprint • Efficient Growth/ Productivity	• Ongoing geopolitical tensions, including Russia/Ukraine crisis • Continuing supply chain volatility • Supply/demand imbalances and/or crop yields • Geo-political crisis and effects oil prices flowing through to increased raw material costs • Impact of climate change over the longer term **Risk Outlook** ↑	• We have applied more detailed and robust planning processes throughout our supply chain. This includes providing early warning and assessment services to our suppliers to promote better long-term planning and production, as well as cultivation of alternative suppliers in case of supplier failure. • We have adapted our grain varieties to secure grain supplies amidst unpredictable rainfall. • We continue to focus on building government stakeholder relationships to build a better support network throughout our supply chain. • Resource scarcity issues identified and mitigated, especially within agricultural ingredient sourcing and manufacturing as well as efficiencies in water and energy usage. • Society 2030: 'Spirit of Progress' strategy launched and operationalised to deliver against key targets and longer-term goals.
	Potential Impacts	**Metrics**
	• Material shortages, escalating material costs • Production disruptions, lost sales and financial loss • Increased input costs and margin pressure	• COGS per unit case • Availability of key ingredients on time and in full

<table>
<tr><th colspan="3">Principal Risk: Illicit Trade</th></tr>
<tr><th></th><th>Key Drivers</th><th>Mitigation</th></tr>
<tr><td rowspan="3">With the adverse economic factors, we have seen growth in demand for illicit (counterfeit, contraband, substandard and unregulated products) and infringement of IP (intellectual property) as consumers seek cheaper options.

Link to Strategic Imperative/Enabler:
• Vibrant beer
• Explode mainstream spirits
• Win in premium
• Shape new frontiers
• Innovation</td><td>• Challenging economic conditions
• Unemployment and underemployment rates
• Pricing pressure

Risk Outlook</td><td>• Anti-counterfeiting measures embedded in our packaging to deter reuse, making our products more difficult to copy and enabling rapid authentication.
• We operate an active programme to identify high-risk areas, engage with customs and law enforcement authorities and participate in industry initiatives to monitor and prevent counterfeiting activity.
• We run an online monitoring and takedown programme across high-risk e-commerce and social media platforms, and undertake direct engagement with many platforms to create awareness and stop counterfeit listings.
• We have continued to be at the forefront of industry initiatives to promote positive drinking, including responsible drinking at home, and other awareness-building programmes.</td></tr>
<tr><th>Potential Impacts</th><th>Metrics</th></tr>
<tr><td>• Financial impact
• Reputational exposure</td><td>• Percentage growth in illicit trade</td></tr>
</table>

<table>
<tr><th colspan="3">Principal Risk: Cyber Threats</th></tr>
<tr><th></th><th>Key Drivers</th><th>Mitigation</th></tr>
<tr><td rowspan="3">Sophisticated cyber and IT threats, including those facilitated through breaches of internal policies and unauthorised access, could lead to theft, loss and misappropriation of critical assets and/or personal data and disruption to core business operations including manufacturing and supply, resulting in financial loss, significant fines and reputational damage. Cyber-attacks are becoming more prevalent, and we are increasingly dependent on third-party IT services and solutions. Geopolitical tensions are growing, and there is a rise in more sophisticated cyber threats affecting all organisations, therefore the risk of a cyber-attack remains heightened.

Link to Strategic Imperative/Enabler:
Digital transformation</td><td>• Increasing use of cloud based technologies and working from home increasing exposure.
• Increasing sophistication of malware and ransomware actors

Risk Outlook</td><td>• Enterprise-wide cyber risk management processes and policies.
• Our employees engage in mandatory global e-learning and regular phishing exercises.
• Deployment of next-generation security technologies to tackle advanced attacks.
• Multi-factor authentication, single sign-on and privileged access management for sensitive applications.
• Enhanced cloud security measures.
• Strong operating procedures to ensure our cyber incident response readiness.</td></tr>
<tr><th>Potential Impacts</th><th>Metrics</th></tr>
<tr><td>• Operational disruptions and financial losses
• Reputational damage
• Potential for release of personal and customer data
• Non-compliance with data protection legislation</td><td>• Cyber security maturity level, cyber-attacks detected and prevented.</td></tr>
</table>

Principal Risk: Consumer Disruption

Consumer tastes and trends around socialisation are continuing to evolve as the world continues to emerge from a period of extreme disruption that has reshaped consumerism temporarily and residually. Slower than desired response to a rapidly changing consumer landscape would lead to suboptimal execution and loss of share. Inability to respond and adapt our products or AP investment to disruptive market forces — including but not limited to digital technology, health and lifestyle priorities, altered consumption behaviour, new drivers of choice, and new formats and technologies — could adversely impact our ability to effectively service our customers and consumers with the required agility, leading to slow execution, poor commercial decision-making and loss of share.

Link to Strategic Imperative/Enabler:

- Vibrant beer
- Explode mainstream spirits
- Win in premium
- Shape new frontiers
- Innovation
- Digital transformation

Key Drivers

- Changing consumer trends
- Proliferation of new and existing players with varying business models

Risk Outlook

Mitigation

- We have a highly diversified portfolio of brands to ensure coverage of consumer occasions, trends and price points.
- Accelerated development of the e-commerce and off-trade channels.
- We perform a systematic review of emerging consumer and route-to-consumer trends at market and brand level, including growth of disruptive digital technologies.
- We focus our innovation on our strategic priorities and the biggest consumer opportunities, through global brand extensions and new-to-world products.
- Our Demand Radar system provides enhanced demand forecasting capability at market and category level, allowing us to optimise marketing investment.

Potential Impacts

- Volume and revenue decline
- Reduced profitability

Metrics

- Organic revenue growth
- Market share growth

Capital investments to spur economic growth.

Our strategic capital expenditure investments, including the expansion of our Moshi plant and Uganda brewhouse, are driving economic growth through generating employment opportunities, and actively contributing to the overall economic growth in the region.

Supply *footprint*

We aim to invest smartly and create end-to-end supply chain agility and flexibility to guarantee consistent, great quality, unconstrained supply in support of our TBA growth ambition.

Metrics

- Employee health and safety
- Human rights, diversity and inclusion
- Total direct GHG emissions
- Water usage
- Waste management

Principal Risks

- Water availability and usage
- Managing our carbon footprint
- Suppliers and sustainable sourcing

Stakeholders

- Our People
- Consumers
- Governments
- Communities
- Suppliers

EABL strives to be the most trusted and best performing organisation that consistently supplies high quality products to the East African market and beyond. This is achieved through customer-centric and progressive strategic plans anchored on partnering with our communities to enhance local sourcing, implementing initiatives that enable sustainable manufacturing and distribution, as well as programmes focused on people to drive employee productivity, inclusion and diversity.

The success in delivery by the supply operations is anchored on the key pillars of health and safety, sustainability, quality and cost effectiveness, underpinned by the value we have for our people.

Health and Safety

Our focus on commitment to safeguarding the health, safety and well-being of our employees is unwavering. Our refreshed safety clarion call 'safer together, at work, on the road and at home' underscores this commitment. This approach is geared towards ensuring that all our employees, business partners and visitors are safe all the time.

EABL achieves health, safety and welfare of its stakeholders through compliance to all applicable occupational health and safety legislations and the global risk management standards.

To bring the above commitment to life, we have embarked on the following improvements:

- On-site traffic safety enhancement through segregation of vehicle and pedestrian paths.
- Hazardous energies controls improvement targeting upgrade of our equipment and employee capability.
- Continued partnership with our transporters to improve road safety through audits and embedding safety controls in our contracts.
- Implementation of Diageo Life Saving Rules programme which is critical in mitigating all kinds of severe and fatal potential accidents.
- Mental health awareness sessions across the business as well as a continued physical health checks programme.

People

Our people are at the heart of what we do. Emphasis has been placed on capability building for our technical teams focusing on functional and leadership development. This is a fundamental enabler for our business to be future fit and best in class for achieving productivity, guaranteeing quality products to our consumers, and embracing supply chain technologies. To this end we have rolled out

several interventions to ensure our teams stay primed to not only meet current customer needs but also future business demand including the below:

- Professionalisation of brewing and packaging where we have enrolled our teams to the renowned Institute of Brewing and Distilling (IBD).
- Embedding quality fundamentals through quality assurance training.
- Good to great coaching (G2G) for all heads of departments ensuring quality people development.
- Data level 1 awareness to address timeliness and quality of data captured across the supply chain.

Sustainability
EABL supply chain is fully alive to our Society 2030 agenda and the call to action for the Spirit of Progress. To drive the grain to grass sustainability agenda, EABL has made significant strides in its key performance indicators of water, energy, waste to landfill, water replenishment and carbon reduction, all with an agenda of reducing the environmental impact from our supply operations.

State of the art water recovery plants are operational across our sites in Nairobi, Kisumu and Uganda and have been instrumental in reducing our net water usage. Recycled and reused water volume in our production process in the last one year totalled 398,264m^3 representing 14% of our total withdrawals.

EABL has significantly reduced its carbon footprint by installing and commissioning biomass boilers in our production sites in Nairobi and Kisumu. As a result, our carbon emissions reduced by 55% this year to 28,134 tonnes. This has also seen renewable energy use across our sites increase to 65% this year.

Quality
We have continued to drive quality improvement across all three sites by focusing on the following areas:

- Embedding quality at source across our brewing and packaging operations to drive a higher level of ownership at shop floor level.
- Implementation of a comprehensive governance process that includes the creation, review, and enforcement of quality gates from grain to glass to ensure that every step of the production process is closely monitored and controlled to guarantee that the final product meets the highest standards of quality.
- On time execution of critical-to-quality engineering routines.
- Compliance to the codified brewing and packaging process through the Codex and DWB programmes.
- Integrating quality performance in all operational routines.

Focusing on these pillars, EABL supply chain consistently delivers high-quality products that exceed our customers' expectations.

Recognition
EABL supply continues to be celebrated locally and globally. The EABL Supply Team was recognised for initiatives undertaken on sustainability that aim to reduce environmental impacts from energy and water usage. EABL won the following awards at the 2022 edition of Energy Management Awards (EMA):

- Overall Water Management Award – KBL
- 1st runners up Sustained High Performance – Nairobi Site
- 1st runners up Electrical Energy Savings Award – Nairobi Site
- 1st runners up Water Management Award

In the Monde selection awards EABL brands won 4 golds (for Tusker Lager, WhiteCap Crisp, WhiteCap Lager and Balozi Lager) and 2 silvers (for Tusker Malt Lager and Tusker Lite Lager).

Efficient *Growth/Productivity*

We remain committed to continuous improvement and leveraging innovative solutions to enhance operational efficiencies and deliver productivity savings, enabling us to sustain profitability.

Metrics

- Productivity savings
- Input costs per unit case

Principal Risks

- Suppliers and sustainable sourcing

Stakeholders

Suppliers

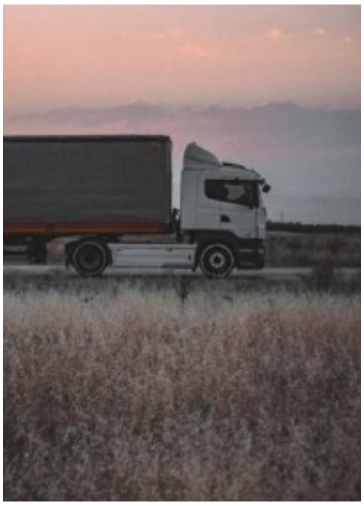
Optimising our business operations and improving efficiencies to drive cost savings remains a strategic priority. We have built a more resilient and agile operation through process rationalisation, leveraging innovative technologies, and fostering a culture of continuous improvement.

Our procurement function has been actively engaged in strategic sourcing, supplier relationship management, and cost control measures. Through industry-wide benchmarking and renegotiated contracts, we have secured competitive pricing and achieved significant cost reductions in raw materials and components.

Continuous improvement of our manufacturing processes through the adoption of lean methodologies and leveraging automation technologies has eliminated waste, minimised downtime, and reduced operational costs.

In our logistics operations, we have focused on optimising transportation routes and improving inventory management. By leveraging advanced technologies and data-driven insights, we have successfully reduced transportation costs and minimised delays. Additionally, streamlining our warehouse management processes has reduced holding costs and eliminated inefficiencies in inventory management.

These focused efforts in procurement, manufacturing and logistics, have realised tangible benefits that have partly mitigated the impact of significant input cost inflation. In the financial year 2023, we achieved savings of Kshs 4.2 billion, partially offsetting the impact of cost inflation amounting to Kshs 12.2 billion and mitigating the adverse effect on gross margin.



A highly engaged and thriving workforce through a company culture supportive of employee well-being, and increase in workforce skills through investment in training and development. We are a net exporter of talent.

Our *People*

Our people are our biggest asset. Our Bold, Progressive and Connected culture enables them to do their best work and for work to be a fulfilling part of life.

Metrics

- Health and safety
- Employee engagement scores
- Gender representation and representation of people living with disabilities
- Active utilisation of training platform by Employees
- Average span (no. of reportees per leader)
- Staff attrition rate
- Internal vs external hires

Principal Risks

- Health and safety
- People retention / attrition

Stakeholders

Our people

Our culture creates opportunities that empower people, promote responsible drinking, protect the environment, and positively impact the communities in which we live, work, source and sell.

We are Bold in growing our talent, we give each other the freedom to succeed because this fosters an entrepreneurial spirit. We trust each other; we're open and challenging. We are bold in empowering our teams to make choices that cut unnecessary steps in our day-to-day processes.

We are Progressive. We create focus and ownership for shaping EABL's future ambition through an enabling environment that enables our people to imagine the future and are brave to act on it now. Our people are encouraged to tap into digital transformation to shape the future. We have an inclusive and diverse workplace that enables us to grow young talent as well as respond with ideas and skills that match their realities.

We are Connected. We work in strong, collaborative teams, creating a total performance greater than could be achieved as individuals. The entrepreneurial spirit ingrained in the business enables us to act like owners, sell and help sell.

We all have a responsibility to amplify our purpose internally and externally, lead bold execution in a fast-moving world, actively shape the future of the company, and harness the full potential of our talent and diversity to deliver on our ambition.

Employer Brand

Ensuring that we have the best talent – now and in the future – is one of our biggest challenges and opportunities. EABL has always been a top attraction for the best talent and has actively driven talent development and building of talent capability across East Africa. Our employer brand built over time, our distinct purpose driven culture, the role we play in society and the impact we have on the hearts and minds of consumers is the essence of our continued engagement.

We have outlined four priority areas - talent, capability, organisational effectiveness, and culture, as part of our people strategy ensuring that:

- We have in place an assurance process that focuses on how we plan, assess, and develop talent, underpinned by sound hiring practices, retention of talent and succession cover that enables us to win in the marketplace.

Our staff engagements are powered by brands which allow us to connect as employees and also connect us with our consumers.

- Our recruitment and selection process ensures fair access to job opportunities and diversity hiring irrespective of background, disability, religion, gender or ethnicity.

- Our organisational effectiveness agenda simplifies our business making it more efficient, enabling creativity and risk taking in our employees, greater focus on our customers and consumers and staying ahead of competition by continuously finding ways to transform the business to thrive in an unpredictable and changing environment.

- Our talent not only meets business objectives but also demonstrates potential to take up senior roles within EABL, Africa and globally. EABL has been recognised as a net exporter of talent with 21 employees currently on international assignments.

Helping our People Realise their Potential through our Talent Programmes

Our long-term, deliberate and elaborate growth agenda for our people outlines how we will achieve success, through a host of programmes that support our people to deliver on our strategy.

A process that assesses entry-level talent with high potential to join a three-year rotational programme in Sales, Marketing, Supply, Finance and Human Resources. Currently we have 29 graduates across EABL.

P4G is our performance management programme that puts performance and career conversations at the heart of the process to deliver both business and personal outcomes.

My Learning Hub is our e-learning platform that gives employees everything they need for their own development, with a huge range of learning options. 40,000 courses have been completed in the past year.

A programme designed to create breakthrough in leadership capability demonstrating the leadership standard at senior management level with a view to shift from functional to cross-functional business know-how and impact.

For aspiring leaders who want to develop their next leadership level with increased self-awareness exploiting their full potential and supporting our business objectives. 3 of our executive leaders are currently on this programme.

In partnership with Strathmore Business School, we have continued to run a 'Women in Leadership' programme since 2015 and have built the leadership capability of over 360 women in our business.

A unique learning journey designed for senior leaders to accelerate their career. 10 of our senior leaders from across EABL recently graduated from the programme while 2 from Uganda are currently on the programme.

Commitment to Our People's Well-being

Our employee well-being continues to be our utmost priority. We have created an environment and culture where all our people can thrive at work and at home. With our culture top of mind, we have embraced flexible working and continued to drive mental, physical, financial and social well-being amongst our employees. Our well-being philosophy makes well-being part of our everyday culture. We have continued to update our policies so that they reflect this approach.

Following on the 2022 launch of our Domestic and Family Abuse Guidelines outlining our zero-tolerance approach for all forms of domestic and family abuse, and practical guidance for where to get confidential support, this year we launched the Pregnancy Loss Guidelines. The guidelines create awareness on various types of pregnancy loss including resources available to employees and line managers of those who may experience this loss. The guidelines recognise that pregnancy loss is a bereavement. We recognise that experiencing pregnancy loss is a grieving process that requires patience and time. When pregnancy loss occurs before 20 weeks an employee or spouse can access up to 10 working days of paid leave and after 20 weeks the carrying female can access up to 26 weeks while the spouse can access up to to 10 working days of paid leave.

People Welfare and Rewards

The welfare of our people remains a critical part of our growth agenda. We focus on financial rewards and non-financial rewards, together, forming our employer value proposition.

Our well-being philosophy works together with other progressive policies and competitive reward guidelines including:

- Quarterly and annual rewards including annual salary reviews, performance rewards, spot recognition, functional recognition, company-wide recognition and long-service policy and guidelines.
- A mortgage benefit scheme, partly funded by EABL, in consideration that one of the highest priorities for our employees is the ability to own a home and this aspiration is an integral part of their financial plans.
- A comprehensive employee's medical scheme and wellness programme to ensure a healthy workforce across our business.
- A clinic fully resourced to provide general and specialist medical care to employees and their families. EABL Kenya also has E-Health which is an online medical platform that allows employees to access medical care remotely.
- Collective bargaining agreement that spells out the benefits, working conditions and applicable labour relations with the unionisable employees as mutually agreed.
- An employee share ownership plan (ESOP) connecting employment to the long-term success of our business. The plan forms a crucial part of employee engagement, retention and commitment to creating sustainable value for our people and our business.
- Competitive benefits and employee programmes, including company product benefit, club membership for senior leaders, policy on sponsorship for employee development i.e., training, which could be functional or leadership or executive coaching, flexible working philosophy and facilities that drive engagement.

Employee Engagement

your voice 2023

Each year we conduct an anonymous employee engagement survey (Your Voice), exploring how company values are being demonstrated individually and across the company. The survey reinforces how much pride and positivity we feel about EABL's culture and how well we are connected to deliver our performance ambition. This year our employee engagement index improved to 90% (+1 vs 2022) with 91% of respondents to our "Your Voice" employee survey citing that they are proud to work for EABL and would recommend EABL as a great place to work.

90%
Employee engagement index (+1 vs 2022)

93%
EABL is sufficiently supporting my health and wellbeing (0 vs 2022)

Building an Inclusive and Diverse Culture

Achieving gender equality and empowerment is a key focus area for us and ties in with United Nations Sustainable Development Goal 5 on empowering women and girls. To this end, we have put in place measures and frameworks to ensure that we align our business to meet this target. Currently, we are at 35% gender diversity across EABL with an ambition to achieve 50% gender representation across the business by 2030.

Awards and Accolades

The Group received a number of awards during the period, a testimony of the recognition of our unparalleled investment in sustainability initiatives.

In Kenya, the year was marked by a significant achievement in the use of clean and renewable energy, with the following awards and recognition received:

- Awarded the Certificate of Compliance by the Energy and Petroleum Regulatory Authority – EPRA – for commitment and execution of the use of clean and renewable energy.

KBL was awarded the Certificate of Compliance by the Energy and Petroleum Regulatory Authority – EPRA for commitment and execution of the use of clean and renewable energy.

- Recognised through the Annual Energy Management Awards in the following categories:
  - Thermal Savings Award – KBL Kisumu Plant
  - Best Energy Management Team Award – KBL Kisumu Plant
  - Sustained High Performance Award – KBL Tusker Plant

In Tanzania, SBL was also recognized by various organisations for its outstanding sustainability initiatives in 2023, and received the following awards:

- Second runner-up in two awards categories for outstanding CSR and environmental sustainability categories in 2022.

- 'Best private sector organisation in the water sector development' at an event that was organised by WaterAid Tanzania, and officiated by the Prime Minister of Tanzania.

- Named as the 'Best Employer in Local Content' category by the Association of Tanzania Employers – ATE.

SBL was named as the "Best Employer in Local Content' category by the Association of Tanzania Employers (ATE).

- Awarded the 'Best Compliance award from Higher Education Students' Loans Board (HESLB) – for its compliance with the requirement, by HESLB, to deduct and remit repayments to the Students' Loans Board, on time and consistently, for its staff who are beneficiaries of the Higher Education Students' Loans.

SBL received the CSR and Environmental Sustainability Award by the Tanzania Private Sector Foundation (TPSF) awards

In Uganda, UBL was recognised in various spheres including environmental, occupational health and safety as well its commitment to disability inclusion, among others. Some of the awards received in Uganda during the year include:

- Award for excellence in Occupational Health and Safety
- Award for Excellence in Road Safety Awareness
- Manufacturing Excellence Award
- Award for Outstanding Commitment to Disability Inclusion
- Employer of the year Award by Federation of Uganda Employers (FUE)

UBL was recognised by the Hon. Minister Francis Mwebesa, for relentlessly driving industrialization and spearheading the Buy Uganda Build Uganda (BUBU) agenda through our Local Raw Materials programmes.

Solid corporate governance.

EABL upholds the highest governance standards through sound Board governance framework and practices.

Corporate *Governance*

Our *Leadership*

Board of Directors

Dr. Martin Oduor-Otieno, CBS

Independent Non-Executive Director and Group Chairman

Appointed to the Board in May, 2016 and appointed as Group Chairman in January, 2020

Age: 67 years
Nationality: Kenyan

Dr. Martin Oduor-Otieno is the Founder and CEO of The Leadership Group Limited, a Nairobi-based consulting firm involved in facilitating board practice and leadership training, executive coaching and business advisory services. Previously, he 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. 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. Dr. Oduor-Otieno holds an honorary Doctor of Business Leadership degree from KCA University, an Executive MBA from ESAMI/Maastricht School of Management and a 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.

Board Experience:
- Group Chairman of EABL.
- Chairman of Kenya Breweries Limited and UDV (Kenya) Limited, subsidiaries of EABL.
- Non-Executive Director in BAT Kenya Plc.
- Non-Executive Director in Standard Bank Group.
- Non-Executive Director in Standard Bank of South Africa.
- Past President of the International Coaching Federation (ICF) Kenya Chapter.
- Past Chairman of the Institute of Certified Public Accountants of Kenya.

Mr. Dayalan Nayager

Non-Executive Director and Group Vice Chairman

Appointed to the Board in March, 2021

(Resigned on 1st July 2023)

Age: 42 years
Nationality: South African

Mr. Dayalan Nayager is the current President Diageo Africa and Chief Commercial Officer and a member of the Diageo Executive Committee. In this role, he is responsible for all African Diageo markets. He was previously the Managing Director for Diageo Great Britain, responsible for Diageo's home market. Mr. Nayager brings his extensive leadership expertise and knowledge about the consumer goods industry to Africa's alcohol beverage sector. He is passionate about developing strong talent and is known for his ability to implement a structured and disciplined approach that drives stronger performance and sustainable growth. Mr. Nayager holds a Bachelor of Commerce in Marketing from the University of KwaZulu-Natal, a Bachelor of Commerce in Business Management from the University of South Africa and an MBA from the University of Oxford.

Board Experience:
- Mr. Nayager is a Non-Executive Director and Vice Chairman of Guinness Nigeria Plc.

Mr. Leo Breen

Non-Executive Director

Appointed to the Board in January, 2020

Age: 57 years
Nationality: British

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 in major markets and emerging markets. Mr. Breen has a BA Honours 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.

Ms. Jane Karuku, MGH

Executive Director, Group Managing Director and CEO

Appointed to the Board in September, 2013

Age: 61 years
Nationality: Kenyan

Ms. Jane Karuku is the Group Managing Director and CEO of EABL, having been appointed on January 1, 2021. Previously, she was the Managing Director of Kenya Breweries Limited (KBL) since July 2015. She is a dynamic business leader, with strong management experience spanning over 20 years in FMCG and Non-Governmental organisations. Prior to her appointment to KBL, she was the President of Alliance for a Green Revolution in Africa (AGRA). She has also held a number of senior positions in various companies, including Deputy Chief Executive and Secretary General, Telkom Kenya, and Managing Director, Cadbury East and Central Africa. Prior to that, Ms. Karuku worked with Farmers Choice Kenya and Kenya Cooperative Creameries. Ms. Karuku holds a Bachelor of Science degree in Food Science and Technology from the University of Nairobi and an MBA in Marketing from the National University of California.

Board Experience:
- Non-Executive Director in Kenya Breweries Limited and UDV (Kenya) Limited, both subsidiaries of EABL.
- Ms. Karuku has been a member of the board of Barclays Bank of Kenya and Junior Achievement – Kenya.
- She is a past Chairperson of Kenya's Vision 2030 Board.
- She is also a trustee at the United States International University (USIU) and a board member of the Kenya Association of Manufacturers.

Ms. Risper G. Ohaga

Executive Director and Group Chief Financial Officer

Appointed to the Board in May, 2020

Age: 47 years
Nationality: Kenyan

Ms. Risper G. Ohaga is the Group Chief Financial Officer. She is a seasoned finance professional with over 20 years of experience. 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 the most recent posting being Finance Director of Absa Bank Zambia Plc. Prior to that, she held the role of Managing Director for Internal Audit in Johannesburg. She has extensive regional experience in tax and regulatory matters, strategy, risk management and corporate finance, having started her career in KPMG Kenya. She is a CPA (Kenya) and holds a BCom Honours in Accounting from The University of Nairobi.

Board Experience:
- She is a Director at Kenya Breweries Limited and UDV (Kenya) Limited, subsidiaries of EABL.
- Ms. Ohaga is a past board member of Barclays Bank Zambia.
- She is a Non-Executive Director at APA Insurance and Apollo Group.

Mr. Japheth Katto

Independent Non-Executive Director

Appointed to the Board in February, 2014

(Resigned on 28th February 2023)

Age: 72 years
Nationality: Ugandan

Mr. Japheth Katto is a consultant in corporate governance and financial services regulation. He was the first CEO of Uganda's Capital Markets Authority from 1998 until 2013. Mr. Katto has a wealth of experience in the private and public sectors, having held various accounting, auditing, insolvency, companies' investigation and financial services regulation roles in East Africa and the United Kingdom. Mr. Katto is an adjunct faculty at Strathmore University Business School. He is a Makerere University B.Com graduate, Fellow of ACCA, member of CPA Uganda and a Certified Corporate Governance trainer.

Board Experience:
- Mr. Katto is the Chairman of the Board of Uganda Breweries Limited.
- He is also the Chairman of the Board of Stanbic Uganda Holdings Limited.
- He was recently appointed to the board of trustees of the International Valuation Standards Council (IVSC).
- He is a past member of the Global Council of the Association of Chartered Certified Accountants (ACCA).
- He is a past board member of the New York-based International Federation of Accountants, Duke of Edinburgh International Award Uganda and Junior Achievement Uganda.
- Mr. Katto has previously held key public appointments in Uganda, including commissioner on the Judicial Commission of Enquiry into the Closure of Banks, Chairman of Ministry of Finance Pensions Liberation and Regulation Committee and Council Member of Africa Peer Review Mechanism.

Mr. John Ulanga

Independent Non-Executive Director

Appointed to the Board in June, 2019

Age: 52 years
Nationality: Tanzanian

Mr. John Ulanga is currently the Regional Director for East and Central Africa at TradeMark East Africa (TMEA), an East African not-for-profit company limited by guarantee established in 2010 to support the growth of trade – regional and international – in East Africa. TMEA is focused on ensuring gains from trade result in tangible gains for East Africans. Prior to this, he served as the Vice President, External Affairs and Sustainability, for BG Group, a world leader in oil and gas exploration in East Africa. Mr. Ulanga holds a B.Com (Accounting) from the University of Dar es Salaam, an Executive Master in Development Policies and Practices from the Graduate Institute of International and Development Studies in Geneva, and is a Certified Public Accountant (CPA Tanzania). Mr. Ulanga is also a Certified Emotional Intelligence Practitioner and a Certified Compliance Professional.

Board Experience:
- Mr. Ulanga is the Chairman of the Board of Serengeti Breweries Limited.
- He is the Chairman of the Board of Directors of KCB Bank Tanzania Limited.
- He is the Chairman of the University Council of the Hubert Kairuki Memorial University, Dar es Salaam.
- He is the Chairman of the Board of Directors of Tanzania Financial Services for the Underserved Settlements (TAFSUS), an initiative to upgrade slums and underserved settlements in Tanzania.
- He is a Non-Executive Director in Mwananchi Communications Limited (publishers of The Citizen, Mwananchi and Mwanaspoti newspapers).
- Mr. Ulanga is a Member of the Africa Policy Advisory Board ONE Campaign (www. one. org).
- He is a Fellow of the African Leadership Initiative, East Africa, and the Aspen Global Leadership Network of the Aspen Institute in Colorado, USA.

Ms. Carol Musyoka

Independent Non-Executive Director

Appointed to the Board in September, 2015

Age: 51 years
Nationality: Kenyan

Ms. Carol Musyoka, a lawyer by training and a banker by profession with over 15 years OF experience, is the founder and Chief Executive Officer of Carol Musyoka Consulting Limited, a corporate governance and leadership consultancy, through which she provides consulting and training services for various local public-listed entities, private companies and not-for-profit organisations. 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). Ms. Musyoka is also a popular weekly columnist in the Business Daily and is adjunct faculty at the Strathmore University Business School. Ms. Musyoka holds a Bachelor of Laws degree from the University of Nairobi and a Master's of Laws from Cornell Law School Ithaca, New York, USA.

Board Experience:
- Non-Executive Director at Kenya Breweries Limited and UDV (Kenya) Limited, subsidiaries of EABL.
- Former Non-Executive Director at BAT Kenya Plc.
- Immediate past Chairperson of the Kenya Deposit Insurance Corporation.
- Former Chairperson of the Business Registration Services.
- Former Non-Executive Director at Kenya Airways Plc.
- Former Non-Executive Director at the Industrial and Commercial Development Corporation (ICDC).
- Former Non-Executive Director at the Competition Authority of Kenya.

Our Leadership

Board of Directors

Mr. Jimmy Mugerwa

Independent Non-Executive Director

Appointed to the Board in July, 2018

Age: 59 years
Nationality: Ugandan

Mr. Jimmy D. Mugerwa is the founder and 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, 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 Kenya Shell Country Chair/General Manager, Shell East Africa operations, Africa Retail Marketing and Strategy Manager for Shell and 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 B.Sc. in Agriculture from Makerere University and an M.Sc. degree from the University of Wales. He also holds the Financial Times Non-Executive Director Post-Graduate Diploma, 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 the Chairman of the Board of Uganda Breweries Limited.
- He also currently serves as the Chairman of the DFCU Holding Group.
- He is an Independent Non-Executive Director at Jubilee Allianz Insurance in Uganda.
- Part of the advisory board of Veracity Worldwide
- He has held directorship roles in several boards for Shell and Tullow across East Africa.
- Mr. Mugerwa chaired the Presidential Investor Round Table for Oil and Gas for four years.
- He was a Co-founding Chair, with the late Professor Wangari Maathai, of the Karura Forest Environmental Education Trust.
- He is a former Chairman of the Managing Committee of Starehe Boys Centre for 8 years.

Ms. Ory Okolloh

Independent Non-Executive Director

Appointed to the Board in October, 2020

Age: 46 years
Nationality: Kenyan

Ms. Ory Okolloh, a lawyer by profession, is currently a partner at Verod-Kepple Africa Ventures (VKAV), a pan-African-focused venture capital firm that backs exceptioninal founders in and from Africa. At VKAV, Ms. Okolloh leads and implements all investment-related activities, drives expansion and supports partner companies with strategic and operational issues. She was previously the Managing Director at Omidyar Network and Luminate Group in Africa, companies united by a common desire to catalyse social impact. Prior to this, she worked with Google as the Policy and Strategy Manager for Africa. She was credited for leading several groundbreaking efforts around access, local content and regulatory reforms. Ms. Okolloh was also at the forefront of developing technology innovation as a founding member of Ushahidi. In 2014, she was named among Time 100's most influential people in the world. Ms. Okolloh holds a Bachelor of Arts (Political Science) degree from the University of Pittsburgh and a Juris Doctor (JD) from Harvard Law School.

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

Mr. Felix Okoboi

Independent Non-Executive Director

Appointed to the Board in May, 2023

Age: 52 years
Nationality: Ugandan

Mr. Felix Okoboi 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 USA, Europe and Uganda. He is passionate about impact investing and sustainability, and specialises in advisory work in the distressed assets, real estate and equity investments space. Mr. Okoboi holds an MBA in Finance from The Wharton School, and a Master's in 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.

Board Experience:
- Non-Executive Director on the Board of Uganda Breweries Limited.
- Board Chairman of the Uganda Development Bank.
- Board Chairman of the Agricultural Business Initiative (aBi).
- Board Chairman of Britam Insurance Uganda.
- Chairman of the Investment Committee of the Yield Uganda Investment Fund, Uganda's largest impact equity investment fund for agribusiness.

Mr. John Musunga

Non-Executive Director

Appointed to the Board in July, 2023

Age: 54 years
Nationality: Kenyan

Mr. Musinga is the Chief Executive Officer and Managing Director of Guinness Nigeria Plc and has been in this role since October 2022. He joined Diageo in March 2021 as Managing Director of Kenya Breweries Limited. Previously, he worked at GlaxoSmithKline where he held several senior executive roles at global and regional level. He has worked in Nigeria, Belgium, South Africa and Kenya. Mr. Musunga is an established business leader with a wide range of strategic, management and commercial experience spanning over 29 years. He has led teams to deliver exceptional business results by formulating strategies and leveraging customer and consumer-focused execution and insight. Mr. Musunga graduated from the University of Nairobi with a Bachelor of Science in Chemistry and holds a Master's in Business Administration from United States International University – Africa (USIU).

Board Experience:
- Former Chairman of the Kenya HIV/AIDS Business Council.
- Former Chairman of the Kenya Association of Pharmaceutical Industries.
- Former Chairman of GlaxoSmithKline Limited, Kenya.
- Former Non-Executive Director for the Kenya Vision 2030 Board.
- Former Executive Director, Kenya Breweries Limited.
- Former Executive Director, UDV (Kenya) Limited.

Mr. Sathish Krishnan

Non-Executive Director

Appointed to the Board in July, 2023

Age: 45 years
Nationality: Indian

Mr. Krishnan is an experienced CFO, board member and consummate organisational leader with over two decades of experience in leading multi-nationals. He 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, Mr. Krishnan spent 18 years at P&G in various senior finance positions across India, Singapore, Philippines, China, the Middle East and Africa. His experience spans roles across corporate strategy and planning, corporate finance, market finance, shared services and as business unit CFO. Mr. Krishnan has a Post-graduate degree from Indian Institute of Management (Bangalore, India) and a Bachelor's degree in Accounting and 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.

Ms. Kathryne Maundu

Group Company Secretary

Appointed Group Company Secretary in March, 2020

Age: 44 years
Nationality: Kenyan

Ms. Kathryne Maundu is a partner at Stamford Corporate Services LLP, part of Bowmans in Kenya. She is an expert in corporate governance within the East Africa region and has been instrumental in advising leading corporates in the public and private sector over the last 17 years and has specialised in the provision of governance and company secretarial services to companies that are publicly listed. Kathryne is recognised as a leader and mentor in society and has been named among the Top 40 under 40 Women in Kenya. Kathryne is an Advocate of the High Court of Kenya, a member of the Law Society of Kenya, a registered Certified Public Secretary and an Accredited Governance Auditor with the Institute of Certified Secretaries of Kenya.

Board Experience:
- Independent Director in the Board of the Anti-Doping Agency of Kenya.
- Council Member in the Institute of Certified Public Secretaries of Kenya.

Our Leadership

Executive Committee

Ms. Jane Karuku, MGH
Group Managing Director and Chief Executive Officer

Ms. Risper G. Ohaga
Group Chief Financial Officer

Mr. Haiko Cremer
Group Supply Chain Director

Ms. Tope Akinsanya
Group Human Resources Director

Mr. Mark Ocitti
Kenya Breweries Limited Managing Director

Mr. Obinna Anyalebechi
Serengeti Breweries Limited Managing Director

Mr. Andrew Kilonzo
Uganda Breweries Limited Managing Director

Mr. Eric Kiniti
Group Corporate Relations Director

Mr. Nadida Rowlands
Group Legal Director

Ms. Anne Joy Michira
Group Marketing and Innovations Director

THERE'S ONLY ONE BITE!

NOT TO BE SOLD TO PERSONS UNDER THE AGE OF 18. PLEASE DRINK RESPONSIBLY

Corporate *Governance Statement*

Overview

The East African Breweries PLC (EABL) Board is committed to implementing and adhering to good corporate governance and best practice. 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.

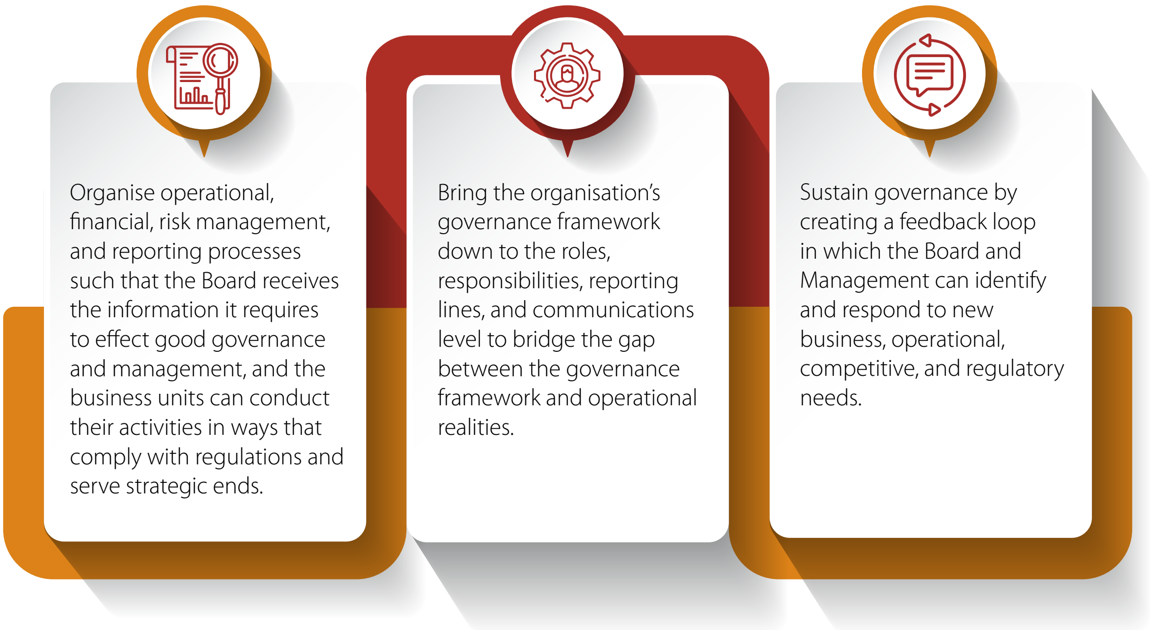
The Board considers that good governance, achieved through an ethical culture, competitive performance, effective control and legitimacy, can create sustainable value and enhance long-term equity performance.

The Company has instituted systems to ensure that high standards of corporate governance are maintained at all levels of the organisation and are 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 commits to comply. The CoBC is aligned to globally accepted standards and meets the requirements of local and 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 practice. We have put in place a corporate governance structure which assists in attaining the following objectives:



EABL operates within a clearly defined governance framework which 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 practised with respect to dealings with the Company's shareholders, customers and other relevant stakeholders in line with the spirit of the CMA Code of Corporate Governance for Listed Companies.

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 its delivery of the Company's strategic objectives and to operate a sustainable business for the benefit of all stakeholders. The Board recognises that 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 the 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.

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 company's best interest. 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, more specifically, the principles, practices and recommendations set out under the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 ("the CMA Code"), as well as the Companies Act, 2015 ("the Act"), are adhered to. EABL continues to endeavour 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 with the 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 CMA, the Nairobi Securities Exchange 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 its overall strategic direction, 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. The Board has delegated responsibility for implementing strategy and day-to-day operations to the Group Managing Director and Chief Executive Officer and the Company's executive team.

Throughout the year ended June 30, 2023, and to the date of this document, the Company endeavoured to comply with the Capital Markets Authority (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the 'Code').

The Role of the Board

The Board serves as the focal point and custodian of corporate governance in the Company. The Board is collectively responsible for the Company's vision, strategic direction, 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 towards 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 to execute the strategy through effective succession planning.
- Setting up appropriate governance structures for the management of business operations.
- Monitoring business performance and maintaining an effective framework of controls to mitigate risks facing the business.
- 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, vision, business strategy, goals, risk policy plans and objectives.
- Approving the Company's business strategy 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 to an appropriate governance framework.
- Reviewing and agreeing to Board succession plans and approving appointments of Directors;
- Reviewing periodic financial and governance reports.
- Approving the Annual Report, Company results and public announcements.
- 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 includes responsibility for the following:

- Approval of overall Group strategy and objectives.
- Approval of the Group annual budget and monitoring progress towards its achievement.
- 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 Group financing arrangements and treasury policy.
- Approval of major investments, disposals and additional investments in existing operations.
- Approval of major unbudgeted expenditures.

Division of responsibilities

The Chairman and the Group Managing Director's roles are separate, 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:*

- He is responsible for the leadership of the Board, ensuring its effectiveness in all aspects of its role and facilitating the productive contribution of all Directors.
- Responsible 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, the Chairman represents 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 the decisions of the Board are implemented.

Responsibilities of the Group Managing Director and Chief Executive Officer

These include, *inter alia:*

- Responsible 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 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 and 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 110 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 activities are adequate to achieve their targets.
- 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 statutory compliance, compliance with the regulators and good governance.

Role of the Company Secretary

- Providing the Board and the Directors – individually – with guidance on how their responsibilities should be discharged in the Company's best interests.
- Facilitating the induction training of new Directors and assisting with the Directors' professional development as required. This includes identifying and facilitating continuous Board education.

- Consulting with the GMD and CEO and the Chairman and 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 and communication of resolutions from Board meetings.
- Guiding the company in taking the initiative to disclose not only 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.

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 not be less than five and not more than 11. The Board currently comprises 11 Directors, nine Non-Executive Directors, and two Executive Directors. Six of the nine Non-Executive Directors 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 selecting and appointing 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, they are 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 (excluding 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 to refresh its membership progressively over time.

Non-Executive Directors

As of this report's date, 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 ensure the proposed business strategies are fully discussed and critically reviewed. This enables the directors to promote the success of the Company for the benefit of its shareholders, considering, among other matters, the interests of employees and fostering business relationships with customers, suppliers and other stakeholders.

The Non-Executive Directors oversee the operational performance of the business, scrutinise the 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 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 of 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 Independent Directors (over half the Board is comprised of Independent Non-Executive Directors).

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

WHO GOVERNS US

Composition of the Board

The profiles of the Board of Directors are set out on page 106 to page 109 of the Annual Report. The Directors who served during the year to June 30, 2023, and the Board changes that took place in the year under review to the date of this Annual Report are set out below:

Name	Nationality	Date of appointment
Dr. Martin Oduor-Otieno* – Group Chairman	Kenyan	May 2016
Mr. Dayalan Nayager[1] ** - Former Group Deputy Chairman	South African	March 2021
Mr. Leo Breen ** - Group Deputy Chairman	British	January 2020
Ms. Jane Karuku*** (Group Managing Director and CEO)	Kenyan	September 2013
Mr. Japheth Katto[2]*	Ugandan	February 2014
Ms. Carol Musyoka*	Kenyan	September 2015
Mr. Jimmy Mugerwa*	Ugandan	July 2018
Mr. John Ulanga *	Tanzanian	June 2019
Mr. Leo Breen**	British	January 2020
Ms. Risper G. Ohaga*** (Group Chief Finance Officer)	Kenyan	May 2020
Ms. Ory Okolloh*	Kenyan	October 2020
Mr. Felix Okoboi[3]*	Ugandan	May 2023
Mr. John Musunga[4]**	Kenyan	July 2023
Mr. Sathish Krishnan[5]**	Indian	July 2023

1. Mr. Dayalan Nayager resigned as a Director of the Board with effect from June 30, 2023.
2. Mr. Japheth Katto retired as a Director of the Board with effect from February 28, 2023.
3. Mr. Felix Okoboi was appointed as an Independent Non-Executive Director with effect from May 30, 2023.
4. Mr. John Musunga was appointed as a Non-Executive Director with effect from July 1, 2023.
5. Mr. Sathish Krishnan was appointed as a Non-Executive Director with effect from July 27, 2023.

*Independent Non-Executive Director
** Non-Executive Director
*** Executive Directors

Board operations

The Board meets at least four times a year, and the meetings are structured to allow for open discussions. Comprehensive Board papers are prepared and circulated to all Directors for all substantive agenda items prior to 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 prior to the date of the meeting. Where Directors are unable to attend a meeting, they are advised on the matters to be discussed and given the opportunity 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 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 an annual work plan that sets out the Board activities in a year. The work plan is designed to enable the Board to drive the strategy forward. The Board work plan for the year ended June 30, 2023, was approved by the Board at its meeting held on July 27, 2022.

Attendance at Board and Annual General Meetings during the Financial Year

	27.07.2022	15.09.2022	15.09.2022 (AGM)	13.10.2022 (Sp. Board)	11.11.2022	2-3.12.2022 (Strategy session)	26.01.2023	24.02.2023 (Sp. Board)	30.05.2023
Dr. Martin Oduor-Otieno	√	√	√	√	√	√	√	√	√
Ms. Carol Musyoka	√	√	√	Absent with apology	√	√	√	√	√
Ms. Jane Karuku	√	√	√	√	√	√	√	√	√
Mr. Leo Breen	√	√	√	Absent with apology	√	Absent with apology	√	√	√
Mr. John Ulanga	√	√	√	√	√	√	√	√	√
Mr. Japheth Katto	√	√	√	√	√	√	√	Absent with apology	-
Mr. Jimmy Mugerwa	√	√	√	√	√	√	√	√	√
Ms. Risper G. Ohaga	√	√	√	√	√	√	√	√	√
Ms. Ory Okolloh	√	√	√	√	√	√	√	√	√
Mr. Dayalan Nayager	√	√	√	√	√	Absent with apology	√	√	√
Mr. Felix Okoboi	-	-	-	-	-	-	-	-	√

- Mr. Japheth Katto retired as a director with effect from February 28, 2023.
- Mr. Felix Okoboi was appointed as a director with effect from May 30, 2023.

Permanent invitee to Board Meetings:
Mr. 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 F23 Key Performance Indicators.
- Discussed the approved F23 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.
- Made a recommendation to the shareholders on the approved final dividend for June 30, 2022, and approved an interim dividend for the year ending June 30, 2023.
- Oversight of the Group and subsidiaries' performance.
- Reviewed the reports from the deliberations of the various Committees.
- With the General Elections, focused on deep dive sessions to discuss the Continuity and Resilience Plan 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:

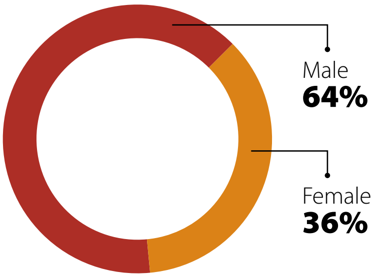
Board Diversity
The Board recognises and embraces the benefits of diversity and views increasing diversity as an essential element in maintaining a competitive advantage. The Board also recognises the role of diversity in bringing different perspectives into Board debates and offers better anticipation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

The Company seeks to have a Board with 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 and 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 challenge the strategic thinking of the executives, thereby adding value to the Company.

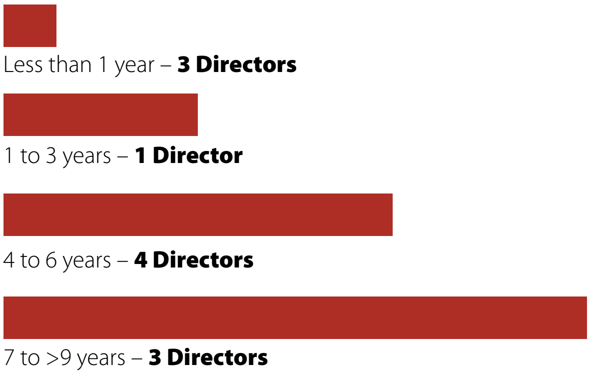
The Board regularly reviews the skills, knowledge and experience represented on the Board against the skills and experience needed to deliver the strategy. The Board continues to make efforts to diversify the skillset and gender. The Nominations and Remuneration Committee has been tasked to take this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

Gender Split of Directors



Length of tenure



Short biographies of the Directors, including details of their nationalities, relevant skills and experience, are set out on page 106 to 109.

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 familiarise themselves with the business. The three new Directors appointed in the year under review are in the process of being inducted.

Directors' Training and Development

The Board is committed to ongoing training and development of its Directors, and towards that goal, appropriate training interventions were identified during the year for attendance by Directors. To enable the Non-Executive Directors to 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. The Board and its Committees also receive regular briefings on legal and regulatory developments that affect the business.

In December 2022, 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, innovation, people and culture and ESG – Society 2030. The Board also held deep dive sessions in the year under review on the Continuity and Resiliency Plan pre and after the General Elections. To better appreciate the whisky production process, the Board visited Scotland for a market visit in May/June 2023 and held a deep dive into Scotch whisky.

In the year under review, each of the Directors who served for the full year secured at least 12 hours of training from the Company as prescribed by the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public 2015.

Access to Independent Advice

The Board recognises that there may be occasions when one or more Directors consider 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 which comes to any Director's attention, whether direct or indirect. 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 acknowledgement that, should it come to the attention of a Director that a matter concerning 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 of Corporate Governance Practices for Issuers of Securities to the Public. Directors are required to give advance notice of any conflict issues to the Chairman or Company Secretary, which are considered at the next Board meeting.

Declaration of conflicts of interest is also a standard agenda item 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 vote in respect of any matters in which they have an interest. No material conflicts were reported by Directors in the year under review.

Legal and Compliance Audit

In compliance with the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, an external consultant carried out a Legal and Compliance Audit for the year ending June 30, 2023, specific to EABL's employment-related practices and policies. The audit covered EABL, Kenya Breweries Limited, UDV (Kenya) Limited and East African Maltings Limited. The audit aimed to assess compliance with applicable employment-related laws, regulations and national standards in line with the scope of the Legal Audit Report.

The Auditor opined that the Group had a high level of compliance with all applicable employment laws, regulations and national standards. Any issues flagged in the Legal Audit Report were easily rectifiable. Implementation of recommendations from the external Legal and Compliance Audit conducted is ongoing.

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 (CMA) 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 Company undertook a governance audit for the financial year ending June 30, 2022, conducted by Dorion Associates LLP, who issued an unqualified report. The Governance Audit Report was adopted by the Board of Directors on May 30, 2023. The audit confirmed that the Board has put in place a sound governance framework that complies with the legal and regulatory framework and is in line with global best governance practices for the interest of stakeholders. The Board and various Committees continue to implement the recommendations from the governance audit. The next governance audit will be undertaken for the financial year ending June 30, 2024.

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

Corporate Governance Assessment Report

During 2022, the Capital Markets Authority assessed the CMA Code's implementation status by the Company for the year ended March 31, 2022. The assessment was based on a review of 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 82% – a testament to the Board's commitment to sound corporate governance practices. The Company continues to implement the recommendations received from the CMA to improve its implementation under the CMA Code.

Directors' Shareholding

Directors can purchase or sell shares of the Company in the open market. As at the end of the financial year under review, none of the Directors 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 of June 30, 2023, is as follows:

EABL Directors' shareholding as at 30 June 2023:

Directors' names	Number of shares
Ms. Caroline Musyoka	5,782
Ms. Jane Karuku	1,296
Ms. Ory Okolloh	1,220
Ms. Risper G. Ohaga	700

The Board Committees, Composition and their Activities

The Board carries out its obligations through Board Committees 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 and 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

Board Corporate Governance Committee

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

Current Members:

Mr. Jimmy Mugerwa	– Chairman
Ms. Carol Musyoka	
Mr. John Ulanga	
Ms. Kathryne Maundu	– Secretary of the Committee

Permanent invitees:

Ms. Jane Karuku	– Group Managing Director and CEO
Mr. Nadida Rowlands	– Group Legal Director

apply to the committee. Each Committee periodically reviews its terms of reference to ensure they align with current legislation and best practice. The Committees are provided with all necessary resources to undertake their duties effectively. The Committees are all chaired by Independent Non-Executive Directors who also form the majority of the Committees' membership.

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 to evaluate the performance of the Board, Board Committees, Individual Directors, Group Managing Director and the Company Secretary. All members of the Committee are Independent Non-Executive Directors.

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

- Monitored implementation of the requirements of the CMA Code.
- Received reports on the status of implementation of the ESG agenda – Society 2030.
- Reviewed the Draft Sustainability Report prior to its launch in September 2022.
- 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 the compliance report to the CMA, detailing the measures taken to ensure compliance with the CMA Code.
- Reviewed the Legal and compliance audit report and made recommendations to the Board.
- Reviewed the Governance Audit Report and made recommendations to the Board.
- Continued to track the progress made in implementing the Legal and Compliance audit recommendations.
- Reviewed various policy documents, including the refreshed Disciplinary Policy and Addendum to the Global Anti-Bribery and Corruption Policy.
- Reviewed the Terms of Reference of the Committee.
- The Committee approved its annual work plan for F23 on July 26, 2022.

Attendance at Board Corporate Governance Committee Meetings during the Financial Year

	26.07.2022	24.10.2022	18.01.2023	25.01.2023	22.05.2023
Mr. Japheth Katto	√	√	√	√	-
Mr. Jimmy Mugerwa		-	-	-	√
Ms. Carol Musyoka	√	√	√	√	√
Mr. John Ulanga	√	√	√	√	√

* Mr. Japheth Katto ceased to be a member of the Committee and the Committee chairperson with effect from February 28, 2023.
* Mr. Jimmy Mugerwa was appointed as a member of the Committee and the Committee Chairperson with effect from April 11, 2023.

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 Code of Corporate Governance for Issuers of Securities to the Public 2015, the committee comprises 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 good standing with a relevant professional body.

Current Members:

Mr. John Ulanga	– Chairman
Mr. Jimmy Mugerwa	
Mr. Leo Breen	
Ms. Ory Okolloh	
Mr. Felix Okoboi	
Ms. Kathryne Maundu	– Secretary of the Committee

Permanent invitees:

Ms. Jane Karuku	– Group Managing Director and CEO
Ms. Risper G. Ohaga	– Group Chief Finance Officer
Mr. 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 whistleblowing 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 for their re-appointments (or, where appropriate, change) and approving their terms of engagement and the level of audit fees payable to them.
- Reviewing 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 the preparation of the consolidated financial statements.

Activities of the Committee

During the year, the BARC met five times and reviewed the following business: Annual report and associated preliminary year-end results announcement, focusing on key areas of accounting judgement and complexity, accounting and provisioning policies.

- The external audit strategy and the external auditor's findings from its review of the interim results.
- Interim results announcement included the condensed financial statements and Company's management results.
- Business integrity, which covered risk management, controls and assurance, breach management and health, safety and environment.
- Reviewed the consolidated financial statements for the year ended June 30, 2022, along with the accounting policies, disclosures and other explanatory information based on the information provided.
- 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 reports from the Business Integrity (BI) team
- Reviewed the reports from the Global Audit and Risk (GAR) team; approved the annual GAR audit plan and reviewed the assessment of top risks identified by GAR as driving the plan and scope of audits for the year ended June 30, 2022.
- Reviewed the structure of the audit function and resolved to change the model to have an internal audit function for the Company.
- Discussed the Legal and Regulatory updates.
- Reviewed the Terms of Reference of the Committee.
- The Committee approved its annual work plan for F23 on July 20, 2022.

The Group has a policy on auditor independence and on the use of 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

	25.07.2022	24.10.2022	24.01.2023	25.04.2023	22.06.2023
Mr. John Ulanga	√	√	√	√	√
Mr. Japheth Katto	√	√	√	-	-
Mr. Jimmy Mugerwa	√	√	√	√	√
Mr. Leo Breen	√	√	√	√	√
Ms. Ory Okolloh	√	√	√	√	√

* Mr. Japheth Katto ceased to be a member of the Committee with effect from February 28, 2023.
* Mr. Felix Okoboi was appointed as a member of the Committee with effect from July 1, 2023.

Board Nominations and Remuneration Committee

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

Current Members:

Ms. Carol Musyoka – Chairperson
Dr. Martin Oduor–Otieno
Mr. Jimmy Mugerwa
Ms. Kathryne Maundu – Secretary of the Committee

Permanent invitees:

Ms. Jane Karuku – Group Managing Director and CEO
Ms. Temitope Akinsanya – Group Human Resources Director
Mr. 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:

- Assessed the effectiveness and adequacy of the Board succession pipeline and succession plans, particularly considering actual and potential vacancies in the longer-term horizon.
- Reviewed senior management talent and succession review.
- Reviewed and adopted changes to reward pay principles, management pay structures, pension plans and other cash and non-cash benefits pursuant to the talent strategy.
- Reviewed the Remuneration paid to the Independent Non-Executive Directors and resolved to retain the remuneration.
- Reviewed the Directors' Remuneration Report for the year ended June 30, 2022.
- Reviewed and approved benefits associated with long-term incentive plans related to the Employee Share Ownership Plan (ESOP), including the relevant Governance Framework and structures.
- Reviewed and made recommendations to the Board on the appointment of Directors to the Board, which occurred during the year as well as the appointment of various board directors to the board committees as well as to the subsidiary boards.
- Reviewed the Board's Skills Matrix.
- Reviewed and approved the proposals on board development.
- Reviewed the proposals for renewal of Directors' Letters of Appointment.
- Discussed the Human Resources trends for the future and the Company's culture code.
- Reviewed the Terms of Reference of the Committee.
- Approved the Committee's work plan for F23 on October 17, 2022.

Attendance at Board Nominations and Remuneration Committee meetings during the Financial Year

	25.07.2022	17.10.2022	18.01.2023	13.04.2023
Ms. Carol Musyoka	√	√	√	√
Mr. Dayalan Nayager	√	√	√	√
Dr. Martin Oduor-Otieno	√	√	√	√
Mr. Jimmy Mugerwa	√	√	√	√

* Mr. Dayalan Nayager ceased to be a member of the Committee with effect from July 1, 2023.

Board Investment Committee

The Investment Committee comprises four members, three 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:

Ms. Carol Musyoka	– Chairperson
Ms. Risper G. Ohaga	
Ms. Ory Okolloh	
Mr. Felix Okoboi	
Ms. Kathryne Maundu	– Secretary of the Committee

Permanent invitees:

Ms. Jane Karuku	– Group Managing Director and CEO
Mr. Nadida Rowlands	– Group Legal Director

Role of the Committee

- Responsible for reviewing and interrogating any investments or divestments that would significantly impact the company's balance sheet.
- Ensuring new investments made by the Company and its subsidiaries comply with the Company strategy and all applicable laws and regulations.
- Ensuring the necessary due diligence is conducted before the Company or its subsidiaries make any investments or divestments.
- 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.
- Reviewed various debt financing options for the Company.

Attendance at Board Investment Committee Meetings during the Financial Year

	25.01.2023	22.05.2023
Ms. Carol Musyoka	√	√
Mr. Japheth Katto	√	-
Ms. Risper G. Ohaga	√	√
Ms. Ory Okolloh	√	√

* Mr. Japheth Katto ceased to be a member of the Committee with effect from February 28, 2023.

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

Internal Regulations

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

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, 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 whistleblowing, taking disciplinary action, etc. The Code has been integrated into the Company's operations through the development of various policies and reporting mechanisms.

Board Policies

The Board has established policy and procedure documents to guide the Directors and Management in implementing their roles and responsibilities. A 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 conflicts 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.

Whistleblowing 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 extenal 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 preserve 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 induce 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 broad operational policies that guide Management in execution of the Group's operations in an efficient manner.

Communication with Stakeholders

EABL is committed to ensuring regular interaction and communication with its stakeholders, including shareholders, investors the financial markets, among others. The Board has mapped all its stakeholders and ensures they receive full and timely information about the Company's performance. This is achieved by releasing the half-year and annual results in the local press, distributing annual reports and holding investor briefings as appropriate. The Annual General Meeting provides a useful opportunity for shareholder engagement, particularly for the Chairman to articulate the Company's progress and receive and answer questions from investors. The Board believes 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. The Executive Directors manage relations with shareholders and potential investors, who are contactable directly and via the Shares Registrar.

EABL remains committed to relating openly with its shareholders by providing regular and 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 interim and full-year results are announced.
- 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 who provides feedback from existing shareholders and potential investors. During the year, the Company changes Share Registrars from Custody and Registrar Services to Image Registrars Limited.

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 the various factors affecting the performance of the Group. This is achieved through formal and informal meetings and information 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 directly engages with regulators and Government agencies through membership in 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.

Annual Report and *Financial Statements*

For the Year Ended June 30, 2023

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Corporate Information

DIRECTORS

Dr. Martin Oduor-Otieno	Group Chairman
Ms. Jane Karuku	Group Managing Director
Ms. Risper G. Ohaga	Group Chief Financial Officer
Mr. Leo Breen*	
Ms. Carol Musyoka	
Mr. John Ulanga***	
Mr. Jimmy Mugerwa**	
Ms. Ory Okolloh	
Mr. Dayalan Nayager****	(resigned on 1 July 2023)
Mr. Japheth Katto**	(resigned on 28 February 2023)
Mr. Felix Okoboi**	(appointed on 30 May 2023)
Mr. John Musunga	(appointed on 1 July 2023)

* British ** Ugandan ***Tanzanian **** South African

Corporate Information (continued)

SECRETARY
Ms. Kathryne Maundu (CPS No. 2159)
C/o Stamford Corporate Services LLP
5th Floor, ICEA Lion Centre, West Wing
Riverside Park, Chiromo Road Nairobi
P.O. Box 10643
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AUDITOR
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PRINCIPAL ADVOCATE
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SHARE REGISTRARS
Image Registrars Limited
5th Floor, Absa Towers
Loita Street
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PRINCIPAL BANKERS
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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
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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

Directors' Report

The Directors submit their report together with the audited financial statements for the year ended 30 June 2023, 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 International Financial Reporting Standards and the requirements of the Kenyan Companies Act 2015.

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 generated net sales of Kshs 109.6 billion (2022: Kshs 109.4 billion). While revenues remained stable, volumes declined by 7% reflecting the impact of the economic downturn and high inflation across the region on consumer disposable incomes. The imposition of higher excise tax rates during the year, particularly in Kenya, further affected the consumption of our brands.

Profit after tax of Kshs 12.3 billion is 20.9% below profit 2022 of Kshs 15.6 billion. The decline was primarily driven by higher costs due to the impact of inflation and currency devaluation on our cost base, partly offset through price increases and cost management initiatives.

ii) Environment, Social and Governance

Society 2030: Spirit of Progress is our ten-year action plan to manage our most material ESG matters. This action plan streamlines our ESG goals into four key pillars namely: (i) Promoting positive drinking, (ii) Championing inclusion and diversity, (iii) Pioneering grain to glass sustainability through water preservation, becoming sustainable by design, accelerating to a low carbon world, and (iv) doing business the right way.

We continued to embed Society 2030 into our business practices, ensuring that our growth is responsible, inclusive, and respectful of the communities we operate in.

iii) Our people

Our people and culture are key enablers in delivering our performance ambition. We are committed to offering an environment where our staff can thrive by providing the right opportunities and experiences for development and progression.

Our Bold, Progressive and Connected culture is fueling empowered teams, fostering an innovative spirit and driving proactive collaboration, enabling our teams to do their best work. We have taken steps to simplify ways of working and to improve the efficiency of processes, with the goal of empowering our people by enabling more agility and speed in execution.

We are equally dedicated to the health, safety, and wellness of our people and have set up policies and frameworks that support their well-being.

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 2023.

3. Dividends

Directors recommend that the Board approves the proposal to declare final dividend of Kshs 1.75 per share (2022: Kshs 7.25 per share) amounting to Kshs 1.384 billion (2022: Kshs 5.734 billion). An interim dividend of Kshs 3.75 per share for 2023 (2022: Kshs 3.75 per share) was paid in April 2023. The total dividend pay-out for the year will therefore be Kshs 5.5 per share (2022: Kshs 11 per share) amounting to Kshs 4,349 billion (2022: Kshs 8.699 billion).

4. Directors

The Directors who held office during the year and to the date of this report are set out on page 128.

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 719 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 **27 July 2023.**

By order of the Board

Ms. Kathryne Maundu
Company Secretary

Date: 27 July 2023

Ripoti ya Wakurugenzi

Wakurugenzi wanawasilisha ripoti yao pamoja na taarifa za kifedha zilizokaguliwa za mwaka uliokamilika 30 Juni 2023, ambazo zinaonyesha hali ya East African Breweries Plc ("EABL" au "Kampuni") pamoja na kampuni zake tanzu (kwa pamoja "Kundi"). Ripoti ya kila mwaka na taarifa za kifedha zimeandaliwa kwa mujibu wa maelezo kwenye Sheria ya Kampuni Kenya ya 2015.

1. Shughuli kuu

Kampuni hii na Kundi zinajihusisha katika mauzo, uagizaji, uzalishaji na usambazaji wa mkusanyiko wa nembo za bidhaa ambazo ni kuanzia bi ana pombe kali hadi kwa vinywaji vya watu wazima visivyo na kilevi, katika mataifa sita ambayo tunahudumu Afrika Mashariki, ambapo shughuli zimekolea zaidi katika masoko matatu makuu ambayo ni Kenya, Uganda, na Tanzania.

2. Utathmini wa biashara

i) Matokeo ya kifedha

Kundi lilipata mauzo halisi ya Kshs 109.6 bilioni (2022: Kshs 109.4 bilioni). Ingawa mapato hayakubadilika sana, kiasi kilichouzwa kilishuka kwa 7% jambo ambalo linaashiria athari za kudorora kwa uchumi na mfumko wa bei kote katika kanda kwenye matumizi ya pesa za hiari kwa wateja. Kuanza kutozwa kwa kodi ya juu ya bidhaa katika mwaka huo, hasa nchini Kenya, kuliathiri pia ununuzi na matumizi ya bidhaa zetu.

Faida baada ya kutozwa kodi ya Kshs 12.3 bilioni ambayo ilipatikana mwaka huo ni 20.9% chini ya faida ya mwaka 2022 ya Kshs 15.6 bilioni. Kushuka huku sana kulitokana na ongezeko la gharama lililotokana na athari za mfumko wa bei na kushuka thamani kwa sarafu kwenye gharama zetu. Athari hizo kwa kiwango fulani zilifutwa kupitia ongezeko la bei za bidhaa zetu na mikakati ya kudhibiti gharama.

ii) Mazingira, Jamii na Utawala

Jamii 2030: Moyo wa Maendeleo ni mkakati wetu wa miaka kumi wa kuongoza masuala yetu yanayohusu ESG.

Mpango huo unalainisha malengo yetu ya ESG katika nguzo nne kuu ambazo ni: (i) Kuhamasisha unywaji pombe wa kuwajibika, (ii) Kutetea thamani ya tofauti zetu na kujumuisha wote, (iii) Kutekeleza uendelevu wa kuanzia kwa nafaka hadi kwenye gilasi kupitia uhifadhi wa maji, kuwa na muundo wa uendelevu, na kuongeza kasi ya kuhakikisha kuwepo kwa ulimwengu usiozalisha gesi ya mkaa (iv) kufanya biashara kwa njia sahihi.

Tuliendelea kufungamanisha mpango huo wa Jamii 2030 kwenye shughuli zetu za kibiashara, kwa kuhakikisha ukuaji wetu ni wa kuwajibika, unajumuisha wote, na unaheshimu jamii katika maeneo tunayohudumu.

iii) Watu wetu

Watu wetu na utamaduni wetu ni viwezeshi muhimu sana katika kutimiza ndoto zetu za ukuaji. Tumejitolea kuhakikisha kuwepo kwa mazingira ambapo wafanyakazi wetu wanaweza kunawiri kwa kuwapa fursa zifaazo na uzoefu kuwawezesha kujikuza na kupiga hatua.

Utamaduni wetu Jasiri, wa Kisasa na wa Kuunganisha unachochea makundi ya wafanyakazi waliowezeshwa, na pia kukuza moyo wa ubunifu na uvumbuzi. Aidha, unasaidia ushirikiano na kuwezesha makundi yetu ya wafanyakazi kufanya kazi zao kwa njia bora Zaidi. Tumechukua hatua kurahisisha njia za kufanya kazi na pia kuboresha shughuli na taratibu za kufanya kazi. Lengo ni kuwawezesha watu wetu kwa kuhakikisha wepesi na kasi ya kuchukua hatua na kufanya kazi.

Pia tumejitolea kwa njia sawa kuangazia afya, usalama na maslahi mengine ya watu wetu na tumeweka sera na mifumo ya kuwasaidia katika kuwawezesha kuwa na hali njema na afya bora.

iv) Shughuli za kibiashara za uhusiano

Wakurugenzi wanathibitisha kwamba wameweka wazi shughuli zao za kibiashara ambazo zinaweza kuwa zinahusiana na Kundi na Kampuni katika taarifa hizi za kifedha na kwamba hakukuwepo na shughuli za kibiashara zenye mgongano wa maslahi kwa mwaka uliomalizika 30 Juni 2023.

Ripoti ya Wakurugenzi (inaendelea)

3. Mgawo wa faida

Wakurugenzi wanapendekeza kwamba Bodi liidhinishe pendekezo la kutangaza mgawo wa faida wa mwisho wa Kshs 1.75 kwa kila hisa (2022: Kshs 7.25 kwa kila hisa) ambazo ni jumla ya Kshs 1.384 bilioni (2022: Kshs 5.734 bilioni). Mgawo wa faida wa muda wa Kshs 3.75 kwa kila hisa kwa mwaka 2023 (2022: Kshs 3.75 kwa kila hisa) ulilipwa Aprili 2023. Jumla ya malipo ya mgawo wa faida kwa mwaka huo kwa hivyo itakuwa Kshs 5.5 kwa kila hisa (2022: Kshs 11 kwa kila hisa) ambazo ni jumla ya Kshs 4,349 bilioni (2022: Kshs 8.699 bilioni)

4. Wakurugenzi

Wakurugenzi waliohudumu katika mwaka huo na waliopo hadi tarehe ya kutolewa kwa ripoti hii wameorodheshwa katika ukurasa 128.

5. Kuweka bayana mambo kwa Wakaguzi wa Hesabu

Wakurugenzi wanathibitisha kwamba kuhusiana na kila Mkurugenzi wakati wa kuidhinishwa kwa ripoti hii::

a) Kwa uelewa wa kila Mkurugenzi, hakukuwepo taarifa zozote muhimu za ukaguzi wa hesabu za Kampuni ambazo mkaguzi wa hesabu hakuwa nazo; na

b) Kila Mkurugenzi alikuwa amechukua hatua zote zilizofaa kuchukuliwa kama Mkurugenzi ili kufahamu taarifa zozote muhimu za ukaguzi wa hesabu na kuhakikisha kwamba mkaguzi wa hesabu za Kampuni anafahamu taarifa hizo.

6. Mkaguzi wa hesabu

PricewaterhouseCoopers LLP wanaendelea kuhudumu kuambatana na Sheria za Kuundwa kwa Kampuni na Kifungu 719 cha Sheria ya Kampuni za Kenya ya mwaka 2015. Wakurugenzi hufuatilia utendaji kazi, kutopendelea upande wowote, na uhuru wa mkaguzi wa hesabu. Wajibu huu ni pamoja na uidhinishaji wa mkataba wa kuhudumu kama mkaguzi wa hesabu na malipo yanayohusiana na hilo kwa niaba ya wenyehisa.

7. Kuidhinishwa kwa taarifa za kifedha

Taarifa za kifedha ziliidhinishwa na bodi ya Wakurugenzi mnamo **27 Julai 2023.**

Kwa agizo la Bodi

Bi. Kathryne Maundu
Katibu wa Kampuni

Tarehe: 27 Julai 2023

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 2023. 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 recognise 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 recognising our Directors' contribution to the business is based on our reward principles, which are summarised 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 programme 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 programmes are linked to our performance ambition. They are simple and clearly communicated, recognising individual and business performance.

As at 30 June 2023, EABL's Board of Directors consisted of:

- 2 Executive Directors: Ms. Jane Karuku and Ms. Risper G. Ohaga.
- 2 Non-Executive Directors: Mr. Leo Breen and Mr. Dayalan Nayager
- 6 Independent Non-Executive Directors ("INEDs"): Dr. Martin Oduor-Otieno, Ms. Carol Musyoka, Mr. John Ulanga, Mr Jimmy Mugerwa, Ms. Ory Okolloh and Mr. Felix Okoboi

Directors' Remuneration Report (continued)

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 out on 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. 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.
Bonus	To incentivise delivery of EABL's annual strategic targets.	Targets are set out annually based on the Company's business plans. Bonuses are awarded during the EABL Annual Review Cycle and paid out in cash in October of every year. Elements used to calculate bonus are: Annual base salary, Business multiple and Bonus Factor.	Based on individual and Company performance.
Shares / stock options	To incentivise 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. 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); A measure of efficiency (e.g., operating margin, cumulative free cash flow, return on invested capital).

Directors' Remuneration Report (continued)

1. Executive Directors (continued)

Executive Directors' Remuneration – Auditable information

Table 1: Executive Directors' Pay and Benefits

	Salary	Bonuses	Allowances and benefits	Total
	Kshs '000	**Kshs '000**	**Kshs '000**	**Kshs '000**
Year ended 30 June 2023				
Ms. Jane Karuku	49,824	66,892	9,658	**126,374**
Ms. Risper G. Ohaga	28,890	25,692	6,029	**60,611**
Total	**78,714**	**92,584**	**15,687**	**186,985**
Year ended 30 June 2022				
Ms. Jane Karuku	46,483	30,884	8,992	**86,359**
Ms. Risper G. Ohaga	26,564	18,363	5,655	**50,582**
Total	**73,047**	**49,247**	**14,647**	**136,941**

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.

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
Year ended 30 June 2023				
Ms. Jane Karuku	59,162	10,900	(6,804)	**63,258**
Ms. Risper G. Ohaga	8,441	1,226	(1,328)	**8,339**
Total	**67,603**	**12,126**	**(8,132)**	**71,597**
Year ended 30 June 2022				
Ms. Jane Karuku	50,301	16,033	(7,172)	**59,162**
Ms. Risper G. Ohaga	7,139	1,302	—	**8,441**
Total	**57,440**	**17,335**	**(7,172)**	**67,603**

The charge through profit or loss relating to the share options and awards was Kshs 42,888,000 (2022: Kshs 46,266,000).

Directors' Remuneration Report (continued)

2. Non-Executive Directors

The Non-Executive Directors, Mr. Leo Breen and Mr. Dayalan Nayager, 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, 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.

INEDS Remuneration – Auditable information

	2023	2022
	Kshs '000	Kshs '000
Dr. Martin Oduor-Otieno	9,700	8,800
Ms. Carol Musyoka	6,105	5,580
Mr. Felix Okoboi	667	—
Mr. Jimmy Mugerwa	6,105	6,251
Mr. John Ulanga	7,395	6,037
Mr. Japeth Katto	7,395	6,251
Ms. Ory Okolloh	6,105	5,580
Total	**43,472**	**38,499**

By order of the Board

Ms. Kathryne Maundu

Company Secretary
Date: 27 July 2023

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 International Financial Reporting 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 made an assessment of the Group and Company's ability to continue as a going concern 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.

Except on borrowings as disclosed in note 29a, the Group and its subsidiaries have complied with the terms of financial covenants.

Approved by the Board of Directors on 27 July 2023 and signed on its behalf by:

____

Ms. Jane Karuku
Group Managing Director

____

Ms. Risper G. Ohaga
Group Chief Financial Officer

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 144 to 207, which comprise the consolidated statement of financial position at 30 June 2023 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 2023, 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, which include significant 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 2023 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting 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.

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Report of the independent auditor to the shareholders of East African Breweries Plc (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Carrying value of intangible assets (goodwill and brands) and investments in subsidiaries	
As disclosed in Notes 23 and 24 of the financial statements, the group has goodwill of Kshs 3.5 billion and indefinite lived brand intangible assets of Kshs 613 million as at 30 June 2023 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 2023 was Kshs 47 billion. 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. 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.	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. 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. We tested the mathematical accuracy and performed sensitivity analysis of the inputs and assumptions to the models. We assessed the adequacy and appropriateness of the related disclosures in Notes 23 and 24 of the financial statements.

Report of the independent auditor to the shareholders of East African Breweries Plc (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Provisions and contingent liabilities 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 the 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. 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.	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. 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: • where relevant, assessing independent professional opinions used in the management judgements and estimates; and • validation of the management judgements and estimates against the supporting internal information and documents, and communications with relevant tax authorities. We evaluated whether the disclosures in the financial statements appropriately reflect any significant uncertainties that exist around the unresolved tax matters.

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 2023 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 2023 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.

Report of the independent auditor to the shareholders of East African Breweries Plc (continued)

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 International Financial Reporting 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.

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.

Report of the independent auditor to the shareholders of East African Breweries Plc (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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 130 to 131 is consistent with the financial statements.

Directors' remuneration report

In our opinion the auditable part of the Directors' remuneration report on pages 134 to 137 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

27th July 2023

Consolidated statement of profit or loss
for the year ended 30 June

	Notes	2023 Kshs '000	2022 Kshs '000
Revenue from contracts with customers	6	109,649,413	109,409,027
Cost of sales	7	(62,249,439)	(56,553,029)
Gross profit		**47,399,974**	**52,855,998**
Selling and distribution costs		(10,036,418)	(9,733,709)
Administrative expenses	8	(11,116,982)	(10,841,540)
Other expenses	9(a)	(2,439,916)	(1,889,639)
Net impairment releases/(losses) on financial assets	9(b)	387,772	(2,138,860)
Operating profit		**24,194,430**	**28,252,250**
Finance income	12	75,171	184,528
Finance costs	12	(5,560,462)	(4,420,520)
Profit before income tax	10	**18,709,139**	**24,016,258**
Income tax expense	13	(6,386,222)	(8,441,859)
Profit for the year		**12,322,917**	**15,574,399**
Profit attributable to:			
Equity holders of the Company		9,857,351	11,857,336
Non-controlling interest	18	2,465,566	3,717,063
Profit for the year		**12,322,917**	**15,574,399**
Earnings per share			
Basic and diluted (Kshs per share)	15	12.47	15.00

Consolidated statement of comprehensive income

	Year ended 30 June	
	2023	**2022**
	Kshs '000	**Kshs '000**
Profit for the year	12,322,917	15,574,399
Other comprehensive income, net of tax:		
Items that may be reclassified to profit or loss		
Exchange differences from translation of net foreign operations	4,237,207	1,272,387
Total comprehensive income for the year	**16,560,124**	**16,846,786**
Total comprehensive income for the year attributable to:		
Equity holders of the Company	13,981,694	13,086,750
Non-controlling interests	2,578,430	3,760,036
Total comprehensive income for the year	**16,560,124**	**16,846,786**

Company statement of profit or loss and other comprehensive income

for the year ended 30 June

	Notes	2023 Kshs '000	2022 Kshs '000
Revenue from contracts with customers	6	1,771,128	1,929,998
Dividend income		11,743,879	8,242,144
Total revenue		**13,515,007**	**10,172,142**
Administrative expenses	8	(450,941)	(1,682,364)
Other income/(expenses)	9	336,650	(822,203)
Operating profit		**13,400,716**	**7,667,575**
Finance income	12	3,523,579	3,322,278
Finance costs	12	(5,147,317)	(4,639,083)
Profit before income tax	10	**11,776,978**	**6,350,770**
Income tax expense	13	(407,333)	(472,385)
Profit for the year		**11,369,645**	**5,878,385**
Profit for the year		11,369,645	5,878,385
Other comprehensive income, net of tax		—	—
Total comprehensive income for the year		**11,369,645**	**5,878,385**

Consolidated statement of financial position
as at 30 June

	Note	2023 Kshs '000	2022 Kshs '000
Equity attributable to owners of the Company			
Share capital	16	1,581,547	1,581,547
Share premium	16	1,691,151	1,691,151
Treasury shares	17(b)	(836,797)	(723,774)
Share based payment reserve	17(c)	131,918	103,861
Translation reserve		3,273,984	(850,359)
Retained earnings		14,186,178	8,678,086
Proposed dividend		1,383,855	5,733,114
		21,411,836	**16,213,626**
Non-controlling interests	18	10,332,042	10,200,169
Total equity		**31,743,878**	**26,413,795**
Non-current liabilities			
Deferred income tax	19	7,940,868	6,012,663
Borrowings	29	48,965,793	35,161,874
Lease liabilities	30	2,051,832	999,918
		58,958,493	**42,174,455**
Total equity and non-current liabilities		**90,702,371**	**68,588,250**
Non-current assets			
Property, plant and equipment	20	81,476,820	68,585,463
Right of-use assets	21	2,586,362	1,333,003
Intangible assets – Software	22	685,775	714,850
Intangible assets – Goodwill	23	3,505,408	3,062,522
Intangible assets – Brand	23	612,770	527,119
Other financial assets	25	10,000	10,000
Deferred income tax	19	278,255	782,850
		89,155,390	**75,015,807**
Current assets			
Inventories	26	15,608,384	13,272,250
Trade and other receivables	27	12,249,505	11,792,541
Current income tax	13(c)	5,327,280	404,326
Cash and bank balances	34	10,252,628	9,941,746
		43,437,797	**35,410,863**
Current liabilities			
Trade and other payables	28	30,527,508	32,209,869
Dividends payable		977,005	683,601
Borrowings	29	8,400,692	6,633,690
Lease liabilities	30	775,916	436,485
Bank overdraft	34	1,209,695	1,874,775
		41,890,816	**41,838,420**
Net current assets/(liabilities)		**1,546,981**	**(6,427,557)**
		90,702,371	**68,588,250**

The financial statements on pages 144 to 207 were approved for issue by the Board of Directors on 27 July 2023 and signed on its behalf by:

Ms. Jane Karuku
Group Managing Director

Ms. Risper G. Ohaga
Group Chief Financial Officer

Company statement of financial position
as at 30 June

	Note	2023	2022
		Kshs '000	Kshs '000
Equity attributable to owners of the Company			
Share capital	16	1,581,547	1,581,547
Share premium	16	1,691,151	1,691,151
Proposed dividends		1,383,855	5,733,114
Other reserves	17	131,918	103,861
Retained earnings		23,741,000	16,720,614
Total equity		**28,529,471**	**25,830,287**
Non-current liabilities			
Borrowings	29	37,666,667	29,208,333
Lease liabilities	30	5,202	9,137
		37,671,869	**29,217,470**
Total equity and non-current liabilities		**66,201,340**	**55,047,757**
Non-current assets			
Property, plant and equipment	20	460,056	404,613
Right of-use assets	21	9,191	15,839
Intangible assets – Software	22	5,108	43,555
Investment in subsidiaries	24	46,891,982	46,949,685
Other financial assets	25	10,000	10,000
Receivables from related parties	35(iii)	31,682,322	31,124,163
Deferred income tax	19	267,104	540,552
		79,325,763	**79,088,407**
Current assets			
Trade and other receivables	27	3,243,044	837,529
Current income tax		2,868,816	2,619,590
Cash and bank balances	34	4,196,688	6,989,353
		10,308,548	**10,446,472**
Current liabilities			
Trade and other payables	29	16,014,023	25,498,601
Dividends payable	14	977,005	683,601
Bank overdraft	34	4,008	1,665,407
Borrowings	29	6,433,333	6,633,333
Lease liabilities	30	4,602	6,180
		23,432,971	**34,487,122**
Net current liabilities		**(13,124,423)**	**(24,040,650)**
		66,201,340	**55,047,757**

The financial statements on pages 144 to 207 were approved for issue by the board of Directors on 27 July 2023 and signed on its behalf by:

Ms. Jane Karuku
Group Managing Director

Ms. Risper G. Ohaga
Group Chief Financial Officer

Consolidated statement of changes in equity

Year ended 30 June 2023	Share capital	Share Premium	Treasury shares	Share based payment reserve	Translation reserve	Proposed dividends	Retained earnings	Total	Non-controlling interests	Total equity
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
At 1 July 2022	**1,581,547**	**1,691,151**	**(723,774)**	**103,861**	**(850,359)**	**5,733,114**	**8,678,086**	**16,213,626**	**10,200,169**	**26,413,795**
Total comprehensive income										
Profit for the year	—	—	—	—	—	—	9,857,351	**9,857,351**	2,465,566	**12,322,917**
Other comprehensive income	—	—	—	—	4,124,343	—	—	**4,124,343**	112,864	**4,237,207**
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**4,124,343**	**—**	**9,857,351**	**13,981,694**	**2,578,430**	**16,560,124**
Transactions with owners of the Company										
Share based payment reserve (Note 17(c))	—	—	—	28,057	—	—	—	**28,057**	—	**28,057**
Employees share ownership plan (Note 17(b))	—	—	(113,023)	—	—	—	—	**(113,023)**	—	**(113,023)**
Dividends:										
– Interim for 2023	—	—	—	—	—	—	(2,965,404)	**(2,965,404)**	—	**(2,965,404)**
– Final for 2022	—	—	—	—	—	(5,733,114)	—	**(5,733,114)**	(2,446,557)	**(8,179,671)**
– Proposed for 2023	—	—	—	—	—	1,383,855	(1,383,855)	**—**	—	**—**
Total transactions with owners of the Company	**—**	**—**	**(113,023)**	**28,057**	**—**	**(4,349,259)**	**(4,349,259)**	**(8,783,484)**	**(2,446,557)**	**(11,230,041)**
At 30 June 2023	**1,581,547**	**1,691,151**	**(836,797)**	**131,918**	**3,273,984**	**1,383,855**	**14,186,178**	**21,411,836**	**10,332,042**	**31,743,878**

Consolidated statement of changes in equity (continued)

Year ended 30 June 2022	Share capital	Share Premium	Treasury shares	Share based payment reserve	Translation reserve	Proposed dividends	Retained earnings	Total	Non-controlling interests	Total equity
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 July 2021	**1,581,547**	**1,691,151**	**(600,476)**	**73,476**	**(2,079,773)**	**—**	**5,519,268**	**6,185,193**	**8,667,237**	**14,852,430**
Total comprehensive income										
Profit for the year	—	—	—	—	—	—	11,857,336	**11,857,336**	3,717,063	**15,574,399**
Other comprehensive income	—	—	—	—	1,229,414	—	—	**1,229,414**	42,973	**1,272,387**
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**1,229,414**	**—**	**11,857,336**	**13,086,750**	**3,760,036**	**16,846,786**
Transactions with owners of the Company										
Share based payment reserve (Note 17(a))	—	—	—	30,385	—	—	—	**30,385**	—	**30,385**
Employees share ownership plan (Note 17(a))	—	—	(123,298)	—	—	—	—	**(123,298)**	—	**(123,298)**
Dividends:										
– Final for 2021	—	—	—	—	—	—	—	**—**	(79,904)	**(79,904)**
– Interim for 2022	—	—	—	—	—	—	(2,965,404)	**(2,965,404)**	(2,147,200)	**(5,112,604)**
– Proposed for 2022	—	—	—	—	—	5,733,114	(5,733,114)	**—**	—	**—**
Total transactions with owners of the Company	**—**	**—**	**(123,298)**	**30,385**	**—**	**5,733,114**	**(8,698,518)**	**(3,058,317)**	**(2,227,104)**	**(5,285,421)**
At 30 June 2022	**1,581,547**	**1,691,151**	**(723,774)**	**103,861**	**(850,359)**	**5,733,114**	**8,678,086**	**16,213,626**	**10,200,169**	**26,413,795**

Company statement of changes in equity

Year ended 30 June 2023	Share capital	Share Premium	Share based payment reserve	Proposed dividends	Retained earnings	Total equity
	Kshs '000	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
At 1 July 2022	1,581,547	1,691,151	103,861	5,733,114	16,720,614	**25,830,287**
Total comprehensive income for the year	—	—	—	—	11,369,645	**11,369,645**
Transactions with owners of the company:						
Share based payment reserve (Note 17(a))	—	—	28,057	—	—	**28,057**
Dividends:						
– Interim for 2023	—	—	—	—	(2,965,404)	**(2,965,404)**
– Final for 2022	—	—	—	(5,733,114)	—	**(5,733,114)**
– Proposed for 2023	—	—	—	1,383,855	(1,383,855)	**—**
Total transactions with owners of the company	—	—	28,057	(4,349,259)	(4,349,259)	**(8,670,461)**
At 30 June 2023	**1,581,547**	**1,691,151**	**131,918**	**1,383,855**	**23,741,000**	**28,529,471**
At 1 July 2021	1,581,547	1,691,151	73,476	—	19,540,747	**22,886,921**
Total comprehensive income for the year	—	—		—	5,878,385	**5,878,385**
Transactions with owners of the company:						
Share based payment reserve (Note 17(a))	—	—	30,385	—	—	**30,385**
Dividends:						
– Interim for 2022	—	—	—	—	(2,965,404)	**(2,965,404)**
– Proposed for 2022	—	—	—	5,733,114	(5,733,114)	**—**
Total transactions with owners of the Company	—	—	30,385	5,733,114	(8,698,518)	**(2,935,019)**
At 30 June 2022	**1,581,547**	**1,691,151**	**103,861**	**5,733,114**	**16,720,614**	**25,830,287**

Consolidated statement of cash flows

		Year ended 30 June	
		2023	**2022**
	Notes	**Kshs'000**	**Kshs'000**
Profit before income tax		18,709,139	24,016,258
Adjusted for:			
Interest income	12	(75,171)	(184,528)
Interest expense on borrowings	12	5,341,478	4,241,367
Interest expense on lease liabilities	12	140,984	95,211
Depreciation of property, plant and equipment	20	6,126,012	5,165,098
Amortisation of right-of-use asset	21	795,962	559,665
Amortisation of intangible asset - software	22	170,859	158,631
Share based payments	17(c)	28,057	30,385
Write-off of property, plant and equipment		210,563	319,891
Cash generated from operations before working capital adjustments		**31,447,883**	**34,401,978**
Changes in working capital:			
- Trade and other receivables	34(b)	278,066	1,492,811
- Inventories	34(b)	(1,345,587)	(1,339,507)
- Trade and other payables	34(b)	(4,235,061)	774,805
Cash generated from operations		**26,145,301**	**35,330,087**
Operating activities			
Interest received	12	75,171	184,528
Interest paid on borrowings		(5,419,501)	(4,137,835)
Interest paid on lease liabilities	30	(140,984)	(95,211)
Income tax paid	13(c)	(9,605,826)	(5,375,866)
Net cash flows from operating activities		**11,054,161**	**25,905,703**
Investing activities			
Purchase of property, plant and equipment	20	(12,925,517)	(13,007,210)
Purchase of intangible assets - software	22	(99,021)	(186,788)
Transfer of intangible assets (from)/to related parties		(1,879)	21,739
Net cash flows from investing activities		**(13,026,417)**	**(13,172,259)**

Consolidated statement of cash flows (continued)

		Period ended 30 June	
	Notes	2023	2022
		Kshs '000	Kshs '000
Financing activities			
Repayment of principal portion of lease liabilities	30	(770,385)	(642,942)
Dividends paid to Company's shareholders		(8,405,114)	(2,879,245)
Dividends paid to non-controlling interests		(2,446,557)	(2,269,910)
Unclaimed dividend paid to Unclaimed Financial Assets Authority		—	(76,022)
Proceeds from borrowings	29	37,962,560	19,519,110
Repayment of borrowings	29	(23,563,013)	(22,925,667)
Movement in treasury shares	17	(113,023)	(123,298)
Net cash flows from financing activities		**2,664,468**	**(9,397,974)**
Increase in cash and cash equivalents		**692,212**	**3,335,470**
Movement in cash and cash equivalents			
At start of year		8,066,971	4,421,021
Foreign exchange impact on translation		283,750	310,480
Net increase in the year		692,212	3,335,470
At end of year	**34**	**9,042,933**	**8,066,971**

Company statement of cash flows

		Year ended 30 June	
		2023	**2022**
	Notes	**Kshs'000**	**Kshs'000**
Profit before income tax		11,776,978	6,350,771
Adjusted for:			
Interest income	12	(3,523,579)	(3,322,278)
Interest expense on borrowings	12	5,078,484	4,566,854
Interest expense on lease liabilities	12	1,300	1,201
Depreciation of property, plant and equipment	20	30,825	28,317
Amortisation of right-of-use asset	21	7,177	7,348
Amortisation of intangible asset - software	22	1,069	1,147
Share based payments		28,057	30,385
Dividend income		(11,743,879)	(8,242,144)
Settlement of amounts due from non-controlling interests (non-cash)	18	57,703	87,943
Loss on disposal of property and equipment		—	31
Cash generated from operations before working capital adjustments		**1,714,135**	**(490,425)**
Changes in working capital:			
– Trade and other receivables		(2,365,054)	1,295,537
– Trade and other payables		(962,104)	16,343,659
Cash generated from operations		**(1,613,023)**	**17,148,771**
Operating activities			
Interest received	12	3,483,118	3,799,972
Interest paid on borrowings		(5,142,515)	(4,477,413)
Interest paid on lease liabilities	30	(1,300)	(1,201)
Income tax paid		(383,110)	(490,354)
Net cash generated from operating activities		**(3,656,830)**	**15,979,775**
Investing activities			
Purchase of property, plant and equipment	20	(68,940)	(36,610)
Purchase of intangible assets	22	(4,236)	(78,040)
Property, plant and equipment- transfer to related companies	20	20,019	159,214
Proceeds from disposal of property, plant and equipment	20	—	44,468
Intangible assets - transfer to related companies	22	4,267	—
Movement in intercompany funding	35(b)	(558,159)	(88,046)
Dividends received from subsidiaries		11,743,879	8,242,144
Cashpool payables	28(b)	(8,458,447)	(9,530,486)
Net cash used from investing activities		**2,678,383**	**(1,287,356)**

Company statement of cash flows (continued)

		Year ended 30 June	
	Notes	2023 Kshs '000	2022 Kshs '000
Financing activities			
Repayment of principal portion of lease liabilities	30	(6,040)	(7,891)
Dividends paid to Company's shareholders	14	(8,405,114)	(2,879,244)
Unclaimed dividend paid to Unclaimed Financial Assets Authority		—	(76,022)
Proceeds from borrowings	29	31,700,000	14,000,000
Repayment of borrowings	29	(23,441,666)	(22,166,667)
Net cash flows from financing activities		**(152,820)**	**2,870,176**
(Decrease)/increase in cash and cash equivalents		**(1,131,267)**	**17,562,595**
Movement in cash and cash equivalents			
At start of year		5,323,947	1,761,351
(Decrease)/increase during the year		(1,131,267)	3,562,595
At end of year	**34**	**4,192,680**	**5,323,946**

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 2023 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. Significant 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 International Financial Reporting Standards ("IFRS") 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 International Financial Reporting Standards ("IFRS") 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 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 2022:

Annual improvements cycle 2018 -2020

These amendments include minor changes to:

- IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS.
- IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation.
- IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.

IAS 41, 'Agriculture' has been amended to align the requirements for measuring fair value with those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.

The application of the amendments had no material impact on the consolidated financial statements.

Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract

The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.

Notes (continued)

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

The application of the amendments had no material impact on the consolidated financial statements.

Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.

The application of the amendments had no material impact on the consolidated financial statements.

Amendment to IFRS 3, 'Business combinations' Asset or liability in a business combination clarity

The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination.

In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework.

The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

The application of the amendments had no material impact on the consolidated financial statements.

(vi) Relevant new standards and interpretations not yet adopted by the Group

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

The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment.

Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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'

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.

(vii) Early adoption of standards

The Group did not early adopt new or amended standards in the year ended 30 June 2023.

(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 interest (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. 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.

Notes (continued)

2. Significant accounting policies (continued)

(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).

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.

Notes (continued)

2. Significant accounting policies (continued)

(g) Property, plant and equipment (continued)

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 is 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.

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.

Notes (continued)

2. Significant accounting policies (continued)

(i) Financial instruments (continued)

Classification (continued)

(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:

- Demand and term deposits with banking institutions, trade and other receivables and balances with related parties. These were classified as at amortised cost.

- Borrowings and trade and other liabilities. These were also classified as at amortised cost.

Initial measurement

On initial recognition:

i) Financial assets or financial liabilities classified as fair value through profit or loss are measured at fair value.

ii) Trade receivables are measured at their transaction price.

iii) 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 realise the asset and settle the liability simultaneously.

(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 recognises 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 recognised 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 recognised as income in the profit and loss account on a straight-line basis over the lease term.

Notes (continued)

2. Significant accounting policies (continued)

(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.

(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.

Notes (continued)

2. Significant accounting policies (continued)

(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.

(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.

(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 bank's net of bank overdrafts.

Notes (continued)

2. Significant accounting policies (continued)

(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.

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 has 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 24.

(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 rates used are set out in Note 2(g) above. 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 recognised 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 recognised as finance cost.

A provision for restructuring is recognised 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.

Notes (continued)

3. Critical accounting estimates and judgements (continued)

(vi) Provisions and contingent liabilities (continued)

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 recognised 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.

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. 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.

In addition, the Group manages the foreign currency exposure on foreign denominated borrowings through foreign exchange forward contracts.

A 5 per cent strengthening of the Kenya shilling against the following currencies at 30 June 2023 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 2022.

Group		**Profit or loss**	
At 30 June		**2023**	**2022**
		Kshs'000	**Kshs'000**
EUR	Euro	(106,620)	(19,086)
GBP	Sterling Pound	(28,691)	(27,621)
RWF	Rwandan Franc	9,255	—
TZS	Tanzania Shillings	(37,517)	3,477
UGX	Uganda Shillings	(2,530)	(5,569)
USD	US Dollar	207,175	(91,273)
ZAR	South African Rand	(445)	(1,971)
		40,627	**(142,043)**

Notes (continued)

4. Financial risk management objectives and policies (continued)

Market risk (continued)

i) Foreign currency risk (continued)

Company		Profit or loss	
At 30 June		**2023**	**2022**
		Kshs'000	**Kshs'000**
EUR	Euro	2,725	(3,372)
GBP	Pound Sterling	26,603	41,410
TZS	Tanzanian Shilling	582	3,932
UGX	Ugandan Shilling	3,743	1,425
USD	US Dollar	392,669	(5,568)
ZAR	South African Rand	—	9
		426,322	**37,836**

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 2023, an increase/decrease of 1 percentage point would have resulted in a decrease/increase in profit for the year of Kshs 401,506,653 (2022: Kshs 331,734,860), mainly as a result of higher/lower interest charges on variable rate borrowings.

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:

	2023	**2022**
	Kshs'000	**Kshs'000**
(a) Group		
Trade receivables (Note 27(a))	7,905,743	7,676,846
Other receivables (Note 27(a))	1,611,329	1,596,281
Receivables from related companies (Note 35(a)(iii))	1,103,331	326,109
Bank balances (Note 34(a))	10,252,628	9,941,746
	20,873,031	**19,540,982**
(b) Company		
Long-term receivables from subsidiaries (Note 35(b)(ii))	31,682,322	31,124,163
Other receivables (Note 27(b))	243,200	222,343
Receivables from related companies (Note 35(b)(i))	2,889,533	612,560
Bank balances (Note 34(a))	4,196,688	6,989,353
	39,011,743	**38,948,419**

Notes (continued)

4. Financial risk management objectives and policies (continued)

Credit risk (continued)

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.

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

(a) Group

	2023	2022
	Kshs'000	**Kshs'000**
Not due	354,030	2,142,183
Past due but not impaired:		
-by up to 30 days	5,759,298	5,022,672
-by 31 to 120 days	1,794,246	799,537
-over 121 days	1,203,530	1,276,487
Trade receivables (Note 27)	**9,111,104**	**9,240,879**
Receivables determined to be impaired:		
Carrying amount before provision for expected credit losses	9,111,104	9,240,879
Provision for expected credit losses	(1,205,361)	(1,564,033)
Net carrying amount (Note 27)	**7,905,743**	**7,676,846**

(b) Company

	2023	2022
Not due	912	—
Past due but not impaired:		
- by up to 30 days	—	—
- by 31 to 120 days	—	—
- by 121 days and above	—	—
Trade receivables (Note 27)	**912**	**—**
Receivables determined to be impaired:		
Carrying amount before provision for expected credit losses	912	—
Provision for expected credit losses	—	—
Net carrying amount	**912**	**—**

Notes (continued)

4. Financial risk management objectives and policies (continued)

Credit risk (continued)

Impairment of financial assets

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 365 days past due.

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.

At 30 June 2023:	**Current**	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
	Kshs'000	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**
(a) Group						
Borrowings	—	14,558,682	12,716,009	38,529,167	5,536,221	**71,340,079**
Lease liabilities	—	521,588	798,495	1,467,530	1,113,158	**3,900,771**
Trade and other payables	—	30,527,508	—	—	—	**30,527,508**
Bank overdraft	—	1,209,695	—	—	—	**1,209,695**
Dividend payable	977,005	—	—	—	—	**977,005**
	977,005	**46,817,473**	**13,514,504**	**39,996,697**	**6,649,379**	**107,955,058**

	Current	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
	Kshs'000	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**
(b) Company						
Borrowings	—	11,208,726	6,834,825	27,647,066	5,536,221	**51,226,838**
Lease liabilities	—	5,369	5,658	—	—	**11,027**
Trade and other payables	—	16,014,023	—	—	—	**16,014,023**
Bank overdraft	—	4,008	—	—	—	**4,008**
Dividend payable	977,005	—	—	—	—	**977,005**
	977,005	**27,232,126**	**6,840,483**	**27,647,066**	**5,536,221**	**68,232,901**

Notes (continued)

4. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

At 30 June 2022:	Current	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Group					
Borrowings	—	10,841,711	10,139,066	30,830,960	51,811,737
Lease liabilities	—	524,893	357,476	626,885	1,509,254
Trade and other payables	698,108	31,511,761	—	—	32,209,869
Bank overdraft	—	1,874,775	—	—	1,874,775
Dividend payable	683,601	—	—	—	683,601
	1,381,709	**44,753,140**	**10,496,542**	**31,457,845**	**88,089,236**

At 30 June 2022:	Current	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Company					
Borrowings	—	10,125,328	8,717,073	25,132,231	43,974,632
Lease liabilities	—	7,441	4,657	5,658	17,756
Trade and other payables	—	25,498,601	—	—	25,498,601
Bank overdraft	—	1,665,407	—	—	1,665,407
Dividend payable	683,601	—	—	—	683,601
	683,601	**37,296,777**	**8,721,730**	**25,137,889**	**71,839,997**

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 emphasises maintaining a robust capital base to instill 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 2023, the net debt to equity ratio is x1.61, 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 2023, the reported ratio is 1.63, slightly above the target but within banking covenants of 2.5 to 3.5x. The increase in borrowing levels was influenced by macroeconomic challenges, but the Group will prudently manage this ratio to align with risk appetite and maintain compliance with key banking covenants.

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

Notes (continued)

4. Financial risk management objectives and policies (continued)

Capital risk management (continued)

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

	2023	2022
	Kshs'000	**Kshs'000**
Net borrowings:		
Total borrowings (Note 29)	57,366,485	41,795,564
Lease liabilities (Note 30)	2,827,748	1,436,403
Bank overdrafts (Note 29(a))	1,209,695	1,874,775
Less: cash and bank balances (Note 34(a))	(10,252,628)	(9,941,746)
Net debt	**51,151,300**	**35,164,996**
EBITDA		
Profit before tax	18,709,139	24,016,258
Adjusted for:		
Net finance costs	5,485,291	4,235,992
Depreciation and amortisation	7,092,833	5,883,394
Total EBITDA	31,287,263	34,135,644
Net Debt to EBITDA	**x1.63**	**x1.03**

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.

Notes (continued)

4. Financial risk management objectives and policies (continued)

Fair value measurement (continued)

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	Level 2	Level 3	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Financial assets at fair value through profit or loss:				
Other financial assets	—	—	10,000	10,000
Net assets at fair value through profit or loss	**—**	**—**	**10,000**	**10,000**

The following table presents the Group and Company's financial assets and liabilities that are measured at fair value at 30 June 2022.

	Level 1	Level 2	Level 3	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Financial assets at fair value through profit or loss:				
Other financial assets	—	—	10,000	10,000
Net assets at fair value through profit or loss	**—**	**—**	**10,000**	**10,000**

There were no transfers between levels during the years ended 30 June 2023 and 30 June 2022.

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.

Notes (continued)

5. Operating segments (Continued)

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

	Kenya		Uganda		Tanzania		Eliminations		Consolidated	
	June 2023 Kshs '000	June 2022 Kshs '000	June 2023 Kshs '000	June 2022 Kshs '000	June 2023 Kshs '000	June 2022 Kshs '000	June 2023 Kshs '000	June 2022 Kshs '000	June 2023 Kshs '000	June 2022 Kshs '000
External sales	70,608,483	73,818,318	23,141,952	19,798,985	15,898,978	15,791,724	—	—	109,649,413	109,409,027
Inter segment sales	3,574,142	5,045,930	44,523	67,127	24,265	1,245	(3,642,930)	(5,114,302)	—	—
Total sales	**74,182,625**	**78,864,248**	**23,186,475**	**19,866,112**	**15,923,243**	**15,792,969**	**(3,642,930)**	**(5,114,302)**	**109,649,413**	**109,409,027**

Reportable segments assets and liabilities are as follows:

	Kenya		Uganda		Tanzania		Eliminations		Consolidated	
	As at June 2023 Kshs '000	As at June 2022 Kshs '000	As at June 2023 Kshs '000	As at June 2022 Kshs '000	As at June 2023 Kshs '000	As at June 2022 Kshs '000	As at June 2023 Kshs '000	As at June 2022 Kshs '000	As at June 2023 Kshs '000	As at June 2022 Kshs '000
Segment non-current assets	91,501,099	90,715,768	20,623,668	15,217,665	22,844,237	14,866,695	(45,813,614)	(45,784,321)	89,155,390	75,015,807
Total segment assets	119,696,799	115,532,659	29,474,449	20,698,224	29,869,505	20,246,029	(46,447,566)	(46,050,242)	132,593,187	110,426,670
Segment liabilities	67,292,152	63,609,304	19,332,007	14,318,237	18,104,629	9,064,318	(3,879,479)	(2,978,984)	100,849,309	84,012,875
Capital expenditure	4,198,367	4,259,394	3,061,665	4,628,652	5,764,506	4,305,952	—	—	13,024,538	13,193,998
Depreciation and amortisation	3,976,953	3,716,985	1,746,259	1,192,595	1,369,621	973,814	—	—	7,092,833	5,883,394

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.

Notes (continued)

6. Revenue from contracts with customers

	2023	2022
(a) Group	**Kshs '000**	**Kshs '000**
Gross sales	197,611,778	193,849,847
Indirect taxes	(87,962,365)	(84,440,820)
	109,649,413	**109,409,027**

	2023	2022
(b) Company		
Management fees	560,634	637,356
Royalties	1,210,494	1,292,642
	1,771,128	**1,929,998**

7. Cost of sales

	2023	2022
(a) Group	**Kshs '000**	**Kshs '000**
Raw materials and consumables	33,245,303	28,840,034
Distribution and warehousing	8,281,022	8,853,756
Maintenance and other costs	10,249,265	9,519,304
Staff costs	4,728,375	4,540,798
Depreciation and amortisation	5,745,474	4,799,137
	62,249,439	**56,553,029**

	2023	2022
(b) Company		
Cost of goods sold	—	—
Distribution and warehousing	—	—
Staff costs	—	—
	—	—

8. Administrative expenses

	2023	2022
(a) Group	**Kshs '000**	**Kshs '000**
Staff costs	8,770,504	8,618,984
Office supplies and other costs	728,446	914,936
Depreciation and amortisation	1,347,359	1,084,257
Travelling and entertainment	270,673	223,363
	11,116,982	**10,841,540**

	2023	2022
(b) Company		
Staff costs	571,615	1,621,768
Office supplies and other costs	(246,935)	6,497
Depreciation and amortisation	39,071	36,812
Travelling and entertainment	87,190	17,287
	450,941	**1,682,364**

Notes (continued)

9. Other income/(expenses)

	2023	2022
(a) Group		
Other income		
Net transactional foreign exchange gains	—	265,949
Returnable packaging liability release	762,569	—
Sundry income	502,218	269,718
	1,264,787	**535,667**
Other expense		
Indirect tax expenses (**)	1,061,510	1,939,172
Net transactional foreign exchange losses	2,100,540	—
Write-off of property, plant and equipment (Note 20(a))	210,563	319,891
Sundry expenses	332,090	166,243
	3,704,703	**2,425,306**
Net other expenses	**(2,439,916)**	**(1,889,639)**

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

(b) Net impairment releases/(losses) on financial assets		
Trade receivables (Note 27(a))	19,909	(144,558)
Other receivables (Note 27(a))	367,863	(1,994,302)
	387,772	**(2,138,860)**
(c) Company		
Other income	**Kshs '000**	**Kshs '000**
Net transactional foreign exchange gains	734,406	21,015
Sundry income	38,211	—
	772,617	**21,015**
Other expense		
Indirect tax expenses (*)	97,366	647,407
Expected credit losses on trade receivables	—	64,179
Sundry expenses	338,601	131,632
	435,967	**843,218**
	336,650	**(822,203)**

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

Notes (continued)

10. Profit before income tax

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

	2023	2022
(a) Group	**Kshs '000**	**Kshs '000**
Inventories expensed (raw materials and consumables) (Note 6)	33,245,303	28,840,034
Employee benefits expense (Note 11(a))	13,498,879	13,159,782
Depreciation on property, plant and equipment (Note 20(a))	6,126,012	5,165,098
Depreciation of right-of-use assets (Note 21(a))	795,962	559,665
Amortisation of intangible assets - software (Note 22(a))	170,859	158,631
Auditor's remuneration	34,122	33,855
(b) Company		
Employee benefits expense (Note 11 (b))	571,615	1,621,768
Depreciation of property and equipment (Note 20(b))	30,825	28,317
Depreciation of right-of-use assets (Note 21(b))	7,177	7,348
Amortisation of intangible assets - software (Note 22(b))	1,069	1,147
Auditor's remuneration	7,406	7,719

Notes (continued)

11. Employee benefits expense

The following items are included within employee benefits expense:

	2023	2022
(a) Group	**Kshs '000**	**Kshs '000**
Salaries and wages	9,139,519	8,808,396
Defined contribution scheme	698,486	536,101
National Social Security Fund	290,202	216,390
Share based payments	28,057	30,385
Employee share ownership plan of the parent company(*)	155,873	157,959
Other staff costs	3,186,742	3,410,551
	13,498,879	**13,159,782**

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

	2023	2022
Production	759	881
Sales and distribution	442	418
Management and administration	207	277
	1,408	**1,576**

	2023	2022
(b) Company	**Kshs '000**	**Kshs '000**
The following items are included within employee benefits expense:		
Salaries and wages	340,462	828,196
Defined contribution scheme	74,943	60,854
National Social Security Fund	3,654	8,741
Share based payments	28,057	30,385
Employee share ownership plan of the parent company(*)	84,396	93,808
Other staff costs	40,103	599,784
	571,615	**1,621,768**

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

	2023	2022
Management and administration	14	21
	14	**21**

(*) 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.

Notes (continued)

12. Finance income/(expenses)

	2023	2022
(a) Group	**Kshs '000**	**Kshs '000**
Finance income		
Interest income	75,171	184,528
	75,171	**184,528**
Finance cost		
Interest expense on borrowings	(5,341,478)	(4,241,367)
Interest expense on lease liabilities	(140,984)	(95,211)
Other finance costs	(78,000)	(83,942)
	(5,560,462)	**(4,420,520)**
(b) Company		
Finance income		
Interest income	3,523,579	3,322,278
	3,523,579	**3,322,278**
Finance cost		
Interest expense on borrowings	(5,078,484)	(4,566,854)
Interest expense on lease liabilities	(1,300)	(1,201)
Other finance costs	(67,533)	(71,028)
	(5,147,317)	**(4,639,083)**

13. Income tax expense

The income tax expense has been calculated using income tax rate of 30% as at 30 June 2023 (30 June 2022: 30%).

	2023	2022
(a) Group	**Kshs '000**	**Kshs '000**
Current income tax		
Current year charge	4,311,673	8,575,039
Under provision of tax in prior years	274,229	171,171
Current income tax charge	**4,585,902**	**8,746,210**
Deferred income tax		
Current year charge/(credit) (Note 19(a))	1,897,684	(295,364)
Over provision of tax in prior years (Note 19(a))	(97,364)	(8,987)
Deferred income tax charge	**1,800,320**	**(304,351)**
Total income tax expense	**6,386,222**	**8,441,859**

Notes (continued)

13. Income tax expense (continued)

(a) Group

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:

	2023	2022
	Kshs '000	Kshs '000
Profit before income tax	18,709,139	24,016,258
Tax calculated at the statutory income tax rate of 30% (30 June 2022 – 30%)	5,612,742	7,204,877
Tax effects of:		
– Expenses not deductible for tax purposes	677,284	1,054,889
– Effect of different tax rates of foreign subsidiaries	(80,669)	19,909
Under provision of current tax in prior years	274,229	171,171
Over provision of deferred tax in prior years	(97,364)	(8,987)
Income tax expense	**6,386,222**	**8,441,859**

(b) Company

	2023	2022
Income tax expense	Kshs '000	Kshs '000
Current income tax:		
Current year charge	131,156	4,446
Under provision of tax in prior years	2,729	166,862
Current income tax charge	**133,885**	**171,308**
Deferred income tax		
Current year charge (Note 19(b))	275,054	331,929
Over provision of deferred income tax in prior years (Note 19(b))	(1,606)	(30,852)
Deferred income tax charge	273,448	301,077
Total tax expense	**407,333**	**472,385**

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:

	2023	2022
	Kshs '000	Kshs '000
Profit before income tax	11,776,978	6,350,770
Tax calculated at the statutory income tax rate of 30% (30 June 2022 – 30%)	3,533,093	1,905,231
Tax effects of:		
- Income not subject to tax	(3,523,164)	(2,472,643)
- Expenses not deductible for tax purposes	396,281	903,787
Over provision of deferred tax in prior years	(1,606)	(30,852)
Under provision of current tax in prior years	2,729	166,862
Income tax expense	**407,333**	**472,385**

(c) Current tax assets of the Group

	2023	2022
	Kshs '000	Kshs '000
Opening balance	(404,326)	(3,769,587)
Balance of prior year tax settled in current year	(4,186,325)	—
Instalment tax paid in the year	(5,419,501)	(5,373,866)
Current year tax charge (Note 13(a))	4,585,902	8,746,210
Prior year over/(under)provision	96,970	(7,083)
Current income tax assets	**(5,327,280)**	**(404,326)**

Notes (continued)

14. Dividends

Management recommends that the Board approves the proposal to declare final dividend of Kshs 1.75 per share (2022: Kshs 7.25 per share) amounting to Kshs 1.384 billion (2022: Kshs 5.734 billion). An interim dividend of Kshs 3.75 per share for 2023 (2022: Kshs 3.75 per share) was paid in April 2023. The total dividend pay-out for the year will therefore be Kshs 5.5 per share (2022: Kshs 11 per share) amounting to Kshs 4.349 billion (2022: Kshs 8.699 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 2023 was based on profit attributable to ordinary shareholders of Kshs 9,857,351,000 (2022: Kshs 11,857,336,000) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2023 of 790,774,356 (2022: 790,774,356). The basic and diluted earnings per share are the same as there is no dilutive effect.

	2023	2022
	Kshs '000	**Kshs '000**
Profit attributable to ordinary shareholders	9,857,351	11,857,336
Weighted average number of ordinary shares		
Issued and paid shares (Note 16)	790,774,356	790,774,356
Basic and diluted earnings per share (Kshs per share)	12.47	15.00

16. Share capital

	Number of shares	Ordinary shares	Share premium
		Kshs'000	**Kshs'000**
Issued and fully paid			
Balance as at 1 July 2022, 30 June 2022 and 30 June 2023	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.

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 2023		30 June 2022	
	Number of shares	**Kshs'000**	**Number of shares**	**Kshs'000**
At start of year	3,619,786	723,774	2,849,256	600,476
Movement in the year:				
Purchase of shares	224,735	35,958	793,700	126,933
Issue of shares upon exercise of options	(27,332)	(4,373)	(23,170)	(3,635)
Revaluation	—	81,438	—	—
Total movement in the year	**197,403**	**113,023**	**770,530**	**123,298**
At end of year	**3,817,189**	**836,797**	**3,619,786**	**723,774**

(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.

	2023	2022
	Kshs'000	**Kshs'000**
At start of year	103,861	73,476
Charge to profit or loss	28,057	30,385
At end of year	**131,918**	**103,861**

Notes (continued)

17. Other reserves (continued)

(c) Share-based payment reserve (continued)

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:

	2022 series	2021 series	2020 series	2019 series
Grant date share price	134	144	n/a	197
Exercise price				
-ESOP	n/a	167	n/a	197
-ESSS	158	131	n/a	158
Expected volatility	28%	13%	n/a	46%
Dividend yield	2.36%	2.60%	n/a	5.20%
Forfeiture rate	3.30%	3.30%	n/a	3.30%
Option life	3 years	3 years	n/a	5 years

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 2023	UDV (Kenya) Limited	Serengeti Breweries Limited	Other subsidiaries*	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Non-controlling interest percentage	**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	
Carrying amount of non-controlling interest	**9,209,542**	**942,302**	**180,198**	**10,332,042**
Net sales	27,690,815	15,923,243	23,182,277	
Profit after tax	4,535,155	(145,283)	2,332,823	
Total comprehensive income	4,535,155	(145,283)	2,332,823	
In respect of non-controlling interest	**2,434,471**	**(10,896)**	**41,991**	**2,465,566**
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	
Net increase in cash and cash equivalents	**3,116,287**	**350,070**	**3,143,368**	

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

Notes (continued)

18. Non-controlling interests (continued)

(a) Subsidiaries with material non-controlling interests (continued)

At 30 June 2022	UDV (Kenya) Limited	Serengeti Breweries Limited	Other subsidiaries*	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Non-controlling interest percentage	**53.68%**	**7.50%**	**1% - 1.8%**	
Non-current assets	2,920,782	15,391,506	15,085,074	
Currents assets	21,096,242	5,244,495	5,462,811	
Non-current liabilities	(1,112,959)	(3,502,825)	(7,255,879)	
Current liabilities	(5,782,848)	(5,184,873)	(7,093,177)	
Net assets	17,121,217	11,948,303	6,198,829	
Carrying amount of non-controlling interest	**9,190,669**	**896,123**	**113,377**	**10,200,169**
Net sales	27,219,346	15,792,969	19,858,093	
Profit after tax	6,593,325	1,713,962	2,734,354	
Total comprehensive income	6,593,325	1,713,962	2,734,354	
In respect of non-controlling interest	**3,539,297**	**128,547**	**49,219**	**3,717,063**
Cash generated from operating activities	6,529,444	2,976,242	5,065,389	
Cash used in investment activities	(695,530)	(4,305,952)	(4,628,653)	
Cash used in financing activities	(4,021,022)	962,008	2,157,466	
Net increase in cash and cash equivalents	**1,812,892**	**(367,702)**	**2,594,202**	

** 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:

	2023	2022
	Kshs'000	Kshs'000
At start of period	868,627	874,600
Settlement through assignment of 50% of dividends declared by subsidiary	(57,703)	(87,943)
Total settlement of the loan to non-controlling shareholders	(57,703)	(87,943)
Effect of exchange rate changes	120,423	81,970
At end of year	**931,347**	**868,627**

Notes (continued)

19. Deferred income tax

Deferred income tax is calculated using the enacted domestic tax rate of 30% as at 30 June 2023 (30 June 2022 – 30%). The movement on the deferred income tax account is as follows:

	2023	2022
(a) Group	**Kshs '000**	**Kshs '000**
At start of year	5,229,813	5,394,742
Charge/(credit) to profit or loss (Note 13(a))	1,897,684	(295,364)
Over provision of deferred income tax in prior year (Note 13(a))	(97,364)	(8,987)
Effect of change in exchange rates	632,480	139,422
Total deferred income tax movement	2,432,800	(164,929)
At end of year	**7,662,613**	**5,229,813**
Analysed as follows:		
Deferred income tax liabilities	7,940,868	6,012,663
Deferred income tax assets	(278,255)	(782,850)
At end of year	**7,662,613**	**5,229,813**

	2023	2022
(b) Company	**Kshs '000**	**Kshs '000**
At start of year	(540,552)	(841,629)
Charge to profit or loss	275,054	331,929
Over provision of deferred income tax in prior year	(1,606)	(30,852)
Total deferred income tax movement	273,448	301,077
At end of year	**(267,104)**	**(540,552)**

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 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
(a) Group	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**
Deferred income tax liabilities					
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	177,558	(82,346)	(48,298)	5,669	52,583
Deferred income tax liabilities	**9,038,524**	**(95,759)**	**1,165,407**	**768,572**	**10,876,744**
Deferred income tax assets					
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)
Deferred income tax assets	**(3,808,711)**	**(1,605)**	**732,277**	**(136,092)**	**(3,214,131)**
Net deferred income tax	**5,229,813**	**(97,364)**	**1,897,684**	**632,480**	**7,662,613**

Notes (continued)

19. Deferred income tax (continued)

Year ended 30 June 2022	At 1 July 2021	Prior year (over)/under provision	Charged/ (credited) to profit or loss	Effects of exchange rate changes	At 30 June 2022
(a) Group (continued)	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**
Deferred income tax liabilities					
Property, plant and equipment	8,168,378	21,863	49,170	179,977	8,419,388
Right-of-use assets	461,044	—	(25,384)	5,918	441,578
Unrealised exchange gains/(losses)	203,930	(40,129)	9,961	3,796	177,558
Deferred income tax liabilities	**8,833,352**	**(18,266)**	**33,747**	**189,691**	**9,038,524**
Deferred income tax assets					
Unrealised exchange gains/(losses)	408,447	(5,833)	(51,900)	(12,334)	338,380
Lease liabilities	(489,954)	—	12,550	(517)	(477,921)
Tax losses carried forward	(546,491)	12,488	394,090	—	(139,913)
Other deductible differences	(2,810,612)	2,624	(683,851)	(37,418)	(3,529,257)
Deferred income tax assets	**(3,438,610)**	**9,279**	**(329,111)**	**(50,269)**	**(3,808,711)**
Net deferred income tax	**5,394,742**	**(8,987)**	**(295,364)**	**139,422**	**5,229,813**

Year ended 30 June 2023	At 1 July 2022	Prior year (over)/under provision	Charged/ (credited) to profit or loss	At 30 June 2023
(b) Company	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**
Deferred income tax liabilities				
Property, plant and equipment	(54,186)	—	9,819	(44,367)
Right-of-use assets	4,752	—	(1,995)	2,757
Unrealised exchange gains/(losses)	—	—	—	—
Deferred income tax liabilities	**(49,434)**	**—**	**7,824**	**(41,610)**
Deferred income tax assets				
Unrealised exchange gains/(losses)	(40,130)	—	40,130	—
Lease liabilities	(4,595)	—	1,654	(2,941)
Tax losses carried forward	(96,924)	(1,606)	(54,735)	(153,265)
Other deductible differences	(349,469)	—	280,181	(69,288)
Deferred income tax assets	**(491,118)**	**(1,606)**	**267,230**	**(225,494)**
Net deferred income tax	**(540,552)**	**(1,606)**	**275,054**	**(267,104)**

Year ended 30 June 2022	At 1 July 2021	Prior year (over)/under provision	Charged/ (credited) to profit or loss	At 30 June 2022
	Kshs'000	**Kshs'000**	**Kshs'000**	**Kshs'000**
Deferred income tax liabilities				
Property, plant and equipment	(57,447)	—	3,261	(54,186)
Right-of-use assets	3,780	—	972	4,752
Unrealised exchange gains/(losses)	40,130	(40,130)	—	—
Deferred income tax liabilities	**(13,537)**	**(40,130)**	**4,233**	**(49,434)**
Deferred income tax assets				
Unrealised exchange gains/(losses)	(11,824)	(5,833)	(22,473)	(40,130)
Lease liabilities	(3,786)	—	(809)	(4,595)
Tax losses previously not recognised	(515,098)	12,488	405,686	(96,924)
Other deductible differences	(297,384)	2,623	(54,708)	(349,469)
Deferred income tax assets	**(828,092)**	**9,278**	**327,696**	**(491,118)**
Net deferred income tax	**(841,629)**	**(30,852)**	**331,929**	**(540,552)**

Notes (continued)

20. Property, plant and equipment

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

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.

	Freehold property	Leasehold buildings	Plant and equipment	Returnable packaging	Capital work in progress	Total
Year ended 30 June 2022	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Cost						
1 July 2021	6,525,302	7,248,149	58,448,898	15,324,912	7,508,488	95,055,749
Additions	60,171	232,592	2,661,821	5,626,697	4,425,929	13,007,210
Transfers from capital work in progress	141,320	413,395	1,619,110	791,378	(2,965,203)	—
Transfer to intangible assets (Note 22)	—	—	560	—	(75,313)	(74,753)
Write-off	(173)	—	(836,673)	(1,361,079)	(39,093)	(2,237,018)
Effect of exchange rate changes	2,699	275,365	1,369,985	379,011	148,438	2,175,498
At 30 June 2022	**6,729,319**	**8,169,501**	**63,263,701**	**20,760,919**	**9,003,246**	**107,926,686**
Depreciation						
1 July 2021	1,540,999	1,195,301	24,759,006	7,813,209	—	35,308,515
Charge for the year	225,341	123,342	2,974,884	1,841,531	—	5,165,098
Transfer to intangible assets (Note 22)	—	764	(622)	—	—	142
Write-off	(111)	—	(699,534)	(1,217,482)	—	(1,917,127)
Effect of exchange rate changes	1,812	70,463	561,052	151,268	—	784,595
At 30 June 2022	**1,768,041**	**1,389,870**	**27,594,786**	**8,588,526**	**—**	**39,341,223**
Carrying amount as at 30 June 2022	**4,961,278**	**6,779,631**	**35,668,915**	**12,172,393**	**9,003,246**	**68,585,463**

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 environmental projects in Kenya and Uganda which include the biomass project and water and effluent recovery projects.

Notes (continued)

20. Property, plant and equipment (continued)

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

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

	Freehold property	Leasehold buildings	Plant and equipment	Capital work in progress	Total
Period ended 30 June 2022	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Cost					
1 July 2021	314,466	14,896	156,224	57,432	543,018
Additions	17,746	—	—	18,864	36,610
Write-off	—	—	(19,394)	—	(19,394)
Transfers from work in progress	29,780	—	—	(29,780)	—
Transfer to intangible assets (Note 22(b))	—	—	(2,357)	—	(2,357)
Transfer to Group companies	—	—	—	(44,468)	(44,468)
At 30 June 2022	**361,992**	**14,896**	**134,473**	**2,048**	**513,409**
Depreciation					
1 July 2021	9,533	877	89,432	—	99,842
Charge for the period	5,536	—	22,781	—	28,317
Write-off	—	—	(19,363)	—	(19,363)
At 30 June 2022	**15,069**	**877**	**92,850**	**—**	**108,796**
Carrying amount as at 30 June 2022	**346,923**	**14,019**	**41,623**	**2,048**	**404,613**

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

Notes (continued)

21. Right-of-use assets

Movement of right-of-use assets:

	Buildings	Motor vehicles	Leasehold property	Total
(a) Group				
Year ended 30 June 2023	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Gross carrying value				
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**
At 30 June 2023	**828,356**	**3,467,965**	**69,485**	**4,365,806**
Accumulated amortisation				
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**
At 30 June 2023	**345,658**	**1,406,674**	**27,112**	**1,779,444**
Carrying amount at 30 June 2023	**482,698**	**2,061,291**	**42,373**	**2,586,362**

	Buildings	Motor vehicles	Leasehold property	Total
Year ended 30 June 2022	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Gross carrying value				
At 1 July 2021	735,911	1,583,311	69,280	**2,388,502**
Additions	—	450,283	—	**450,283**
Disposals	—	(59,538)	—	**(59,538)**
Effect of exchange rate changes	11,546	24,117	28	**35,691**
At 30 June 2022	**747,457**	**1,998,173**	**69,308**	**2,814,938**
Accumulated amortisation				
At 1 July 2021	134,464	774,984	27,074	**936,522**
Amortisation charge	89,410	470,247	8	**559,665**
Disposals	—	(30,173)	—	**(30,173)**
Effect of exchange rate changes	3,353	12,566	2	**15,921**
At 30 June 2022	**227,227**	**1,227,624**	**27,084**	**1,481,935**
Carrying amount at 30 June 2022	**520,230**	**770,549**	**42,224**	**1,333,003**

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.

Notes (continued)

21. Right-of-use assets (continued)

Movement of right-of-use assets (continued)

In the year ended 30 June 2023 short term and low value leases included in operating lease expenses in respect of extended vehicle leases comprised of Kshs 769 million and machinery of Kshs 71 million.

	Motor vehicles	Total
(b) Company		
	Kshs '000	**Kshs '000**
Gross carrying value		
At 1 July 2022	35,117	35,117
Remeasurement	529	529
At 30 June 2023	**35,646**	**35,646**
Accumulated amortisation		
At 1 July 2022	19,278	19,278
Amortisation charge	7,177	7,177
At 30 June 2023	**26,455**	**26,455**
Carrying amount at 30 June 2023	**9,191**	**9,191**
Gross carrying value		
At 1 July 2021	24,529	24,529
Additions	10,588	10,588
At 30 June 2022	**35,117**	**35,117**
Accumulated amortisation		
At 1 July 2021	11,930	11,930
Amortisation charge	7,348	7,348
At 30 June 2022	**19,278**	**19,278**
Carrying amount at 30 June 2022	**15,839**	**15,839**

Remeasurement of motor vehicles presents the extension of lease contracts.

Notes (continued)

22. Intangible assets- software

	2023	2022
(a) Group	**Kshs'000**	**Kshs'000**
Cost		
At start of year	2,689,022	2,581,171
Additions	99,021	186,788
Disposals	(1,175,193)	(169,572)
Transfer from/(to) property plant and equipment (Note 20(a))	(1,896)	74,753
Transfer from/(to) related parties	1,879	(21,739)
Effect of exchange rate changes	132,692	37,621
At end of year	**1,745,525**	**2,689,022**
Amortisation		
At start of year	1,974,172	1,956,219
Charge for the year	170,859	158,631
Disposals	(1,175,193)	(169,572)
Transfer to property plant and equipment (Note 20(a))	—	(142)
Effect of exchange rate changes	89,912	29,036
At end of year	**1,059,750**	**1,974,172**
Carrying amount	**685,775**	**714,850**

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

	2023	2022
(b) Company	**Kshs'000**	**Kshs'000**
Cost		
At start of year	1,225,197	1,473,586
Additions	4,236	78,040
Transfer from/(to) property plant and equipment (Note 20(b))	(37,347)	2,357
Transfer to Group companies	(4,267)	(159,214)
Write-off/derecognition	(1,175,193)	(169,572)
At end of year	**12,626**	**1,225,197**
Amortisation		
At start of year	1,181,642	1,350,067
Charge for the year	1,069	1,147
Write-off/derecognition	(1,175,193)	(169,572)
At end of year	**7,518**	**1,181,642**
Carrying amount	**5,108**	**43,555**

Notes (continued)

23. Intangible assets - Goodwill and brand

(a) Goodwill

	Carrying amount at start of year	Effect of exchange rate changes	Carrying value at end of year
Year ended 30 June 2023	**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
Total	**3,062,522**	**442,886**	**3,505,408**

	Carrying amount at start of year	Effect of exchange rate changes	Carrying value at end of year
Year ended 30 June 2022	**Kshs'000**	**Kshs'000**	**Kshs'000**
Serengeti Breweries Limited (SBL)	2,236,727	194,277	2,431,004
UDV (Kenya) Limited (UDV)	415,496	—	415,496
International Distillers (Uganda) Limited (IDU)	208,505	7,517	216,022
Total	**2,860,728**	**201,794**	**3,062,522**

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

	2023	2022
	Kshs'000	**Kshs'000**
Carrying amount at beginning of period	527,119	485,008
Effect of exchange rate changes	85,651	42,111
Carrying amount at end of period	**612,770**	**527,119**

The balance represents the purchase price allocation to the "Premium Serengeti Lager" brand at acquisition of Serengeti Breweries Limited.

(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 pre-tax 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.

Notes (continued)

23. Intangible assets - Goodwill and brand

(c) Impairment testing for cash-generating units containing goodwill and brand (continued)

(ii) Key assumptions used for value in use calculations

	Tanzania		Kenya		Uganda	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Terminal growth rate[1]	4.50%	4.34%	5.00%	5.00%	5.00%	5.00%
WACC rate[2]	17.50%	14.00%	13.66%	11%	13.28%	11%

1. Weighted average growth rate used to extrapolate cash flows beyond the projected period.

2. Pre-tax 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.

(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 2023. As a result, the Group has not recognised an impairment charge (2022: Nil).

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 2023. As a result, the Group has not recognised an impairment charge (2022: 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.

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)

A 1% change in the WACC/Terminal Growth Rate would increase/(decrease) profit for the year by the amounts shown below:

Year ended 30 June 2023

International Distillers (Uganda) Limited (IDU)

TGR/WACC	12.28%	13.28%	14.28%
4.00%	1,135	(3,321)	(6,907)
5.00%	5,503	—	(4,312)
6.00%	11,262	4,235	(1,091)

Serengeti Breweries Limited (SBL)

TGR/WACC	16.50%	17.50%	18.50%
3.50%	1,072	(2,151)	(4,930)
4.50%	3,657	—	(3,120)
5.50%	6,713	2,509	(1,032)

UDV (Kenya) Limited (UDV)

TGR/WACC	12.66%	13.66%	14.66%
4.00%	2,825	(7,831)	(16,484)
5.00%	13,011	—	(10,314)
6.00%	26,256	9,875	(2,720)

Year ended 30 June 2022

International Distillers (Uganda) Limited (IDU)

TGR/WACC	9.65%	10.65%	11.65%
4.00%	(4,486)	(9,814)	(13,904)
5.00%	9,675	—	(6,759)
6.00%	1,341	(5,645)	(10,799)

Serengeti Breweries Limited (SBL)

TGR/WACC	13.00%	14.00%	15.00%
3.34%	880	(2,238)	(4,815)
4.34%	3,721	—	(3,017)
5.34%	7,303	2,754	(847)

UDV (Kenya) Limited (UDV)

TGR/WACC	9.69%	10.69%	11.69%
4.00%	88,532	31,689	(5,170)
5.00%	38,091	—	(26,696)
6.00%	5,379	(22,215)	(42,625)

Notes (continued)

24. Investments in subsidiaries

	Principal place of business	Effective ownership interest	Book value at 30 June 2023 Kshs'000	Book value at 30 June 2022 Kshs'000
Kenya Breweries Limited	Kenya	100%	22,377,809	22,377,809
Serengeti Breweries Limited	Tanzania	92.5%	22,242,202	22,299,905
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
Salopia Limited	Kenya	100%	—	—
East African Maltings (Uganda) Limited	Uganda	100%	—	—
Net book amount			**46,891,982**	**46,949,685**

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 2023	Kshs'000
At 1 July 2022	46,949,685
Serengeti Breweries Limited	
Settlement of amounts due from non-controlling interests (Note 18 (b))	(57,703)
At 30 June 2023	**46,891,982**

Year ended 30 June 2022	Kshs'000
At 1 July 2021	47,037,628
Serengeti Breweries Limited	
Settlement of amounts due from non-controlling interests	(87,943)
At 30 June 2022	**46,949,685**

As explained in Note 18, the carrying amount of investment in subsidiaries includes loans due from the non-controling shareholders in Serengeti Breweries Limited of Kshs 931,347,000 (2022: Kshs 868,627,000) arising from the capital restructuring of the subsidiary in 2018.

The details of the movement in investment in subsidiaries is as disclosed below:

(a) Serengeti Breweries Limited (SBL)

The investment in SBL decreased by Kshs 58 million in the period ended 30 June 2023 arising from payment of assigned dividend from non-controlling shareholders as disclosed in Note 18.

Notes (continued)

24. Investments in subsidiaries (continued)

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 2023, the Company would not have recognised any impairment against the carrying amount of the investment in subsidiary (2022: Nil).

If the pre-tax discount rate applied to the cash flow projections for SBL had been 1% higher than management's estimates (18.50% instead of 17.50%), the Company would not have to recognise an impairment against the carrying value of the investment in subsidiary (2022: 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 (2022: Nil).

25. Other financial assets (Group and Company)

	2023	2022
	Kshs '000	**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
At end of year	**10,000**	**10,000**

During the year, the investment in Challenge Fund Limited did not change. The carrying amount of the investment estimates its fair value.

26. Inventories

	2023	2022
(a) Group	**Kshs'000**	**Kshs'000**
Raw materials and consumables	10,501,529	7,326,223
Work in progress	906,267	879,441
Finished goods	4,046,856	4,721,844
Goods in transit	153,732	344,742
	15,608,384	**13,272,250**

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to Kshs 33,245,303,000 (2022: Kshs 28,840,034,000).

Notes (continued)

27. Trade and other receivables

	2023	2022
(a) Group	**Kshs'000**	**Kshs'000**
Trade receivables	9,111,104	9,240,879
Less: provision for expected credit losses	(1,205,361)	(1,564,033)
	7,905,743	**7,676,846**
Other receivables	2,924,323	4,209,308
Less: provision for expected credit losses	(1,312,994)	(2,613,027)
Prepayments	1,629,102	2,193,305
Receivables from related parties (Note 35 (a) (iii))	1,103,331	326,109
	12,249,505	**11,792,541**

Movement in expected credit losses allowance

The following table shows the movement in lifetime expected credit losses that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	2023	2022
Trade receivables	**Kshs'000**	**Kshs'000**
At start of year	1,564,033	2,038,200
(Release)/charge to profit or loss (Note 9(b))	(19,909)	144,558
Write-offs	(338,763)	(618,725)
At end of year	**1,205,361**	**1,564,033**
Other receivables		
At start of year	2,613,027	618,725
(Release)/charge to profit or loss (Note 9(b))	(367,863)	1,994,302
Write-offs	(932,170)	—
At end of year	**1,312,994**	**2,613,027**

	2023	2022
(b) Company	**Kshs'000**	**Kshs'000**
Trade receivables	912	—
Receivables from related companies (Note 35 (b) (iii))	2,889,533	612,560
Other receivables	243,200	222,343
Prepayments	109,399	2,626
	3,243,044	**837,529**

Notes (continued)

28. Trade and other payables

	2023	2022
(a) Group	**Kshs'000**	**Kshs'000**
Trade payables	14,160,590	10,306,211
Other payables	11,341,659	13,663,966
Accruals	3,244,624	6,527,890
Payables to related parties (Note 35(a)(iii))	1,780,635	1,711,802
	30,527,508	**32,209,869**
(b) Company		
Trade payables	82,291	68,292
Payables to related parties (Note 35(b)(iii))	90,151	265,964
Other payables and accrued expenses	102,515	966,832
Cashpool balances (Note 35(b)(iv))	15,739,066	24,197,513
	16,014,023	**25,498,601**

29. Borrowings

	2023	2022
(a) Group	**Kshs'000**	**Kshs'000**
The borrowings are made up as follows:		
Non-current		
Bank loans	37,965,793	24,161,874
Medium term note	11,000,000	11,000,000
	48,965,793	**35,161,874**
Current		
Bank loans	8,400,692	6,633,690
Bank overdraft	1,209,695	1,874,775
	58,576,180	**43,670,339**

The carrying amounts of current borrowings approximate their fair value, as the impact of discounting is not material.

	2023	2022
	Kshs'000	**Kshs'000**
The movement in borrowings is as follows:		
At start of year	43,670,339	46,351,480
Advanced in the year	37,962,560	8,519,110
Issue of Medium Term Note	—	11,000,000
Repayments in the year	(23,563,013)	(22,925,667)
Movement in bank overdrafts	(665,080)	683,886
Effect of exchange rate changes	1,171,374	41,530
At end of year	**58,576,180**	**43,670,339**

Notes (continued)

29. Borrowings (continued)

(a) Group (continued)

(i) Bank loans comprise:

			Amount '000		Interest			
Country	Nature	Currency	2023	2022	Base	2023	2022	Maturity
Kenya	Long Term Borrowing	Kshs	3,800,000	6,333,333	Fixed Rate	9.00%	9.00%	Dec-24
Kenya	Long Term Borrowing	Kshs	5,000,000	-	182 Day Tbill +1.5%	13.36%	0.00%	Jun-28
Kenya	Long Term Borrowing	Kshs	15,000,000	-	182 Day Tbill +1.8%	13.66%	0.00%	Jun-30
Kenya	Revolving Credit Facility	Kshs	3,000,000	3,000,000	CBR + 1%	11.50%	8.50%	Dec-26
Kenya	Revolving Credit Facility	Kshs	2,400,000	-	182 Day Tbill +2.45%	10.86%	-	Jun-26
Kenya	Short Term Borrowing	Kshs	3,900,000	-	91day t-bill+ 1.5%	13.29%	-	Sep-23
Uganda	Medium Term Borrowing	Ushs	34,833,333	38,000,000	182 Day Tbill +1.9%	12.90%	10.85%	Mar-26
Uganda	Medium Term Borrowing	Ushs	38,000,000	38,000,000	182 Day Tbill +1.9%	12.90%	10.85%	Jun-26
Uganda	Medium Term Borrowing	Ushs	33,000,000	33,000,000	182 Day Tbill +1.75%	12.26%	10.75%	Mar-27
Uganda	Medium Term Borrowing	Ushs	33,000,000	-	182 Day Tbill +1.8%	14.16%		Dec-27
Tanzania	Medium Term Borrowing	Tshs	50,000,000	50,000,000	182 Day Tbill +5.8%	9.88%	8.36%	Apr-27
Tanzania	Medium Term Borrowing	Tshs	70,000,000	-	182 Day Tbill +5.4%	10.80%	0.00%	Dec-27
Tanzania	Short Term Borrowing	Tshs	15,000,000	-	182 Day Tbill +4%	11.40%	0.00%	Aug-23
Tanzania	Overdrafts	Tshs	1,209,752	1,874,775		12.00%	10.00%	Aug-23
Kenya	Medium term note	Kshs	11,000,000	-	Fixed Rate	12.25%	0	Oct-26

As of June 30, 2023, one of the Group's subsidiaries has reported a net debt to EBITDA ratio of 4.1, which is above the financial covenant provision of 3.5 due to a one-off tax settlement impacting its EBITDA. However, the financing covenants allow the company to regularise the non-compliance through an equity cure within 110 days after June 30, 2023. EABL is willing and able to undertake the equity cure within the prescribed period, and as a result, the Directors have classified the loan as a long-term loan. This disclosure is provided to offer transparency while maintaining the company's ability to resolve the situation positively and responsibly within the allowed timeframe.

The Group had available undrawn facilities of Kshs 10.4 billion as at June 30, 2023 (2022: Kshs 11.8 billion).

Notes (continued)

29. Borrowings (continued)

(b) Company

	2023	2022
	Kshs'000	Kshs'000
The borrowings are made up as follows:		
Non-current		
Bank loans	26,666,667	18,208,333
Medium term note	11,000,000	11,000,000
	37,666,667	**29,208,333**
Current		
Bank loans	6,433,333	6,633,333
	6,433,333	**6,633,333**
Bank overdraft	4,008	1,665,407
	6,437,341	**8,298,740**
Total borrowings	**44,104,008**	**37,507,073**

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:

	2023	2022
	Kshs'000	Kshs'000
The movement in borrowings is as follows:		
At start of year	37,507,073	44,008,333
Advanced in the year	31,700,000	14,000,000
Repayments	(23,441,666)	(22,166,667)
Movement in bank overdrafts	(1,661,399)	1,665,407
At end of year	**44,104,008**	**37,507,073**

(i) Bank loans comprise:

			Amount '000		Interest			
Country	**Nature**	**Currency**	**2023**	**2022**	**Base**	**2023**	**2022**	**Maturity**
Kenya	Long Term Borrowing	Kshs	3,800,000	6,333,333	Fixed Rate	9.00%	9.00%	Dec-24
Kenya	Long Term Borrowing	Kshs	5,000,000	-	182 Day Tbill +1.5%	13.36%	0.00%	Jun-28
Kenya	Long Term Borrowing	Kshs	15,000,000	-	182 Day Tbill +1.8%	13.66%	0.00%	Jun-30
Kenya	Revolving Credit Facility	Kshs	3,000,000	3,000,000	CBR + 1%	11.50%	8.50%	Dec-26
Kenya	Revolving Credit Facility	Kshs	2,400,000	-	182 Day Tbill +2.45%	10.86%	-	Jun-26
Kenya	Short Term Borrowing	Kshs	3,900,000	-	91day t-bill+ 1.5%	13.29%	-	Sep-23
Kenya	Medium term note	Kshs	11,000,000	-	Fixed Rate	12.25%	12.25%	Oct-26

The Company has unutilised bank overdraft facilities with Citibank Kenya, SCB Bank of Kenya, Absa Kenya and Equity Bank Kenya of Kshs 8,541,000,000.

Notes (continued)

30. Lease liabilities

(a) Group	2023	2022
Movement of lease liabilities:	**Kshs '000**	**Kshs '000**
At 1 July	1,436,403	1,456,603
Additions	1,878,924	450,283
Interest expense on leases	140,984	95,211
Repayment of lease liabilities		
- Payment of the principal portion of the lease liability	(770,385)	(642,942)
- Interest paid on lease liabilities	(140,984)	(95,211)
Effect of change in exchange rates	282,806	172,459
At the end of the year	**2,827,748**	**1,436,403**
Presented as:		
Current lease liabilities	775,916	436,485
Non-current lease liabilities	2,051,832	999,918
	2,827,748	**1,436,403**

(b) Company	2023	2022
Movement of lease liabilities:	**Kshs '000**	**Kshs '000**
At 1 July	15,317	12,620
Additions	527	10,588
Interest expense on leases	1,300	1,201
Repayment of lease liabilities		
- Payment of the principal portion of the lease liability	(6,040)	(7,891)
- Interest paid on lease liabilities	(1,300)	(1,201)
At the end of the year	**9,804**	**15,317**
Presented as:		
Current lease liabilities	4,602	6,180
Non-current lease liabilities	5,202	9,137
	9,804	**15,317**

Notes (continued)

31. Contingent liabilities

The Group has operations in several countries and is subject to a number of legal, customs duty, excise duty and other 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. In particular, the Group is subject to certain claims in the markets that the Group operates in that challenge its interpretation of various tax regulations and the application thereof.

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.

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 taxes demanded by KRA, as per the provisions of section 37 of the Tax Procedures Act. KBL settled the agreed amount of Kshs 3.5bn, and the KRA abandoned the taxes and closed all the cases. 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.

32. Commitments

i. Capital commitments - Group

Capital expenditure contracted for at the reporting date but not recognised in the financial statements is as follows:

	2023	2022
	Kshs'000	**Kshs'000**
Contracted but not provided for	9,406,223	4,746,648
	9,406,223	**4,746,648**

Notes (continued)

33. Financial instruments - fair values - Group

At 30 June 2023	At amortised cost	Level 2
Financial assets	**Kshs'000**	**Kshs'000**
Trade and other receivables	12,249,505	12,249,505
Bank balances	10,252,628	10,252,628
	22,502,133	**22,502,133**
Financial liabilities		
Borrowings	58,576,180	58,576,180
Lease liabilities	2,827,748	2,827,748
Trade and other payables	30,527,508	30,527,508
Dividend payable	977,005	977,005
	92,908,441	**92,908,441**

Amortised cost approximates to the fair value for all financial instruments.

At 30 June 2022	At amortised cost	Level 2
Financial assets	**Kshs'000**	**Kshs'000**
Trade and other receivables	11,792,541	11,792,541
Bank balances	9,941,746	9,941,746
	21,734,287	**21,734,287**
Financial liabilities		
Borrowings	43,670,339	43,670,339
Lease liabilities	1,436,403	1,436,403
Trade and other payables	32,209,869	32,209,869
Dividend payable	683,601	683,601
	78,000,212	**78,000,212**

Notes (continued)

34. Cash generated from operations

(a) Cash and cash equivalents

Group	30 June 2023	30 June 2022
	Kshs'000	Kshs'000
Cash and bank balances	10,252,628	9,941,746
Bank overdraft (Note 29(a))	(1,209,695)	(1,874,775)
	9,042,933	**8,066,971**
Company		
Cash and bank balances	4,196,688	6,989,353
Bank overdraft (Note 29(a))	(4,008)	(1,665,407)
	4,192,680	**5,323,946**

(b) Movement in working capital

	30 June 2023	30 June 2022
(a) Group	**Kshs'000**	**Kshs'000**
Movement in trade and other receivables		
Movement per statement of financial position	(456,964)	1,230,339
Foreign currency translation differences	735,030	262,472
Net movement in receivables as per cash flow	**278,066**	**1,492,811**
Movement in inventory		
Movement per statement of financial position	(2,336,134)	(1,584,093)
Foreign currency translation differences	990,547	244,586
Net movement in inventory as per cash flow	**(1,345,587)**	**(1,339,507)**
Movement in trade and other payables		
Movement per statement of financial position	(1,682,361)	1,666,151
External interest payable	(167,498)	(699,065)
Foreign currency translation differences	(2,385,202)	(192,281)
Net movement in payables as per cash flow	**(4,235,061)**	**774,805**

Notes (continued)

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)

	2023	2022
	Kshs'000	Kshs'000
Diageo Ireland	571,118	564,636
Diageo North America, Inc.	282,401	282,987
Diageo Brands B.V.	208,324	255,023
Diageo Great Britain	193,336	81,468
Guinness Cameroon S.A.	1,885	552
Other related parties	589	—
	1,257,653	**1,184,666**

(ii) Purchase of goods and services

	2023	2022
	Kshs'000	Kshs'000
Diageo Brands B.V.	1,848,545	1,686,831
Diageo Ireland	1,230,373	1,379,379
Diageo Great Britain	358,561	340,823
Diageo Scotland Limited	492	—
Diageo Business Services India	398	2,506
Guinness Nigeria Plc	293	226
Guinness Cameroun S. A.	231	552
Diageo Üzletviteli Szolgáltatások Zrt.	64	20
United Spirits Limited	—	2,285
	3,438,957	**3,412,622**

Notes (continued)

35. Related party transactions (continued)

(a) Group (continued)

(iii) Outstanding balances arising from sale and purchase of goods/services

Receivables from related parties	2023	2022
	Kshs'000	Kshs'000
Guinness Nigeria Plc	586,434	182,875
Diageo Great Britain Ltd	203,951	21,727
Guinness Ghana Breweries	146,522	43,042
Diageo South Africa (Pty) Ltd	44,459	—
Diageo Scotland Limited	43,932	9
Guinness Cameroun S.A.	37,238	3,650
Diageo plc	14,568	51,044
Diageo Panama S.A.	6,345	10,091
Diageo Japan K. K.	6,272	10,237
Diageo North America, Inc	5,736	—
Diageo Ireland	4,701	—
Diageo Angola Limitada	2,314	2,316
Seychelles Breweries Ltd	405	49
Diageo Moet Hennessy (Thailand) Limited	216	203
DIAGEO LIQUOR(DALI)CO.LTD	129	—
Diageo Brazil Ltda	109	—
Diageo China Limited	—	866
	1,103,331	**326,109**

Payables to related parties	2023	2022
	Kshs'000	Kshs'000
Diageo Brands B.V.	829,414	412,328
Diageo Ireland	516,733	916,682
Diageo Great Britain Ltd	230,342	230,816
Diageo North America, Inc	125,496	135,367
Guinness Cameroun S.A.	46,980	1,958
Diageo Scotland Limited	14,402	—
United Spirits Limited	12,005	—
Diageo Business Services India	2,900	2,435
RA Bailey and Co.	1,223	11,205
Diageo South Africa (Pty) Ltd	984	—
Diageo Kenya Limited	156	—
Guinness Nigeria Plc	—	523
Diageo Üzletviteli Szolgáltatások Zrt.	—	488
	1,780,635	**1,711,802**

Notes (continued)

35. Related party transactions (continued)

(b) Company

(i) Management fees and royalties received/(paid)

	2023	2022
Transactions with subsidiaries	**Kshs'000**	**Kshs'000**
Kenya Breweries Limited	240,734	249,682
UDV (Kenya) Limited	137,897	—
Uganda Breweries Limited	109,228	38,261
Serengeti Breweries Limited	80,712	—
East African Maltings Limited	—	986,141
	568,571	**1,274,084**
Transactions with related parties	**Kshs'000**	**Kshs'000**
Diageo Great Britain Limited	(8,106)	5,834
Other related parties	(13,846)	(7,084)
	(21,952)	**(1,250)**
	546,619	**1,272,834**

(ii) Long-term receivables from subsidiaries

	2023	2022
	Kshs'000	**Kshs'000**
Kenya Breweries Limited	26,800,000	26,800,000
Uganda Breweries Limited	3,095,322	2,537,163
UDV Kenya Limited	1,100,000	1,100,000
East African Maltings Limited	687,000	687,000
	31,682,322	**31,124,163**

The Company has advanced loans to the subsidiaries to finance their capital expenditure and working capital requirements as part of the Group's centralised treasury management process. The loans are repayable on demand depending on the cash flows of the subsidiaries. At the year end, the Company had committed not to recall the loans for at least twelve months from the date of approval of the financial statements. The loans receivable are unsecured. They attract interest based on external bank average rates.

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

	2023	2022
Receivables from subsidiaries	**Kshs'000**	**Kshs'000**
Kenya Breweries Limited	1,565,133	511,206
UDV (Kenya) Limited	654,426	—
Uganda Breweries Limited	277,968	38,261
Serengeti Breweries Limited	130,203	—
East African Maltings Limited	13,241	—
	2,640,971	**549,467**
Receivables from other related parties		
Diageo Great Britain Ltd	130,370	21,727
Guinness Nigeria Plc	54,156	33,537
Other related parties	44,915	1,078
Guinness Ghana Breweries	9,693	620
Guinness Cameroun S.A.	6,589	3,650
Diageo Angola Limitada	2,314	2,316
Diageo plc	312	116
Seychelles Breweries Ltd	213	49
	248,562	**63,093**
	2,889,533	**612,560**

Payables to related companies

	2023	2022
Payables to subsidiaries	**Kshs'000**	**Kshs'000**
International Distillers Uganda Limited	42,452	—
EABL International Limited	35,485	159,878
East African Breweries Tanzania Limited	5,610	—
UDV (Kenya) Limited	—	71,635
East African Maltings Limited	—	10,047
Serengeti Breweries Limited	—	8,070
Uganda Breweries Limited	—	1,952
	83,547	**251,582**
Payables to related parties		
Diageo Scotland	6,448	—
Diageo Mexico Comercializadora	156	—
Diageo Ireland	—	12,524
Diageo Business Services India	—	1,858
	6,604	**14,382**
	90,151	**265,964**

Notes (continued)

35. Related party transactions (continued)

(b) Company (continued)

(iv) Cashpool (payables)/receivables

	2023	2022
	Kshs'000	Kshs'000
East African Maltings Limited	(114,631)	996,187
EABL International Limited	22,531	(116,272)
UDV (Kenya) Limited	(13,064,045)	(14,329,821)
Kenya Breweries Limited	(2,582,921)	(10,747,607)
	(15,739,066)	**(24,197,513)**

(c) Other related party disclosures

(i) Directors' remuneration

	2023	2022
	Kshs'000	Kshs'000
Group		
Fees for services as a Director	43,472	38,583
Share based payments	42,888	46,266
Other emoluments (included in key management compensation in (ii) below)	186,985	136,941
	273,345	**221,790**

Directors' remuneration include fees in relation to non-executive Directors and compensation to executive Directors in the Company and its subsidiaries.

	2023	2022
	Kshs'000	Kshs'000
Company		
Fees for services as a Director	43,472	38,583
Share based payments	42,888	46,266
Other emoluments (included in key management compensation in (ii) below)	186,985	136,941
	273,345	**221,790**

Notes (continued)

35. Related party transactions (continued)

(c) Other related party disclosures (continued)

(iii) 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:

Group	2023	2022
	Kshs'000	**Kshs'000**
Salaries and other shorter term employment benefits	1,160,554	1,122,865
Share-based payments	125,039	129,935
Post-employment benefits	97,539	94,199
	1,383,132	**1,346,999**

Company	2023	2022
	Kshs'000	**Kshs'000**
Salaries and other shorter term employment benefits	342,872	265,859
Share-based payments	56,724	65,232
Post-employment benefits	21,543	7,890
	421,139	**338,981**

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.

Notice and Agenda of AGM

EAST AFRICAN BREWERIES PLC

TO ALL SHAREHOLDERS

NOTICE is hereby given that the 101st 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, September 14, 2023, 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 June 30, 2023, together with the Directors' Report and Auditors' Reports thereon.

2) Dividend

   a) To confirm the Interim Dividend in respect of the Financial Year ended June 30, 2023, of Kshs 3.75 per ordinary share, which was paid subject to withholding tax, on or about April 28, 2023, to shareholders registered at the close of business on February 16, 2023.

   b) To approve a final dividend of Kshs 1.75 per ordinary share for the Financial Year ended June 30, 2023, payable net of withholding tax as recommended by the Directors. The dividend will be payable on or about October 27, 2023, to Shareholders on the Register of Members at the close of business on September 14, 2023.

3) Election of Directors:

   a) Ms. Ory Okolloh retires by rotation in accordance with the provisions of Article 117 of the Company's Articles of Association, and being eligible, she offers herself for re-election.

   b) Mr. John Ulanga retires by rotation in accordance with the provisions of Article 117 of the Company's Articles of Association, and being eligible, he offers himself for re-election.

   c) Mr. Felix Okoboi 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, he offers himself for re-election.

   d) Mr. John Musunga 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, he offers himself for re-election.

   e) Mr. Sathish Krishnan 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, he 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 and 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: John Ulanga, Jimmy Mugerwa, Leo Breen, Ory Okolloh and Felix Okoboi.

5) To receive, consider, and, if thought fit, approve the Directors' Remuneration Report and the remuneration paid to the Directors for the year ended June 30, 2023.

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 authorise 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

MS. KATHRYNE MAUNDU
GROUP COMPANY SECRETARY

Date: August 22, 2023

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 physically or electronically by Tuesday, September 12, 2023, 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) Dialling ***483*901#** from any network and follow the prompts; or

   b) Send an email request to be registered to eabl.agm@eabl.com; or

   c) Shareholders with email addresses will receive a registration link via email which they can use to register.

   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 helpline number: (+254) 709 170 034 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 September 14, 2023.

3) Registration for the AGM opens on Tuesday, August 22, 2023, at 11:00 a.m. East Africa Time (GMT+3) and will close on Tuesday, September 12, 2023, at 11:00 a.m. 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

   (i) a copy of this Notice and the Proxy form; (ii) the Company's Audited Financial Statements for the year ended June 30, 2023.

   The Condensed Audited Financial Statements for the year ended June 30, 2023, have been published with this Notice.

   The reports may also be accessed upon request by dialling the USSD code above and selecting the Reports option. The reports and agenda can also be accessed on the live stream 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; or

   b) Shareholders who will have registered to participate in the meeting shall be able to ask questions via SMS by dialling the USSD code above and selecting the option (ask Question) on the prompts; or

   c) Visiting www.eabl.com and accessing the 2023 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, 5th Floor, Garden City Business Park, Block A, Garden City Road, off Exit 7 Thika Superhighway, Ruaraka, Nairobi OR delivered to Image Registrars Limited, 5th 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.

   Any questions and clarifications must reach the Company on or before Tuesday, September 12, 2023, at 11:00 a.m. Limited questions may be responded to from the floor of the meeting during the AGM.

   Following receipt of the questions and clarifications, the Directors of the Company shall provide written responses to the return physical address or email address provided by the Shareholder no later than 12 hours before the start of the AGM. All questions received will be responded to via the channel used by the Shareholder, i.e. SMS (for the 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.

   A proxy form is available on the Company's website via this link: www.eabl.com. Physical copies of the proxy form are also available at the Company Office Headquarters, situated at EABL Bustani Office, 5th Floor, Garden City Business Park, Block A, Garden City Road, off Exit 7 Thika Superhighway, Ruaraka, Nairobi OR from Image Registrars Limited offices, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street.

   A proxy must be signed by the appointor or his attorney duly authorised in writing. If the appointor is a body corporate, the instrument appointing the proxy shall be given under its common seal or the hand of an officer or duly authorised attorney of such body corporate.

A completed form of proxy should be emailed to eabl.agm@eabl.com or delivered to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi, to be received no later than 48 hours before the time of holding the meeting, i.e. by Tuesday, September 12, 2023, at 11:00 a.m. Any person appointed as a proxy should submit his/her mobile telephone number to the Company no later than Tuesday, September 12, 2023, at 11:00 a.m. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Tuesday, September 12, 2023, 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 and providing a live stream link.

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 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 method through their respective stockbrokers or the Registrar to facilitate future remittance of dividends through their bank accounts. In addition, Shareholders can opt-in for their future dividends to be paid to them via mobile money transfer when registering for the AGM.

12) Shareholders are encouraged to continuously monitor the Company's website www.eabl.com for updates relating to the AGM. Please report any challenges or issues you may face to us immediately for quick resolution using the email address 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 101 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, 14 Septemba, 2023 katika hoteli ya Safari Park, katika Barabara ya Thika, ukitumia njia ya kutokea 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 2023 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 23, wa Kshs 3.75 kwa kila hisa ya kawaida, uliolipwa baada ya kutolewa kodi ya zuio au withholding tax, mnamo au karibu na 28 Aprili 2023 kwa wenyehisa waliokuwa wamesajiliwa kufikia kufungwa kwa shughuli za kibiashara mnamo 16 Februari 2023.

b) Kuidhinisha mgawo wa faida wa mwisho wa Kshs 1.25 kwa kila hisa ya kawaida kwa Mwaka wa Kifedha Uliokamilika 30 Juni 2023, ambao utatozwa kodi ya zuio au withholding tax, kama ilivyopendekezwa na Wakurugenzi. Mgawo huo wa faida utalipwa mnamo au karibu na 27 Oktoba 2023, kwa Wenyehisa watakaokuwa kwenye Sajili ya Wanachama kufikia kufungwa kwa shughuli za kibiashara mnamo 14 Septemba, 2023.

3) Kuchaguliwa kwa Wakurugenzi:

a) Ory Okolloh anastaafu kwa mzunguko kuambatana na Kifungu 117 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.

b) John Ulanga anastaafu kwa mzunguko kuambatana na Kifungu 117 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.

c) Felix Okoboi 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.

d) John Musunga 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.

e) Sathish Krishnan 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: John Ulanga; Jimmy Mugerwa; Leo Breen; Ory Okolloh na Felix Okoboi.

5) Kupokea, Kutathmini na iwapo itakubalika, kuidhinisha Ripoti ya Malipo ya Wakurugenzi na malipo ya Wakurugenzi kwa mwaka uliomalizika 30 Juni 2023.

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

BI. KATHRYNE MAUNDU
KATIBU WA KAMPUNI

Tarehe: 22 Agosti 2023

Maelezo ya mkutano mkuu wa 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, 12 Septemba 2023 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:-
a) Kupiga simu *483*901# kutoka kwa mtandao wowote wa simu na kufuata maelezo yatakayotolewa; au
b) Kutuma ombi la kusajiliwa kwa njia ya barua pepe kwa eabl.agm@eabl.com; au
c) 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) 709 170 034 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 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 14 Septemba 2023.

3) Shughuli ya kujisajili kwa ajili ya AGM itaanza mnamo Jumanne, 22 Agosti 2023 saa tano asubuhi (11:00 a.m.) saa za Afrika Mashariki (GMT+3) na kufungwa Jumanne tarehe 12 Septemba, 2023 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
(i) nakala ya Ilani hii na Fomu ya uwakilishi;
(ii) taarifa za kifedha za Kampuni zilizokaguliwa za mwaka uliokamilika 30 Juni 2023.

Nakala ya ufupisho wa Taarifa za Kifedha za mwaka uliomalizika 30 Juni 2023 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:
a) Kutuma maswali yao kwa maandishi kama barua pepe kwa eabl.agm@eabl.com; au
b) 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
c) Kutembelea www.eabl.com na kufika kwenye ukurasa wa 2023 AGM ambapo unaweza kutuma swali moja kwa moja kupitia ukurasa huo wa mtandao; na
d) 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 na maombi ya ufafanuzi yanafaa kuifikia Kampuni mnamo au kabla ya Jumanne, 12 Septemba, 2023 saa tano asubuhi (11.00 a.m.). Baadhi ya maswali yatajibiwa wakati wa Mkutano Mkuu wa Kila Mwaka.

Baada ya kupokelewa kwa maswali yote na maombi ya ufafanuzi, wakurugenzi wa Kampuni watatoa majibu ya maswali hayo kwa njia ya maandishi na kuyatuma kwa anwani ya posta ya kupokea majibu iliyoorodheshwa au barua pepe iliyoorodheshwa na Mwenyehisa si chini ya saa 12 kabla ya kuanza kwa AGM. 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.

Fomu ya uwakilishi inapatikana katika tovuti ya Kampuni kwa kufuata link au kiunganisho hiki cha mtandaoni: 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 saini na mwenyehisa anayefanya uteuzi au wakili aliyeidhinishwa na mwenyehisa 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 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 12 Septemba, 2023 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, 12 Septemba, 2021 saa tano asubuhi (11:00 a.m.) Mwenyehisa ambaye usajili wa mwakilishi wake utakataliwa atafahamishwa kabla ya Jumanne, 12 Septemba 2023 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 kupata pia ajenda za mkutano. Wenyehisa na wawakilishi waliosajiliwa wanaweza kupiga kura wakiombwa kufanya hivyo na Mwenyekiti.

9) Kura itapigwa 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 kupitia madalali husika wa hisa au Msajili ili kuwezesha malipo yao ya mgawo wa faida kutumwa kwenye akaunti zao za benki siku za baadaye. Kadhalika, wenyehisa wanaweza kuchagua malipo yao ya mgawo wa faida yatumwe kupitia nambari za simu watakapokuwa wanajiandikisha kuhudhuria AGM.

12) Wenyehisa wanahimizwa kufuatilia tovuti ya Kampuni 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 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 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)

Appendix

Principal shareholders and share distribution

The 10 largest shareholdings in the Company and the respective number of shares held at 30 June, 2023, 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	4,928,194	0.62%
Secretary to the Treasury - "PF" Account The Permanent	4,829,436	0.61%
East African Breweries Ltd Group Employee Share Ownership Plan	3,816,689	0.48%
Standard Chartered Kenya Nominees Resd A/C KE11443	3,736,850	0.47%
Total number of shares	**598,666,970**	**75.69%**

Distribution of shareholders	Number of shares	Number of shareholders	%
1 – 500 shares	2,546,082	13,684	0.32%
501 – 5,000 shares	15,675,616	9,833	1.98%
5,001 – 10,000 shares	6,758,481	948	0.85%
10,001 – 100,000 shares	36,825,187	1,266	4.66%
100,001 – 1,000,000 shares	72,813,425	249	9.21%
Over 1,000,000 shares	656,155,565	42	82.98%
Total	**790,774,356**	**26,022**	**100%**

EABL Directors' shareholding as at 30 June 2023:

Directors' names	Number of shares
Ms. Caroline Musyoka	5,782
Ms. Jane Karuku	1,296
Ms. Ory Okolloh	1,220
Ms. Risper G. Ohaga	700


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ICE
PINEAPPLE
PUNCH
ALCOHOLIC MIXED BEVERAGE
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A NIGHT TO
REMEMBER.
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EXCESSIVE ALCOHOL CONSUMPTION IS HARMFUL TO YOUR HEALTH.
NOT FOR SALE TO PERSONS UNDER THE AGE OF 18 YEARS.

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, September 14, 2023, and at any adjournment thereof.

As witness, I/we lay my/our hand(s) this ____________________ day of ____________________ 2023.

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 June 30, 2023, together with the Chairman's, Directors' and Auditors' Reports thereon.			
2) **Dividend** a) To confirm the Interim Dividend in respect of the Financial Year ended June 30, 2023, of Kshs 3.75 per ordinary share, which was paid subject to withholding tax, on or about April 28, 2023, to shareholders registered at the close of business on February 16, 2023. b) To approve a final dividend of Kshs 1.75 per ordinary share for the Financial Year ended June 30, 2023, payable net of withholding tax as recommended by the Directors. The dividend will be payable on or about October 27, 2023, to Shareholders on the Register of Members at the close of business on September 14, 2023.			
3) Election of Directors: a) Ms. Ory Okolloh retires by rotation in accordance with the provisions of Article 117 of the Company's Articles of Association, and being eligible, she offers herself for re-election.			
b) Mr. John Ulanga retires by rotation in accordance with the provisions of Article 117 of the Company's Articles of Association, and being eligible, he offers himself for re-election.			
c) Mr. Felix Okoboi 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, he offers himself for re-election.			
d) Mr. John Musunga 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, he offers himself for re-election.			
e) Mr. Sathish Krishnan 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, he offers himself for re-election.			
4) To elect the following Directors, being members of the Board Audit and Risk Management Committee to continue to serve as members of the said Committee, subject to the re-election of the Directors who are named in Agenda 3 above: Mr. John Ulanga; Mr. Jimmy Mugerwa; Mr. Leo Breen; Ms. Ory Okolloh and Mr. Felix Okoboi.			
5) To receive, consider, and if thought fit, approve the Directors' Remuneration Report and the remuneration paid to the Directors' for the year ended June 30, 2023.			
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 authorise the Board of Directors to fix their remuneration for the ensuing financial year.			

ELECTRONIC COMMUNICATIONS CONSENT FORM

Please complete in BLOCK CAPITALS

Full name of Proxy(s):____

____

____

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 virtual Annual General Meeting to be held on September 14, 2023.

Consent for use of the Mobile Number provided

I/We 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 or delivered (together with a power of attorney or other authority (if any) under which it is assigned or a notarised 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, September 12, 2023, 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 authorised 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, 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, 14 Septemba 2023 na tarehe nyingine yoyote iwapo utaahirishwa..

Kama shahidi/mashahidi Naweka saini /Tunaweka saini tarehe__________________ ya mwezi wa ________________2023.

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 2023 pamoja na ripoti za Mwenyekiti, Mkurugenzi na Wakaguzi wa Hesabu zilizomo.			
2) Mgawo wa faida Kuthibitisha mgawo wa faida wa muda kwa ajili ya Mwaka wa Kifedha uliokamilika 30 Juni 2023, wa Kshs 3.75 kwa kila hisa ya kawaida, uliolipwa baada ya kutozwa kodi ya zuio au withholding tax, mnamo au karibu na 27 Aprili 2023 kwa wenyehisa waliokuwa wamesajiliwa kufikia kufungwa kwa shughuli za kibiashara 16 Februari 2023. Kuidhinisha mgawo wa faida wa mwisho wa Kshs 1.75 kwa kila hisa ya kawaida kwa Mwaka wa Kifedha Uliokamilika 30 Juni 2023, ambao utatozwa kodi ya zuio au withholding tax, kama ilivyopendekezwa na Wakurugenzi. Mgawo huo wa faida utalipwa mnamo au karibu na 27 Oktoba 2022, kwa Wenyehisa waliokuwa kwenye Sajili ya Wanachama kufikia kufungwa kwa shughuli za kibiashara mnamo 14 Septemba, 2023.			
3) Kuchaguliwa kwa wakurugenzi: a) Ory Okolloh anastaafu kwa mzunguko kuambatana na Kifungu 117 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.			
b) John Ulanga anastaafu kwa mzunguko kuambatana na Kifungu 117 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.			
c) Felix Okoboi 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.			
d) John Musunga 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.			
e) Sathish Krishnan 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: John Ulanga; Jimmy Mugerwa; Leo Breen; Ory Okolloh na Felix Okoboi.			
5) Kupokea, Kutathmini na iwapo itakubalika, kuidhinisha Ripoti ya Malipo ya Wakurugenzi na malipo ya Wakurugenzi kwa mwaka uliomalizika 30 Juni 2023.			
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 ya Wakurugenzi kuamua malipo yao kwa mwaka wa kifedha unaofuata.			

FOMU YA IDHINI YA MAWASILIANO YA KIELEKTRONIKI

Tafadhali jaza kwa HERUFI KUBWA

Jina kamili la Mwakilishi (Wawakilishi):____

____

____

Anwani: ____

Nambari ya Simu

Tafadhali weka alama katika **MOJA** kati ya visanduku vilivyo hapa chini na kuirejesha fomu hii kwa Image Registrars katika S.L.P. 9287- 00100 Nairo-bi, 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 14 Septemba, 2023.

MIMI/SISI ninatoa/tunatoa idhini ya kusajiliwa kushiriki katika Mkutano Mkuu wa Kila Mwaka utakaofanyika mnamo 14 Septemba, 2023.

Idhini ya kutumiwa kwa Nambari ya Simu iliyotolewa

NINGEPENGA/TUNGEPENDA kutoa idhini yangu/yetu ya kutumiwa kwa nambari ya simu niliyoitoa/tuliyoitoa kwa ajili ya kupiga kura katika AGM.

Maelezo:

1. Iwapo mwanachama atashindwa kuhudhuria yeye binafsi, Fomu hii ya Uwakilishi inafaa kujazwa na kutumwa kupitia barua pepe kwa 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 12 Septemba, 2023 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 kwa kura kupigwa ambayo hupigwa zaidi ya saa 48 baada ya kufanyika kwa mkutano au mkutano ulioahirishwa.

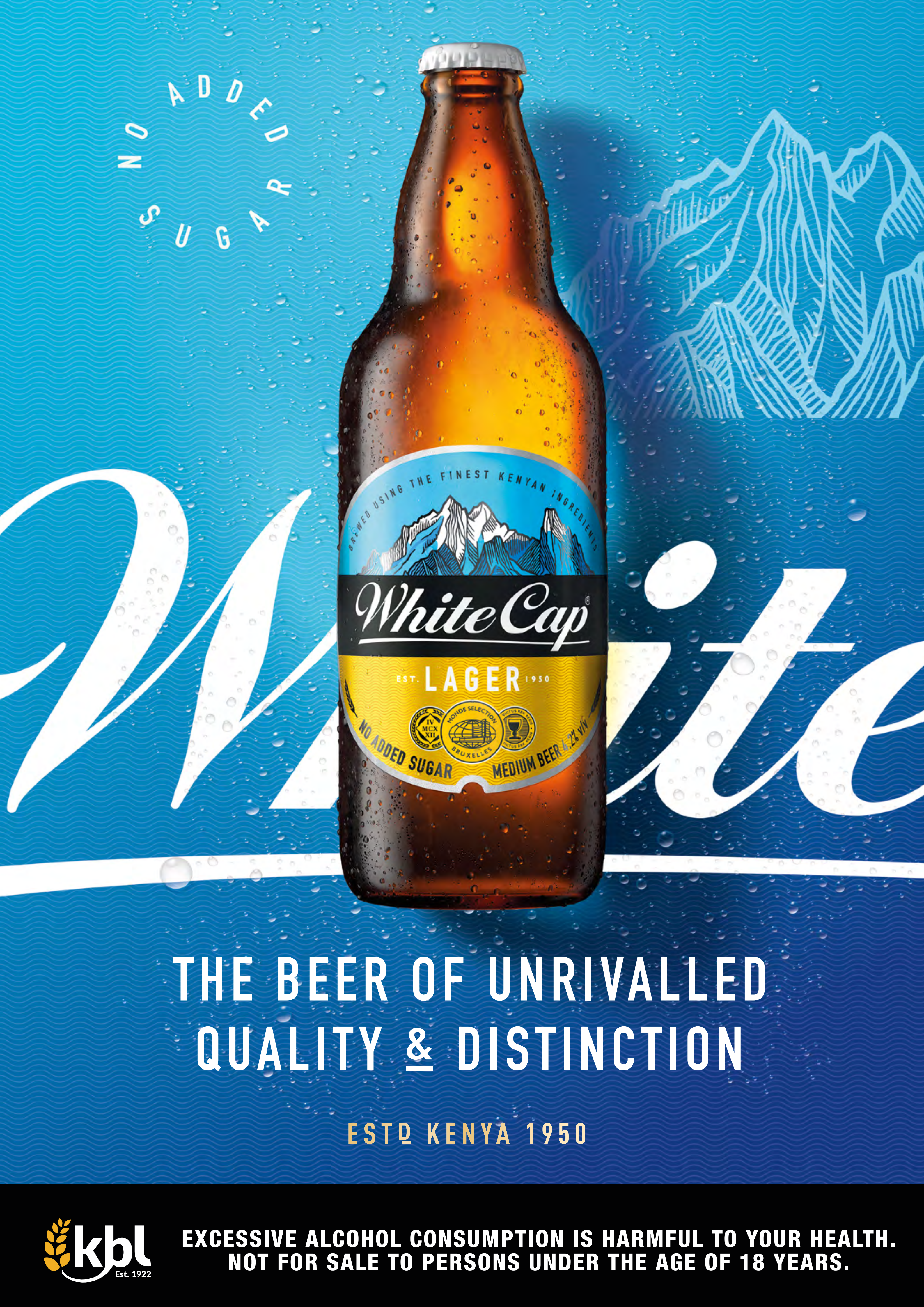
2. Iwapo anayeteua mwakilishi ni kampuni au shirika, Fomu ya Uwakilishi inafaa kupigwa mhuri rasmi wa kampuni au kuidhinishwa na afisa au wakili aliyeidhinishwa kuiwakilisha kampuni au shirika hilo.

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 zilizosusiwa, hata hivyo, itahesabiwa na kurekodiwa, lakini hazitatumiwa katika kuhesabu idadi ya kura zilizounga mkono au kupinga kila azimio.


A BOLD &
LIVELY
FLAVOUR
GUINNESS
GUINNESS
FOREIGN EXTRA
STOUT
BLACK
SHINES
BRIGHTEST

NOTES


NO ADDED SUGAR
White
BREWED USING THE FINEST KENYAN INGREDIENTS
White Cap
EST. LAGER 1950
MONDE SELECTION BRUXELLES
NO ADDED SUGAR
MEDIUM BEER
THE BEER OF UNRIVALLED
QUALITY & DISTINCTION
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Est. 1922
EXCESSIVE ALCOHOL CONSUMPTION IS HARMFUL TO YOUR HEALTH.
NOT FOR SALE TO PERSONS UNDER THE AGE OF 18 YEARS.

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