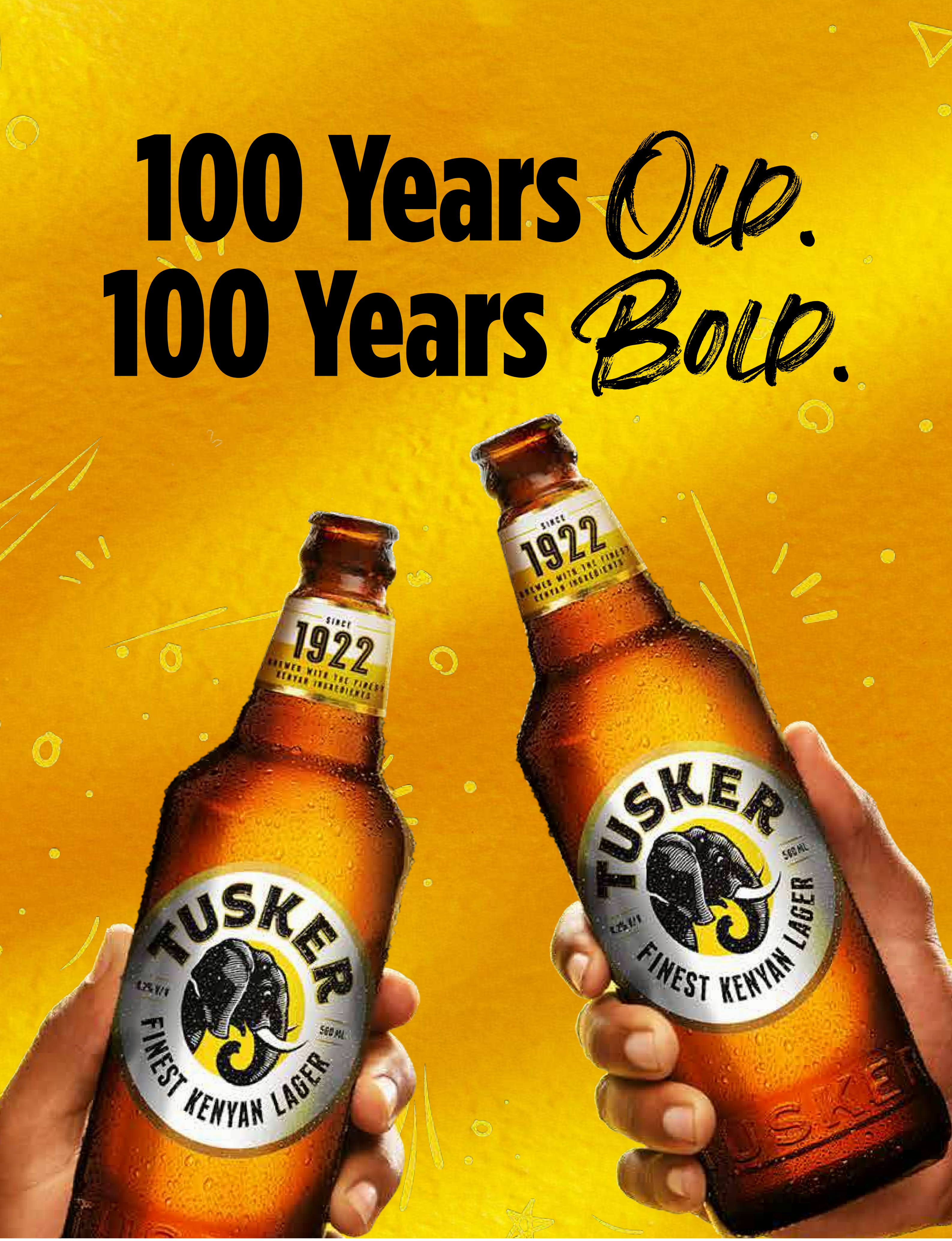
SINCE 1922

eabl

CELEBRATING LIFE

2022 INTEGRATED REPORT & FINANCIAL STATEMENTS


100 Years Old.
100 Years Bold.
SINCE
1922
BREWED WITH THE FINEST KENYAN INGREDIENTS
TUSKER
FINEST KENYAN LAGER
500 ML

Cheers to our next 100 years

East African Breweries PLC (EABL) is celebrating its centenary in 2022, and as we join the 100-year club, we reflect on the many milestones we have achieved on this journey.

Charles Hurst, George Hurst, and Henry Dowding registered the company as Kenya Breweries Limited on December 8, 1922, when they set up a makeshift brewery in Ruaraka, Nairobi, where its headquarters are still located.

Things moved rapidly after the registration. Using a manual that came with the brewery equipment shipped from London, Charles Hurst, the company's first brewer, heated a solution in a copper cup over a wood fire to brew the first beer. The first product was sold to and enjoyed by patrons at The Stanley Hotel in Nairobi.

The difficult journey over the company's formative years yielded success – and once the business established itself commercially in Kenya, regional expansion quickly followed with entry into Tanzania in 1935, and Uganda in 1959. EABL would become one of East Africa's first multinational companies and the first traded on the stock exchange, with the initial trading happening at the bar of The Stanley Hotel.

Over the last 100 years, EABL has evolved through the various socio-economic changes of the region, recruiting over the years top talent from government and the private sector into the company's management, that has gone into shaping the trajectory of the company.

EABL has grown through constant evolution, from the modernisation of manufacturing to the innovation of brands to suit consumers' emerging needs. From Tusker, EABL's first product, we now have more than 112 brands in our portfolio, from the homegrown jewels such as Tusker, Bell, Serengeti and Uganda Waragi to iconic international brands such as Guinness, Johnnie Walker and Smirnoff.

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. Through Society 2030: Spirit of Progress, our 10-year Environmental and Social Governance (ESG) agenda, we continue to work towards a more inclusive and sustainable world.

As we walk into our next century, our commitment remains putting people and purpose first as we continue to deliver on long-term sustainable shareholders' value and continue to 'celebrate life every day, everywhere'.

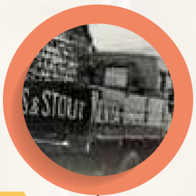
"100 Years of Creating Value"

1922

KBL incorporated as a private company and the first beer is brewed

1934

KBL becomes a public company



1935

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

1959

EABL acquires financial holding of Uganda Breweries Limited

1972

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

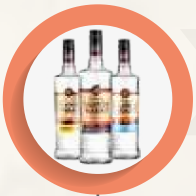
2000

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 capitalization

EABL Foundation is launched

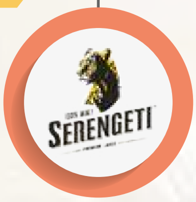
2010

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

2018

KBL brewery in Kisumu is commissioned

2020



EABL acquires an additional 34% stake in Serengeti Breweries

2021

EABL issues Kes 11bn medium term note, the largest public issue in Kenya's history

2022

EABL Centenary

About This Report

The Integrated Report for the fiscal year ended 30th June, 2022, provides a holistic view of East African Breweries PLC (EABL) . It comprises information about our company's strategy, activities, approach to operating responsibly, financial, and non-financial results. The aim is to comprehensively report to our existing and prospective investors in a unified way that reflects how the company operates.

Framework

Our Integrated Report is prepared in accordance with the International Integrated Reporting Framework, adhering to the fundamental concepts. The Annual Financial Statements were prepared in accordance with the International Financial Reporting Standards (IFRS). The report is part of our commitment to being transparent and accountable to our stakeholders. The Group constantly considers whether there are additional reporting frameworks or metrics we could use to enhance our disclosures.

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 pages 129 to 133 of this report.

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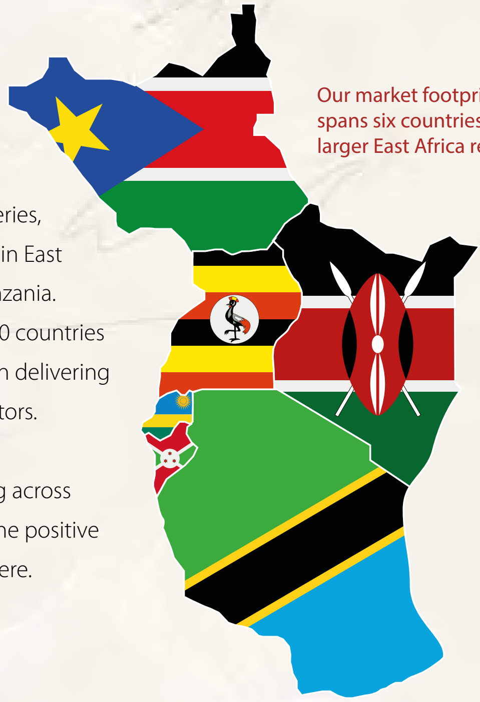
EABL Overview

East African Breweries PLC (EABL) is the leading branded alcohol beverage business in East Africa, with 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 (TAB) company. Our extensive network of breweries, distilleries, and distribution facilities span 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.

Our broad portfolio consists of outstanding local jewels and global giants, reaching across categories, occasions and price points. We are proud of the brands we make and the positive impact they have in bringing people together, to celebrate life every day, everywhere.



Our market footprint spans six countries in the larger East Africa region.

A selection of our brands

Global Giants

Beer Brands

Spirits Brands

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 extends beyond our direct operations. Our 'Society 2030: Spirit of Progress' Environmental, Social and Governance 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 the 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 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 an even better shape.

We have refreshed our culture code, articulating the behaviours we will 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 every day, everywhere'.

BOLDPR
OGRESS
IVECON
NECTED

Our Business Model

We are a proud grain to glass business, with the consumer at the heart of our business. Our Business operates with the simple purpose of supporting our consumers in 'Celebrating life, everyday everywhere'.

FINANCIAL CAPITAL

Includes shareholders' equity and debt. It is a critical input in executing our business activities and in generating, accessing and deploying other forms of capital.

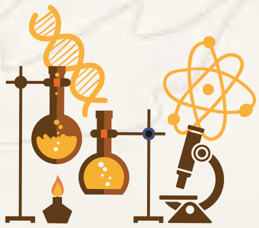
Kshs **26bn** shareholders equity
Kshs **122bn** market capitalisation
Kshs **13.2bn** free cash flow

1

RESEARCH

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.

We have invested heavily in research and development programmes such as; new brewing materials, brewing technologies, liquid product development for both alcoholic and non-alcoholic beverages, development of new packaging and dispensing solutions.



2

RESPONSIBLE SOURCING

EABL has built a solid sorghum and barley value chain that comprises of farmers, research institutes, seed companies, financial institutions, fertilizer providers, mechanization companies and other sector service providers.

We partner with a network of suppliers to procure high quality materials and services.

3

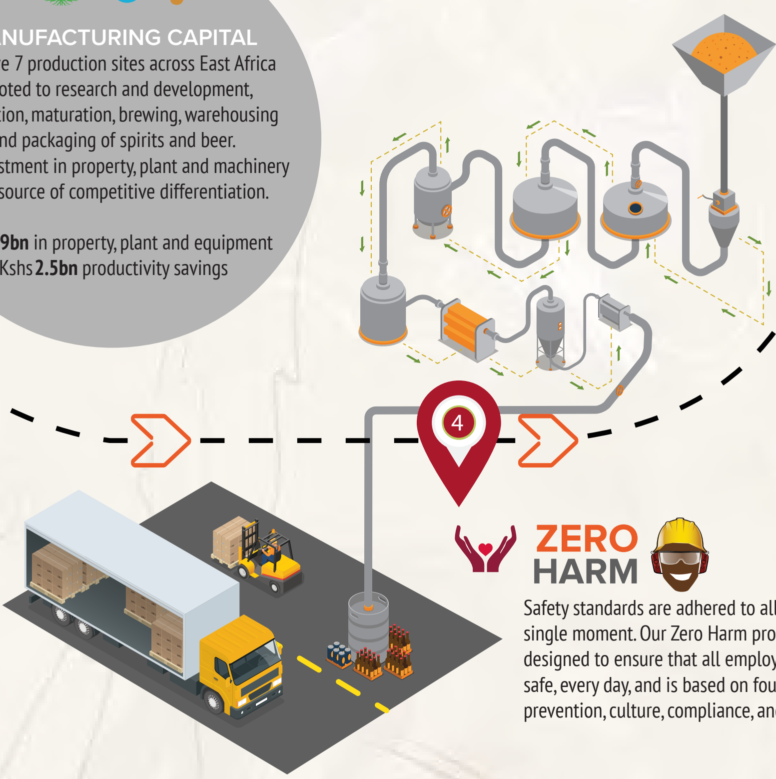
Kshs 2.6 Billion
PAID TO FARMERS

>70 %
OF OUR MATERIALS ARE LOCAL SOURCED

MANUFACTURING CAPITAL

We have 7 production sites across East Africa devoted to research and development, distillation, maturation, brewing, warehousing and packaging of spirits and beer. Our investment in property, plant and machinery are a source of competitive differentiation.

Kshs **69bn** in property, plant and equipment
Kshs **2.5bn** productivity savings



4

ZERO HARM

Safety standards are adhered to all the time, every single moment. Our Zero Harm programme is designed to ensure that all employees go home safe, every day, and is based on four pillars - prevention, culture, compliance, and capability.

LONG TERM SHARE HOLDER VALUE

Kshs **15.0**
Earnings per share (EPS)

Kshs **11.0**
Dividend per share (DPS)

2.5 million
Improved access to clean safe water

Equipping people particularly women, with skills and resources to build a better future for themselves

9

8

ROUTE TO CONSUMER

Getting to our consumer, through our route to market program is an important facet of our strategy. We work together with qualified partners to ensure that our customers get our brands on time.

DIGITIZATION

We have leveraged technology and smart data to equip our salesforce with advanced tools to support them in delivering customer propositions. Our proprietary Distributor Management System digitally supports our distributors on stock and sales management, sales force automation and performance dashboards to provide insights to the sales teams while on the go.

SOCIAL & RELATIONSHIP CAPITAL

We continue investing in communities where we live, work & sell. We are committed to do our business the right way from grain to glass.

> 200,000 ENTERPRISES

Our value chain supports over 200,000 businesses which include retailers, distributors and agents.

5

CONSUMERS

We invest in world class marketing to responsibly build vibrant brands that resonate with our consumers.

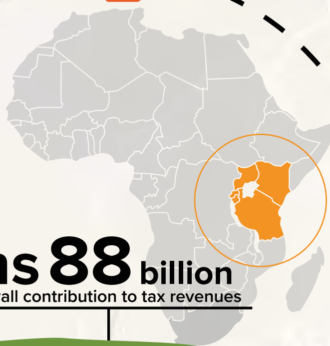
6

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

HUMAN AND INTELLECTUAL CAPITAL

We are proud of our people, whose passion, commitment and specialist skills make the difference. Championing inclusion and diversity is fundamental to driving engagement and achieving the best possible outcomes for our business.

2000 (full time employees and contractors)
31% gender diversity across EABL, **36%** senior leadership roles are held by women



Kshs 88 billion

Annual overall contribution to tax revenues

7

95%

of our waste water is recycled
362,248 m³ of water replenished and reused

Zero total waste to landfill from our direct operations

Biomass plant to help reduce **42,000** tonnes off our carbon footprint **91%** of renewable electricity utilized across our direct operations

NATURAL CAPITAL

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

Our contribution to the UN Sustainable Development Goals (SDGs)

Sustainable Sourcing	2 Zero Hunger; 8 Decent Work and Economic Growth
Manufacturing	9 Industry, Innovation and Infrastructure; 13 Climate Action; 15 Life on Land
Reducing Co2 Emissions	12 Responsible Consumption and Production; 7 Affordable and Clean Energy
Inclusion & Diversity	8 Decent Work and Economic Growth; 5 Gender Equality
Promote Positive Drinking	3 Good Health and Well-Being; 12 Responsible Consumption and Production
Promoting Health & Safety	3 Good Health and Well-Being; 8 Decent Work and Economic Growth
Growing with Communities	3 Good Health and Well-Being; 6 Clean Water and Sanitation
Water Preservation	6 Clean Water and Sanitation

Stakeholder Engagement

Our purpose and values help guide our engagement

Why we engage

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.

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.

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.

Our stakeholders' interests

People

- Prioritisation of health, safety and wellbeing
- Investment in learning opportunities for employee growth and development
- Ways of working, culture and benefits programme
- Contribute to the growth of our brands and our performance
- The promotion of inclusion and diversity

Consumers

- Choice of brands for different occasions
- Innovation in heritage brands and creation of new brands
- Responsible marketing
- Great experiences
- Product quality
- Sustainability credentials
- Affordable products

Customers

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

How we respond

People

- Safety strategy anchored on our Zero Harm goal that ensures everyone goes home safely every day
- Company-wide employee engagement surveys
- Consistent talent and performance management approach
- Extensive online learning and development material
- Informative and up-to-date employee communication channels

Consumers

- 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

Customers

- Use of best practice sales analytics and technology to support our retailers and distributors
- Ongoing dialogue and account management support
- Sales calls
- Development of joined-up business plans
- Regular business updates
- Training through unique offerings like the Diageo Bar Academy

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.

- Developing strong, mutually beneficial partnerships
- Collaborating to realise innovation
- Fair contract and payment terms
- Consistent performance measurement

- Partnering with suppliers' standard, our code for working with suppliers
- Direct resolution process
- Confidential, independent whistleblowing helpline and website
- Supplier financing
- Supplier performance measurement and performance reviews
- Regular trainings on sustainable farming practices to our farmers
- Provision of drought resistant seed varieties.

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.

- Impact of our operations on the local economy
- Access to skills development
- Opportunities for employment and supplier opportunities
- Improved access to water, sanitation and hygiene
- Responsible use of natural resources
- Gender equality, inclusion and diversity
- Transparency and engagement

- Ongoing dialogue
- Partnerships, including local raw material supply partnerships
- Learning for Life, our global training programme for hospitality and retail sector workers
- Community programme design that includes gender equality and inclusion and diversity considerations
- Tree planting and water replenishment programmes
- Our community water, sanitation and hygiene (WASH) programmes

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.

- Strategic priorities
- Financial performance
- Corporate governance
- Leadership credentials, experience and succession
- Executive remuneration policy
- Shareholder returns
- Environmental and social commitments and progress

- Results announcements
- Investor roadshows
- Meetings and calls
- Annual General Meeting
- Investors' information on www.eabl.com
- Participation in investor conferences

Governments and regulators

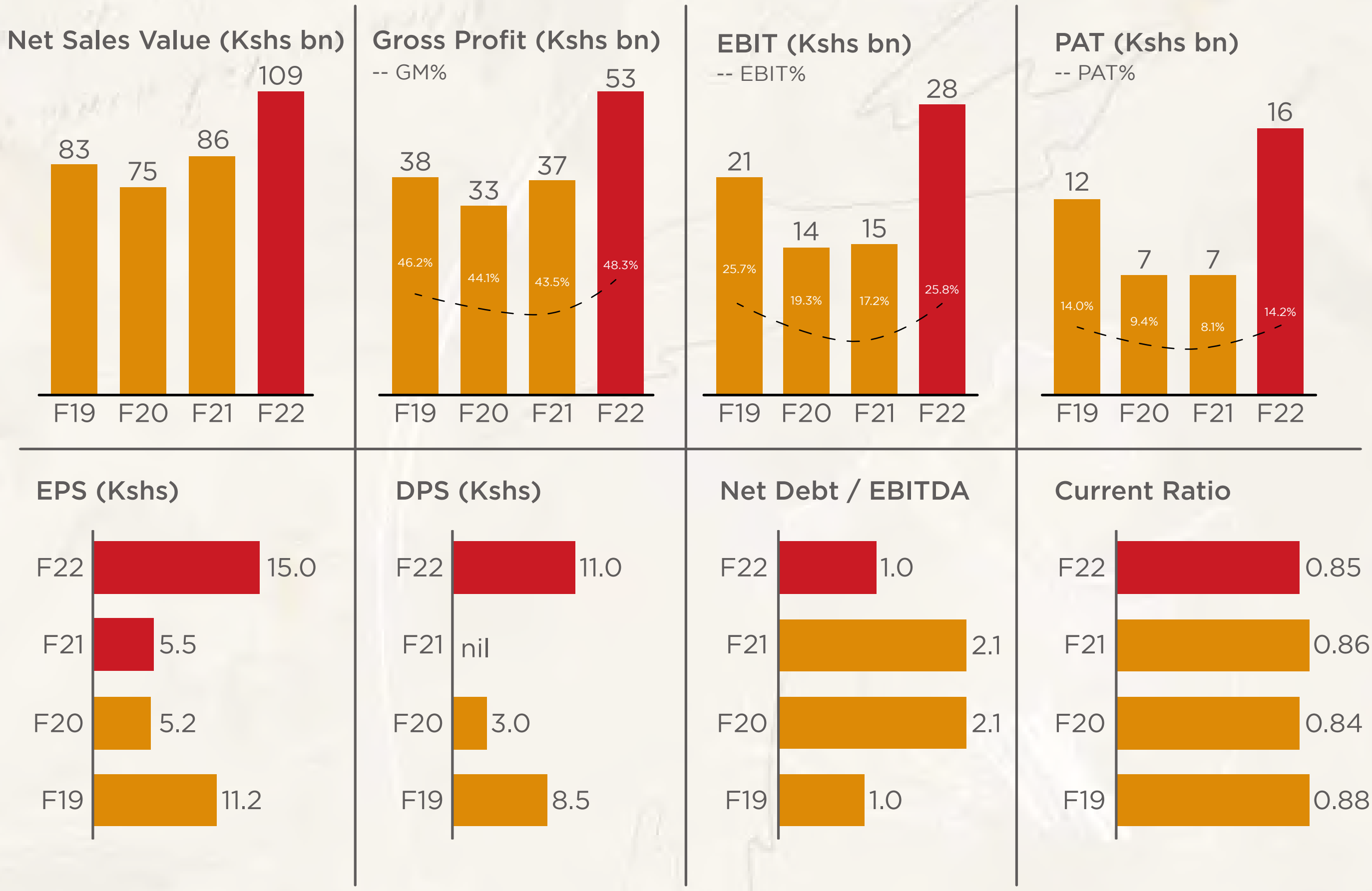
The regulatory environment is critical to the success of our business. We believe it is important that those who can influence policy, laws and regulation understand our views. We also want to share information and perspectives on areas that can impact our business and public health.

- Contribution to national economic and development priorities
- Tax, excise and illicit trade
- Positive drinking programmes and impacts
- Wider sustainability agenda, including human rights, environmental impacts, sustainable agriculture and support for communities.
- Corporate behaviour

- Ongoing dialogue
- 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
- Diageo Code of Business Conduct

Performance Highlights

Great Performance Against Key Metrics



Non-Financial Highlights

>17,000,000
reached with messages of moderation

36% senior leadership roles are held by women, +26% vs F21.
Women make up 71% of our community training programs

362,248 m³ volume of water replenished and reused.
Over **36k** beneficiaries of our water projects reached, +18% vs F21

0 Total waste to landfill from our direct operations

Biomass plants to help reduce **42,000 tonnes** off our carbon footprint.
91.5% of renewable electricity utilized across our direct operations, +10% vs F21


Tanqueray
RANGPUR
LIME
WITH RARE RANGPUR
LIME GIMLET FOR
A REFRESHINGLY
ZESTY TASTE
Tanqueray
RANGPUR
LIME
DISTILLED GIN
CHARLES TANQUERAY & CO

Group Chairman's Statement

Overview

I am very pleased to share with you our report for fiscal year 2022, a period which saw regional economies begin to recover from the impact of the Covid 19 pandemic. As you know, our two previous financial years were deeply impacted by the vagaries of the pandemic, and our focus then was to protect our people and the business. Fiscal year 22 has been a much better year: not only have we seen a full reopening of our economies in East Africa, but we have also witnessed a resumption of our on-trade business.

Despite the challenges, our focus and agility have enabled us to navigate the volatility and deliver strong performance. Our employee engagement remains high, and we continue to invest for long-term growth, in our brands and in our portfolio. As a consumer-driven business, we take time to study the market, to understand consumer needs and wants and how best to satisfy them. That is why we continuously invest in innovation of our brands and delivery channels.

The Board and management team are committed to delivering long-term value to all our stakeholders. As we celebrate 100 years of EABL's operations, we will continue to pursue our vision to be the best performing, most trusted, and respected company in Africa.

Regional Operating Environment

Fiscal year 22 saw the respective East African governments make significant strides in vaccine administration against Covid 19 leading to the easing of pandemic-related restrictions that had been in place in the past fiscal year. This easing contributed to an improved operating environment as outlets reopened and consumer activities picked up.

As a Group we remain a major contributor to the revenues of governments in the region, and in the current fiscal year paid total taxes of Kshs 87.7 billion to the revenue authorities in the countries in which we operate.

> **On behalf of the Board of Directors, I would like to recognise and celebrate our customers, consumers, suppliers, partners, and agencies, as well as the governments in the respective countries in which we operate for the support given to EABL during the year.**

Having said this, it is important to note that the East African region has some of the highest alcohol excise tax rates in sub-Saharan Africa, with the excise regime in Kenya becoming increasingly aggressive and unpredictable, creating uncertainty for businesses like ours. We continue to raise our concerns with the relevant stakeholders on the importance of reasonable tax increases to protect the industry and cushion the impact on consumers and government revenues.

Dividend

As a business, we have navigated the rising inflation and increase in excise taxes through strategic pricing and effective cost management to deliver our highest profit in 5 years. It is against this background that an interim dividend of Kshs 3.75 per share was paid during the year.

The Board of Directors has recommended a final dividend of Kshs 7.25 per share to be paid on or before 30th October, 2022, to shareholders registered at the close of business on 15th September, 2022, subject to withholding tax. This brings the total dividend for the year to Kshs11.00 per share, the highest in many years.

Supporting our Community

During the year, we supported the hospitality industry through our US$5 million Raising the Bar initiative. This fund enabled physical and digital support to bars welcoming customers back after lockdowns. We also complemented governments' effort across East Africa in driving national programmes to combat the impact of Covid 19, by making vaccines available to our employees, their families, and consumers.

Our commitment to promote positive drinking is a core pillar of our strategy. We want to change the way our consumers drink for the better. That means promoting moderation and continuing to address the harmful use of alcohol by changing attitudes and expanding our programmes that tackle underage drinking, drunk driving and binge drinking. Promoting moderation and addressing the harmful use of alcohol is not only the right thing to do, but an essential part of our performance ambition.

As a business, our commercial success depends on us creating a positive impact on society, wherever we live, work, source and sell. We want our consumers to drink better, not more – and to trade up to our higher quality drinks.

We have taken a strategic direction on our Environmental, Social and Governance (ESG) agenda that focuses on Society 2030: Spirit of Progress, which is our 10-year sustainability programme. This is a three-pronged agenda aimed at promoting positive drinking, championing diversity and inclusion and pioneering grain to glass sustainably across our value chain.

"Our commitment to promote positive drinking is a core pillar of our strategy. We want to change the way our consumers drink for the better. That means promoting moderation and continuing to address the harmful use of alcohol by changing attitudes and expanding our programmes that tackle underage drinking, drunk driving and binge drinking.

Looking Ahead

We are stepping into the future with the heritage and foundation we have built over the last 100 years. Our commitment remains to grow our business in a consistent and sustainable way. We are confident in our long-term strategy, the strength of our brands and the extraordinary character and talent of our people. With these, we are well-placed to successfully manage the challenges and capture opportunities that will continue to drive sustainable growth across East Africa, and live our purpose to celebrate life every day, everywhere.

Appreciation

On behalf of the Board of Directors, I would like to recognise and celebrate our customers, consumers, suppliers, partners, and agencies, as well as the governments in the respective countries in which we operate for the support given to EABL during the year.

I also wish to recognise and celebrate our management and all our staff for their continued agility and resilience throughout the year. They have demonstrated a deep commitment to the business, dexterity in a time of uncertainty, and creativity and innovation that have enabled the business to deliver an outstanding performance during the year.

Likewise, I would like to thank my fellow Board members at EABL, and members of the boards of our subsidiary companies for their counsel, support and dedication throughout the year and for delivering a strong corporate governance environment.

I remain optimistic about the prospects for our business.

Dr. Martin Oduor-Otieno
Group Chairman

Taarifa ya Mwenyekiti wa Kundi

Ripoti ya Mwaka wa Kifedha wa 22 Kwa Ufupi

Katika mwaka wa kifedha wa 22, katika East African Breweries PLC (EABL) tulishuhudia mataifa ya kanda hii yakijikwamua kiuchumi kutoka kwa athari za janga la Covid 19. Kama mjuavyo, miaka miwili ya kifedha iliyopita kwetu iliathiriwa sana na janga hilo, na kipaumbele chetu kimekuwa ni kuwakinga watu na biashara yetu. Mwaka wa kifedha wa 22 umekuwa mwema: sio tu kwamba tumeshuhudia mataifa Afrika Mashariki yakifungulia tena shughuli za kiuchumi, bali pia tumeona biashara yetu ikirejelea kawaida.

Licha ya changamoto zilizokuwepo, kuwa na mwelekeo pamoja wepesi wa kubadilika vilituwezesha kupitia changamoto zilizokuwepo na kumaliza mwaka tukiwa imara zaidi, na kutuwezesha wka mara nyingine kuandikisha matokeo mazuri ya kifedha. Kiwango chetu cha wafanyakazi wetu kushiriki kimeendelea kuwa cha juu na tunaendelea kuwekeza kwa ajili ya ukuaji wa kipindi kirefu, katika nembo zetu na bidhaa zetu. Kama biashara inayoongozwa na wateja, huwa twachukua muda kudadisi soko na kuyaelewa vyema mahitaji na matamanio ya mteja na njia gani bora ya kukidhi mahitaji hayo. Hii ndiyo sababu tumeendelea kuwekeza katika uvumbuzi na ubunifu kuboresha bidhaa zetu ili kuendana na mitindo ya wateja inayobadilika.

Bodi na wasimamizi wamejitolea kutoa thamani ya kipindi kirefu kwa wadau wetu. Tunaposherehekea miaka 100 ya shughuli za EABL, tutaendelea kujizatiti kuwa kampuni yenye matokeo bora zaidi, ya kuaminika zaidi na inayoheshimiwa zaidi Afrika.

Mazingira ya Uendeshaji Shughuli katika Kanda

Mwaka wa kifedha wa 22 serikali za mataifa ya Afrika Mashariki zilipiga hatua kubwa katika utoaji wa chanjo dhidi ya Covid 19 na kuchangia kuondolewa kwa vikwazo vilivyokuwa vimewekwa kuhusiana na janga hilo kwa sehemu kubwa ya mwaka huo wa kifedha.

Hatua hiyo ilichangia kuimarika kwa mazingira ya uendeshaji shughuli kwani vituo vingi vilifungua tena biashara na shughuli za watumiaji wa bidhaa zetu zikaongezeka. Kama Kundi, tunaendelea kuwa moja ya wanaochangia pakubwa katika mapato ya serikali katika kanda, ambapo huwa tulilipa kodi ya Kes 87.7 bilioni mwaka huo.

Kanda ya Afrika Mashariki ina baadhi ya viwango vya juu zaidi vya ushuru wa bidhaa Afrika kusini mwa

> **Kwa niaba ya Bodi ya Wakurugenzi, ningependa kuwatambua na kuwashukuru wateja wetu, wanaotumia bidhaa zetu, wasambazaji wetu, washirika, na mamlaka pamoja na serikali katika mataifa husika tunayohudumu kwa ushirikiano wao na kwa kutuunga mkono.**

Sahara. Mfumo wa ushuru huo Kenya umeendelea kuwa mkali na usiotabirika, jambo linalozua wasiwasi kwa biashara kama yetu. Tumeendelea kueleza wasiwasi wetu kwa wadau husika kuhusu umuhimu wa nyongeza ya ushuru ya maana ili kulinda maslahi ya watumiaji wa bidhaa na serikali, pamoja na mapato ya sekta hii.

Kama biashara, tuliweza kuhimili ongezeko la mfumko wa bei na kuongezwa kwa ushuru wa bidhaa kupitia kuongeza bei ya bidhaa zetu kwa busara na pia kudhibiti gharama na hili likatuwezesha kupata faida yetu ya juu zaidi katika kipindi cha miaka 5.

Ni katika mazingira haya ambapo mgawo wa faida wa muda wa Kes 3.75 kwa kila hisa ulilipwa mapema mwaka huo. Bodi ya Wakurugenzi imependekeza pia mgawo wa mwisho wa faida wa Kes7.25 kwa kila hisa ulipwe mnamo au kabla ya 30 Oktoba 2022 kwa wenyehisa ambao watakuwa kwenye sajili wakati wa kufungwa kwa biashara mnamo 15 Septemba 2022, baada ya kutozwa kodi ya zuio. Hii pamoja na mgawo wa faida wa muda imefanya mgawo wa faida kwa jumla mwaka huo kuwa Kes11.00 kwa kila hisa.

Kusaidia jamii yetu

Katika mwaka huo, tuliisaidia sekta ya hoteli na baa kupitia mkakati wa thamani ya US$5 milioni kwa jina Raising the Bar. Fedha hizo ziliwezesha kutolewa kwa usaidizi wa vitu mbalimbali na wa kidijitali kwa baa zilizokuwa zinawakaribisha tena wateja baada ya kufungwa kwa muda mrefu. Tulisaidia pia juhudi za serikali za Afrika Mashariki katika mipango ya kukabiliana na Covid 19, kutoa chanjo kwa wafanyakazi wetu, familia zao, na watumiaji wa bidhaa zetu.

Kujitolea kwetu kuhamasisha unywaji pombe kwa busara ni nguzo kuu katika biashara yetu. Tunataka kubadilisha jinsi wateja wetu wanavyokunywa pombe. Hii ina maana ya kuhamasisha kunywa kwa wastani na pia kuendelea kuangazia madhara ya pombe kwa kubadilisha mitazamo. Pia, kupanua miradi yetu inayoangazia kukabiliana na unywaji pombe kwa watu wasiotimiza umri ulioruhusiwa, kuendesha magari watu wakiwa walevi na pia ulevi wa kupindukia. Kuhamasisha unywaji pombe kwa kipimo na kuangazia madhara ya pombe sio tu kwamba ni jambo njema la kufanya, bali pia ni sehemu kuu ya azma yetu.

Kama biashara, mafanikio yetu ya kifedha yanategemea sisi kuwa na manufaa kwa jamii, maeneo tunamoishi, kufanyia kazi, kununua bidhaa na kuuza. Tunataka wateja wetu wanywe kwa njia bora zaidi, si kwamba eti wanywe zaidi – na wapande na kunywa vinywaji vyetu vya ubora wa hali ya juu na ladha bora zaidi.

Tumeendelea pia kujibu mahitaji ya wateja wetu na bidhaa zetu zina madhara ya chini sana kwa mazingira. Kama biashara, tumechukua mwelekeo wa kimkakati katika ajenda yetu ya Mazingira, Jamii na Utawala (ESG) ambayo huangazia Spirit of Progress, ambao ni mpango wetu wa uendelevu wa miaka 10. Mpango huu una ajenda tatu ambazo ni kuhamasisha mazuri, kutetea thamani ya tofauti zetu na kujumuisha wote na pia kuhakikisha uendelevu kuanzia kwa nafaka hadi kwenye chupa katika mfumo wetu wa uzalishaji.

“Kujitolea kwetu kuhamasisha unywaji pombe kwa busara ni nguzo kuu katika biashara yetu. Tunataka kubadilisha jinsi wateja wetu wanavyokunywa pombe. Hii ina maana ya kuhamasisha kunywa kwa wastani na pia kuendelea kuangazia madhara ya pombe kwa kubadilisha mitazamo. Pia, kupanua miradi yetu inayoangazia kukabiliana na unywaji pombe kwa watu wasiotimiza umri ulioruhusiwa, kuendesha magari watu wakiwa walevi na pia ulevi wa kupindukia.

Kutazama Mbele

Kama biashara, tunaingia kwenye siku za usoni tukiwa na urathi na msingi tulioujenga kwa miaka 100 iliyopita. Ahadi yetu inasalia kuwa kukuza biashara yetu kwa njia imara na endelevu. Tuna imani katika mkakati wetu wa kipindi kirefu, nguvu ya nembo zetu na sifa za kipekee na vipaji vya wafanyakazi wetu. Tukiwa na haya yote, tupo katika nafasi nzuri ya kukabiliana na changamoto na kutumia vyema fursa na hivyo kuendelea kupata ukuaji endelevu kote Afrika Mashariki, na pia kutimiza lengo letu kuu ya kusherehekea maisha kila siku, pahala popote.

Shukrani

Kwa niaba ya Bodi ya Wakurugenzi, ningependa kuwatambua na kuwashukuru wateja wetu, wanaotumia bidhaa zetu, wasambazaji wetu, washirika, na mamlaka pamoja na serikali katika mataifa husika tunayohudumu kwa ushirikiano wao na kwa kutuunga mkono.

Ningependa pia kuwatambua na kuwashukuru Wasimamizi wetu na wafanyakazi wetu kwa kuendelea kuwa wepesi wa kuchukua hatua na kufanya kazi katika mwaka huo wote. Wamedhihirisha kujitolea sana katika biashara yetu. Kadhalika, wepesi wa kubadilika kipindi cha kutotabirika, na ubunifu na uvumbuzi wao ambavyo vimewezesha biashara yetu kubadilika kuendana na hali na pia kujifunza mengi kutokana na kipindi hicho cha janga.

Vilevile, ningependa kuwashukuru wanachama wenzangu kwenye Bodi na wanachama wa bodi za kampuni zetu tanzu kwa ushauri wao, uungaji mkono na kujitolea kwao mwaka huo wote na pia kwa kuwezesha mazingira mazuri na imara ya utawala wa kampuni.

Sina shaka kwamba tutatokea imara zaidi na wenye imani ya kutumainia siku za usoni za ufanisi.

Dkt. Martin Oduor-Otieno
Mwenyekiti wa Kundi

Group Managing Director's Statement

Creating a growth platform for the next 100 years

I am pleased to report another year of strong and consistent performance at East African Breweries PLC (EABL). In fiscal year 22, our company made progress towards its ambition of becoming one of the best performing, most trusted and respected consumer products companies in Africa. EABL is celebrating 100 years in 2022, and I would like to thank all our employees for their continued resilience, commitment and passion.

In the first half of the financial year, we saw the lifting of Covid 19 lockdowns across East Africa, and this led to the re-opening of the broader economy and on-premise channel. As a result, our business operations returned to normal. As consumers returned to trade, we supported re-opening of bars, investing $5 million over the pandemic period to revive our outlets.

During the pandemic, we saw significant shifts for both our consumers and customers. Leveraging data and insights, we invested appropriately to understand these shifts and innovated brands to ensure that we met emerging consumer demands. In addition, we innovated in route to consumer channels and invested in e-commerce and last mile distribution to ensure that all our products were easily accessible.

This helped us deliver the strongest results in recent years across all metrics, a moment of great pride for everyone connected to this great company.

Performance

EABL's net sales grew by 27% to Kshs 109.4 billion with strong double-digit growth across our markets and categories. We also registered good performance in our strategic imperatives: vibrant beer grew by 27%; mainstream spirits by 27%; premium by 26% and new frontiers by 35%.

We delivered this robust performance due to the consistent focus on our strategy and execution, as well as our strong portfolio of brands.

Creating value

Our operating environment is becoming more unpredictable, with significant challenges relating to both regional and global macro-economic trends and environment. Further, there is continued uncertainty in tax and policy changes across governments in our region.

> **EABL is transforming into a more entrepreneurial and creative business. Our performance was delivered by our consumer-centricity, speed in execution and our people's agility to adapt to changing environment.**

Our business will not be immune to this volatility but the depth and breadth of our portfolio and discipline and focus of our people will help us navigate these headwinds. As we celebrate a centenary of our existence, EABL is determined to build a company that will prosper beyond the next 100 years.

Our strategy is delivering consistent top-line performance, sustained margin expansion, with increased investment in our brands and business. We will continue focusing on our consumers and customers, sustainable growth, smart investments, ESG strategy and our people.

Our people and culture

EABL is transforming into a more entrepreneurial and creative business. Our performance was delivered by our consumer-centricity, speed in execution and our people's agility to adapt to changing environment.

We are embedding a culture of discipline and efficiency at pace, leading to significant operational savings that have been reinvested in the most attractive opportunities. These investments not only support growth of our brands and strengthen our portfolio but have also allowed us to build more advanced capabilities through new technology and enhanced training.

One of the hallmarks of EABL over the last century has been our support for our people. We have established a talent management structure that ensures we recruit the best, train and create the right environment to thrive.

Sustainability

As a 100-year-old business, we are proud to be the custodians of some of the most iconic brands in the world. These were built over generations by people who understood the importance of building a business for the long term. We are also determined to build a business that makes a positive impact on the issues that matter most to wider society.

EABL's commitment to sustainability is a critical imperative for this business to continue to thrive beyond the next century. Our efforts towards environment, inclusivity, diversity and promoting positive drinking through our 10-year ESG plan is central to our strategy to deliver commercial advantage and attract talent.

We have partnered with critical stakeholders in private, government, and non-profit bodies to execute our sustainability plans at scale. Our Wrong Side of the Road, a new programme to support changes in attitudes to drunk driving, has reached nearly 30,000 people in East Africa.

"As we step into the next 100 years with our heritage and the foundation we have built, our commitment remains to grow our business in a consistent and sustainable way, as we continue to deliver long term value to all our stakeholders.

In fiscal year 22, SMASHED, our programme focused on tackling underage drinking, has educated over 48,000 people, 137% more than we targeted. We leveraged DRINKiQ, our responsible drinking tool, to reach over 104,000 people with dedicated responsible drinking – 317% more than we targeted.

On our diversity journey, I'm also very proud that we continue to make progress in building a more inclusive and diverse company: 36% of our senior leaders and 63% of our programme beneficiaries are female.

Additionally, we have made progress this year in the delivery of our grain-to-glass sustainability goals, with a focus on preserving water for life, accelerating to a low-carbon world and becoming sustainable by design ***(read more from page 68 to page 75)***.

Looking into the future

As we step into the next 100 years with our heritage and the foundation we have built, our commitment remains to grow our business in a consistent and sustainable way, as we continue to deliver long-term value to all our stakeholders.

While the external environment remains uncertain, we remain sharply focused on executing against our strategic priorities. The consumer remains at the heart of our business and we will sustain investment behind our brands, leveraging our portfolio to drive quality market share and margin growth. We have embedded efficiency across the business through our productivity initiatives and this will enable continued growth, improved agility, and consistent cash flow generation.

We are confident that with these, combined with our extremely capable and motivated people, we are well positioned to maneuver the challenges and realise the opportunities. We are assured that we'll continue on the path of sustainable growth across East Africa, continue to build our brands and enable our consumers to 'celebrate life every day, everywhere'.

Ms. Jane Karuku
Group Managing Director & CEO

Taarifa ya Meneja Mkurugenzi na CEO wa Kundi

Kujenga msingi wa ukuaji kwa ajili ya miaka 100 ijayo

Nina furaha kwamba tumeandikisha mwaka mwingine wa matokeo mazuri na thabiti ya kifedha katika East African Breweries PLC (EABL). Katika mwaka wa kifedha wa 22, kampuni yetu ilipiga hatua katika kutimiza lengo lake la kuwa moja ya kampuni ya kutengeneza bidhaa iliyo bora zaidi, inayoaminika na kuheshimika zaidi. Mwaka huu wa 2022 EABL inasherehekea miaka 100 tangu kuanzishwa kwake na ningependa kuwashukuru wafanyakazi wetu wote kwa kuendelea kuwa wakakamavu na wenye kujitolea.

Katika nusu ya kwanza ya mwaka huo wa kifedha, tulishuhudia kuondolewa kwa vikwazo na masharti yaliyokuwa yamewekwa kutokana na janga la COVID-19 kote Afrika Mashariki na hili lilichangia kufunguliwa tena kwa uchumi na pia baa na maeneo mengine ya kuuzia bidhaa zetu kwa wateja. Kkutokana na hili, shughuli za kibiashara zilirejelea hali ya kawaida. Wateja walivyokuwa wanarejea kwenye biashara, tulisaidia kufunguliwa tena kwa baa, ambapo tuliwekeza zaidi ya $5 milioni katika kipindi hicho cha janga kusaidia kufufua vituo vya kuuzia bidhaa zetu.

Wakat iwa janga, tulishuhudia mabadiliko makubwa miongoni mwa wateja wetu na wanaotumia bidhaa zetu pia. Kwa kutumia data na habari za kina, tuliwekeza kwa njia ifaayo ili kufahamu mabadiliko hayo na pia tukafanyia uvumbuzi na maboresho bidhaa zetu kuhakikisha zinakidhi mahitaji ya watumiaji wa bidhaa yaliyokuwa yanaibuka. Kadhalika, tulifanyia uvumbuzi njia mpya za kumfikia mteja na kuwekeza katika biashara ya dijitali na pia kuboresha mfumo wa hatua ya mwisho ya kufikisha bidhaa ili kuhakikisha bidhaa zetu zinapatikana kwa njia rahisi.

Mambo haya yalituwezesha kuandikisha matokeo bora zaidi katika miaka ya hivi karibuni ukiangalia vigezo vyote, na hili ni jambo la kujivunia kwa kila mtu anayehusishwa na kampuni hii kuu.

Matokeo

Licha ya hali ya changamoto, tuliandikisha matokeo mazuri Mwaka wa kifedha wa 22, ambapo mauzo halisi ya EABL yalikua kwa 27% hadi Kshs 109.4 bilioni. Kulikuwa na ukuaji wa zaidi ya asilimia kumi katika masoko yetu yote. Tuliandikisha pia matokeo mazuri katika sehemu kuu za mikakati: bia ilikua kwa 27%, vileo vikali kwa 27%, vileo vya ubora wa juu kwa 26% na vileo vipya kwa 35%.

Tulifanikisha matokeo haya kwa sababu ya kuendelea kuangazia mkakati wetu na pia utekelezaji wake. Kadhalika, kwa kuwa na mkusanyiko wa bidhaa imara na zinazopendwa.

Kuunda thamani

Mazingira yetu ya kuendesha biashara yanaendelea kuwa ya kutotabirika hata zaidi, na kuna changamoto kubwa kuhusiana na mitindo ya mabadiliko ya kiuchumi katika kazi ya kanda na hata kimataifa na pia kwenye mazingira ya kiuchumi yenyewe.

> EABL inabadilika na kuwa kampuni inayokumbatia zaidi ukuaji wa biashara na ubunifu. Matokeo yetu mazuri ya kifedha yalitokana na kuangazia watumiaji wa bidhaa, kasi katika utekelezaji na wepesi wa wafanyakazi wetu kubadilika kuendana na mabadiliko katika mazingira.

Isitoshe, bado kuna hali ya wasiwasi kuhusu mabadiliko katika kodi na sera katika serikali katika mataifa ya kanda hii.

Biashara yetu haijakingwa dhidi ya misukosuko hii lakini kina na upana wa bidhaa zetu pamoja na nidhamu yetu na kuangazia wafanyakazi wetu vitatusaidia kupitia misukosuko hiyo. Tunapoadhimisha karne moja ya uwepo wetu, EABL imejitolea kujenga kampuni itakayonawiri zaidi ya miaka 100 ijayo.

Mkakati wetu ni kuendelea kuzalisha bidhaa za kiwango cha hali ya juu, uendelevu katika kupanua biashara na kuongeza faida sambamba na uwekezaji katika nembo zetu na biashara. Tutaendelea kuwaangazia wateja wetu na watumiaji wa bidhaa zetu, ukuaji endelevu, uwekezaji wa busara, mkakati wa Mazingira, Jamii na Utawala na pia watu wetu.

Watu na utamaduni wetu

EABL inabadilika na kuwa kampuni inayokumbatia zaidi ukuaji wa biashara na ubunifu. Matokeo yetu mazuri ya kifedha yalitokana na kuangazia watumiaji wa bidhaa, kasi katika utekelezaji na wepesi wa wafanyakazi wetu kubadilika kuendana na mabadiliko katika mazingira.

Tunakuza kwa kasi utamaduni wa nidhamu na kufanya mambo kwa njia bora zaidi. Hili limechangia kuokolewa kwa fedha nyingi ambazo zimewekezwa tena katika maeneo ambayo tuna fursa bora zaidi. Uwekezaji huu sio tu kwamba unasaidia ukuaji wa bidhaa na nembo zetu na kuimarisha mseto wa bidhaa zetu bali pia umetuwezesha kuboresha uwezo wetu wa kufanya mambo kupitia teknolojia mpya na utoaji wa mafunzo.

Moja ya sifa kuu za EABL katika karne moja iliyopita imekuwa ni usaidizi na uungaji mkono wa wafanyakazi wetu. Tumejenga muundo wa usimamizi unaohakikisha huwa tunaajiri watu bora zaidi kutoka kwa taasisi za elimu na kisha kuwapa mafunzo na kuwapa mazingira bora zaidi ya kunawiri.

Uendelevu

Kama biashara ambayo imekuwepo kwa miaka 100, tunajivunia kuwa tuna baadhi ya nembo za bidhaa maarufu zaidi duniani. Hizi ziliundwa na vizazi vya watu walioelewa umuhimu wa kuunda biashara na kuiweka sawa kwa ajili ya kipindi kirefu. Tumejitolea pia kuunda biashara itakayokuwa na matokeo ya kufaa katika masuala muhimu kwetu na kwa jamii kwa jumla.

Kujitolea kwa EABL katika uendelevu ni kiungo muhimu sana kwa biashara yetu kuhakikisha inadumu zaidi ya karne ijayo. Juhudi zetu kwa mazingira, ujumuishaji wa wote, uthamini wa watu wa asili mbalimbali na kuendeleza unywaji pombe wa kuwajibika kupitia mpango wetu wa miaka 10 wa ESG ni nguzo muhimu sana katika mkakati wetu wa kuhakikisha tupo katika nafasi nzuri kibiashara na pia kuwavutia watu wenye vipaji.

Tumeshirikiana na wadau muhimu katika sekta ya kibinafsi, serikali, na mashirika yasiyo ya kutengeneza faida, ili kutekeleza mipango yetu ya uendelevu kwa mapana. Mpango wetu wa Wrong Side of the Road (Upande Usiofaa wa Barabara), unaohamasisha mabadiliko ya mtazamo kuhusu kuendesha gari ukiwa umelewa, umewafikia watu zaidi ya 30,000 Afrika Mashariki.

Katika mwaka wa kifedha wa 22, SMASHED, mpango wetu unaoangazia kukabiliana na unywaji pombe miongoni mwa watu wasiotimiza umri unaoruhusiwa, umewaelimisha watu zaidi ya 48,000, au 137% zaidi ya tulivyotarajia. Tulitumia pia DRINKiQ, kifaa chetu cha

> **Tumeendelea kuimarisha mkakati tulioutayarisha katika miaka miwili iliyopita, unaohitaji wepesi wa kubadilika pamoja na kuangazia mahitaji ya wateja wetu kila wakati huku tukijizatiti kutoa thamani kwa bei stahiki kwa kila mteja.Tumeendelea kuimarisha mkakati tulioutayarisha katika miaka miwili iliyopita, unaohitaji wepesi wa kubadilika pamoja na kuangazia mahitaji ya wateja wetu kila wakati huku tukijizatiti kutoa thamani kwa bei stahiki kwa kila mteja.**

kuhamasisha unywaji pombe wa kuwajibika, kuwafikia zaidi ya watu 104,000 kuhusu unywaji pombe wa kuwajibika – 317% zaidi ya lengo letu.

Katika safari yetu ya kuwajumuisha watu wa sifa na asili mbalimbali, tuna furaha kwamba tumeendelea kupiga hatua katika kujenga kampuni inayojumuisha wote na kuthamini watu wa asili mbalimbali: 36% ya viongozi wetu wa ngazi ya juu na 63% ya wanaonufaika na miradi yetu ni wanawake, mtawalia.

Kadhalika, tumepiga hatua mwaka huo katika kutekeleza malengo yetu ya uendelevu ya mpango wa kuanzia kwa nafaka hadi kwa gilasi, tukiangazia zaidi uhifadhi wa maji, kuongeza kasi juhudi za kupunguza uzalishaji wa gesi ya mkaa na kwa jumla kuwa biashara yenye uendelevu. ***(Endelea kusoma ukurasa 68-75)***

Tukisonga mbele

Tunapoingia katika miaka 100 ijayo tukiwa na sifa na msingi tulioujenga, tunaendelea kujitolea kukuza biashara yetu kwa njia endelevu, tunapoendelea kuhakikisha tunatoa thamani ya kipindi kirefu kwa wadau wetu.

Ingawa mazingira ya nje yamesalia kutoweza kutabirika, tunaendelea kuangazia macho yetu katika kutekeleza mambo makuu kwenye mkakati wetu. Watumiaji wa bidhaa zetu wanasalia kuwa muhimu sana kwa biashara yetu na tutaendelea kuwekeza katika nembo zetu za bidhaa na kutumia vyema mseto wetu wa bidhaa kuongeza thamani ya biashara yetu sokoni na kukuza faida. Tumeboresha uendeshaji wa shughuli zetu kote katika baishara yetu kupitia mikakati yetu ya kuimarisha uzalishaji. Hili litahakikisha ukuaji wetu unaendelea, kuboresha wepesi wetu wa kubadilisha mambo inapohitajika, na kuhakikisha kuna mzunguko wa pesa kwenye kampuni yetu.

Tuna imani kwamba tukifanya haya, pamoja na sifa za kipekee na vipaji vya wafanyakazi wetu, tumo katika nagasi nzuri ya kupitia changamoto na kutumia vyema fursa zitakazojitokeza na hivyo basi kuendelea kuchochea ukuaji endelevu wa biashara yetu kote Afrika Mashariki, kukuza nembo zetu za bidhaa na kusaidia masoko yetu kusherehekea maisha, popote.

Bi. Jane Karuku
Meneja Mkurugenzi wa Kundi & CEO

Group Chief Financial Officer's Statement

Great performance in a challenging macroeconomic environment

The Group's performance remained largely resilient despite key challenges faced during the year, demonstrating a sustained positive momentum even as we continue to navigate a dynamic operating environment.

Performance review

Net sales were up 27% to Kshs 109.4 billion as both beer and spirits recovered. Volume growth delivered 22% of the growth while 5% was delivered through a mix of premiumisation and strategic price increases following excise adjustments in Kenya and Uganda.

Volume
↑ **+22%**

NSV
↑ **+27%**
Kshs109.4bn

PAT
↑ **+124%**
Kshs 15.6bn

DPS
↑ **Kshs 11.0**

> **We are confident about EABL's growth prospects across our markets. While there is no doubt about the challenges we continue to face, our performance over the past year demonstrates the strength of our business. Our sustained investments in brand building, in our people and communities position us well to achieve our strategic ambitions and deliver long term value for all our stakeholders.**

> **At the country level, Kenya, Uganda, and Tanzania's revenues grew 30%, 24%, and 21%, respectively, driven by volume recovery, coupled with investments in brands and continued channel innovation in response to consumer behaviour shifts.**

At the country level, Kenya, Uganda, and Tanzania's revenues were up 30%, 24%, and 21%, respectively, driven by volume recovery, coupled with investments in brands and continued channel innovation in response to consumer behaviour shifts. Profit after tax grew by 124% to Kshs 15.6 billion, driven by an increase in net revenue and effective cost management.

Growth in cash generation

Net cash from operating activities (Kshs 26.4 billion) grew by 81%, while free cash flow increased by Kshs 12.8 billion to close at Kshs 13.2 billion as at 30th June, 2022, driven by growth in operating profit and working capital management.

Everyday efficiency productivity savings

Our productivity initiatives through the year including competitive sourcing, and efficiencies in production and logistics delivered Kshs 2.5 billion, offsetting the more than Kshs 1.8 billion absolute impact of cost inflation, and the adverse impact on gross margin.

Increasing reinvestment

We used our strong cash generation to invest in long-term growth. We grew our reinvestment rate in our iconic brands to 8.9% +33 bps vs the prior year. To support future growth, capital expenditure stood at 12% (Kshs 13.2 billion) mainly in relation to expanding production capacity in Tanzania and Uganda.

Net debt

Net debt for the group reduced from Kshs 41.8 billion as at 30th June, 2021, to Kshs 34.7 billion as at 30th June, 2022, as a result of increased cashflows enabling the repayment of certain borrowings. During the period, the group raised Kshs 11 billion through the issue of a Medium Term Note in the capital markets -- the largest public issue in Kenya's history - providing an opportunity for investors to participate in the funding of the company. The proceeds of the issue were used to refinance existing debt and fund capital expenditure.

Earnings per share (EPS)

Earnings per share increased by 172% to Kshs 15.0 (2021: Kshs 5.51) reflecting the higher profitability. The recommended final dividend for the year ended 30th June, 2022, which will be put to the shareholders for approval at the Annual General Meeting, is Kshs 7.25 (2021: Nil) reflecting our commitment to deliver long-term shareholder value.

Looking ahead

We are confident about EABL's growth prospects across our markets. While there is no doubt about the challenges we continue to face, our performance over the past year demonstrates the strength of our business. Our sustained investments in brand building, in our people and communities position us well to achieve our strategic ambitions and deliver long-term value for all our stakeholders.

Ms. Risper Ohaga
Group Chief Financial Officer

Taarifa ya Afisa Mkuu wa Kifedha wa Kundi

Matokeo mazuri katika mazingira ya changamoto

Matokeo ya Kundi kwa kiwango kikubwa yalisalia kuwa ya kuridhisha licha ya changamoto nyinhi tulizokumbana nazo mwaka huo. Ni dhihirisho la uendelevu wa kasi yetu ya ukuaji hata tunapoendelea kukabiliana na mazingira yanayobadilika sana.

Utathmini wa matokeo

Mauzo halisi yalikua kwa 27% hadi Kes 109.4 bilioni baada ya biashara ya bia na vilevi vikali kuimarika. Ongezeko la kiasi kilichouzwa lilichangia 22% ya ukuaji huo nayo 5% ikachangiwa na mchanganyiko wa kutiliwa mkazo kwa ubora wa bidhaa

Volume
↑ **+22%**

NSV
↑ **+27%**
Kshs109.4bn

PAT
+124%
Kshs 15.6bn

DPS
↑ **Kshs 11.0**

> **Tuna Imani kuu katika ukuaji wa EABL katika masoko yetu. Ingawa hakuna shaka kuhusu changamoto tunazoendelea kukumbana nazo, matokeo yetu katika mwaka uliomalizika ni thibitisho la uthabiti wa biashara yetu. Uwekezaji wetu endelevu katika kujenga nembo na bidhaa bora, uwekezaji katika watu na pia jamii, ni mambo yanayotuweka katika nafasi bora ya kutimiza malengo yetu na kutoa thamani ya kipindi kirefu kwa wadau wetu.**

> **Katika ngazi ya taifa, mapato Kenya, Uganda, na Tanzania yaliongezeka kwa 30%, 24%, na 21%, mtawalia, yakichochewa na kuimarika kwa mauzo pamoja na uwekezaji katika bidhaa na nembo zetu na pia kuendeleza uvumbuzi katika njia za uuzaji kujibu mabadiliko katika tabia za wateja.**

zetu na pia mabadiliko kwenye bei baada ya kuongezwa kwa ushuru wa bidhaa Kenya na Uganda.

Katika ngazi ya taifa, mapato Kenya, Uganda, na Tanzania yaliongezeka kwa 30%, 24%, na 21% mtawalia yakichochewa na kuimarika kwa mauzo pamoja na uwekezaji katika bidhaa na nembo zetu na pia kuendeleza uvumbuzi katika njia za uuzaji kujibu mabadiliko katika tabia za wateja.

Faida baada ya ushuru iliongezeka 124% hadi Kes 15.6 bilioni kutokana na ongezeko la mapato halisi na pia udhibiti wa gharama.

Ukuaji katika uzalishaji wa fedha

Fedha halisi kutoka wka shughuli zetu (Kes 26.4 bilioni) ziliongezeka 81%, nazo fedha zilizokuwa kwenye mzunguko zikaongezeka kwa Kes 12.8 bilioni na kufikia Kes 13.2 bilioni mnamo 30 Juni 2022, hili likitokana na ukuaji katika faida iliyotokana na shughuli zetu za kibiashara na pia usimamizi mwema wa mtaji.

Kuokoa fedha kupitia uboreshaji

Mikakati yetu mwaka huo ikiwa ni pamoja na kupata bidhaa kwa njia ya ushindani, kuboresha mfumo wetu wa uzalishaji na mipango na uendeshaji shughuli ilituwezesha kupata Kes 2.5 bilioni, na kufuta athari ya zaidi ya Kes 1.8 bilioni iliyotokana na mfumko wa bei, na pia madhara yake kwenye faida.

Kuongeza uwekezaji

Tulitumia kiwango chetu cha juu za kupata fedha kuwekeza katika ukuaji wa kipindi kirefu. Tuliongeza kiwango chetu cha uwekezaji tena katika nembo zetu maarufu hadi 8.9%, +33 juu ya alama za kuanzia, ukilinganisha na mwaka uliotangulia. Ili kusaidia ukuaji siku za usoni, matumizi yetu katika mitambo na mashine yalifikia 12% (Kes 13.2 bilioni) sana kutokana na upanuzi wa uwezo wetu wa uzalishaji Tanzania na Uganda.

Mikopo

Mikopo halisi ya Kundi ilishuka kutoka Kes 41.8 bilioni kufikia 30 Juni 2021 hadi Kshs 34.7 bilioni kufikia 30 Juni 2022, kwa kuwa kuongezeka kwa mzunguko wa fedha kuliwezesha kulipwa kwa baadhi ya mikopo. Katika kipindi hicho, Kundi liliweza kupata Kes 11 bilioni kupitia kuuzwa kwa Hati za Kipindi cha Wastani katika masoko ya mtaji – uuzaji mkubwa zaidi kwa umma katika historia ya Kenya – ambapo wawekezaji walipata fursa ya kuwekeza katika kufadhili kampuni hii. Fedha kutoka kwa uuzaji huo zilitumiwa kulipa baadhi ya mikopo na kuwekeza katika mitambo na mashine.

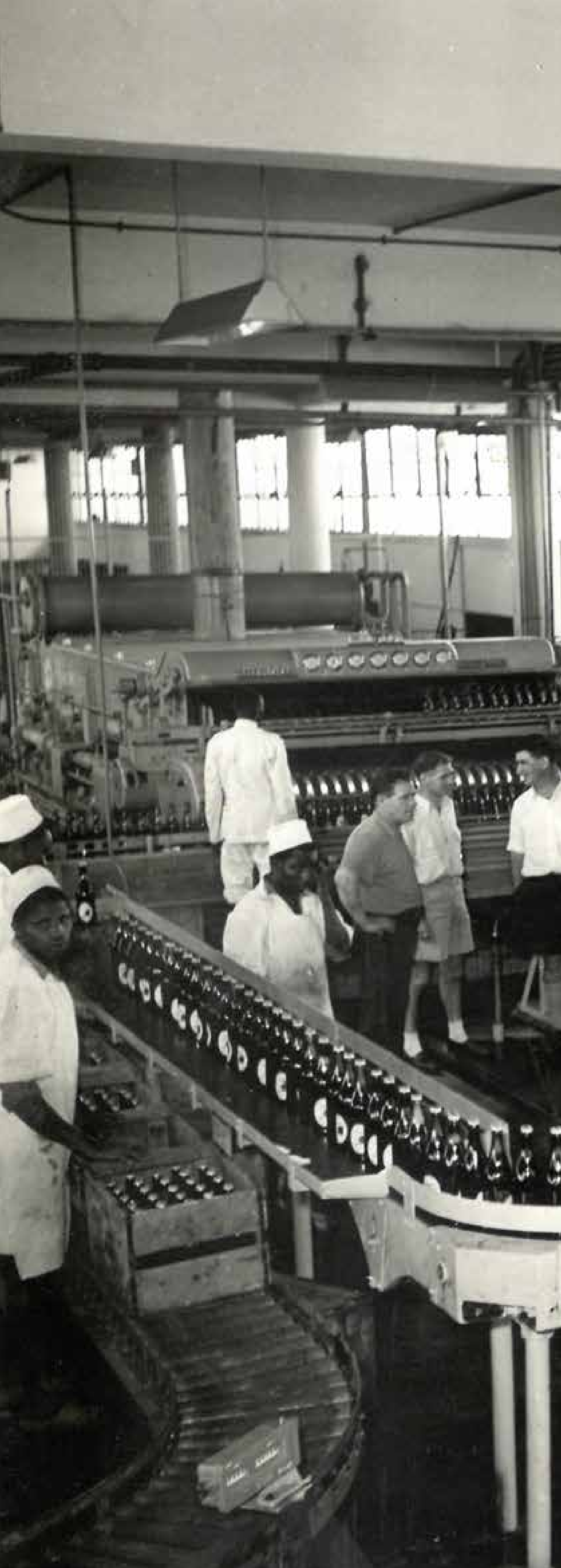
Mapato kwa kila hisa (EPS)

Mapato kwa Kila Hisa yaliongezeka kwa 172% hadi Kshs 15.0 (2021: Kshs 5.51) na kuashiria ongezeko la utengenezaji faida. Mgawo wa faida wa mwisho uliopendekezwa kwa mwaka uliomalizika 30 Juni 2022, ambao wenyehisa wataombwa kuuidhinishwa katika Mkutano Mkuu wa Kila Mwaka, ni Kshs 7.25 (2021: Sifuri). Ni ishara ya kujitolea kwetu kutoa thamani kwa wenyehisa wetu katika kipindi kirefu.

Kutazama mbele

Tuna Imani kuu katika ukuaji wa EABL katika masoko yetu. Ingawa hakuna shaka kuhusu changamoto tunazoendelea kukumbana nazo, matokeo yetu katika mwaka uliomalizika ni thibitisho la uthabiti wa biashara yetu. Uwekezaji wetu endelevu katika kujenga nembo na bidhaa bora, uwekezaji katika watu na pia jamii, ni mambo yanayotuweka katika nafasi bora ya kutimiza malengo yetu na kutoa thamani ya kipindi kirefu kwa wadau wetu.

Bi. Risper Ohaga
Afisa Mkuu wa Kifedha wa Kundi



Centenary Reflections

When I joined EABL, we actually spent the first two to three months of my tenure redesigning the entire strategy for the brewery. When we left that conference at the Mt. Kenya Safari Club, we had only one theme, that we were going to be the winners. And indeed we won, because of the strategies that we implemented. We invested more in people, we invested more on our route to market, we invested a lot on marketing upping our marketing spend at one point to 12% of net sales, from as low as 2%, and we became an attraction for talent. So, we became very customer focused, and very product focused. We also brought in some of the latest equipment from Germany, that would run 80,000 bottles an hour. So, the complete turnaround and refurbishment of the brewery helped significantly in reshaping the way that the business was run. But I think the fundamental thing was becoming cash positive, because that allowed us to do a lot of things, spend on the brands, spend on the investments in the plant and on the people.

GERALD MAHINDA
Former Group CEO and Managing Director


Tanqueray
BLACKCURRANT
ROYALE
A SUMPTUOUS NEW GIN WITH
FRENCH BLACKCURRANTS
Tanqueray
BLACKCURRANT
ROYALE
DISTILLED GIN
CHARLES TANQUERAY & CO


TUSKER
LITE

Strategic Review

Our Strategy

Ambition

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

Strategic imperatives

Vibrant Beer	Explode Mainstream Spirits	Win in Premium	Shape New Frontiers

Aspirational and Accessible Innovations

Digital Transformation

Key enablers

Route to Consumer	Society 2030	Supply Footprint	Productivity

Unlock growth through People and Organisation

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.

We have reset our culture, and step changed how we will deliver our refreshed strategic objectives through investment in time and resource across the business to focus on important emerging issues around consumer, digital, ESG and our people. Through our new ways of working, we seek to drive simplification, break down country silos and leverage our Group expertise to enable learnings and best practices exchange across East Africa.

Our strategy is delivered through four execution priorities: bringing vibrancy and dynamism to beer; exploding mainstream spirits with an affordable and aspirational portfolio; accelerating and winning in premium by building aspiration and availability of our brands, and shaping new frontiers by recruiting new consumers within total beverage alcohol.

The informal sector is still the largest source of growth in the region, with as high as 50% of alcohol consumed and sold through informal channels. Hence, we will 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 the consumption of illicit alcohol.

We are moving with the trends and embedding a digital first mindset across the organisation and with our customers and consumers to drive efficiencies and get better insights to strengthen our competitive edge. Delivery of our ambition is further reinforced by our laser focus on: building an effective route to customers, ensuring our brands are highly accessible and available; investing across our supply chain from grain to glass, guaranteeing supply through an advantaged but fit for purpose value chain, and enforcing a culture of continuous evaluation to optimise our costs for maximum returns.

Lastly, 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.

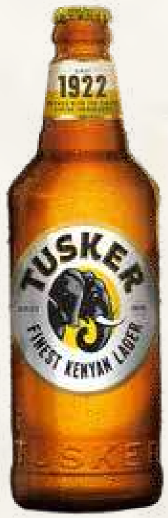
Strategic Imperatives

Vibrant Beer

Beer is at the core of our business and represents a sizable opportunity for us and our value chain. Our heritage and strong footprint across East Africa allow us to continue growing the category, led by our iconic national brands and strong global Guinness trademark.

+27% Net Sales Growth

+27% vs F19 (pre-Covid)



Tusker Lager

Tusker Lager is Kenya's finest beer. It is brewed in Kenya, by Kenyans and made from 100% Kenyan ingredients. A national beer, Tusker is a source of fellowship, identity and pride since 1922.

Since the rollout of its new positioning, which we brought to life through activities that connect Tusker Lager with the next generation of consumers, the brand has started to see marked growth in its equity.

We took this to the next level by launching #KenyaMilele – a campaign rooted in our brand purpose of bringing Kenyans together to each stand tall and a celebration of our indomitable Kenyan spirit. Starting off with the launch of a new television commercial, the campaign has had resoundingly positive consumer feedback.

Guinness

Guinness Foreign Extra Stout is a beer born of a thirst for adventure and brewed to travel the world. Since 31st December, 1759, when Arthur Guinness made a bold decision to begin brewing this extraordinary beer, no beer has gone further, no beer has a greater depth of history. For 258 years, Guinness has contributed to the cultures where it landed, and in turn, has absorbed part of the cultures. As a result, Guinness has evolved to reflect these in culture: Bright and Vibrant in Africa. Guinness is MADE OF MORE; we want to inspire greatness in all our consumers and everyone who encounters us.

Guinness remains the most loved alcohol brand in East Africa as the brand's equity grows from strength to strength every year. Guinness' partnership with EPL and DSTV and the launch of the new campaign "Black Shines Brightest", continue extending into more vibrant and creative occasions and add a dash of magic to real life.

Fresh and Renewed Life for Bell Lager

Bell Lager is on course to register its second straight year of volume growth, set against a backdrop of strong supporting activity anchored in sound strategy. Uganda Breweries Limited's flagship brand continues to be amongst Uganda's most loved brands, with a clear focus on building a dynamic proposition that is relevant to the new crop of Uganda's adults.

We have achieved this through a refreshed translation of what we stand for as Bell Lager, coming to life through new and vibrant packaging that has not only accentuated our quality credentials but also made us an icon of progression amongst Ugandan brands. We have also been very intentional about anchoring the brand in the right consumption occasion through consumer engagements in low tempo, vibey spaces and places that foster camaraderie, places where we have the right to win.

This has allowed us to make significant gains in consumption and trial amongst consumers countrywide.

Uganda's first beer continues to break new frontiers.

Pilsner Lager

Pioneering spirit - Pilsner Lager was first brewed in the 1930s at the now-defunct Allsopps brewery, growing to become one of EABL's leading beer brands in Kenya, Uganda and Tanzania.

Unrivalled Taste and Quality - Pilsner boasts superior liquid clarity through cold filtering for a crisp, refreshing taste that is inspired by the original Pilsner brewing process in Europe.

Legendary Boldness - Pilsner celebrates the success of Africa's urban youth culture. It's a toast to their resilience and grit, and an invitation to savour every moment on the journey to success.

Hustling every day to keep Pilsner roaring for the next 100 years.

Our Time is Now!

Balozi Lager – A Kenyan Gem

A Kenyan gem we toast to honest and determined character, honed over years to withstand the test of time.

Like its consumers, Balozi stands true in character and taste. Made from the finest malted barley and with no added sugar, it reflects the richness of friendships centred on a positive attitude, patience, and effort to build a better life each day.

A beer that recognises and honours the success of a disciplined and diligent life, Balozi is a reminder that true character is refined every day.

Cheers to the rich taste of true character.

Tusker Cider

Tusker Cider is East Africa's biggest cider. Since its launch in 2016, 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.

Tusker Cider is the fastest growing variant in the Tusker portfolio and continues to be one of our most successful beer innovations yet. In FY23, we plan to go bigger and bolder to safeguard and grow our current Cider captaincy whilst leveraging the growing flavour territories.

Serengeti Lager

Serengeti Lager, which proudly takes its name from one of the world's most famous natural wildlife habitats - the Serengeti National Park in Tanzania - is the original 100% Malt Beer of Tanzania. Its unique nature comes from its full body, malty grainy flavor and slightly bitter taste that has a smoothness to it, all qualities that make it stand tall and well differentiated from other beers in the market.

Serengeti Lager is stepping into its rightful place to be the Beer of the Nation celebrating its roots, pioneering attitude, award-winning quality and true Tanzanian pride by leveraging two of the most endearing consumer passion points including football and choma.

Serengeti Lite

Serengeti Lite is currently the number two most loved brand in Tanzania. Its growth trajectory in the highly competitive market that is Tanzania is a testament to the brand's strength. As competition dials up in the lite category, Serengeti Lite continues to be resilient, leveraging its premium character, consumer love and mainstream price strategy to recruit light drinkers across TAB. The brand is single-mindedly going after LPA-24 drinkers via its tone of voice and vibe, demonstrated through each brand execution touch point.


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.

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

Explode Mainstream Spirits

Mainstream spirits is a fast-growing, resilient segment across East Africa, commanding the biggest share within the spirits sub categories. Our robust and vibrant portfolio across price points and types allows us to command a strong presence and shape this space.

+27% Net Sales Growth

+54% vs F19 (pre-Covid)

Chrome

This is Kenya's No. 1 most loved spirits brand. Its success has been anchored on consistency in quality, whilst remaining 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-coloured label has continued to elevate the brand's modern, aspirational cues.

Chrome continues to sustain its leadership within the total spirits category in Kenya, with the highest volume and value contribution and market share. 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.

Captain Morgan

Captain Morgan exists to 'Champion the power of fun'. Amongst our LPA-24 target consumers, we are anchored on fun and bringing people together in moments that are shared, joyful and fun. We have delivered this through execution of fun, exciting experientials dubbed 'The Captain's Yard' that are centred on connecting our consumers with our purpose.

The brand continues to demonstrate strong year-on-year growth. As the rum category leader in Kenya and as a strategic priority brand, our ambition in F23 is to accelerate margin accretive growth for Captain Morgan Gold. Our vision for the brand is to cement our leadership position within the upper mainstream spirits segment.

Uganda Waragi

Uganda Waragi is the country's most loved brand. Its resilience shines through a highly fragmented gin category that is characterised by an upsurge of new entrants in the market.

The Uganda Waragi flavoured variants, coconut and pineapple, have continued to reinvigorate gin consumption, created vibrance, driven recruitment and differentiation.

Primary Scotch

The primary Scotch portfolio comprises Black and White, VAT 69 and J&B Blended Scotch whiskies. In F22, the 3 brands have continued to reboot scotch to grow EABL share of International Whisky. Black and White plays the role of being the primary recruiter into scotch, with VAT 69 being a strategic fighter International Premium Spirit and J&B creating room for accelerated growth.

Through in-culture partnerships, consumer offers in bars, wines and spirits and supermarkets as well as value added packs, the brands have maintained relevance with target consumers as well as enjoyed great volume and value performance. The brands are rooted in culture and connect with consumers in a bid to strengthen their equity.

Win in Premium

Consumers want higher quality products that stand out for authenticity, taste, and cultural relevance – spurring demand for premium and luxury brands. Our exciting, globally-leading brands partnered with local jewels across beer and spirits position us well to grow, accelerate, and expand the category.

+26% Net Sales Growth

+34% vs F19 (pre-Covid)

Johnnie Walker

Johnnie Walker celebrated 200 years of bold taste, heritage and tradition last year. KEEP WALKING has been the brand's positioning since 1999. Keep Walking was further relaunched with massive cultural relevance in Africa with a partnership with Burna Boy and an acclaimed filmmaker to spotlight and celebrate the spirit of progress by tracing the journeys of changemakers in the continent.

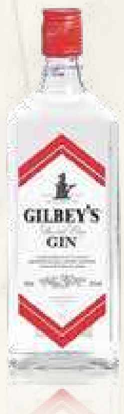
During the financial year, we made bold steps in stepping out of our comfort zone and confidently showcased our spirit. We have been resilient in maintaining our market share leadership in International Whiskey. We unveiled our partnership with local and global icons to drive meaning and salience amongst consumers. Other initiatives included driving capability through Diageo Bar Academy training 5,000 bartenders across the country. We consistently pushed boundaries in sports, connecting with our consumers through golf.

The Singleton

The Singleton is committed to making single malts enjoyable for all, not just the few. Driven by love and passion for making perfectly balanced, smooth yet rich whisky that is delicious from the very first sip.

We are for the 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.

During the financial year, we have transcended beyond whisky's rules of marketing, boldly winning with our epicurean personality and inviting many consumers. This made Singleton the biggest brand in Reserve, with double digit revenue contribution and growing share. We have ensured we stand out, both in and out of home, growing our footprint and consumption. Through occasions, we have driven liquid on lips in both the on and off trade, showcasing there is no single way to enjoy the Singleton, and lastly in culture through our Singleton stories reached 7.8 million consumers driving brand talkability, growing our awareness.



Gilbey's

When the Gilbey's brothers first set up shop in 1857, they were driven by a great ambition – to bring high-quality spirits to all. We are proud to say that the vision they held dear is still at the heart of the brand today. We are the inclusive international gin brand, with a down-to- earth character and a legacy of over 150 years that allows everyone to enjoy a high quality gin at an accessible price.

Delivering on our strategic intention and connecting to our consumers in a fun, easy-going and authentic manner has enabled us to grow; Gilbey's now has the highest value contribution within the spirits category.

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

So pick up our bottle in any bar, in any town, and we will introduce you to Gilbey's refreshing world of quality.

White Cap Lager

White Cap continues to boldly take the lead in cementing its role as the mass premium beer. A beer of credible heritage, synonymous with legendary peaks, and unrivalled, natural quality.

Naturally, it has come to be seen as the choice of distinction.

White Cap's legendary brand icon, Mount Kenya, is revered globally as a natural wonder and has long-held significance in local traditional belief as the dwelling of their deity, Mwene Nyaga. Mount Kenya is the representation of all that White Cap is - unassuming, natural, pure and consistent. It is the very spring water from this legendary source that ensures our lager delivers unrivalled flavour and refreshment every time.

Tusker Lite

Our mission was to create an easy drinking experience with a low-carb beer, uniquely brewed with natural ingredients.

We achieved this by formulating a special recipe consisting of the finest barley, corn starch and hops.

The final product was a rich golden liquid, laden with delightful aromas, and every sip best described as 'magical'.

Tusker Lite delivers a great-tasting, easy drinking experience that blends right into relaxing with friends after a day's work. Mission accomplished.

Tusker Malt

To 'Behold the Finest' is to discover, and unapologetically savour Tusker Malt. This premium lager is slow brewed with the finest ingredients, and matured twice as long as other beers. The result? A rich hop-filled aroma, coupled with a smooth, crisp and satisfying brew. A truly unique, sensory-stimulating, experience that's not easily forgotten.

Additionally, the premium liquid resonates well with consumers – as evidenced by the overall brand love.

Centenary Reflections

I think the need for the ultimate customer will evolve as the customer tastes evolve. East African Breweries is selling a physical product, but the way that product is consumed, enjoyed and distributed will continue to evolve as digital evolves. EABL has already done a lot on automation and digitisation of its actual value chain, for instance, in going cashless so retailers don't need to worry about cash. What we anticipate going forward is the use of technology to allow selling of the product to the individual, marketing to the individual rather than marketing to segments or category, but also ensuring that the individual makes the choice at the comfort of the handset. The smartphone will continue to be a big enabler of the route to consumer experience of the ultimate customer, but also reduce the cost to serve as small businesses can therefore reduce their costs significantly, because price continues to be a challenge in terms of accessibility.

East African Breweries has to continue to evolve and partner with companies such as Safaricom to evolve their digital offering. EABL has been an early adopter of technology and we are very happy to continue partnering with the business and industry, to ensure that we unleash the power of technology in the way that we drive penetration, and the customer experience.

PETER NDEGWA
Former EABL Strategy Director

Shape New Frontiers

We have a big focus on expanding total beverage alcohol by addressing new and incremental consumer occasions. Brands like Senator in Kenya have allowed us to help society by recruiting consumers from informal alcohol whilst our strong play in ready to drink allows us to reach beyond traditional beer and spirit occasions.

+35% Net Sales Growth
+25% vs F19 (pre-Covid)

Senator

Since its inception, Senator has been rooted in creating and driving value to local farmers, suppliers, local communities, government and most importantly, to the consumer. It takes pride in uncompromising quality, with locally sourced ingredients, allowing consumers to enjoy great taste at an affordable price.

Senator is deeply entrenched in the hearts and minds of Kenyans. It has also demonstrated its resilience as, during the Covid lockdown, it faced a lot of challenges and decline in sales. Through a national consumer promotion, dubbed "Shikisha Form na Senator", the brand has really managed to bring its purpose to life! recruiting and re-recruiting the DE consumers from illicit and local brews and in the process enriching their lives, through awards that restored dignity and gave an uplift in the livelihoods of the consumers and the communities which they hail from.

Ready To Drink (RTD)

LPA-24 trendsetters are looking for exciting and unique experiences to express themselves and portray status in new ways and spaces especially creativity with flavourful drinks (sweet and fruity) that can be tailored to moments in which they drink to socialise. This has been demonstrated through the rapid growth of the flavoured drinks category in Kenya.

The RTD portfolio is well positioned to win with these consumers, with a variety of offerings across flavours, price points and formats. We have adapted to these new drinking behaviours, nurtured our relevance and role in our key occasions to continue to be an important vehicle to recruit the next generation of drinkers and female consumers to the world of spirits.

This year we rolled out the "Choose flavour with edge" Smirnoff Ice campaign to drive more awareness, trial and penetration of the category.

Through this campaign, Smirnoff Ice is now connecting with its very dynamic consumers, building relevance in culture through music and fashion with Smirnoff Ice Fiesta's platform, and driving everyday relevance in occasions.


LIGHT
ON ALCOHOL
FULL ON FLAVOUR
3.0% V/V
CRISP
BREWED USING THE FINEST KENYAN INGREDIENTS
White Cap
CRISP
NO ADDED SUGAR
ALC 3.0% V/V
White Cap
CRISP
NO ADDED SUGAR
ALC 3.0% V/V
NO
ADDED
SUGAR
100% QUALITY

Enablers

Aspirational and Accessible Innovations

Disrupting and Shaping the Future of Total Beverage Alcohol

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.

The multi-year innovation pipeline is sufficiently funded to ensure that the brands we launch are well supported for the next 5 years. 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 the new launches, which include:

- Tusker Cider
- Chrome Vodka and Chrome Gin
- Flavour explosion in gin space
- White Cap Crisp

Tanqueray Flavours

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 are Inspired by the classics but with our own distinctive take, we are about boldly leading the way, not following the pack. We embody substance, charisma and style. It is that late afternoon/early evening drink with friends and family, when you just want to add a touch of glamour and quality.

Tanqueray 10 – small batch distilled. A citrus heart gin.

Tanqueray Sevilla – sun-kissed with bitter-sweet oranges from Sevilla.

Tanqueray London Dry – four perfectly balanced botanicals.

Gilbey's Mixed Berry

Gilbey's Mixed Berry combines the authentic and smooth taste of Gilbey's Gin with the delicious twist of mixed berries for a flavourful drinking experience.

Gilbey's exists to make every moment a good time. We spark everyday moments of fun and connections, championing good times with good friends.

Gilbey's Mixed Berry celebrates the unshakeable optimism in everyday moments of connection.

#OpenGoodTimes

The World's Favourite International Gin

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.

The launch of Gordon's Premium Pink Gin, a delicious raspberry and red currant gin, has been incremental to the trademark as it has enabled the brand to recruit younger and female consumers. Gordon's is refreshingly vibrant with a dash, with playful and off-the-cuff humour that encourages moments of light relief with friends; those important moments that connect us, where the chat just flows.

It's Here! It's New! It's Big! White Cap Crisp

Consumers are constantly changing, and are now more deliberate on their choice of foods/drinks. They are becoming more health conscious and looking for choices that meet this trend, either in low alcohol, low calorie, less sugar and so on.

We have introduced a new brand that is of crisp quality at 3% ABV, with NO ADDED SUGAR, in a small format of 300ml bottle, and a sleek can format of 330ml brewed to distinction to provide an immeasurable option to moderators and those seeking healthier, lighter offerings.

Our objective is to recruit into the category of light beers, break boundaries and create new spaces for beer using White Cap Crisp, bring in new consumption, new occasions; change attitudes and break barriers on how beer should be consumed, when and by whom.

Bongo Don Spirit

A new quality spirit drink blended for an extra smooth finish. Crafted for the progressive bold Tanzanian, Bongo Don inspires one to appreciate the present and the potential of tomorrow.

Less than a year since its launch, Bongo Don is working to become the 3rd biggest mainstream spirit brand in Tanzania with the launch of an emotionally connecting campaign that is in culture and brings to life the brand's positioning. Hii ni zamu ya Madoni, meaning 'This is Dons' turn' positions Bongo Don as a brand that celebrates all kinds of Dons (those with hustlers' mentality) whatever the field they come from. We also continue to build mental and physical availability through the roll out of various sampling and visibility drives.

#LadhayaKibabe #BoldSmoothTaste #zamuyamadoni

Digital Transformation

The world is experiencing a digitisation revolution and our customers and consumers are adapting to the new realities. We have invested to stay ahead of these trends, providing a 360° customer experience through omni channel contact and coverage powered by data and technology to increase influence and reduce cost to serve. Furthermore, our e-commerce and digital ecosystems are helping to deliver better consumer experiences.

> "Digital transformation is the game-changer for Africa to unlock new pathways for rapid economic growth. In East Africa, adoption of digital infrastructure has been fast tracked through mobile connections, making it imperative that we ensure we are one click away from our consumers and customers.

Shaping and Leading the Next-Generation of Celebration

Digital transformation is the game-changer for Africa to unlock new pathways for rapid economic growth. In East Africa, adoption of digital infrastructure has been fast tracked through mobile connections, making it imperative that we ensure we are one click away from our consumers and customers.

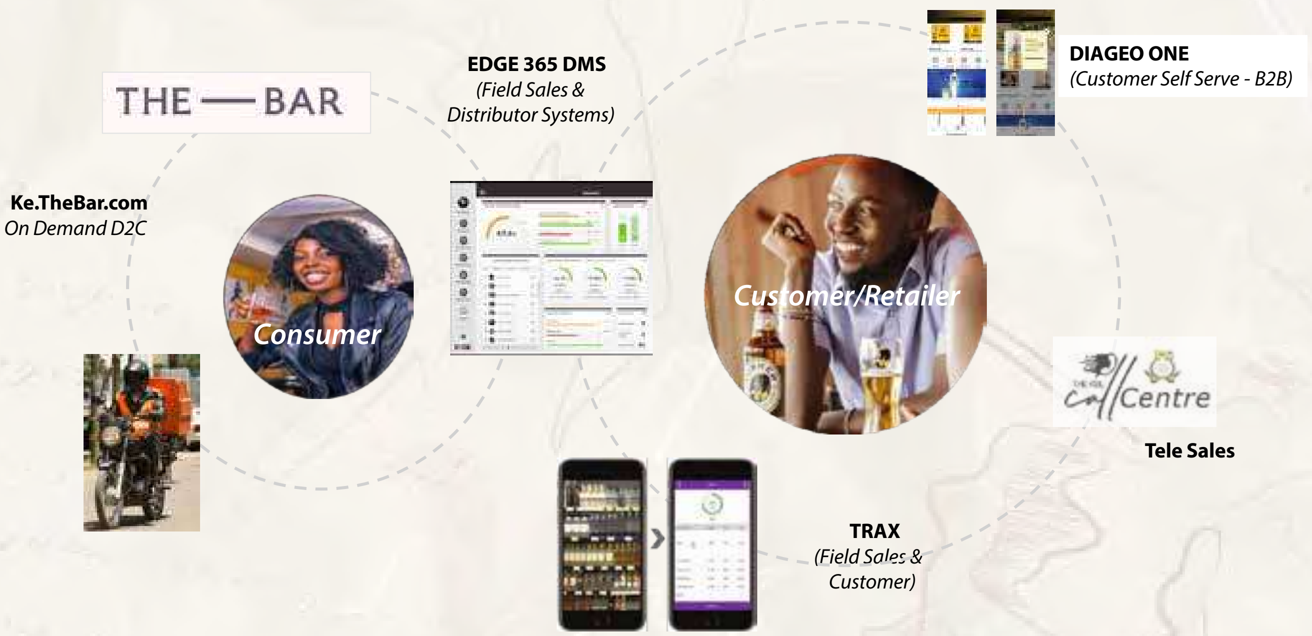
Our digital transformation ambition is to leverage the strength of our people, smartly mine data and enable technology at scale to build our competitive edge across our value chain and deliver quality leveraged growth. We are doing this by embedding everyday efficiency and investing smartly in line with our performance ambition.

Our Picture of Success: To provide delightful experiences for our customers and consumers optimized by data every time they connect with our brands.

We are focused on 3 main areas: consumer, customers, and internal radical liberation with the mission to delight our consumers and customers with class-leading experiences across every physical and digital touchpoint.

Consumer-centric Path to Purchase: Through an ambition programme called Precision Factory, we aim to unlock consumer insights for improved brand experiences. We are harnessing data that we collect from national consumer promotions and experiential and digital engagements with our consumers to enable us to connect with consumers more efficiently.

We will continue to grow our direct-to-consumer e-commerce platform ke.thebar.com (Kenya) and launch the same in Uganda. Thebar.com is a partnership between our distributors and retail customers that was in response to changing consumer behaviour as a result of the pandemic.



The Digitribe team, pictured here with Diageo CEO Ivan Menezes in May 2022, plays a critical part in our digital marketing and consumer engagement.

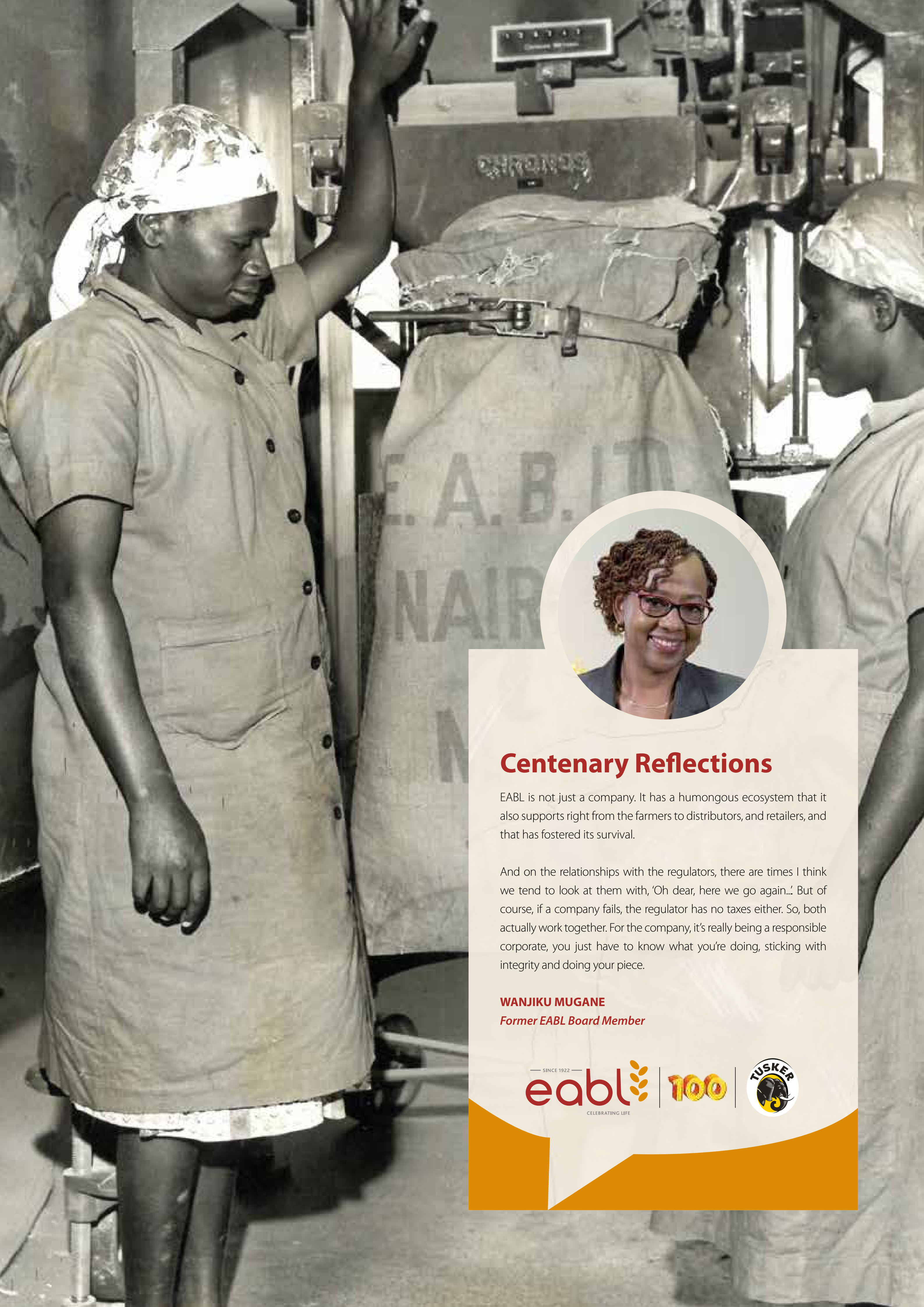
Strong Route to Consumer: Our customers now require more customised and personalised solutions to their needs hence we have equipped our salesforce with advanced tools to support them in delivering customer propositions. Every Day Great Execution (EDGE 365) and our Distributor Management System (DMS), are the tools we have deployed to drive digitisation to support distributors on stock and sales management, sales force automations and HHT dashboards to provide insights to the sales team while on the go.

We have rolled our a self-service portal, Diageo One in Kenya, and have paved the way for further scaling into Uganda. Advanced analytics from this platform has enabled us unlock previous barriers to servicing customers efficiently.

> **Our customers now require more customised and personalised solutions to their needs hence we have equipped our salesforce with advanced tools to support them in delivering customer propositions.**

Radical Liberation: To consistently deliver an improved customer and consumer experience every step of the way, we need to be simultaneously internally and externally focused.

Within our supply chain and logistics, we have continued investing in standard solutions and systems in Kenya, Uganda and Tanzania in key areas within brewing, quality control and logistics eliminating manual processes, improving controls, reporting and other efficiencies. This is part of the bigger agenda on application rationalisation, standardisation and optimisation across EABL where we aim to reduce on the application estate, eliminating duplication and creating standard and harmonised ways of working that enables us take advantage of a codified system landscape to drive better reporting, benefits management and analytics whilst maintaining controls. This drive has so far seen about 2,000+ manhours of manual interventions eliminated.



Centenary Reflections

EABL is not just a company. It has a humongous ecosystem that it also supports right from the farmers to distributors, and retailers, and that has fostered its survival.

And on the relationships with the regulators, there are times I think we tend to look at them with, 'Oh dear, here we go again...' But of course, if a company fails, the regulator has no taxes either. So, both actually work together. For the company, it's really being a responsible corporate, you just have to know what you're doing, sticking with integrity and doing your piece.

WANJIKU MUGANE
Former EABL Board Member

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ESTABLISHED 1857
GILBEY'S™
Mixed Berries
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Route to Consumer (RTC)

Reaching our consumers effectively and efficiently is imperative for us to deliver our ambition. We are constantly investing time and resources to build a network of future fit and sustainable distributor partners to help us win across traditional and emerging channels.

EABL has been on a rapid and evolving journey of RTC transformation since 1922, when the first batch of Tusker Lager was delivered to The Stanley Hotel from the first brewery in Ruaraka. Later, EABL expanded in and out of Kenya, with the distribution model optimised to deliver our ambition across the region. Over time, this traditional RTC model has been re-engineered in tandem with changing market dynamics, key of which was the outsourcing of distribution centrally from Ruaraka to third-party logistics providers. The firms' contracted distributors were mandated to focus solely on their core business of door-to-door selling and were incentivised with more for more distributor incentives anchored on a platform for growth.

The business continues to improve its route-to-consumer model to ensure that it is fit for purpose and future-proof. This effort includes continuously investing resources in not only building and sustaining the distributor sales team capability through coaching and Diageo Way of World Class Selling (DWWS) training but also building sustainable retailer sales capability through Diageo Bar Academy and Diageo brand immersion workshops.

Our agile RTC model has also been enabled through the leveraging of technology by investing in the Distributor Management System (DMS) across all distributor sites. DMS has been recognised as the best insight leading and route service optimisation solution. The other key merits of the DMS are optimised inventory management and real-time sales visibility at each retail outlet across the country, as well as unlocking opportunities for efficient distributor contact and coverage strategy that is anchored on addressing retail stockouts and increasing the numeric distribution of our portfolio of beer, spirits and innovation brands.

The investments in the EDGE 365 DMS have enabled the business to build and enhance its data and business intelligence capabilities that have led to understanding of retail insights that enhance our competitive edge.

"Our agile RTC model has also been enabled through the leveraging of technology by investing in the Distributor Management System (DMS) across all distributor sites. DMS has been recognised as the best insight leading and route service optimisation solution.

The onset of the Covid 19 pandemic in early 2020 accelerated e-commerce and a review of our off-trade channels as the on-trade channel was closed in lockdown. The resulting adoption of an omni channel RTC to capture emerging white spaces in e-commerce, new channels, third and fourth space, continues to position EABL ahead of our CPG peers.

Investments in digital channels have helped bolster two areas: Direct to Consumer (D2C) model using thebar.com (https://ke.thebar.com) channel – formerly called Party Central; and retail self-serve Business to Business (B2B) channel using Diageo One. The successful execution of these two digital platforms based on changing consumer behaviours has significantly contributed to our business resilience in the last two years.

As the lockdown ended, EABL launched 'Raising the Bar', a Kshs 500 million initiative, to support bars preparing to reopen as they sought to create a safe environment in line with the Covid 19 safety measures and protocols. This initiative helped accelerate the recovery of the hospitality sector and helped our business recover quickly from the effects of the pandemic.

Case Study: Uganda Breweries Limited

Uganda Breweries Route To Consumer strategy is grounded on 4 fundamental Pillars: People, Partnerships, Portfolio and Robust Routines. This has enabled us deliver enhanced value creation for both UBL and our customers.

1. People

Through the people pillar, we have managed to create a fit for purpose sales organisation structure that caters for the total business. We have ensured that the team of 111 field sales force is well trained and equipped through our Diageo Way of World class Selling (DWWS). Our sales managers have also been well prepared to coach their teams through the Diageo Way of World Class Coaching and also trained to manage our distributors through Diageo Way of Distributor Management.

Centenary Reflections

My father told me that in the early days, when Kenya Breweries was not in existence, they were importing beers from South Africa and Germany. And then when Kenya Breweries came into existence, we were one of their first customers. We have a very good relationship with Kenya Breweries. My sister Sylvia worked there for a long time. Every month, she would get a crate of beers and you know, lots of stationary and such things, pencils with the East African breweries written on it. Breweries were very, very generous. We have good memories of KBL.

MAURA D'SOUZA ABRANCHES

Proprietor, Kilindini Bar in Mombasa, which was established in 1908

UBL prides itself in setting up the first ever Distributor Salesman Academy that has equipped our distributor sales staff to sell/call in a more structured way, hence creating more value for the business. We have a reward structure based on performance for both our sales teams and distributor sales staff.

2. Partnerships
UBL's RTC has ensured that we have the right partners to grow with the Distributor Gold Standards journey, which has ensured that our distributors have the right standards, processes, and structures.

We currently have 6 Gold Distributors and 8 Silver Distributors. Our partnerships have extended to banks, amongst them Stanbic and Equity Bank, that have facilitated working capital and modern warehousing for our distributors at very attractive rates, ensuring that our distributors can accommodate future growth.

We have also partnered with our top 500 stockists by offering them stockists trade terms that are paid based on monthly performance.

Our partnerships with our distributors also include market development projects where we have partnered with distributors to deepen penetration in areas currently unviable to serve. These routes have largely been inaccessible due to the rough terrain or have low drop sizes hence low service frequency. Seven new ship-to locations have been set up and 62 routes are being supported through the route support trade incentive.

3. Portfolio
UBL's progressive RTC model is also focused on driving spirits distribution by building the capacity for our distributors to carry our spirits and reserve brands. We have caged 149 trucks and provided 41 vans to carry spirits. We have also modified 40 containers at various trading centers to carry both our beer and spirits brands. We have a dedicated team of 5 sales representatives driving our mainstream spirits bulk format for Uganda Waragi, Bond 7 and V&A. 2,874 units have been deployed largely in Kampala and the distribution teams have ensured that every outlet is visited at least 3 times a week for replenishment.

4. Robust Routines
Our robust routines are standardised and begin with world class morning clinic reviews where performance is reviewed daily at every distributor ship-to site. Teams have been equipped with info packs and DMS that supports them in ensuring that our brands are well distributed. Our sales process has also been standardized based on PLAN, DO, REVIEW and we have also ensured that coaching of both our field sales and distributor sales force is part of our routines. Distributor performance is also reviewed weekly and monthly with distributor management teams.

Our 4 pillars have been enabled through simplification using data analytics and technology. Simplification is fundamental to creating a well-coordinated, capable, and agile salesforce to drive active selling. We have a robust customer facing sales force that sells in 26,000 outlets monthly using the Distributor Management System (DMS). Our teams are supported through data analytics and technology which helps them navigate complexity with ease and hence deliver Every Day Great Execution. We have embedded data driven decision making and execution at the micro level, transforming how we work and significantly evolving our performance management. This has been done through roll out of TRAX, a system that that measures execution in real time, and the Vendor Management Inventory (VMI) system, which supports in the ordering pattern of our distributors based on their depletion rates.

Centenary Reflections

The people who we give the beer to take to the outlets are salesmen. They are not just drivers whose task is just to go and drop the drinks to an outlet and leave. They look deeper to see about the merchandising at the outlets, and so now we need knowledgeable people who are trained than the people we used to have when the business was started, right after Independence. There are now evolved ways of easing the business. We now have systems that connect us to the manufacturer, East African Breweries Limited. We have seen the ease of doing business improve in terms of how payments are done with M-PESA. I remember, not too long ago, when I joined Rwathia Distributors, every truck had to be equipped with a safe, and every so often, you'd hear of a hold-up, where robbers would take the money. Right now, we don't even need any safes. We don't need cash in transit services anymore. The business has become a bit easier, helped by innovations and technology.

MAINA GIKONYO
Managing Director, Rwathia Distributors

SINCE 1922 eabl CELEBRATING LIFE | 100 | TUSKER

Centenary Reflections

Marketing is not about creating advertising campaigns. It is about growing great brands. You're selling a brand, a service and everything else. You can't have that service if there isn't a consumer, and you can't have a consumer if you're not meeting a need. Simple cycle.

So, if indeed, a business continues to meet the consumer needs, by making yourself relevant and then by showing them how you are relevant, and why you should be a part of their life, then you become a great business. And you'll continue to grow from space to space. And I think what has happened is, with EABL, the recognition of that.

And then we're also living in a world where social media has become the thing. Everything is about look and feel, how things seem and everything else. So, if you don't live up to that, go home. I remember when we used to talk about creating experiences and someone would say, 'I can't spend that amount of money,' but now they recognise that to have a fantastic event with the right layout , this is what it's going to cost. Then you start to create that association and people start to think that's what I want to be associated with. And so, I think that is why as a business, EABL will continue to be relevant, especially with the continuous refresh, and also as they continue with the innovations.

PATRICIA ITHAU
Former EABL Group Marketing Director

BELL
MPOLA ENJOYMENTS
IT'S A NYAMA THING
BELL

Society 2030

Environment, Social & Governance (ESG) Performance

Our ambition at EABL is to be one of the best performing, most trusted and respected consumer products companies in Africa. To achieve this ambition, we make sure we are doing business the right way, across our value chain.

Increasingly, we are reflecting on the long-term value and impact we create, and the risks and opportunities of our operating environment where we live, work, source and sell.

That is why our work around Environment, Governance and Social (ESG) performance is as important as our financial performance.

In 2021, we published our inaugural Sustainability Report, following our year-long materiality assessment process. Reporting transparently on Environmental, Social and Governance (ESG) issues plays a vital role in delivering our strategy. It helps us to manage ESG risks, seize opportunities and promote sustainable development everywhere we live, work, source and sell.

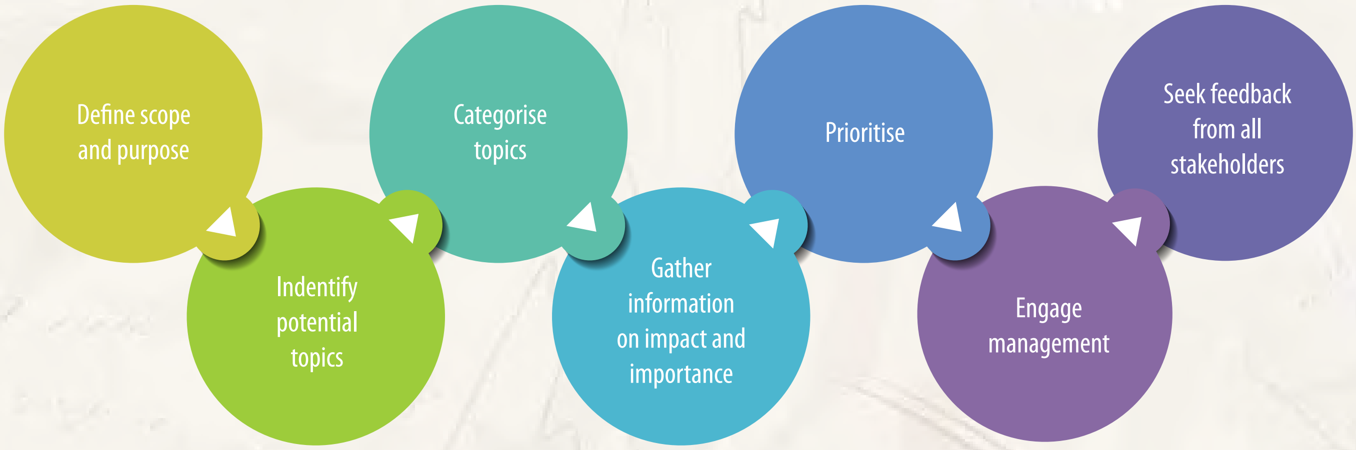
Materiality at EABL

Late 2020, we carried out our first, in-depth materiality assessment 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 the most.

The detailed results of this materiality assessment are contained in our inaugural sustainability report.

How we determine our material issues

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



In 2021, we published our inaugural Sustainability Report, following our year-long materiality assessment process. Reporting transparently on Environmental, Social and Governance (ESG) issues plays a vital role in delivering our strategy.

Our inaugural report detailed our progress against the succinct targets set out in our Sustainability Strategy, Society 2030: Spirit of Progress.

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

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

SPIRIT OF PROGRESS – SOCIETY 2030

PROMOTE POSITIVE DRINKING

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.

CHAMPION INCLUSION AND DIVERSITY

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.

PIONEER GRAIN TO GLASS SUSTAINABILITY

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.

PRESERVE WATER FOR LIFE

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.

BECOME SUSTAINABLE BY DESIGN

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.

ACCELERATE TO A LOW CARBON WORLD

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.

DOING BUSINESS THE RIGHT WAY FROM GRAIN TO GLASS

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

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.

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.

Alignment with the UN Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING

17 PARTNERSHIPS FOR THE GOALS

Responsible Marketing

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.

During the year, we implemented the following key initiatives focused on promoting Positive Drinking:

KENYA

Empowering people to make responsible choices

DRINKiQ.com platform is a dedicated responsible drinking tool that provides facts about alcohol, the effects of drinking on the body and mind, and the impact of harmful drinking on individuals and society. The DRINKiQ e-learning tool is one of our most important tools in promoting positive drinking designed to provide consumers with the information they need to make positive decisions about drinking responsibly and tackle myths about drinking alcohol.

In 2022, we launched DRINKiQ and surpassed our targets by working with top-tier and micro-influencers who created interesting, in-culture content, that was relatable to our target audience.

Also, in partnership with the National Transport and Safety Authority Kenya (NTSA), we spearheaded the adoption of a positive drinking module into the Driving Schools curriculum in Kenya. We will launch the DRINKiQ handbook in the fiscal year 23. It will raise awareness about responsible consumption of alcohol and provide information on harmful consequences of misuse of alcohol. We believe that this will come in handy in prevention of accidents caused by drunk driving in the country.

TANZANIA

Tackling underage drinking

It is never acceptable for anyone who is underage to consume alcohol. Geared towards curbing underage drinking, SMASHED, an award-winning alcohol education programme, sponsored by Diageo, plays a key role in sharing this message, and measures changed attitudes in young people who participate.

SBL prides itself for being one of the few countries within Diageo to successfully pilot the SMASHED programme during the year.

Geared towards curbing underage drinking, the SMASHED programme at SBL was impactfully carried out by directly reaching out to high school students in various schools within the Dar es Salaam region with a firm message on positive drinking.

> **On this backdrop, and given our presence in the most affected regions, we fully embraced the SMASHED programme as one of the pilot countries. In our maiden event to launch the programme, we interacted directly with over 8,000 students educating them on the ills of underage drinking.**

Students keenly follow a SMASHED session held at a school in Dar-es-Salaam.

> **Since no amount of underage drinking is safe, we also rolled out the innovative SMASHED Live Programme in select high schools in Uganda, reaching the younger school-going generation with information on preventing underage drinking.**

Like most countries world over, underage drinking continues to affect Tanzania's youth, driving many to undesirable activities and behaviours. A recent study conducted by the country's leading medical college, Muhimbili University of Health and Allied Science (MUHAS), in collaboration with Columbia University, confirms Tanzania to be among countries with a high prevalence of underage drinking.

The study shows that two Northern Tanzania regions, Mwanza and Kilimanjaro, where SBL has its production plants, have a high prevalence of alcohol consumption among secondary school students aged 15 years and above. The Dar es Salaam region, where SBL also has a plant, comes second.

On this backdrop, and given our presence in the most affected regions, we fully embraced the SMASHED programme as one of the pilot countries. In our maiden event to launch the programme, we interacted directly with over 8,000 students educating them on the ills of underage drinking.

As at Q4, fiscal year 22, we had reached over 8,200 students with the SMASHED programme.

UGANDA

Empowering people to make responsible choices

We remained steadfast in promoting moderation in alcohol consumption, championing a more positive role of alcohol in our society.

To achieve this aspiration, we utilised the DRINKiQ.com resource website, getting consumers in Uganda to visit the site and participate in a quiz that imparts crucial knowledge on responsible drinking. We got 2,093 quiz completions and 3,263 site visits, exceeding our target by more than 100%.

Tackling underage drinking

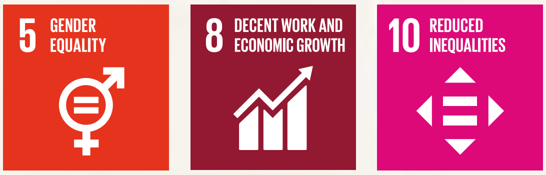
We also rolled out the innovative SMASHED Live Programme in select high schools in Uganda, reaching the younger school-going generation with information on preventing underage drinking. We reached over 18,878 students which was above our fiscal year 22 target of 17,500.

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.

Across East Africa, we are committed to driving an ambitious Inclusion and Diversity strategy that is consistent with our performance targets and relevant to the consumer base we serve. After a number of years focused predominantly in gender representation, we have taken a more progressive approach, reframing our Inclusion and Diversity strategy to include ethnicity and persons with disabilities (PWD). In each of these areas we have defined the impact we want to make on industry and society in general.

Alignment with the UN Sustainable Development Goals



During the year, we implemented the following key initiatives:

KENYA

STEM Programme

We launched an apprenticeship programme for female university students to provide them with an opportunity to gain hands-on experience in the Science, Technology, Engineering and Mathematics (STEM) fields. We recruited 10 young women into the programme. All of them graduated and we absorbed 3 into the business, whilst the rest remain well positioned to take up various positions in the market that require proficiencies in the STEM fields.

Inclusion of Persons with Disabilities into contractual farming

Through our partnership with SightSavers, we mobilised and onboarded a total of 71 farmers with disabilities into our contractual farming programme.

We mobilised key partners and stakeholders to deliberate on further inclusion of Persons with Disabilities within the KBL value chain by creating an enabling environment to help them thrive. We did so by organising a Disability Inclusion Partners Summit.

Our target is to further increase the representation of PWDs to at least 3% across the value chain by 2025.

Inclusion of Persons with Disabilities into the Diageo Bar Academy

We launched the 2021/2022 Diageo Bar Academy programme that has seen 9,800 workers in the hospitality industry trained across various regions in the country. Thirty one Persons with Disabilities were part of the programme during the year.

Learning for Life

This year, we surpassed our Learning for Life targets by reaching 5,100 beneficiaries. Focusing on farmers, the beneficiaries were taken through a life-skills development curriculum that included courses such as budgeting, time management and responsible drinking. Over 60% of the participants of the programme were women. The programme targets various players in our value chain ranging from farmers and the distribution channel which includes stockists, transporters, bookkeepers and security personnel.

Our work on Inclusion and Diversity earned us recognition and several awards as listed below:

- Overall winner for Women Empowerment in the Workplace - the 9th Gender Mainstreaming Awards (GMA)
- Overall winner for Women Empowerment in Communities - the 9th Gender Mainstreaming Awards (GMA)
- Champion for Gender Mainstreaming in East Africa - the 9th Gender Mainstreaming Awards (GMA)

TANZANIA

SBL continues to champion the Inclusion and Diversity culture as one of its core business priorities. Ranging from growing our gender diversity initiative to supporting Persons with Disabilities, PWDs, we have recorded significant successes in F22 as follows:

Championing Persons with Disabilities inclusion agenda

Being a champion of equal opportunities for all, SBL is committed to supporting the PWDs agenda through several interventions.

We have set a three-pillar strategy that guides our effort in promoting the plight of PWDs, comprising of SBL as an Employer, SBL as an Advocate and SBL as a partner.

As an employer, SBL has made a conscious decision to employ PWDs directly into the business and across the value chain. So far, SBL has 6 employees with disabilities and plans to reach an inclusion target of 4% of its total labour force by 2025.

As a partner, SBL is collaborating with the Government, PWDs associations and other stakeholders in promoting and empowering PWDs. The company supports training programmes for PWDs in the areas of entrepreneurship, identify income generation opportunities as well as special recognition forums of achievements by PWDs.

The Advocacy pillar will come to life from F23 whereby SBL has set out to encourage other third-party business partners to promote the Inclusion and Diversity agenda in their workplaces. We will push the agenda to our suppliers, farmers, contractors and other partners to embrace the inclusion of PWDs. We plan to hold a multi-stakeholder conference later in the year where PWDs will also get an opportunity to showcase their businesses, innovation and creativity.

Deepening our Gender Diversity drive

We continue to drive Inclusion and Diversity in our business. Through deliberate focus on this initiative, we have improved our gender diversity, hitting a 26% women employees' ratio in F22, up from 17% previously, with an ambition to arrive an equal split in 2030.

So far, this acceleration has been driven by the following initiatives:

1. Employment of an all-Ladies team to run the end-to-end operations of the new Spirits Production Facility at our Moshi brewery.
2. The introduction of an All-Female STEM apprenticeship programme to increase female diversity ratio at the frontline, while at the same time building a talent pool of young female employees that have the potential to grow into more senior roles within the organisation.

   The first cohort of 10 ladies has completed its one-year

Group MD and CEO, Jane Karuku (in white hard hat) was delighted to meet the women working at The Cube Unit at SBL's Moshi Brewery, on her first visit to the Spirit Production Facility in F22.

programme, and they are currently located at the Moshi Brewery, since May 2022, working as technical operators for the new and automated beer packaging line.
Recruitment is currently in progress for the second cohort of 10 ladies who will commence their one-year STEM apprenticeship programme in July 2022.

3. A robust talent investment programme that has been running over the last two years resulting to the filling of 78% of the vacant Level 4 and Level 5 roles with internal female talent from our Supply Department.

'Women of the Future' Award by The Citizen's 'Rising Woman Awards' initiative

SBL was recognised as the winner of the 'Women of the Future' category at The Citizen's 'Rising Woman Awards' 2022. The award recognises organisations that have unique and impactful initiatives that advance gender balance in the workplace.

The criterion for the award covers policies, systems and structures that support women from within the company to step up the career ladder.

Learning for Life

Under the Learning for Life initiative SBL has continued to focus on the awarding of the Kilimo Viwanda scholarships that are geared towards supporting needy high potential students coming from agricultural communities across the country.

In F22 we awarded Kilimo Viwanda scholarships to a group of 102 students pursuing diploma level agricultural courses in local colleges. This is yet another intervention by SBL to demonstrate commitment and partnership with the government, in developing the agricultural sector in Tanzania.

So far, SBL has extended a total of 218 Kilimo Viwanda scholarships in three years.

The increasing number of the Kilimo Viwanda scholarships recipients is a clear demonstration of our commitment to the wellbeing of the local communities and SBL's Inclusion and Diversity agenda that seeks to empower and give equal opportunities to marginalised groups in our community, with a special focus on women and PWDs.

In this regard 50% of the 102 of Kilimo Viwanda scholarships recipients this year are female students, and some are PWDs.

Kilimo Viwanda Scholarship programme gets government recognition

During the year, SBL was recognised for its contribution to the development of Vocational Skills in the country through its Kilimo Viwanda Scholarship Programme.

The award is a result of a survey conducted by The National Council for Technical and Vocational Education and Training (NACTVET), in collaboration with the Association of Tanzania Employers (ATE), and the Tanzania Private Sector Foundation (TPSF) to identify employers who support the development of vocational skills in the country.

Currently in its third year of existence, Kilimo Viwanda is a scholarship programme meant to support bright students from under-privileged

SBL's Legal Director, Lucia Minde, receives the 'Women of the Future' Award from the CEO of Mwananchi Communications – publishers of Tanzania's dailies - The Citizen and Mwananchi newspapers

Kilimo Viwanda scholarship recipients celebrate the successful completion of their training

backgrounds to pursue diploma courses in the agricultural fields. The scholarship covers tuition fees and other academic related expenses for the entire duration of study.

UGANDA

Gender diversity

On gender diversity, UBL's management team comprises 50% women (4 out of 8). Additionally, at the most senior level, women currently make up 44% of the company's board.

At the entry level, UBL has continued to employ women in production processes that were previously men's stronghold. Currently, one of the production lines at the brewery is managed by a team with 75% women representation.

To maintain a flow of female talent in the factory, UBL put in place an all-female STEM programme, in March 2020, that seeks to offer hands-on apprenticeship opportunities in science, giving the young ladies a foot in the door of a male-dominated industry.

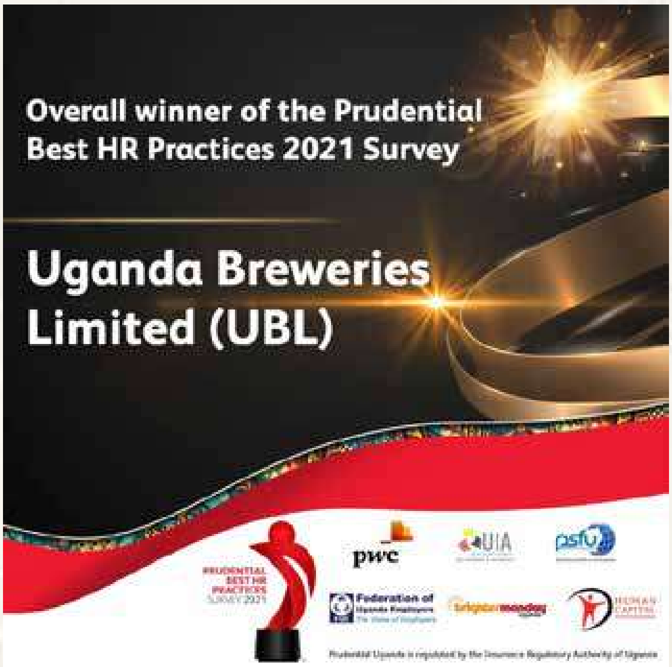
To move the diversity needle in the commercial side of the business, in June 2021, UBL took in an all-female cohort of graduate trainees in the commercial department. This team is currently still in service.

Inclusion of Persons with Disabilities

UBL led the industry in Uganda by developing an inclusive internship programme that seeks to recruit persons with disabilities. Launched in March 2022, the programme brought on board 10 persons with disabilities for a 6-month tenure.

Also, being one of the founder members of the Uganda Business and Disability Network, UBL has held several debiasing sessions to empower and prepare staff to be inclusive and ensure that at least 10% of new recruits are Persons with Disabilities.

Our work on Inclusion and Diversity in Uganda, also earned us recognition and an award as the 'Overall Winner, Prudential Best HR Practices 2021 Survey' for demonstrating organisation performance and confidence, quality and innovation, diversity and inclusion, environmental, social and governance (ESG) compliance and employee wellbeing and wellness.



Centenary Reflections

EABL is one of the companies I'm very proud about because it is making several contributions. It makes good products, and it supports the government because it pays taxes, it employs people right from growing some raw material and across its supply chain, it cuts right across the economy. And it is a good employer. It has put corporate social responsibility first and I wish all the best and to grow bigger, stronger, and more international.

I will not be there 100 years from now, but I can tell you this much, from my experience and from the way the company has been performing, if it maintains the same principles and the same momentum, I expect it to be perhaps one of the major companies not just here, but worldwide. If it maintains the present momentum and principles, I expect it to grow even bigger and beyond its present boundaries, if it does not deviate from the norm on which it is doing its business, it is on the right track.

RICHARD KEMOLI
Former Board Member, EABL

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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 adverse effects of the impact of climate change, 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.

Alignment with the UN Sustainable Development Goals

In this regard, we have implemented the following initiatives:

KENYA

Biomass Steam Plants

We are committed to contributing to mitigating climate change by substantially increasing our share of renewable energy use in the global energy mix. We have invested in four biomass boilers in our Kisumu and Tusker plants to help reduce our carbon emissions by 95% (about 34,000 tonnes) per year.

This project is part of Diageo's biggest environmental investment in Pan-Africa, positioning us as a trailblazer and leader in environmental stewardship and conservation.

Through the project, we have created over 500 new jobs across its value chain, with most of the beneficiaries being farmers who will supply us with sustainable raw materials such as macadamia shells, coffee husks, sugar bagasse and rice husks.

We will mainstream the inclusion of women, Persons with Disabilities (PWDs) and other minority groups across this new value chain.

The Nairobi Tusker plant was commissioned in May 2022 by Ivan Menezes, Group Chief Executive, Diageo PLC, alongside Jane Karuku, EABL Group CEO and MD, and John Musunga, KBL MD.

The leaders termed the project as a clear demonstration of our commitment to pioneering Grain to Glass sustainability and positively impacting the communities in which we live, work, source and sell.

Water for Life

Our aspirations to reach our communities with clean and safe drinking water saw us complete 8 water projects around the country in Nairobi, Tharaka Niithi, Homabay, Siaya, Nyamira, Nakuru, Kitui and Murang'a counties.

The projects will benefit over 60,000 beneficiaries.

Partnership with the Ministry of Environment

We co-chair the National Environment Campaign and were instrumental in mobilizing the private sector to commit to planting trees.

This was in support of the government's goal of planting 2 billion trees, by 2027, to achieve 10% forest cover.

Whilst still at its inception stage, more than 20 companies have signed up for the initiative. Alongside other ongoing tree planting initiatives, KBL has committed to planting 1 million trees, 200,000 every year, for this initiative.

Sponsorships

Through our Tusker brand, we participated in the inaugural Tembo Naming Festival, and sponsored the naming of two elephants at Amboseli National Park. The funds raised will be used for elephant conservation by the Ministry of Wildlife.

We also sponsored the third Kenya Association of Manufacturers (KAM) Youth Sustainability Conference in Q2 F22, which brought together youths from across the country, to discuss and collaborate on championing behaviour change towards sustainability, waste, environmental conservation and responsible drinking.

TANZANIA

Enhancing water usage efficiency and our commitment to emission reduction

As of March 2022, water usage ratio had improved to 3.95 L/L which represents a reduction of 7.6% compared to the same period the previous year.

This reduction is equivalent to a water saving of 40 million litres, and has been achieved through the implementation of focused improvement projects across the various sections of our brewing sites, and robust short interval controls.

In addition, the Energy Usage ratio has improved by 1% to 1.66 MJ/HL. There are planned initiatives to further accelerate energy usage reduction in F23. On the other hand, in our endeavour to curb emission at Scope 1 and 2 levels, all three sites have transitioned to use of LPG forklifts which have lower emission than the previous diesel forklifts.

Additionally, all three sites have met their Zero Waste to landfill targets. Looking into F23, there are Capex investments that have been planned to support a significant reduction in thermal energy usage as well as Green House Gas emission at our Moshi and Mwanza Breweries.

Water of Life

Since 2010, we have invested over TZS 1.5 billion on 23 boreholes and other forms of water projects around the country as part of our life-saving Water of Life (WoL) initiative geared towards availing safe and clean water to impoverished rural communities where, previously, women and children journeyed many kilometres to ponds and perennial rivers to fetch water.

This year, SBL's WOL programme handed over a Water Treatment Plant to residents of Basuto village in Hanang District of Manyara region.

Diageo CEO Ivan Menezes and EABL Group Chairman Martin Oduor-Otieno presided over the commissioning of the biomass facility at the plant in Nairobi.

SBL's Nalgonda Water Treatment Plant at Basuto in Manyara Region

UBL officials pose for a picture upon inspecting the water and sanitation facility as the Kireka Home of Disabled.

Known as the Nalgonda Water Treatment Plant, and with a capacity to serve 14,000 people, the project is set to deliver safe and clean water to four villages in Basuto Ward.

Prior to embarking on the project, water supply from Lake Basuto to the community required urgent treatment after laboratory tests revealed that the level of fluoride in the lake water was above the recommended World Health Organisation (WHO) standards. The treatment plant has a capacity to purify 900,000 litres of water in 12 hours, which is sufficient to meet, and exceeds Basuto Ward's current average daily water demand of 700,000 litres.

The project was done in partnership with WaterAid Tanzania and the Government of Tanzania.

The Water of Life project in Basuto is part of similar initiatives that SBL has undertaken in eight other regions in the country, providing over one million beneficiaries with clean and safe water.

UGANDA

Curbing Carbon emissions

Currently at approximately 85% complete, the £8.56 million Uganda Biomass Project epitomises our commitment to mitigating environmental harm and creating shared value between the business and the community.

We are leading the manufacturing sector in Uganda on carbon and water sustainability. With this new Biomass project, UBL will be able to realise an unrivalled $C0_2$ emissions reduction by about 90%.

We will require the supply of sustainable fuel alternatives such as coffee husks, rice husks and sugar bagasse which will build a new value chain, putting us at the forefront of local raw materials sourcing.

We will require the supply of sustainable fuel alternatives such as coffee husks, rice husks and sugar bagasse which will build a new value chain, putting us at the forefront of local raw materials sourcing.

Additionally, to address climate change and water scarcity in society, under our Running Out of Trees (ROOTs) Campaign, in 2021 we planted over 1 million trees and cumulatively we have planted over 11 million trees since 2019. The campaign is a running a partnership with the Uganda Ministry of Water and Environment, and private sector peers. The success also demonstrates how partnerships are useful in increasing the scale and impact of sustainability initiatives.

Sustainable Waste Management

In May 2021, UBL partnered with the National Environmental Management Authority (NEMA), Vivo Energy Uganda, Stanbic Bank and NBS on the Taasa Obutonde Campaign to raise awareness of the growing environmental hazards caused by irresponsible use and disposal of plastics. We called on all stakeholders to act in reducing, reusing and recycling plastic waste to mitigate environmental harm.

Water and Sanitation

UBL is constructing 8 sanitation facilities within urban markets in partnership with the Kabaka Kingdom Foundation thereby enhancing access to clean and safe water, and sanitation, in public spaces.

Started in 2019, the project is about to be completed and is scheduled to be commissioned in July 2022. Over 15,000 people will benefit from this project.

In Q2 F22, the company also built a water and sanitation facility for Kireka Home of Disabled that looks after 80 individuals who are differently abled. The access to clean and safe, made available by UBL's contribution, has been highly welcomed by the beneficiaries who have thanked and commended the company for its generous support.

MEASURING AND REPORTING

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

The following captures our Sustainability Performance for 2022.

TARGET	KEY PERFORMANCE INDICATOR	NOTES ON OUR PROGRESS
PROMOTE POSITIVE DRINKING		
Champion health literacy and tackle harm through DRINKiQ in every market where we live, work, source and sell. SDG alignment: 3.4; 3.5; 17.16	Unique site visits to DRINKiQ **104,489**	This is 317% of our annual target for 2022 to reach 33,000 people. It is also a significant increase from 2021, where we had 8,158 unique site visits to DRINKiQ. This increase is predominantly due to the launch of DRINKiQ in Tanzania and Kenya in both English and Kiswahili. DRINKiQ is our mobile friendly, e-learning tool designed to provide consumers with the information they need to make positive decisions around drinking responsibly and tackle myths around drinking alcohol.
Scale up our SMASHED partnership, and educate 35,500 young people, parents, and teachers on the dangers of underage drinking. SDG alignment: 3.5; 12.8; 17.16	People educated through SMASHED partnership **48,690**	This is 137% of our annual target for 2022. We surpassed our annual target of 35,500 people to reach a total of 48,690 young people, parents and teachers across East Africa. We were able to surpass our 2021 numbers (2,245 people) due to the launch of our SMASHED partnership in Tanzania and Kenya. SMASHED partnership was piloted in regions where our research showed high prevalence of underage alcohol consumption.
Promote changes in attitudes to drink driving reaching 45,000 people. SDG alignment: 3.5; 3.6; 12.8; 17.16	People educated via Wrong Side of the Road programme **29,729**	We aimed to educate 45,000 people through our Wrong Side of the Road Programme. However, we managed to reach 66% of our annual target – 29,729 people. The gap was mainly as a result of an online access issue which led to a change in the mode of delivery of the programme. In 2023, the programme will be mainly delivered through face-to-face interactions.
Leverage Diageo marketing and innovation to make moderation the norm – reaching twenty one million (21,000,000) people with dedicated responsible drinking messaging. SDG alignment: 3.5; 12.8; 17.16	People reached with messages of moderation **7,577,715**	We aimed to reach 21,000,000 in 2022, with messages of moderation this year, however we fell below our target due to data capture and reporting challenges. At the same time, we have, now, enhanced our methodologies around data capture and measuring, to a more systemic process that is corroborated across all sectors of our business.

TARGET	KEY PERFORMANCE INDICATOR	NOTES ON OUR PROGRESS
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 **36%**	Whilst this is a global target, we have seen great improvements across EABL. In Tanzania, we have achieved a 26% number of women employees up from 17% in 2021. This has included an All-Women team to run the end-to end operations of our new spirits production facility at our Moshi brewery. Similarly, one of our production lines in Uganda is managed by a team made up of 75% women. We also credit our STEM apprenticeship programme as a key contributor in ensuring that more opportunities are afforded to women who have the technical skills.
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	Spend with diverse suppliers as percentage of total influenceable spend **N/A**	We are designing the frameworks to be able to report on market level performance, as our target and outlook are set for 2025. But it is worth noting the work we are doing with people with disabilities, (PWDs), to ensure that they have opportunities to contribute to our supply chain as well as work directly in our operations. SBL launched a three-pillar strategy to promote inclusion of PWDs as an employer, advocate and partner. SBL now has six employees with disabilities with the goal to get to 4% representation in its labour force. KBL has onboarded a total of 71 farmers with disabilities as part of our contractual farming programme, with the goal to get to 3% representation in our supply chain. Additionally, UBL has developed an inclusive internship programme to recruit PWDs. The programme has so far introduced ten interns with disabilities for 6-month tenure.
Provide business and hospitality skills to 3,220 people, increasing employability and improving livelihoods. SDG alignment: 4.4; 8.1; 8.6; 10.2; 17.16	People reached via business and hospitality skills programmes **5,327**	We accomplished 165% of our target to reach 3,220 people through our business and hospitality skills training in 2022. This can be attributed to the transformative work being done through Learning for Life (L4L). KBL focused L4L on farmers, providing an in-depth life skills curriculum that included training on budgeting, time management and responsible drinking. Further SBL implements the Kilimo Viwanda scholarship, an award-winning programme that aims to provide support to needy students from agricultural communities across Tanzania. This year, 102 students (50% of which represented vulnerable groups: women and PWDs) were awarded scholarships to pursue diploma level agricultural courses in local colleges.
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	Training sessions delivered through the Diageo Bar Academy **N/A**	While Covid 19 dealt a tremendous blow to the hospitality sector, the Diageo Bar Academy is aiming to rebuild the sector back better. We are designing a framework to report on our progress at a market level. KBL has currently trained 9,800 workers across Kenya in the Academy, thirty-one of whom are PWDs.
Ensure 50% of beneficiaries from our community programmes are women. SDG alignment: 5.5; 5A	Percentage of community programme beneficiaries who are women **63%**	We are proud to prioritise women's engagement in all our community programmes. To this effect, we are already surpassing our 2030 target to ensure 50% representation. This is also an increase in representation by 9% from 2021 (54%).

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	Litres of water used per litre of packaged product **3.03l/l**	We aimed to utilise 2.78 litres of water per litre of packaged product, however we surpassed this slightly by 0.25litres. On average across EABL, we are using 3.03 litres of water per litre of packaged product. We may have not reached our 2022 goal; however, we have improved water efficiency by 9.6% from our 2020 baseline. This is in line with our target to improve water efficiency in our operations by 30% across the company.
Replenish more water than we use for our operations for all our sites in water-stressed areas by 2026. SDG alignment: 6.1; 6.2; 6.6; 6B; 15.1	Volume of water replenished (m^3) **362,248 m^3**	We aimed to replenish a total of 459,300m^3 of water from our operations in water stressed areas for 2022, however we were able to replenish a total of 362,248 m^3. Whilst we did not meet our 2022 goal, we surpassed our water savings for 2021 by a significant 77% - 362,248m^3 of water replenished in 2022, versus 203,640m^3 in 2021. Looking forward, we are keen to meet our 2023 targets, and we have the infrastructure in place to realise the targets.
Invest in improving access to clean water, sanitation, and hygiene (WASH) in communities near our sites and local sourcing areas in all our water-stressed markets. SDG alignment: 6.1; 6.2; 6.6; 6B; 15.1	People reached with WASH **99,317**	We achieved 311% of our target to reach 31,885 people. We have also increased our beneficiaries under WASH by 28% from 2021, where we reached 24,832 people.
Engage in collective action in all 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	Water collective actions projects completed **100%**	We have completed 100% of our water collective action projects. These include: • Eight water projects around Kenya with over 60,000 beneficiaries. • SBL completed a water treatment plant in Basuto, Tanzania with the capacity to serve 14,000 people. Prior to embarking on the project, water supply from Lake Basuto to the community required urgent treatment after laboratory tests revealed that the level of fluoride in the lake water was above the recommended World Health Organisation (WHO) standards. The treatment plant has a capacity to purify 900,000 litres of water in 12 hours, which is sufficient to meet, and exceeds Basuto Ward's current average daily water demand of 700,000 litres. • UBL built 8 sanitation facilities within urban markets in partnership with the Kabaka Kingdom Foundation. Over 15,000 people will benefit from this project. UBL also built a water and sanitation facility for Kireka Home of Disabled that looks after 80 individuals.

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&2) (kt CO2e) **63.4**	Whilst we are slightly off track our 2022 goal, with our Scope 1&2 total direct GHG emissions above our target of 46.90 (kt CO2e), we expect to see a turnover in our Scope 1&2 emissions following the operationalisation of our biomass projects in Uganda and Kenya. Rolling out biomass is part of Diageo's biggest environmental investment in Pan-Africa, positioning us as a trailblazer and leader in environmental stewardship and conservation. We have invested in four biomass boilers in our Kisumu and Tusker plants to help reduce our carbon emissions by 95% (about 42,000 tonnes) per year. In Uganda, the £8.56 million investment will be able to realise an unrivalled C02 emissions reduction by 90%. SBL is also working towards curbing direct emissions and all its three sites have transitioned to the use of LPG forklifts which have lower emission than the previous diesel forklifts.
Use 100% renewable energy across all our direct operations. SDG alignment: 7.2; 7A; 17.16	Percentage of renewable energy in our own operations **25.87%**	We are behind target on our use of renewable energy in our operations, given a target of 43% use of renewable energy in 2022, and an achievement of 25.87%. We are, however, using 1.8% more renewable energy in our operations from our baseline in 2020 (24%). As noted above, with the completion of our biomass project, we expect to see a significant shift in our use of renewable energy in our operations. On the other hand, as a signatory to the RE100 global initiative we are also committed to 100% renewable electricity. Our sites run on 96.97% renewable electricity for our operations, above our internal target to use 95%. This is also an increase in the renewable electricity utilised from our baseline recording in 2020 of 93%.

TARGET	KEY PERFORMANCE INDICATOR	NOTES ON OUR PROGRESS
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 **0**	We have maintained zero tonnes of waste to landfill from our direct operations mainly through re-use, recycling and composting of all our waste generated through our supply processes.
Achieve 10% average recycled content in our plastic bottles by 2025. SDG alignment: 12.5; 12.6	Percentage of recycled content in plastics **0%**	Across our markets, we are using returnable glass bottles, except for our UBL business. We are currently looking for potential r-PET suppliers to partner with us at our UBL business, which will lead us to start making traction on this target in 2023.
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 **100%**	Majority of all our plastics used are widely recyclable, reusable and compostable. In 2022 we achieved a success rate of over 99%. This is higher than 2021, where 90% of our plastics were widely recyclable, and higher than our 2022 target of 98%.
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 **17**	All allegations are taken seriously, investigated, and where required, consequence management is performed. We monitor all breaches to identify trends and root causes where further action may be required.

[1] A comprehensive review of our performance will be provided in our 2022 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.

Doing Business The Right Way

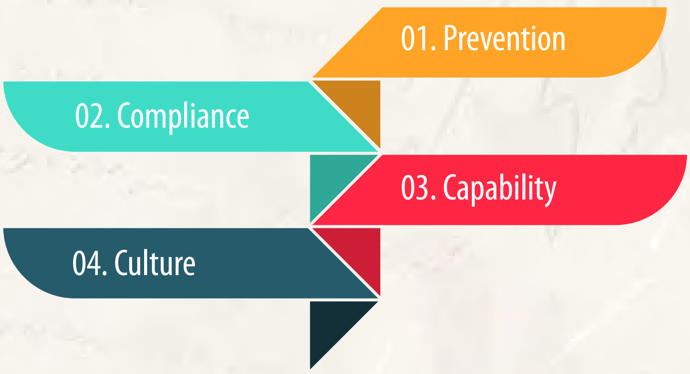
Doing the right thing, in the right way, is the foundation of our business. That means embedding business integrity into the way we work, every day, everywhere. Compliance and business integrity are non-negotiables. We go beyond the basics of risk and compliance to encourage the right behaviours and attitudes everywhere, every day.

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.

Health and Safety

EABL has a robust safety strategy that ensures that everyone (our employees, contractors, visitors) goes home safely, every day. The strategy is anchored on our zero-harm goal, which has 4 key pillars.



Business Integrity

EABL is committed to conducting its business responsibly and in accordance with all laws and regulations to which its business activities are subject. We hold ourselves to the principles in our Code of Business Conduct, which is embedded through a comprehensive training and education programme for all employees. Our employees are expected to act in accordance with our values, the Code of Business Conduct and in compliance with applicable laws and regulations. Additionally, we undertake annual mandatory global training, with an integrated Annual Certification of Compliance (ACC) for all employees. This was completed by 100 percent of eligible employees in November 2021. Global training is delivered in an easily accessible e-learning format through the E-Learning Hub.

This year, we refreshed our third-party risk programme to include additional mitigations to the increased risk of economic sanctions. 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 and implement additional due diligence processes on those parties that pose a potentially higher risk.

We encourage our employees, and anyone we do business with, to raise concerns about potential breaches of our Code or policies. Our confidential whistle-blowing help line, SpeakUp, is available via phone or web portal, enabling anyone to report a concern. Additionally, we encourage employees to come forward to their line manager, legal, HR or risk and compliance and business integrity partners.

This year, 53 allegations of breaches were reported, a 96% increase versus the same period last year. This is mainly attributed to employees returning to the office as all our people have now resumed work at their normal duty stations post the Covid 19 pandemic and were therefore able to spot and report potential breaches through the above channels. The substantiation rate of allegations decreased compared to last year with 32% of cases confirmed as a breach. All allegations are taken seriously, investigated and where required consequence management is performed. We monitor all breaches to identify trends and root causes where further action may be required.

Effective risk management

Well managed risk lies at the heart of our performance ambition. Effective risk management drives better commercial decisions, protects our assets and supports a growing, resilient, and sustainable business

The executive management and the board are responsible for maintaining sound risk management and internal control systems and determining the nature and extent of the risks that the Company is willing to take to achieve its strategic objectives.

We classify our risks into the following categories:

- Strategic
- Compliance/regulatory
- Operational
- Financial

Our Principal Risks

We perform an annual review of the risks our business faces across all the three markets. Each market undertakes an annual risk assessment, establishes mitigation plans and monitors risk on a continuous basis. Risk registers, based on a standardised methodology, are used to identify, assess and monitor the key risks (both financial and non-financial) faced by the business. Information on prevailing trends, for example, whether a risk is increasing or decreasing over time, is provided in relation to each risk and all identified risks are assessed at four levels (very high, high, moderate and low) based on their impact and likelihood. Mitigation plans are put in place to manage the risks identified and the risk registers are reviewed and updated on a regular basis. Risks that can be partially mitigated through insurance are also identified and evaluated. We focus our insurance resources on the most critical areas or where there is a legal requirement, seeking a balance between retained risk and risk transfer.

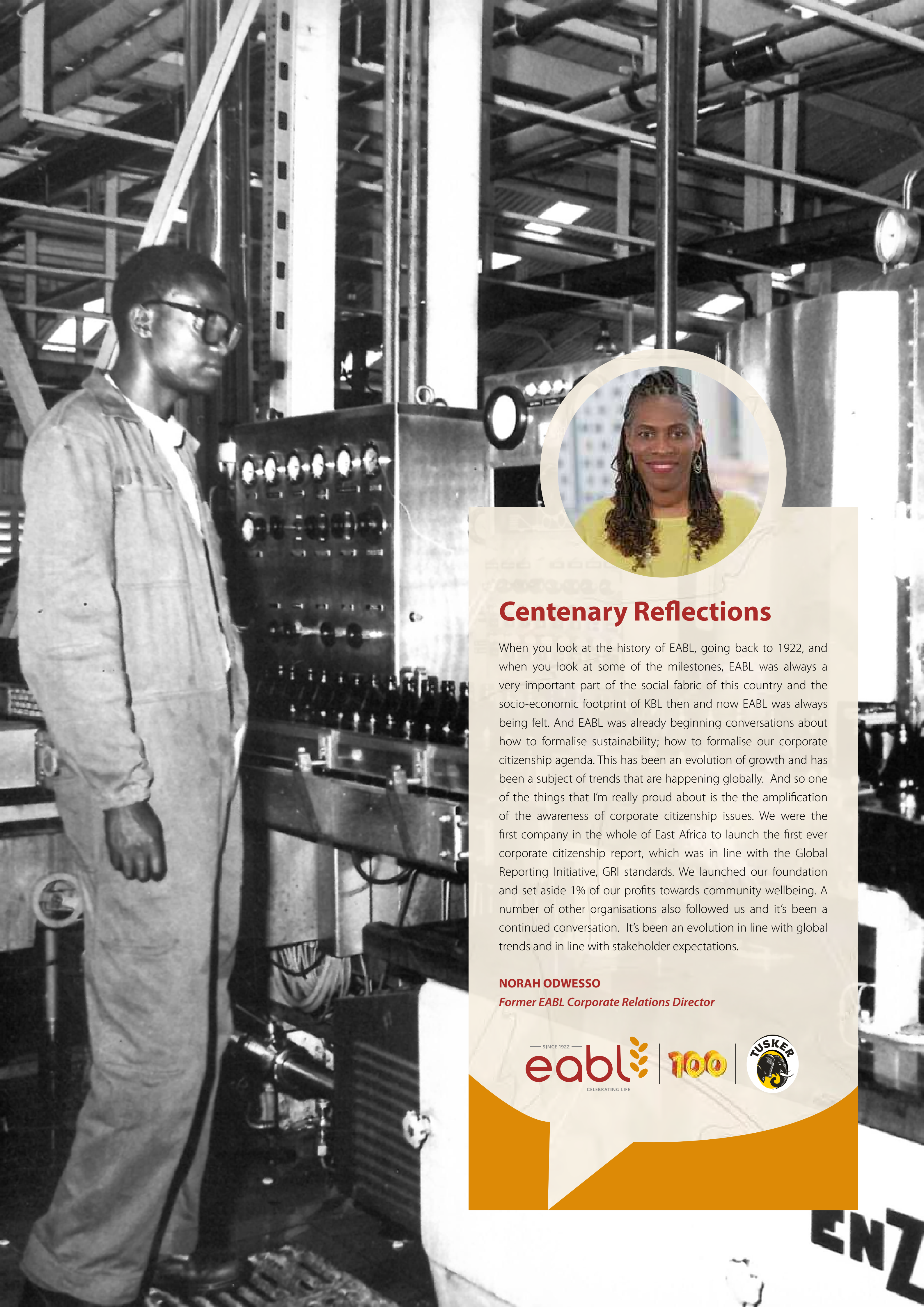
Below is our risk management framework

Top Business Risks

While our approach to risk mitigation and assessing risk appetite has not changed materially, there continues to be a focus on identifying and assessing potential emerging risks. These can be newly identified risks or known risks that have evolved over time. The Executive and Board formally review emerging risks. Below are the EABL top risks.

This list does not include all our risks, and the risks listed are not set out in order of priority.

Risk and Impact	How we mitigate
Regulation and indirect tax • Unpredictable and aggressive tax, legislative and regulatory environment results in unexpected changes in legislation, government directives and/or restrictions on the marketing and sale of alcohol. • Implementation of Data privacy regulation coupled with 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.	• Monitoring and, where appropriate, express views on the formulation of tax laws either directly or through trade associations or similar bodies. • 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. • We run multi-year public policy engagement to minimise risk and unlock tax, trade and regulatory opportunities. • 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.
Volatile and challenging macroeconomic environment compounded by the impact of Covid 19 As a result of the pandemic, the economy continues to experience slowed business activities, increased levels of unemployment and inflation resulting in reduced consumer purchasing power and financial loss.	• We have a highly diversified portfolio of brands to ensure coverage of consumer occasions, trends and price points. • Review and rationalise cost base and cash position in line with the inflationary pressure on inputs in order to mitigate financial impact. • Accelerated development of the e-commerce and off-trade channels.
Supply chain disruptions and impact of geo-political tensions Supply chain constraints and disruptions in raw, packaging and other auxiliary materials due to the Covid 19 pandemic, global geo-political tensions (Russia-Ukraine war), climate change and overreliance on single suppliers results in material shortages, escalating material costs, increased shipping costs, lost production, lost sales and financial loss.	• 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.
Illicit trade Growing illicit trade (counterfeit, contraband, substandard and unregulated products) and infringement of IP (intellectual property) results in financial and reputational exposure.	• Anti-counterfeiting measures embedded in our packaging deter against 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.
Cyber threats 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.	• 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.



Centenary Reflections

When you look at the history of EABL, going back to 1922, and when you look at some of the milestones, EABL was always a very important part of the social fabric of this country and the socio-economic footprint of KBL then and now EABL was always being felt. And EABL was already beginning conversations about how to formalise sustainability; how to formalise our corporate citizenship agenda. This has been an evolution of growth and has been a subject of trends that are happening globally. And so one of the things that I'm really proud about is the the amplification of the awareness of corporate citizenship issues. We were the first company in the whole of East Africa to launch the first ever corporate citizenship report, which was in line with the Global Reporting Initiative, GRI standards. We launched our foundation and set aside 1% of our profits towards community wellbeing. A number of other organisations also followed us and it's been a continued conversation. It's been an evolution in line with global trends and in line with stakeholder expectations.

NORAH ODWESSO
Former EABL Corporate Relations Director

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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.

The supply operation in EABL continues to rally behind the company's strategic ambition, as we play our part by guaranteeing consistent, great-quality supply through an advantaged but fit-for-purpose value chain footprint in the most cost-efficient manner.

The success of our delivery 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

We are committed to ensuring that the health, safety, and welfare of all our employees, contractors, and visitors while in any of our sites and office facilities and going home safe remains our number one priority.

All these are achieved by enforcing occupational health and safety policies, compliance to all applicable occupational health and safety legislation and Global Risk Management Standards. This is conducted in line with Diageo Zero harm agenda driven to ensure our processes and activities are safely conducted.

Some of the key initiatives in place this year are:

- Implementation of the 'Diageo Life Saving Rules' programme with the key agenda being to raise the level of awareness on 11 Life Saving Rules and as a result mitigate all kinds of severe and potentially fatal accidents.
- Revision of the defensive driving curriculum to include 'Diageo Driving on the Road' standard operating procedures.
- SBL formed a sprint team tasked to deliver a step change in Third Party Logistics Transport safety anchored on the 5 pillars of Driver management, Vehicle management, Trip and Journey management, Health and Safety Management and Safety Organisation structure.
- As part of a fleet safety programme, SBL has also mandated vehicle tracking for all distribution trucks to track the 3PL truck movements and monitor adherence by the drivers to all safety protocols with an intention to eliminate on-road safety incidents and accidents.
- A forklift safety sprint team has also been constituted to focus on winning the hearts and minds of forklift operators to reduce the number of near misses related to forklift operations onsite.
- Establishment of programmes that support mental and emotional well-being. This is in the form of engagements with subject matter experts on topics such as emotional well-being, personal financial management and work-life balance management.

As a result of the focus on health and safety, EABL supply continues to rank as leading on Total Recordable accidents per 1,000 full-time employees, with a score of 1.03 versus the Diageo target of 3.5.

SUSTAINABILITY:

As part of our commitment to being a reputable corporate citizen and earning our social license to operate in the communities in which we operate, EABL supply has made continuous improvements in the utility usage ratios across all our markets.

The business has invested in sustainability projects in three sites - Kenya (Tusker and Kisumu) and in Uganda, in the form of water recovery and biomass plants. Commissioning of the biomass plants in the Kenyan sites started in June 2022, and is targeted to be completed in August 2022, while the commissioning of the UBL biomass plant will begin in August 2022.

The water recovery plants in all sites are fully operational.

- EABL water usage has reduced from 3.34L/L of alcohol brewed in F21 to 3.03L/L at the end of this year.
- All sites have achieved zero waste to land fill.
- Once in use, the biomass plants are targeted to reduce circa 11,000 and 30,000 kilo tonnes of carbon per annum for Uganda and Kenya respectively. This equates to approximately a 95% reduction in scope 1 carbon emissions in those sites.

In addition to this, we continue to drive local raw material sourcing and supporting local farmers to ensure sustainable sourcing.

QUALITY

In meeting our consumer needs, quality continues to take centre stage of the supply operation. Our high-quality standards have been achieved through some of the initiatives below:

- Use of technology to drive control: Quality processes are fully automated and controlled from a computerised system referred to as the SCADA system (Supervisory Control and Data Acquisition).

Sorghum farming has received a boost since we started using it for brewing Senator. In the western region of Kenya, where KBL Managing Director John Musunga is pictured above, we have recruited 17,000 farmers as suppliers.

- Benchmarking and leveraging on Diageo Global Operational Excellence teams and other industry experts to continuously drive quality improvements across our supply chain and rapidly propel EABL Supply to among the top performing organisations within the group.
- On time execution of critical to quality engineering routines.
- Ensuring compliance to the codified brewing and packaging process through the Codex and Diageo Way of Brewing programmes.
- Application of high-quality standards for sourcing of raw materials.

During this financial year we have seen the East African Maltings Limited recognised for improving the quality standard of their malt and upgrading it to international standards. This enabled the business to export malt to Uganda and Tanzania whose supply chain had been disrupted by Covid 19.

PRODUCTIVITY:

EABL supply operations team prides itself in delivering sustainable, quality supply in the most cost-efficient manner. We seek to consistently mitigate the impact of inflation and continuously drive down our cost of production.

Our various productivity initiatives seek to:

- Source quality materials and services at the best value.
- Continually run initiatives to improve the production process in a bid to attain the best operational efficiencies.
- Re-engineer processes to deliver best quality products at best value.
- Review our logistics and distribution processes to weed out inefficiencies.

Our productivity initiatives through the year delivered savings enough to counter the absolute impact of cost inflation and mitigate the impact on gross margins.

PEOPLE:

Our people agenda is anchored on the following priorities;

- Agile and highly engaged teams by leveraging our site engagement councils and structured reward and recognition systems.
- Succession depth and a solid talent pipeline through robust talent conversations.
- Accelerating frontline capability and frontline leadership through targeted functional training interventions and supervisory leadership programmes.
- Increasing female gender diversity by providing equal opportunities for female employees within our organisation. In SBL, the STEM apprenticeship programme saw the recruitment of 10 ladies to train under the operations team. The business also launched the mainstream spirits line operations managed by an all-female team. The new returnable packaging line in UBL has been fully resourced with an over 75% female crew in a bid to drive inclusion and diversity.

AWARDS & MILESTONES:

As we celebrate 100 years of the existence of Tusker the KBL flagship brand, we acknowledge that the longevity of the brand has been anchored on consistency in quality and best practices in the Tusker plant.

Tusker brewery being the most mature brewery in EABL has been the pacesetter to which Uganda and Serengeti breweries look up to in many aspects including;

- The introduction of innovations into EABL and extension to Uganda and Serengeti breweries.
- It was the first site in EABL to achieve the zero waste to landfill status.
- This year, the site attained benchmark status in utility efficiencies delivering the lowest water utilisation ever recorded.
- The stellar performance of the Tusker brewery supply operations continues to reflect both internally and externally through various awards and recognition.

In the past year the business received the awards below:

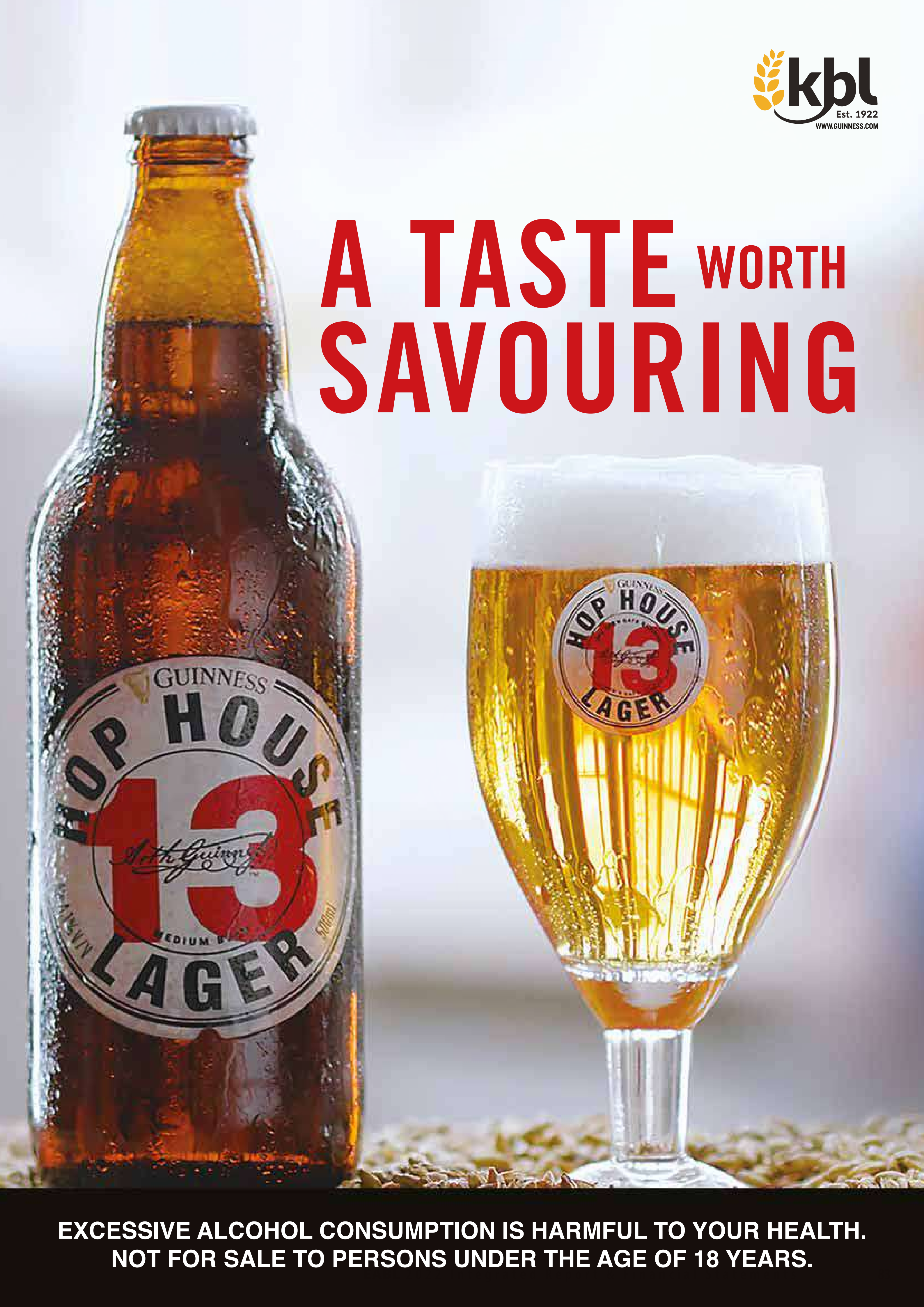
- Kenya Association of Manufacturers (KAM) Energy Management Awards (EMA)
  - ✓ Overall winner, Energy Management Award
  - ✓ Winner, Renewable Energy Award
  - ✓ Winner, Water Conservation Award
  - ✓ Winner, Electricity Savings Award – Nairobi Site
  - ✓ 1st runners up Best Thermal Energy Savings Award
  - ✓ 1st runners up Sustained High Performance award
  - ✓ 1st runners up Water Management Award
- Africa Food Industry Excellence Awards:
  - ✓ Africa Food Industry Leader of the Year
  - ✓ Africa Food Industry Emerging Leader of the Year
  - ✓ Sustainability Initiative of the Year
  - ✓ Packaging Makeover of the Year
  - ✓ New Alcoholic Beverage of the Year
  - ✓ Community Initiative of the Year

In addition, our Kisumu brewery this year won the highly coveted 'Diageo Brewery of the Year' award due to its demonstration of consistently high efficiencies, cost optimisation and unique self-managing model.

Uganda Breweries is also following the pace set by KBL. The UBL Team advanced its progressive culture of compliance with standards with 100% excellence recorded in all the F22 standards audits, including ISO 9001:2015, ISO 140001:2015, ISO 450001:2018, ISO 22000:2018/(HACCP) and the Uganda National Bureau of Standards Audit on innovations.

UBL plant was also ranked Best Africa site in Pack dress and Analytical Compliance by the Diageo Global Opex Annual Report on Quality.

Shadrack Muloma, Mary Wambui, Wellington Munangi & Timothy Mureithi pose for a photo with the Overall Energy Management Awards (Trophy)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Productivity

We have embarked on a cost sprint to structurally challenge our cost base and benchmark against best practice to drive a sustainable cost sensitive culture, offset inflationary pressures and consistently deliver margin expansion.

Embedding everyday efficiency is one of our strategic priorities.

We continue to adapt our organisation to be more agile, flexible and digitalised. We continuously challenge ourselves to simplify and automate more of our processes and systems, enabling faster and better decision making.

Our productivity programmes are creating savings that fuel investments across our business. This year we made solid progress on our savings initiatives across all areas of procurement, manufacturing and logistics and administration. By the end of financial year 2022, we achieved Kshs. 2.5bn in savings, more than offsetting the Kshs. 1.8bn absolute impact of cost inflation, and the adverse impact on gross margin.

In manufacturing, we have leveraged technology and automation to identify material waste at a product and machine level improving operational efficiencies, while in logistics improved lane efficiencies are delivering savings. In procurement, competitive sourcing and industry-wide benchmarking helped us reduce costs through contract negotiation. In administration, we continue to simplify and standardise processes.

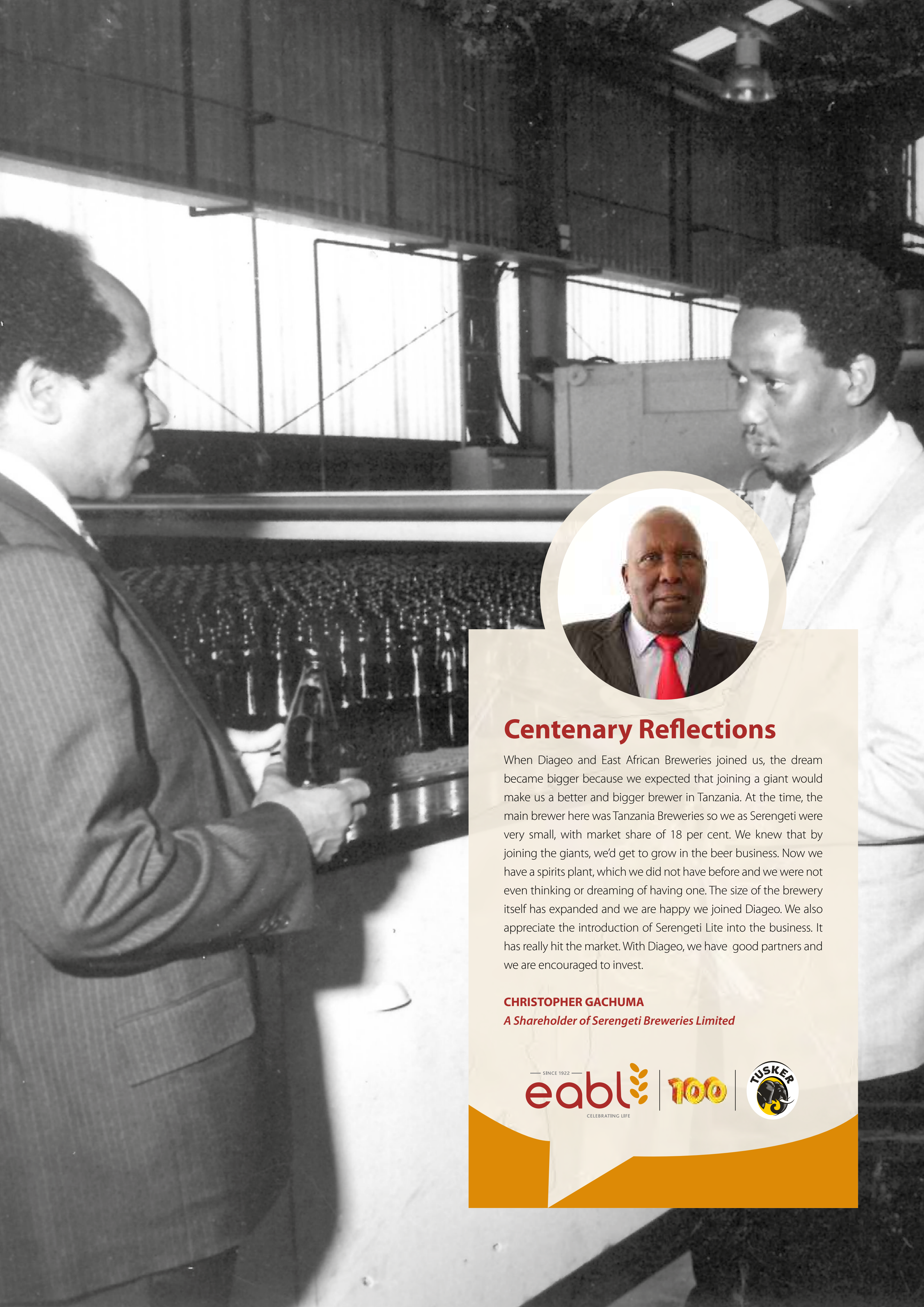
EDGE 365, our sales force automation solution, is allowing us to create an efficient sales force by increasing the number of sales calls per day and reducing time spent on administrative activities.

> **We continuously challenge ourselves to simplify and automate more of our processes and systems, enabling faster and better decision making.**

Competitive Sourcing

Waste Reduction

Lane efficiencies



Centenary Reflections

When Diageo and East African Breweries joined us, the dream became bigger because we expected that joining a giant would make us a better and bigger brewer in Tanzania. At the time, the main brewer here was Tanzania Breweries so we as Serengeti were very small, with market share of 18 per cent. We knew that by joining the giants, we'd get to grow in the beer business. Now we have a spirits plant, which we did not have before and we were not even thinking or dreaming of having one. The size of the brewery itself has expanded and we are happy we joined Diageo. We also appreciate the introduction of Serengeti Lite into the business. It has really hit the market. With Diageo, we have good partners and we are encouraged to invest.

CHRISTOPHER GACHUMA
A Shareholder of Serengeti Breweries Limited

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Our People

Our most important asset is our people. EABL is committed to making an exciting, fast paced growing business where our people learn and develop to achieve and fulfill their potential. We have refreshed our culture code, articulating the behaviours we will drive and model, as we energise the organisation towards achieving our strategic goals.

Our People and Culture

Our culture and ways of working enable people to do their best work and for work to be a fulfilling part of life that embodies being Bold, Progressive and Connected.

We are **Bold**. Our people see a clear line between business performance and their input. To promote this, we have provided a platform for employees to speak up and be daring, a chance for our people to have an agile mindset. We give ourselves and each other the freedom to succeed because this fosters an entrepreneurial spirit. We trust each other; we're open and challenging. We always behave as a team – when we are together and apart. Bold is empowering our teams to make choices that eliminate unnecessary steps in our day-to-day processes. Bold is encouraging our staff to apply for opportunities that will enhance their career life and strategic mapping of careers that we have already seen taking effect with many lateral and international moves and promotions.

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 be fast-forward thinkers and develop new ways of doing things. In a world where many are consumed with past actions, failures and mistakes, progressive people do well to focus on what lies ahead. Our people do well to ask the right questions to propel growth. EABL is an inclusive and diverse workplace. As we leverage younger talent, we understand that their realities constantly evolve and respond with ideas and skills that match them.

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 demands that we exhibit the belief and determination of those that have gone before us to provide the best quality products to consumers wherever they are. Therefore, every one of us sells or helps to sell. All this is only complete when our brands are in the hands of consumers, being enjoyed by people worldwide.

BOLDPR
OGRESS
IVECON
NECTED

We each 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.

Our People Strategy

We have tremendous talent and we want to be known for creating an environment where our people are continuously learning, enjoy a culture that is truly inclusive and diverse, where people bring their best self to work and where we are a high performing team.

Our People strategy lays out the pillars on how to have an engaged people, in that we provide learning opportunities that promote speed of performance, experimentation and deliver growth for the individual and the business. We accelerate the growth of our key talent, we drive inclusion in our business and society, inject speed and simplicity and focus our resources on the biggest growth opportunities that delight our customers and consumers, as well as fueling fulfilling employee experiences.

Disruptive Approach to Talent as the Bedrock for People's Growth

Our disruptive approach to talent focuses on building a talent pipeline and strategically forecasting human resource needs to drive growth. We have outlined four priority areas to guarantee our plans with the right people and capabilities as we believe in creating an environment for our people that will stretch, challenge and enable them to grow themselves and the business. These areas include talent, capability, organisational effectiveness and culture, ensuring that:

- We have put 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 win in the marketplace.
- Our organisational effectiveness agenda seeks to simplify our business to move faster resulting in greater empowerment, 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 recruitment and selection process ensures fair access to job opportunities and equal opportunity as we focus on diversity hiring irrespective of background, disability, religion, gender or ethnicity. We track KPIs on a quarterly basis to ensure a balanced approach of internal moves versus external recruitment in line with our Buy/Build strategy.

- Invest in talent and career development to grow and develop our people in critical and future skills that will ensure all our people experience open and transparent conversations about their career, unlock more development opportunities, make sound talent judgement and informed talent decisions, take bold bets on internal talent, and give employees better clarity on what it would take to grow and develop at EABL.
- Our talent not only meets business objectives but also demonstrates potential to take up senior roles within the organisation and globally. EABL has been recognised within Diageo as a net exporter of talent with 14 employees on International Assignment. For example, SBL has successfully placed its former Finance Director into international assignment as Finance Director in Ghana, KBL also successfully placed a local senior finance leader to a Finance Director position in Japan, among others. There have been targeted interventions put in place such as executive coaching, training and cross functional projects to accelerate critical skills and capabilities.
- Careful thought has also been placed on Inclusion and Diversity agenda as well as on People Living with Disabilities (PLWD) during the hiring process.

EABL Talent Programmes

We have made a conscious effort to boost our people's skills, embedded by our firm commitment to help our people realise and reach their full potential. To achieve this, we have numerous learning and development channels, but we also strongly believe that our leaders are key in creating the conditions for our people to succeed. Some of these are:

- **Partners for Growth (P4G) –** Our performance management system that puts performance and career conversations at the heart of the process, focusing on using and building strengths with two-way development conversations to deliver both business and personal outcomes. It supports individuals in identifying career aspirations with development actions as a priority. A philosophy of 70-20-10 principle has been adopted for development with 70% practice and experience coming from one's day-to-day job, 20% through coaching and mentoring, and 10% from formal traditional learning experience and e-learning. Our reward system encourages equal pay for equal work while it also recognises and rewards exceptional individual performance in alignment with real business outcomes.

  In the last year we have seen an acceleration in business performance delivered through quarterly goal setting aligned to business priorities driving a culture of agility and performance with pace and urgency.

- **Graduate Programme –** A process that assesses entry-level talent with high potential to join a 3-year rotational programme in Sales, Marketing, Supply, Finance, Human Resources or Corporate Relations.

- **LEAP –** 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.

- **Fast Forward –** A unique learning journey for aspiring leaders who want to develop their next leadership level with increased self-awareness exploiting their full potential and supporting our business objectives. Two of our executive leaders are currently on this programme.

- **Advanced Leadership Management Programme –** A unique learning journey designed for senior leaders to accelerate their career. 10 of our senior leaders from EABL are currently on this programme.

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

Continuous Learning: Building Critical Skills for the Future

Continuous and purposeful learning powers our performance and growth. We provide learning opportunities that drive learning in four key areas i.e., formal education, providing exposure through coaching and other interactions, providing the right tools to support learning and creating meaningful on the job learning experiences.

Our learning strategy is designed to equip learners with the best capabilities and tools to seize growth opportunities and tackle new challenges. 63 percent of our employees feel that they have access to learning and development opportunities that support their performance and growth.

My Learning Hub is our e-learning platform that provides access to hundreds of courses that employees would need for their own development, making it easy to find, use, share and comment on a huge range of learning options. This platform has seen completion of over 100,000 courses.

To drive functional learning in the commercial function, we launched a monthly session dubbed *'Speak to the Expert'* in which we invite professionals and experts to speak to certain topics of relevance to our business and to our people. Topics have ranged from leadership, values, business sustainability, governance, marketing in a digital world etc. This has provided an opportunity to search and spin on topical issues creating value for our employees and for the business.

In Kenya, we launched the first ever *Reserve and Key Accounts Academy* in Africa, a 12-month capability programme aimed at securing in-house talent by establishing a pipeline from our internal pool. The select cohort will go through a training programme that will build their skills and expertise in driving reserve and luxury brands.

At EABL supply, we launched *"Elevate, let's talk careers",* a career engagement platform that aims to elicit exciting and thought-provoking career development conversation that is unique to supply chain functions in East Africa. During the inaugural session, we had an executive leader in Supply Chain sharing his personal career journey and thereafter, a career master class delivered by the HR Director UBL. The supply leadership team in Kenya also completed Good to Great coaching training to equip them with coaching skills that will enable high performing teams.

People Welfare and Rewards

The welfare of our people remains a critical part of our growth agenda, cognizant of the fact that our performance as a company will remain robust only if they consider EABL a great place to work in. We take a Total Reward Approach, i.e., we focus on financial rewards and non-financial rewards, together, these form our employer value proposition.

To remain truly transformative to our employees, we have in place a wellbeing philosophy that 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.

> **"Our employee wellbeing continues to be our utmost priority. We believe the ideal wellbeing state is achieved when everyone is physically and mentally thriving, emotionally balanced, financially secure and socially connected.**

- 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.
- Competitive benefits and employee programmes, for example, company product benefit, club membership for senior leaders, policy on company sponsorship for employee development i.e., training which could be functional, leadership or executive coaching, and flexible working philosophy and facilities that drive employee engagement e.g., EABL offices are designed to incorporate collaborative workspaces, an employee gym, inhouse bar, among others.
- An employees' medical scheme and wellness programme to ensure a healthy workforce across our business. The medical scheme also includes Covid 19 related illnesses.
- A clinic fully resourced to provide general and specialist medical care to employees and their families. EABL Kenya also has an online medical platform "E-Health" that allows employees to access medical care remotely. We also partnered with the government to provide Covid 19 vaccines to employees, contractors and their dependents.

Through the above interventions we continue to fuel engagement and a fulfilling employee experience. As a result, we have maintained a voluntary attrition of less than 3% across EABL. Our end of employment policy provides general principles on termination, redundancy, retirement -both normal or early retirement - and the exit procedures applicable.

Employee Wellbeing

Our employee wellbeing continues to be our utmost priority. We believe the ideal wellbeing state is achieved when everyone is physically and mentally thriving, emotionally balanced, financially secure and socially connected. With our purpose front of mind, we have embraced flexible working, learnt the importance of sleep, exercise, nutrition and moderate alcohol consumption, discovered practices that support mental health, and explored the role the environment and technology play in our working lives. Our wellbeing philosophy makes wellbeing part of our everyday culture.

Domestic & Family Abuse Guidelines

We launched our Domestic & Family Abuse Guidelines which outline our zero-tolerance approach for all forms of domestic and family abuse, whether linked to alcohol or not, while providing practical guidance to employees and line managers on where to go for expert and confidential support.

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

We have centered our approach on four key pillars of action that we should all keep in mind – the 4Rs:

1. **Raise awareness** – we will recognise and build awareness of Domestic & Family Abuse at both an individual employee and community level.
2. **Reach out** – we will support and encourage impacted employees to report any concerns.
3. **React** – we will respond appropriately to disclosure by employees and provide appropriate employer support.
4. **Refer** – we will refer employees to resources to provide appropriate help.

Menopause Awareness Guidelines 'Thriving Through Menopause'

We launched our Menopause Guidelines **'Thriving Through Menopause'.** The business is raising awareness and understanding on menopause, which is often a taboo subject. We have provided resources to employees and line managers who may be experiencing menopause, directly or indirectly. Support mechanisms available include access to counselling or mindfulness sessions through the Employee Assistance Programme (EAP) and increased flexibility where needed including flex working, or access to sick pay entitlements to deal with symptoms where appropriate.The introduction of these guidelines builds on EABL's long-term commitment to inclusion and diversity as demonstrated by the launch of its 10-year sustainability plan, Society 2030: Spirit of Progress.

Building an Inclusive and Diverse Culture

We believe that an inclusive and diverse culture makes for a better business and a better world, so we champion inclusion and diversity across our business and with our partners and communities to celebrate diversity and help shape a tolerant society.
To achieve this, we have set ourselves targets by 2030 with an ambition to achieve 50% gender representation across the business, 3% representation of People with Disabilities across our value chain.

In the last 6 years we have shifted female representation by 18% at EABL board level, 18% at executive level, and 9% overall through a shift in our policies and practices while also focusing on gender parity in our extended workforce. Currently, we are at 31% gender diversity across EABL.

To support our female employees, we offer 6 months paid maternity leave to allow them time to focus on raising young families and also thrive at work at the same time. In addition, we have in place the "*EABL Spirited Women"* a women's networking initiative across EABL providing the opportunity for female employees to connect and bond, promote awareness on a variety of gender related topics through

In the workplace, we have introduced policies and programmes to respond to incidents of violence, sexist and/or discriminatory behaviour, and guidelines to protect those going through life events. We have implemented a flexible work policy as a tool to assist those experiencing life events like menopause or those going through domestic and family violence to seek protection or safe housing, attend court/counselling appointments and have offered adjustments to time or location of work. We are proud to evolve in this as part of our new culture commitment to be Bold Progressive & Connected, creating an inclusive culture where our people feel valued and can thrive, allowing them to be their best – both at home and at work. These guidelines also complement and will be used in conjunction with other policies and guidelines, including our Global Dignity at Work Policy, our Global Human Rights Policy, and our Wellbeing Philosophy.

Temitope Akinsanya – Group HR Director, EABL.

various activities across the organisation, and provide mentorship and coaching for female employees.

We also rolled out a first ever commercial graduate programme in Kenya and Uganda hiring a total of 20 ladies.

We are promoting the inclusion of Persons with Disability across the value chain at EABL. Uganda and Kenya currently have 12 interns with disabilities. We have also scaled up the number of sorghum farmers with disabilities in Kenya in partnership with Sight Savers.

Uganda Breweries Limited's Journey to Disability Inclusion

In December 2019, UBL signed up to join the Uganda Business and Disability Network (UBDN) during its launch. The UBDN is an employer-led network in Uganda working towards creating workplaces and company culture that is respectful and inclusive towards persons with disabilities.

UBL is a company that prides itself in living its values, one of them being inclusion. Under this core value, the company sought to actualise its commitment to ensure that at least 5% of its staff are people living with disabilities. This commitment was made by the UBL Human Resource Business Partner, at the UBDN launch.

As a UBDN partner, UBL participated in the first Career Fair organised by Light for the World in December 2021. The objective of the career fair was to connect job seekers with disabilities with employers that are committed to disability inclusion. From this event, UBL identified several young people with disabilities and was able to create a shortlist for the graduate internship opportunity.

To ensure that the process was disability inclusive, Light for the World supported UBL during the job interviews and orientation, including providing sign language interpreters for the hearing-impaired candidates.

We had already been working with some people with disabilities and through them, we were able to learn what they needed to ably perform their duties. It is from this experience that we formulated a plan to create more employment placement opportunities for young graduates with disabilities.

Rosemary Nakuya, HR Business Partner - UBL

Prior to the interviews, Light for the World had provided disability awareness trainings to the UBL staff, to prepare and enable them to receive the interns with openness and better understand their needs.

From this process, UBL has been able to recruit 10 young people with disabilities for 6 months' work experience placement roles. The company is providing the interns with mentorship and on-the-job training.

> **From this process, UBL has been able to recruit 10 young people with disabilities for 6 months' work experience placement roles. The company is providing the interns with mentorship and on-the-job training.**

The interns, who were onboarded in early March, are the first cohort under the internship programme. They were taken through a 3-day induction session, meeting with several departments, including legal, marketing, sales, and many others within the organisation. All expressed their excitement and interest in growing their careers at Uganda Breweries Limited.

Centenary Reflections

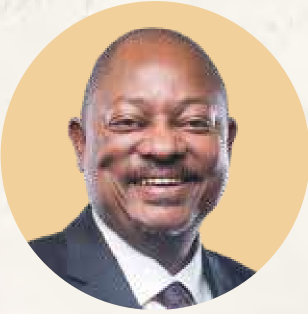
I learned a great deal from some of my seniors, their way of thinking, the manner in which they took decisions and how they acted on various aspects. I am talking of personalities like Brian Hobson and Kenneth Matiba. I learned that hard work, for example, ultimately pays, honesty pays. I also learnt of the importance of consultation at all levels. Find out what other people think and take into consideration some of their thinking, some of their feelings before you take a final decision. It's important in order to arrive at a rational decision on any subject you may be dealing with. I remember of an incident in the operations of Breweries. Every month, we used to get reports about breakages in the bottling line. And this was becoming a matter of concern for the board, that the cost involved through these breakages was increasing month after month. The technical people could not find the reason for this. Kenneth Matiba, then managing director of Kenya Breweries, decided to personally get involved and find out why this was becoming a major cost in the operation of the breweries. So, he started visiting the breweries at night, and he would stay in the operation halls for long, long hours every night. Then he came and recommended something to the board. That involved providing tea and bread at 11 o'clock at night, and 3am in the morning, for staff working on night shifts. The next thing we saw was a dramatic reduction in the number of breakages. This saved the company millions of shillings.

CHRIS OBURE
Former EABL Company Secretary


SINC
DR. MARTIN ODUOR OTIENO, CBS
GROUP CHAIRMAN
JANE KARUKU, MGH
GROUP MANAGING DIRECTOR & CEO

Our Leadership

Board of Directors



Dr. Martin Luke Oduor-Otieno, CBS
Independent Non-Executive Director and Group Chairman
Age: 66 years
Nationality: Kenyan

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

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

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

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

Mr. John O'Keeffe
Non-Executive Director and Group Vice Chairman
(resigned on 17th May, 2022)
Age: 50 years
Nationality: Irish

Mr. John O'Keeffe is the current President, Asia Pacific and Global Travel, having been appointed to the role in July 2022. He is also a member of the Diageo Global Executive Committee. He was previously, the President, Diageo Africa and prior to that, the Managing Director for Guinness Nigeria Plc.

Mr. O'Keeffe has worked at Diageo for over 26 years, during which period, he has gained a wealth of experience across both emerging and developed markets namely Ireland, Jamaica, Sweden, Greece and Russia. Mr. O'Keeffe holds a Bachelor of Commerce (Hons) (Economics and Marketing) Degree from University College Cork, Ireland.

Board Experience:
- Mr. O'Keeffe is the immediate former Vice Chairman of Guinness Nigeria Plc.

Mr. Dayalan Nayager
Non-Executive Director and Group Vice Chairman
Age: 41 years
Nationality: South African

Mr. Dayalan Nayager is the current President, Diageo Africa and is 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 whereby he was 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
Age: 56 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 both in major markets and emerging markets. Mr. Breen has a BA Hons in Philosophy from the University of Newcastle Upon Tyne and is a CIMA qualified accountant from the Chartered Institute of Management Accountants.

Board Experience:

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

Ms. Jane Karuku, MGH

Executive Director and Group Managing Director and CEO
Age: 60 years
Nationality: Kenyan

Ms. Jane Karuku is the Group Managing Director and CEO of EABL having been appointed on 1st January, 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 previously 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:

- Ms. Karuku has been a member of the Board of Barclays Bank of Kenya and Junior Achievement - Kenya.
- She is currently the Chairperson of the Kenya Covid 19 Fund and Chairperson of Kenya's Vision 2030 Board.
- She is also a Trustee at the United States International University (USIU) and is a Board member of the Kenya Association of Manufacturers.

Ms. Risper Ohaga

Executive Director and Group Chief Financial Officer
Age: 46 years
Nationality: Kenyan

Ms. Risper Ohaga is the Group Chief Financial Officer. She is a seasoned finance professional with over 20 years' experience and is a seasoned Board member. Ms. Ohaga joined EABL in February 2020, from the Absa Group (previously Barclays Africa Group) where she held various senior roles across several African markets with 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 based 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 (Hons) in Accounting from The University of Nairobi.

Board Experience:

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

Mr. Japheth Katto

Independent Non-Executive Director
Age: 71 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 both the private and public sectors having held various accounting, auditing, insolvency, companies' investigation and financial services regulation roles in East Africa and the UK.

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
Age: 51 years
Nationality: Tanzanian

Mr. John Ulanga is currently the Regional Director for East and Central Africa at TradeMark East Africa (TMEA) which is an East African not-for profit company limited by guarantee established in 2010 to support the growth of trade - both 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
Age: 50 years
Nationality: Kenyan

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

Board Experience:

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

Mr. Jimmy D. Mugerwa

Independent Non-Executive Director
Age: 58 years
Nationality: Ugandan

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

Mr. Mugerwa holds a B.Sc. (Agric) 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, holds several certificates in Oil and Gas and is an alumni of the Executive Business Leadership Programme at IMD in Lausanne, Switzerland.

Board Experience:

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

Ms. Ory Okolloh

Independent Non-Executive Director
Age: 45 years
Nationality: Kenyan

Ms. Okolloh, a lawyer by profession, is currently a Partner at Verod-Kepple Africa Ventures, a pan-African focused venture capital firm that backs exceptional founders in and from Africa. She has previously been the Managing Director, 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 where 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 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 (J.D.) from Harvard Law School.

Board Experience:

- Ms. Okolloh is a non-executive director in Kenya Breweries Limited and UDV (Kenya) Limited, both subsidiaries of EABL.
- She serves on the board of Thomson Reuters Founders Share Company.
- She is also a board member of Deloitte Africa, the Van Leer Group, and Harvard University's Centre for African Studies.
- She currently serves as the Chairperson of the Stanbic Foundation.
- She is a former non-executive director in Stanbic Holdings Plc and Stanbic Bank Kenya.
- She has served as an advisory board member to Twiga Foods, Amnesty International Africa among several other organisations.

Ms. Kathryne Maundu

Group Company Secretary
Age: 43 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 15 years. Ms. Kathryne is recognised as a leader and mentor in society and has been named as a Top 40 under 40 Women in Kenya.

Ms. 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.

Senior Management

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

Ms. Risper Ohaga
Group Chief Financial Officer

Mr. Colin O'Brien
Global Supply Operational Excellence and Outgoing EABL Supply Chain Director

Ms. Temitope Akinsanya
Group Human Resources Director

Mr. John Musunga
Kenya Breweries Limited and UDV (Kenya) Managing Director

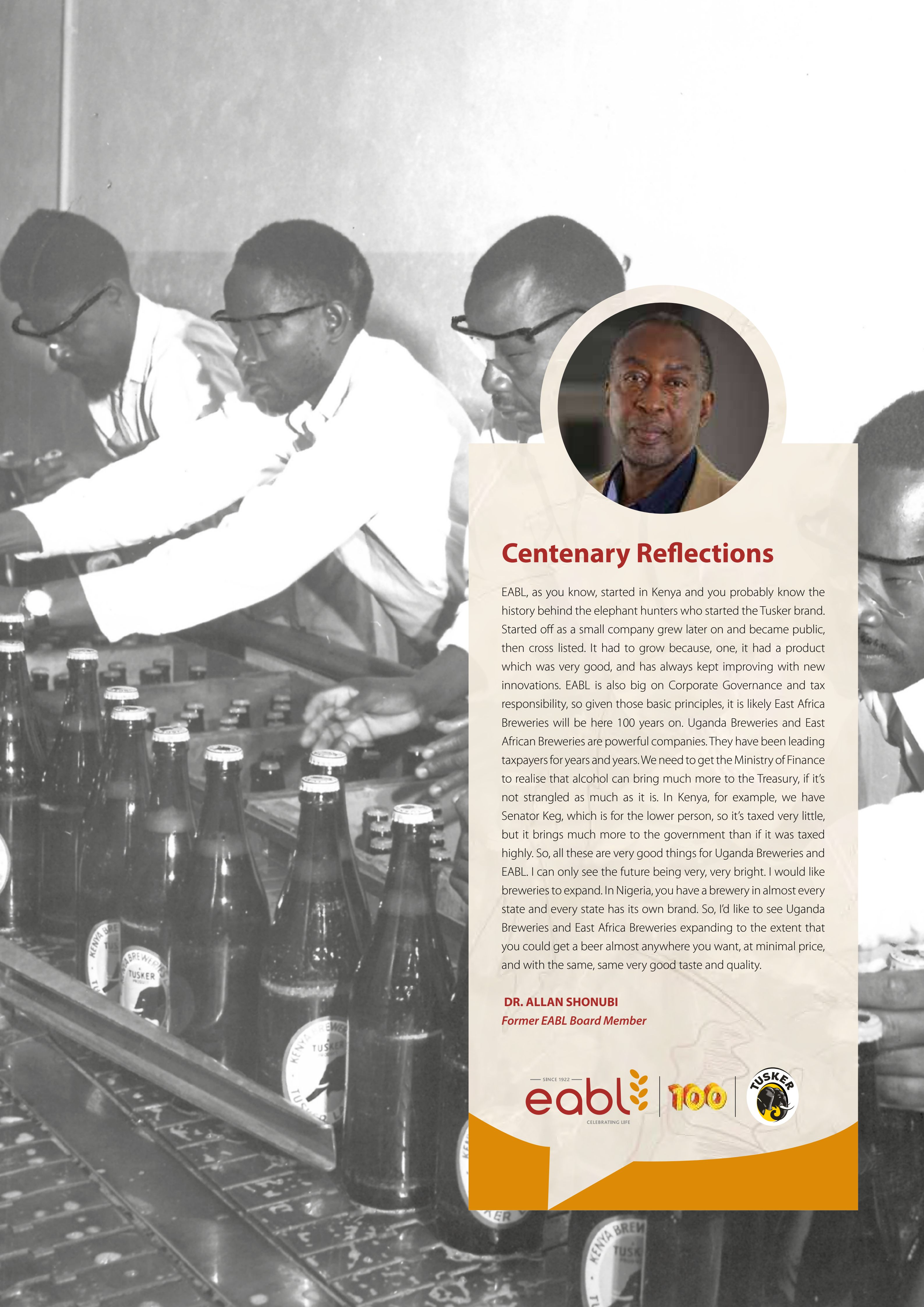
Mr. Mark Ocitti
Serengeti Breweries Limited Managing Director

Mr. Andrew Kilonzo
Uganda Breweries Limited Managing Director

Mr. Eric Kiniti
Group Corporate Relations Director

Mr. Nadida Rowlands
Group Legal Director

Ms. Anne-Joy Muhoro
Group Marketing and Innovations Director



Centenary Reflections

EABL, as you know, started in Kenya and you probably know the history behind the elephant hunters who started the Tusker brand. Started off as a small company grew later on and became public, then cross listed. It had to grow because, one, it had a product which was very good, and has always kept improving with new innovations. EABL is also big on Corporate Governance and tax responsibility, so given those basic principles, it is likely East Africa Breweries will be here 100 years on. Uganda Breweries and East African Breweries are powerful companies. They have been leading taxpayers for years and years. We need to get the Ministry of Finance to realise that alcohol can bring much more to the Treasury, if it's not strangled as much as it is. In Kenya, for example, we have Senator Keg, which is for the lower person, so it's taxed very little, but it brings much more to the government than if it was taxed highly. So, all these are very good things for Uganda Breweries and EABL. I can only see the future being very, very bright. I would like breweries to expand. In Nigeria, you have a brewery in almost every state and every state has its own brand. So, I'd like to see Uganda Breweries and East Africa Breweries expanding to the extent that you could get a beer almost anywhere you want, at minimal price, and with the same, same very good taste and quality.

DR. ALLAN SHONUBI
Former EABL Board Member

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Corporate Governance Statement

Overview

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

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

Governance Principles

Among the principles that the Board subscribes to in upholding the Group's Corporate Governance practices include, but are not limited to:

1. Discipline	the commitment by the Group's Senior Management to adhere to behaviour that is universally recognised and accepted to be correct and prudent.
2. Transparency and disclosure	the ease with which an outsider is able to access information relating to the Group and to make meaningful analysis of the Group's actions, its economic details and the non-financial aspects pertinent to the business.
3. Independence	the extent to which mechanisms have been put in place to minimise or avoid potential conflicts of interest that may exist, such as dominance by a strong Group Managing Director or large shareholder.
4. Accountability	Individuals or groups in the Group, who make decisions and take actions on specific issues, need to be accountable for their decisions and actions.
5. Adherence to laws and regulations	with regard to management, this pertains to compliance with applicable laws and regulations and implementing standards of relevant best practice. Behaviour must allow for corrective action and for penalising non-adherence or mismanagement. Responsible management would, when necessary, put in place what it would take to set the Group on the right path. While the Board is accountable to the Group's shareholders, it must act responsively to and with responsibility towards all stakeholders of the Group.
6. Fairness	the systems that exist within the Company must be impartial in taking into account all those that have an interest in the Company and its future. The rights of various groups have to be acknowledged and respected, and the Company must continually focus on stakeholder value free of favouritism.
7. Social responsibility	a well-managed Company will be aware of, and respond to, social issues while placing a high priority on ethical standards.

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 to attain the following objectives:

- Organise operational, financial, risk management, and reporting processes such that the Board receives the information it requires to effect good governance and management and the business units can conduct their activities in ways that comply with regulations and serve strategic ends.

- Bring the organisation's governance framework down to the level of roles, responsibilities, reporting lines, and communications to bridge the gap between the governance framework and operational realities.

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

The Board of Directors

The Board of Directors is responsible for the governance of the Company. The Directors are committed to fulfilling their fiduciary responsibilities and have instituted various principles necessary to ensure that good governance is practiced with respect to dealings with the Company's shareholders, customers and other relevant stakeholders in line with the spirit of the CMA Code 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 their delivery of the Company's strategic objectives, and to operate a sustainable business for the benefit of all stakeholders. The Board recognises that the process of identifying, developing and maintaining high standards of corporate governance suitable for the Company is ongoing and dynamic to reflect changes in the Company and its business, the composition of the Board and developments in corporate governance.

The role and functioning of the Board

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

The primary role of the Board remains the provision of effective leadership to the Company towards:

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

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 & Chief Executive Officer, to come up with the annual Board work plan and the agenda for the Board meetings. The Board work plan for the year ended 30th June, 2022, was approved by the Board at its meeting held on 29th July, 2021.

Key responsibilities of the Board

The responsibilities of the Board include ***inter alia:***

- Provide effective leadership, oversight and value creation in collaboration with the Executive management team;
- Approve the Company's mission, vision, its business strategy, goals, risk policy plans and objectives;
- Approve the Company's business strategy and ensure the necessary financial and human resources are in place to meet the agreed objectives;
- Approve the Company's budgets as proposed by the Executive management team;

- Approve the Company's performance objectives and monitoring their achievement;
- Review the sufficiency, effectiveness and integrity of the risk management and internal control systems;
- Establish and agree an appropriate governance framework;
- Review and agree Board succession plans and approve appointments of Directors;
- Review periodic financial and governance reports;
- Approve the Annual Report, Company results and public announcements;
- Approve Company policies and monitoring compliance with the Standards of Business Conduct; and

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

These reserved matters are reviewed by the Board, at least annually, to ensure they remain appropriate and complete. In tandem, the Board also reviews an approved schedule of operational matters, which are delegated to management of the operating subsidiaries.

Board size, composition, appointments and independence

The constitution of the Company's Board is stipulated by the Company's Articles of Association which provides that the number of Directors shall be not less than 5 and not more than 11 in number. The Board currently comprises of 10 Directors, of whom 6 are Independent Non-Executive Directors, 2 are Non-Executive Directors and 2 are Executive Directors. The Directors have a balance and depth of skills and experience, together with long-standing knowledge of the Group, which enables them to discharge their respective duties and responsibilities effectively.

The Non-Executive Directors are subject to retirement by rotation and seek re-election (if they choose to) by shareholders in accordance with the Articles of Association.

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. In between AGMs, in the event of any vacancy, the Board may appoint Directors to serve until the next AGM. Any such appointment of Independent Directors is brought to the attention of the shareholders through the notice of the AGM, and the Director, if they opt to seek re-election, is subjected to an election process by the shareholders, at the next AGM following their appointment

Non-Executive Directors

As at the end of the financial year, the Board had 8 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. As at the date of this Report, the Chairman and five of the Non-Executive Directors, are independent as defined by the CMA Code and accordingly over half of the Board is comprised of Independent Non-Executive Directors. Non-Executive Directors do not have service contracts with the Company but instead have letters of appointment which stipulate the terms of their appointment.

The role of Non-Executive Directors

The Non-Executive Directors help develop strategy and are responsible for ensuring that the business strategies proposed are fully discussed and critically reviewed. This enables the directors to promote the success of the Company for the benefit of its shareholders, with consideration of, among other matters, the interests of employees, the fostering of business relationships with customers, suppliers and other stakeholders. The Non-Executive Directors oversee the operational performance of the business, scrutinise performance of Management and the Company, bring an external perspective to the Board, monitor reporting of performance and should be available to meet with major stakeholders as appropriate. To perform these tasks, they have full access to all relevant information, with updates provided on governance, regulatory and other matters affecting the company.

Independence of Directors

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.

In accordance with the CMA Code, one-third of the Board comprises of independent directors. The Board undertakes an annual assessment of Directors' independence based on the independence criteria outlined in the CMA Code.

Separation of powers and duties of the Chairman and the Group Managing Director & Chief Executive Officer

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

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

Responsibilities of the Chairman

These include *inter alia:*

- He is responsible for the leadership of the Board, for ensuring its effectiveness on all aspects of its role and for facilitating 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.
- Promotes high standards of corporate governance.

- Promotes and safeguards the interests and reputation of the Company.
- As part of stakeholder management, represents the Company to Government, shareholders, regulators, financial institutions, the media, the community and the public.
- Serves as the link between the Board and Management in between meetings and is responsible for ensuring that decisions of the Board are implemented.

Responsibilities of the Group Managing Director & Chief Executive Officer

These include *inter alia:*

- Is responsible for the day-to-day management of the business of the Company and to oversee the implementation of strategy and policies approved by the Board.
- Overall responsibility for the performance of the business.
- Represents the Company to customers, suppliers, governments, shareholders, financial institutions, employees, the media, the community and the public and enhances the Company's reputation.
- Serves as the official spokesperson for the Company.
- Ensures that there are effective processes for engaging with, communicating with, and listening to, employees and others working for the Company.
- Manages the Company's risk profile and ensures appropriate internal controls are in place.

Company Secretary

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

Role of the Company Secretary

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

Board Operations

The Board meets at least four times a year and the meetings are structured in a way that allows for open discussions. Comprehensive Board papers are prepared and circulated to all Directors for all substantive agenda items 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 as appropriate, to make presentations on their areas of responsibility. This serves as an opportunity to give the Directors greater insights into their business areas.

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.

Directors' Training and Development

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

In December 2021, the Board held its annual corporate governance training session and its annual strategy session, whereby the Strategy was refreshed to F26 and the Board had deep dive sessions on various topics including post covid strategy for the business, innovation, people and culture and ESG.

Access to Independent Advice

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

Management of Conflicts of Interest

The Directors are obligated to fully disclose to the Board any real or potential conflict of interest, 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 and these are considered at the next Board meeting.

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

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

WHO GOVERNS US

Composition of the Board and its activities

The profile of the Board Directors is as set out on pages 96, 97, 98 and 99 of the Annual Report. The Directors who served during the year to 30th June, 2022, are set out below:

Name	Nationality	Date of appointment
Dr. Martin Oduor-Otieno* – Group Chairman	Kenyan	May 2016
Mr. John O'Keeffe[1]** - Former Group Vice Chairman	Irish	July 2015
Mr. Dayalan Nayager** - Group Vice Chairman	South African	March 2021
Ms. Jane Karuku*** (Group Managing Director and CEO)	Kenyan	September 2013
Mr. Japheth Katto*	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 Ohaga*** (Group Chief Financial Officer)	Kenyan	May 2020
Ms. Ory Okolloh*	Kenyan	October 2020

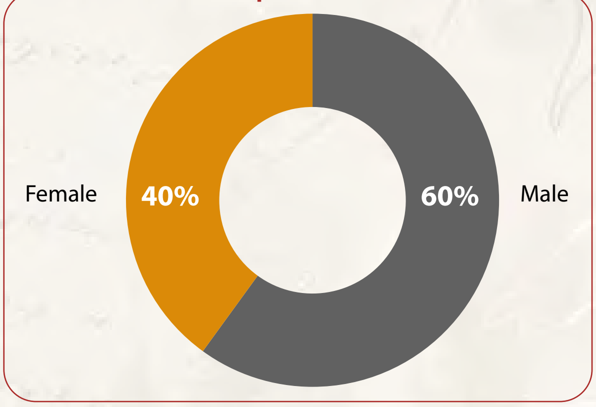
1. Mr. John O'Keeffe resigned as a Director of the Board with effect from 17th May, 2022.

*Independent Non-Executive Director | ** Non-Executive Director | *** Executive Director

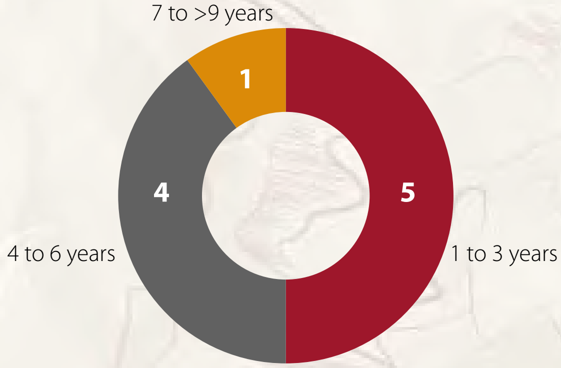
Board Diversity

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 that are inherent in the business and the opportunities that the business pursues. The 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



Directors' shareholding

Directors can purchase or sell shares of the Company in the open market. None of the Directors as at the end of financial year under review held shares in their individual capacity of more than 1% of the Company's total equity. The breakdown of the Directors' personal shareholding in the Company as at 30th June, 2022, is as follows:

Director	No of shares
Ms. Jane Karuku	1,296
Ms. Ory Okolloh	820
Ms. Risper Ohaga	700
Ms. Carol Musyoka	5,782

Activities of the Board

During the year, the Board met eight times and reviewed various activities including the following:

- Reviewed and approved the strategy and the F22 Key performance indicators.
- Discussed 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 approval of the final dividend for 30 June 2021 and approved an interim dividend for the year ended 30 June 2022.
- 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.
- Reviewed the legal documentation with respect to the Medium Term Note programme.
- Approved the audit fees for the external auditor.
- Approved the Board Work Plan.

Attendance at Board and Annual General Meetings during the Financial Year

	29.07.2021	14.09.2021	15.09.2021 (AGM)	22.09.2021 (Sp. Board)	9.11.2021	7-8.12.2021 (Strategy session)	27.01.2022	17.05.2022
Dr. Martin Oduor-Otieno	√	√	√	√	√	√	√	√
Ms. Carol Musyoka	√	√	√	√	√	√	√	√
Ms. Jane Karuku	√	√	√	√	√	√	√	√
Mr. John O'Keeffe*	√	√	√	√	√	Absent with apology	√	√
Mr. Leo Breen	√	√	√	√	√	Absent with apology	√	√
Mr. John Ulanga	√	√	√	√	√	√	√	√
Mr. Japheth Katto	√	√	√	√	√	√	√	√
Mr. Jimmy Mugerwa	√	√	√	√	√	√	√	√
Ms. Risper Ohaga	√	√	√	√	√	√	√	√
Ms. Ory Okolloh	√	√	√	√	√	√	√	√
Mr. Dayalan Nayager	√	√	√	√	√	√	√	√

*John O'Keeffe resigned as a director with effect from 17th May, 2022.

Permanent invitee to the Board meetings: Nadida Rowlands – Group Legal Director

The Board Committees, composition and their activities

The Board carries out its obligations through Board Committees. During the year, there were three standing committees and one ad hoc committee of the Board. The standing committees are: the Board Audit and Risk Management Committee; the Board Nominations & Remuneration Committee and the Board Corporate Governance Committee. The Board Investment Committee is an ad hoc committee. The Committees are all chaired by Independent Non-Executive Directors who also form the majority of the Committee's membership.

Board Corporate Governance Committee

The Board Corporate Governance Committee comprises of 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. Japheth Katto – Chairman
- Ms. Carol Musyoka
- Mr. John Ulanga
- Ms. Kathryne Maundu - Committee Secretary

Permanent invitees:

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

Role of the Committee

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

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

- Monitored implementation of the requirements of the CMA Code.
- 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.
- Continued to track the progress made in implementing the recommendations from the Legal and compliance audit.
- Reviewed various guideline documents including the Menopause guidelines and Domestic & Family Abuse guidelines.

Attendance at Board Corporate Governance Committee meetings during the Financial Year

	27.07.2021	13.10.2021	24.01.2022	20.04.2022
Mr. Japheth Katto	√	√	√	√
Ms. Carol Musyoka	√	√	√	√
Mr. John Ulanga	√	√	√	√

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 is comprised of at least three Independent and Non-Executive Directors. It is chaired by an Independent Non-Executive Director with at least one committee member holding a professional qualification in audit or accounting and in good standing with a relevant professional body.

Current Members:
Mr. John Ulanga – Chairman | Mr. Japheth Katto | Mr. Jimmy Mugerwa | Mr. Leo Breen | Ms. Ory Okolloh
Ms. Kathryne Maundu - Committee Secretary

Permanent invitees:
Ms. Jane Karuku - Group Managing Director and CEO | Ms. Risper 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 whistle blowing allegations. The Mandate of the Committee also includes:

- Reviewing the integrity of the Group's financial statements.
- Compliance with legal and regulatory requirements.
- Monitoring and reviewing the performance of the Group's external auditors including their independence and objectivity, making recommendations as to their reappointments (or where appropriate, change) and approving their terms of engagement and the level of audit fees payable to them.
- Review of business operations policies.
- Overseeing the internal control and risk management systems in relation to the Company's financial reporting process and the Group's process for preparation of the consolidated financial statements.

Activities of the Committee

During the year, the BARC met 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 findings of the external auditor from its review of the interim results.
- Interim results announcement, which 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 30th June, 2022, together with the accounting policies, disclosures and other explanatory information and based on the information provided to it.
- Reviewed the appointment of the auditors taking into account the auditors' effectiveness and independence and all appropriate guidelines and makes a recommendation to the Board accordingly.
- Considered the appropriateness of management judgment and the accounting treatment of significant transactions.
- Reviewed the reports from the Control, Compliance and Ethics team (CCE).
- 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 30th June, 2022.
- Discussed the legal and regulatory updates.
- Approved the committee's work plan.

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

PricewaterhouseCoopers LLP (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

	27.07.2021	25.10.2021	24.01.2022	21.04.2022	22.06.2022
Mr. John Ulanga	√	√	√	√	√
Mr. Japheth Katto	√	√	√	√	√
Mr. Jimmy Mugerwa	√	√	√	√	√
Mr. Leo Breen	√	√	√	Absent with apology	√
Ms. Ory Okolloh	√	√	√	√	Absent with apology

Board Nominations and Remuneration Committee

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

Current Members:

- Ms. Carol Musyoka – Chairperson
- Dr. Martin Oduor-Otieno
- Mr. Jimmy Mugerwa
- Mr. Dayalan Nayager
- Ms. Kathryne Maundu - Committee Secretary

Permanent invitees:

- Ms. Jane Karuku - Group Managing Director and CEO,
- Ms. Temitope Akinsanya - Group Human Resource Director
- Mr. Nadida Rowlands - Group Legal Director

Role of the Committee

The Board Nominations and Remuneration Committee (BNRC) is responsible for key business processes 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 three meetings during the year and dealt with the following business:

- Assessment of the effectiveness and adequacy of the Board succession pipeline and succession plans, with particular consideration for actual and potential vacancies in the longer term horizon.
- Review of senior management talent and succession review.
- Review and adoption of changes to reward pay principles, management pay structures, pension plans and other cash and non-cash benefits pursuant to the talent strategy.
- Review of the remuneration paid to the independent non-executive directors.
- Review of the Directors' Remuneration Report for the year ended 30th June, 2021.
- Review and approval of benefits associated with long term incentive plans related to the Employee Share Ownership Plan (ESOP) including the relevant Governance Framework and structures.
- Board changes which occurred during the year.
- Approved the Committee's work plan.

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

	28.07.2021	25.01.2022	11.04.2022
Ms. Carol Musyoka	√	√	√
Mr. John O'Keeffe	√	√	√
Dr. Martin Oduor-Otieno	Absent with apology	√	√
Mr. Jimmy Mugerwa	√	√	√
Mr. Dayalan Nayager*	N/A	√	√

*Mr. Dayalan Nayager was appointed to the Committee with effect from 29th July, 2021.

Board Investment Committee

The Investment Committee consists of 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
- Mr. Japheth Katto
- Ms. Risper Ohaga
- Ms. Ory Okolloh
- Ms. Kathryne Maundu - Committee Secretary

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

Activities of the Committee

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

- Review of the capital structure of the Company.
- Review of the intercompany loan arrangements.
- The review of the legal documentation with respect to the Medium Term Note programme.

Attendance at Board Investment Committee meetings during the Financial Year

	28.07.2021	21.09.2021
Ms. Carol Musyoka	√	√
Mr. Japheth Katto	√	√
Ms. Risper Ohaga	√	√
Ms. Ory Okolloh	√	√

Internal Regulations

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

Board Charter

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

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

Code of Conduct and Ethics

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

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

Board Policies

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

Conflict of Interest Policy	• Directors are obligated to fully disclose to the Board any real or potential conflict of interest which come to their attention, whether direct or indirect. • All business transactions with all parties, directors or their related parties are carried out at arm's length.
Whistle Blowing Policy	• The policy outlines mechanisms that facilitate anonymous reporting and anti ethical behaviour by all stakeholders. • The ethics hotline is managed by an independent, accredited and 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.

Legal and Compliance Audit

In compliance with the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, a Legal and Compliance Audit was carried out by an external consultant for the year ended 30th June, 2022, with the objective of ascertaining the level of adherence to applicable laws, regulations and standards in order to deliver long-term value to stakeholders. The findings from the audit confirmed that the Company was generally in compliance with applicable laws and regulations. Implementation of the recommendations from the external Legal and Compliance Audit conducted are ongoing.

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 is being facilitated by an external service provider, Ms. Madrene Oluoch-Olunya of Azali LLP. The evaluation is aimed at assessing how the Board has performed in its oversight role over the period under review and to identify opportunities for improvement in its structures and processes in order to improve its effectiveness.

Governance Audit

In compliance with the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Board appointed Ms. Catherine Musakali of Dorion Associates LLP to conduct the Company's Governance Audit for the year ended 30th June, 2022. As at the date of this Annual report, the audit was ongoing.

Communication with Stakeholders

East African Breweries PLC is committed to ensuring that there is regular interaction and communication with its stakeholders who include shareholders, investors and the financial markets among others. The Board has mapped all its stakeholders and ensures that they are provided with full and timely information about the Company's performance. This is achieved through the release of the half-year and annual results in the local press, distribution of annual reports and holding of investor briefings as appropriate. The Annual General Meeting provides a useful opportunity for shareholder engagement and in particular, for the Chairman to articulate the Company's progress, receive and answer questions from investors. The Board believes that there is an active and regular interaction with all its stakeholders. In addition to information on the Company's activities the following documents and policies are readily available to stakeholders on the Company's website: The Board Charter; Board Committees Terms of Reference; Past and current copies of the Annual Reports; Investor News; and Share Price performance – Kenya, Uganda and Tanzania.

Engagement with shareholders

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

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

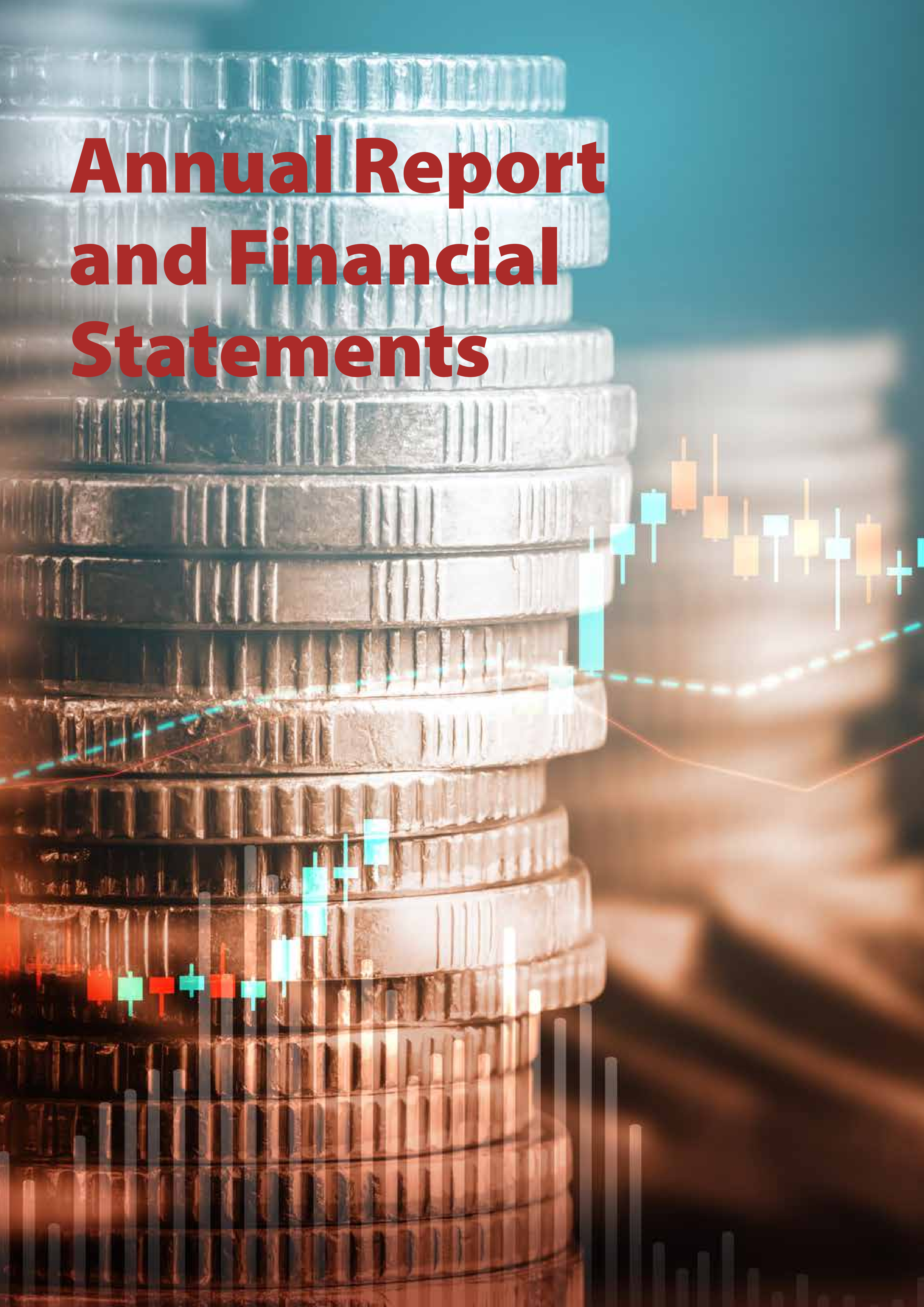
- Interim and Annual Results and publication of extracts of its financial performance in the daily newspapers, preparation of annual audited accounts and holding of the Annual General Meeting.
- Copies of the annual reports are made available to shareholders at least 21 days before the date of the AGM and they are free to raise questions to the Board during the meeting.
- Investor briefing sessions are held immediately after the announcement of interim and full year results.
- The Executive Directors make regular presentations to investors (both existing and potential shareholders), meet with shareholders to discuss long-term issues and obtain their views, present at externally run investor events and communicate regularly during the year.
- The Company's website has a specific web page dedicated to the information requirements of the shareholders and investment analysts.
- The Board of Directors encourages shareholder participation at the Company's annual shareholder meetings. The Board, including the Chairs of the Committees, are available at the Company's AGMs to answer questions from shareholders.
- The Company also retains an external Shares Registrar who provides feedback from existing shareholders and potential investors. During the year, the Company changes Share Registrars from Custody & 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 on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings, information available on the Company's website and workplace. The Group uses social media to engage directly with stakeholders through various channels including Facebook, Twitter and LinkedIn. The Group also engages with regulators and Government agencies both directly and through membership of worldwide trade associations.

Going concern

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



Annual Report and Financial Statements

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CORPORATE INFORMATION

DIRECTORS

Dr. M Oduor-Otieno	Group Chairman
Ms. J Karuku	Group Managing Director
Ms. R Ohaga	Group Chief Financial Officer
Mr. L Breen*	
Ms. C Musyoka	
Mr. J Ulanga****	
Mr. J Katto***	
Mr. J Mugerwa***	
Ms. Ory Okolloh	
Mr. Dayalan Nayager*****	
Mr. J O'Keeffe**	Resigned on 17 May 2022

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

CORPORATE INFORMATION (continued)

SECRETARY
Ms. Kathryne Maundu (CPS No. 2159)
Stamford Corporate Services LLP
5th Floor, ICEA Lion Centre, West Wing
Riverside Park, Chiromo Road Nairobi
P.O. Box 10643
00100 Nairobi, GPO

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

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

SHARE REGISTRARS
Custody & Registrar Services Limited
IKM Place
Tower B, 1st Floor
5th Ngong Avenue
P.O. Box 8484
00100 Nairobi, GPO

With an effective date of 1 July 2022, Image Registrars has been appointed as East African Breweries Plc's share registrars.

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

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

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

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

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

REGISTERED OFFICE
East African Breweries Plc
Corporate Centre,
Garden City Business Park, Ruaraka
P.O. Box 30161
00100 Nairobi GPO

INVESTOR RELATIONS
Email: eablinvestorrelations@diageo.com
Website: www.eabl.com/investors

DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements for the year ended 30 June 2022, 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 accordance with the requirements of the Kenyan Companies Act, 2015.

1. Principal activities

The Company and the Group are involved in marketing, production and distribution of a collection of brands that range from beer, spirits to adult non-alcoholic drinks, across East Africa, with operation in the three core markets of Kenya, Uganda, and Tanzania.

2. Results

The Group and Company results for the period are set out on page 134 and page 136, respectively.

3. Dividends

An interim dividend of Kshs 3.75 (2021: nil) per share amounting to Kshs 2,965,404,000 (2021: nil) was paid during the year. The Directors recommend the payment of a final dividend of Kshs 7.25 (2021: nil) per share amounting to Kshs 5,733,114,000 (2021: nil), which together with the interim dividend brings the total dividend for the year to Kshs 11.00 (2021: nil) per share amounting to Kshs 8,698,518,000 (2021: nil).

4. Business review

i) Financial performance

Net revenue grew 27% to Kshs 109.5 billion (2021: Kshs 85.9 billion) as volumes increased following the re-opening of bars and outlets after the lifting of Covid-related restrictions across the region.

Profit after tax grew 124% to Kshs 15.5 billion (2021: Kshs 6.9 billion). The growth in profit and margin expansion is a result of strategic price increases and effective management of costs offsetting the impact of rising inflation, currency volatility, and increases in excise duties. The improved performance is reflected in higher earnings per share of Kshs 15.00 (2021: Kshs 5.51).

The tax and regulatory landscape remains a key challenge to the Group's business performance with steep excise duty increases impacting consumers' disposable income. While tax regimes in Uganda and Tanzania remained stable during the period, excise taxes in Kenya have increased with a proposed inflationary increase of 4.97% in October 2021 followed by a further increase in the 2022 Finance Act that will see excise duties on beer and spirits increase by 10% and 20% respectively with effect from 1 July 2022.

ii) Environment, Social and Governance

We remain committed to creating shared value in the communities where we live, work, source, and sell, ensuring that our products and operations deliver a positive impact on society. 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.

iii) Our people

EABL is committed to being an exciting, fast-paced, growing business where our people learn, develop, and achieve their potential. A key enabler for our business strategy is to unlock growth through our people and our culture.

Within the year, we have refreshed our culture code, to focus on bold and progressive behaviours that will drive and model, as we energize and connect the organization towards achieving our strategic goals.

The strategy on people is founded on pillars that accelerate and strengthen a sustainable talent pipeline, fostering an environment that promotes personal development and employee wellbeing. Continuous innovation of progressive policies and reward principles are pivotal in the Group's employee value proposition supporting growth and an inclusive and diverse culture.

(iv) Related party transactions

The Directors confirm that they have disclosed the Group and Company related party transactions in note 34 of these financial statements.

DIRECTORS' REPORT (continued)

5. Directors

The Directors who held office during the year and to the date of this report are set out on page 116.

6. 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.

7. Auditors

PricewaterhouseCoopers LLP continue in office in accordance with the Company's Articles of Association and Section 719 of the Kenyan 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.

8. Approval of financial statements

The financial statements were approved by the Board of Directors on 27 July 2022.

By order of the Board

Ms. Kathryne Maundu

Company Secretary

Date: 27 July 2022

RIPOTI YA WAKURUGENZI

Wakurugenzi wanawasilisha ripoti yao pamoja na taarifa za kifedha za mwaka uliokamilika 30 Juni 2022, 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 za Kampuni Kenya za 2015.

1. Shughuli kuu

Kampuni hii na Kundi zinajihusisha katika mauzo, uzalishaji na usambazaji wa mkusanyiko wa nembo za bidhaa ambazo ni kuanzia bia, pombe kali hadi kwa vinywaji vya watu wazima visivyo na kilevi, kote Afrika Mashariki, ambapo shughuli zinaendeshwa katika masoko makuu ya Kenya, Uganda, na Tanzania.

2. Matokeo

Matokeo ya Kundi na Kampuni ya kipindi hicho yamechapishwa katika ukurasa wa 134 na ukurasa wa 136 mtawalia.

3. Mgawo wa faida

Malipo ya mgawo wa faida ya muda ya KShs 3.75 (2021: sifuri) kwa kila hisa ambazo ni jumla ya KShs 2,965,404,000 (2021: sifuri) yalitolewa katika mwaka huo. Wakurugenzi wanapendekeza malipo ya mgawo wa mwisho wa faida ya Kshs 7.25 (2021: sifuri) kwa kila hisa ambazo ni jumla ya KShs 5,733,114,000 (2021: sifuri), ambazo kwa pamoja na mgawo wa faida wa muda zinafikisha jumla ya malipo ya mgawo wa faida kwa mwaka huo hadi Kshs 11.00 (2021: sifuri) kwa kila hisa ambazo ni jumla ya KShs 8,698,518,000 (2021: sifuri).

4. Utathmini wa biashara

i) Matokeo ya kifedha

Mapato halisi yaliongezeka 27% hadi KShs 109.5 bilioni (2021: KShs 85.9 bilioni) kutokana na ongezeko la kiasi cha bidhaa kilichouzwa kutokana na kufunguliwa tena kwa baa na vituo vingine vya uuzaji baada ya kuondolewa kwa masharti yaliyotokana na janga la Covid-19 kote katika kanda.

Faida baada ya ushuru ilikua kwa 124% hadi KShs 15.5 bilioni (2021: KShs 6.9 bilioni). Ukuaji huu wa faida na kiwango cha faida unatokana na kuongezwa bei kwa busara na pia kudhibitiwa kwa gharama mambo ambayo yalifuta athari za mfumko wa bei za bidhaa, kudorora kwa thamani ya sarafu, na kuongezwa kwa ushuru wa bidhaa. Matokeo haya mazuri yanadhihirishwa na ongezeko la mapato kwa kila hisa hadi KShs 15.00 (2021: KShs 5.51).

Mazingira ya ushuru na sheria yanasalia kuwa changamoto kuu kwa biashara ya Kundi ambapo ushuru wa juu wa bidhaa unaathiri wateja. Ingawa mifumo ya utozaji ushuru Uganda na Tanzania ilisalia bila mabadiliko kwa kipindi hicho, ushuru wa bidhaa Kenya umeongezeka kutokana na ongezeko lililopendekezwa la kutokana na mfumko wa bei la 4.97% Oktoba 2021 na baadaye ongezeko zaidi kupitia Sheria ya Fedha ya 2022 ambayo itasababisha ushuru wa bidhaa kwenye bia na pombe kali kupanda kwa 10% na 20% mtawalia kuanzia 1 Julai 2022.

ii) Mazingira, Jamii na Utawala

Bado tumejitolea kujenga thamani ya pamoja katika jamii maeneo tunamoishi, kufanyia kazi, kupata mali ghafi na kuuza bidhaa zetu, kw akuhakikisha bidhaa zetu na shughuli zetu zina faida kwa jamii. 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 kazi ya kuhakikisha ulimwengu usiozalisha gesi ya mkaa (iv) kufanya biashara kwa njia sahihi.

iii) Watu wetu

EABL imejitolea kuwa bishara ya kuridhisha na ya kukua kwa kasi ambapo watu wanaweza kujiendeleza na kutimiza uwezo wao. Jambo kuu linalotuwezesha kufanikisha ukuaji ni watu na utamaduni wetu.

RIPOTI YA WAKURUGENZI (mwendelezo)

4. Utathmini wa biashara (Mwendelezo)

(iii) Watu wetu (Mwendelezo)

Katika mwaka huo, tumefanyia maboresho nguzo za utamaduni wetu, kuangazia zaidi tabia jasiri na za kusonga mbele, ambazo zitaongoza na kuwa mfano, tunapotia nguvu na kuunganisha shirika letu kwa lengo la kutimiza malengo yetu ya mkakati.

Mkakati wetu kuhusu watu una msingi wake katika nguzo zinazoongeza kasi na kuongeza nguvu mfumo endelevu wa kuwapata wafanyakazi wenye vipaji, kufanikisha mazingira yanayowezesha watu kujiendeleza kibinafsi na kujali maslahi ya wafanyakazi. Uvumbuzi endelevu wa sera za kutuendeleza mbele na maadili ya malipo ni muhimu katika kuwezesha Kundi kuwavutia wafanyakazi. Husaidia ukuaji na uwepo wa utamaduni wa sifa na asili mbalimbali na unaowajumuisha wote.

iv) Shughuli za kibiashara za uhusiano

Wakurugenzi wanathibitisha kwamba wameweka wazi shughuli zao za kibiashara ambazo zinaweza kuwa zinahusiana na Kundi na Kampuni katika maelezo nambari 34 ya taarifa hizi za kifedha.

5. Wakurugenzi

Wakurugenzi waliohudumu katika mwaka huo na waliopo hadi tarehe ya kutolewa kwa ripoti hii wameorodheshwa katika ukurasa 116.

6. 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.

7. Mkaguzi wa hesabu

PricewaterhouseCoopers LLP wanaendelea kuhudumu kwa mujibu wa 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.

8. Kuidhinishwa kwa taarifa za kifedha

Taarifa za kifedha ziliidhinishwa na bodi ya Wakurugenzi mnamo 27 Julai 2022.

Kwa agizo la Bodi

Bi. Kathryne Maundu

Katibu wa Kampuni

Tarehe: 27 Julai 2022

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 30th June, 2022. This report is compiled pursuant to EABL's reward policy, the Capital Markets Authority Code of Corporate Governance, and the Kenyan Companies Act, 2015 Regulations on Directors' remuneration. 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 total reward levels are reflective of the competitive market, and compare favourably with our peers for such skills. Our reward structure is reviewed regularly and is subject to external benchmarking to ensure that we continually offer our Directors a competitive total reward package.

Transparency: Our reward programme is simple and globally aligned in terms of core offerings and mechanism. 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 30th June, 2022, EABL's Board of Directors consisted of:

- 2 Executive Directors: Ms. Jane Karuku and Ms. Risper G. Ohaga.
- 3 Non-Executive Directors: Mr. Leo Breen, Mr. Dayalan Nayager and Mr. John O'Keeffe (resigned on 17th May, 2022),
- 6 Independent Non-Executive Directors ("INEDs"): Dr. Martin Oduor-Otieno, Ms. Carol Musyoka, Mr. John Ulanga, Mr. Japheth Katto, Mr Jimmy Mugerwa and Ms. Ory Okolloh.

In accordance with Section 6 of the Companies (General) (Amendment) Regulations of 2017, the Directors Remuneration Report for the year ended 30th June, 2021, was presented to shareholders for approval at the Annual General Meeting (AGM) held on 14th September, 2021. 99.99% voted in favour of the report, 0.01% voted against the report while 0.00% of the votes were withheld or spoilt.

The next section outlines the details of the remuneration.

Executive Directors

The reward of the Executive Directors 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:

DIRECTORS' REMUNERATION REPORT (continued)

Reward Element	Description
Base pay	**Purpose and link to Group Strategy** The base pay supports the attraction and retention of the best global talent with the capability to deliver EABL's strategy and performance goals. **Operation** • It is paid monthly (12 equal instalments) during the year, and is pensionable. • The base pay is reviewed annually in October, to reflect changes in market pay levels and individual performance. • The Board Nominations and Remuneration Committee (BNRC) approves the budgets that form the basis for the annual base salary increments on an annual basis. • Performance measure – It is based on individual's level of responsibility.
Fixed allowances and benefits	**Purpose and link to Group Strategy** • These allowances and benefits provide market competitive and cost effective benefits. **Operation** • Fixed allowances are provided in line with the Company's pay structure and may include a car allowance (unless in cases where an actual car is provided). Further, Executive Directors on international assignee contracts receive mobility related allowances to compensate for cost of living and location differentials. • Market competitive benefits that are in line with the Company's pay structure include pension, medical, accident and life insurance and club membership. • International assignees receive additonal benefits that include: home leave travel, housing support, dependants' education support and tax support through tax equalisation. • Performance measure – It is based on individual's level of responsibility.
Bonus	**Purpose and link to Group Strategy** • This incentivises delivery of EABL's annual strategic financial and non-financial targets. It provides focus on the key financial metrics and the individual's contribution to the Company's performance. **Operation** • Bonus pay is discretionary and is paid out in line with the Company's bonus scheme referred to as the Annual Incentive Plan (AIP). AIP seeks to reward an employee's contribution as part of a winning team. • Bonuses are awarded during the EABL Annual Review Cycle and paid out in cash in September and October of every year. • The elements used to calculate the bonus are: » Annual base salary - Bonus is usually expressed in terms of one's annual base salary. » The Group business multiple – This is a reflection of the performance of the business against its annual operating plan. It could be between 0.0 and 3.0. » The bonus factor - is the proposed recommendation by the Line Manager. It is a reflection of one's individual performance in the performance year and is between 0% - 200%. **Performance measure** – This is based on individual and Company performance.

DIRECTORS' REMUNERATION REPORT (continued)

Reward Element	Description
Shares / stock options	**Purpose and link to Group Strategy** • These provide focus on delivering superior long-term consistent performance in line with Diageo's business strategy and to create alignment with the delivery of value and returns to shareholders. **Operation** The Executive Directors participate in the below plans: • Diageo Executive Long Term Investment Plan (DELTIP) – Under this plan, Diageo has discretion to grant Restricted Stock Units (RSUs) and/or share options in Diageo plc. Awards are normally made annually in September. DELTIP encourages leaders of the business to act like owners by linking reward to Diageo plc's share price performance. Awards will normally vest thee years after grant, subject to continued employment. Employees can exercise their options at any time within the seven year period following the vesting date. • The Performance Share Plan (PSP) – This is a long-term incentive that offers the executive the opportunity to receive a conditional award overshares in Diageo plc, subject to the achievement of performance conditions: organic Profit Before Exceptional Items and Tax (PBET), organic Net Sales Value (NSV) growth and Environmental, Social and Governance (ESG) priorities. Provided that the performance conditions are met, shares will vest and be released to participants three years after the date of grant. The proportion of the award released depends on the extent to which the performance conditions are met. **Performance measure for the right to receive shares** – The vesting of awards is linked to a range of measures which may include, but are not limited to: • 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); • A measure of Diageo's performance in relation to its peers (e.g. relative total shareholder return); and • A measure relating to ESG (environmental, social or governance) priorities.
Company product	All Directors are eligible to receive a discretionary choice from a select product range to enable them experience the Company brands first hand. The value of the products is Kshs 3,000 per month. There is no cash alternative to product allowance and it is not a contractual benefit.
Notice period	The notice period is defined in the individual contracts. Local contracts provide for 3 months notice period. Notice period for international assignees is defined by their home contracts terms of service.
Termination payments	These are defined by Company policy, which provides for severance payment, payment in lieu of notice and payment of any accrued fixed pay and leave.
Compensation for past Directors	This report includes payments made in the relevant financial year to any person who was not a Director of the Company at the time of the payment was made but had previously been a Director of the Company.

DIRECTORS' REMUNERATION REPORT (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 2022				
Ms. Jane Karuku	46,483	30,884	8,992	86,359
Ms. Risper Ohaga	26,564	18,363	5,655	50,582
Total	**73,047**	**49,247**	**14,647**	**136,941**
Year ended 30 June 2021				
Mr. Andrew Cowan	21,324	-	55,932	77,256
Ms. Jane Karuku	39,433	-	12,878	52,311
Ms. Risper Ohaga	23,910	-	4,742	28,652
Total	**84,667**	**-**	**73,552**	**158,219**

The remuneration disclosed for Directors who serve for a part of the year constitutes payments during the period they were in employment with the Company.

The bonus is awarded during the annual review cycle and paid out in September or October in 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 30th June, 2022				
Ms. Jane Karuku	50,301	16,033	(7,172)	59,162
Ms. Risper Ohaga	7,139	1,302	-	8,441
Total	**57,440**	**17,335**	**(7,172)**	**67,603**
Year ended 30 June 2021				
Mr. Andrew Cowan	37,563	13,731	(12,797)	38,497
Ms. Jane Karuku	45,468	13,198	(8,365)	50,301
Ms. Risper Ohaga	1,328	5,811	-	7,139
Total	**84,359**	**32,740**	**(21,162)**	**95,937**

** Mr. Andrew Cowan resigned on 1st March, 2021, therefore, not presented in fiscal year 2022.*

The charge through profit or loss relating to the share options and awards was Kshs 46,266,000 (2021: Kshs 47,504,000).

DIRECTORS' REMUNERATION REPORT (continued)

Non-Executive Directors

The Non-Executive Directors, Mr. John O'Keeffe, 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.

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 which also extends to include the compensation for the Non-Executive Directors. The Non-Executive Directors remuneration is based on an analysis and understanding of our market practices as well as the Capital Markets Authority (CMA) guidelines on good corporate governance that "the non-executive directors' remuneration should be competitive in line with remuneration for other directors in competing sectors".

EABL's preferred market positioning for 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 list of the reward components is as follows:

i. Consolidated fees

This is competitive taking into account market rates of pay. Fees are reviewed every two years after a survey of prevailing market rates. Any increases will be determined in accordance with the ability of the business to fund the increase. Retainer fees are paid on a monthly basis.

Effective financial year 2020, the Retainer Fees and Siting Allowance was consolidated to provide for one amount paid out monthly and differentiated by level of responsibility in the Board. Therefore, no separate attendance fees are paid in addition to the consolidated fees.

ii. Insurance cover

EABL provides professional indemnity insurance for all the Independent Non-Executive Directors in line with best practice in the market.

iii. Product allowance

Independent Non-Executive Directors are eligible to receive a discretionary choice from a select product range to enable them experience the Group's brands first hand. The value of the products is Kshs 3,000 per month. There is no cash alternative to product allowance and it is not a contractual benefit.

iv. Travel and accomodation when on Company business

EABL provides for travel and accommodation costs in line with its Travel and Entertainment policy. Independent Non-Executive Directors travel on business class when going for Company-related meetings.

v. Medical cover

The Company provides Independent Non-Executive Directors with medical cover, both inpatient and outpatient, within the limits provided for EABL employees.

The Company values continued dialogue with EABL's shareholders and engages directly with them at the Annual General Meeting when making any revisions to the INEDs remuneration package.

DIRECTORS' REMUNERATION REPORT (continued)

Independent Non-Executive Directors' remuneration policy and framework (continued)

INEDS Remuneration – Auditable information

	Retainer Kshs '000	Allowances Kshs '000	Total Kshs '000
Year ended 30th June, 2022			
Dr. Martin Oduor-Otieno	8,800	-	8,800
Ms. Carol Musyoka	5,580	-	5,580
Mr. Japheth Katto	6,251	-	6,251
Mr. Jimmy Mugerwa	6,251	-	6,251
Mr. John Ulanga	6,037	-	6,037
Ms. Ory Okolloh	5,580	-	5,580
Total	**38,449**	**-**	**38,449**
Year ended 30th June, 2021			
Dr. Martin Oduor-Otieno	8,800	-	8,800
Ms. Carol Musyoka	5,580	-	5,580
Mr. Japheth Katto	6,558	-	6,558
Mr. Jimmy Mugerwa	6,251	-	6,251
Mr. John Ulanga	6,037	-	6,037
Ms. Ory Okolloh	3,720	-	3,720
Total	**36,946**	**-**	**36,946**

By order of the Board

Ms. Kathryne Maundu

Company Secretary

Date: 27th July, 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan 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 keeps 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 Kenyan 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 Kenyan 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.

Having made an assessment of the Company's ability to continue as a going concern, the Directors have disclosed in Note 2(a)(ii) of the financial statements matters relating to the use of going concern basis of preparation of the financial statements.

The Group's statement of financial position indicates a net current liabilities position of Kshs 6,427,557,000 (2021: Kshs 5,609,779,000). The Directors believe that this is transient in nature as the Group continues to align its capital expenditure with long-term funding and refinance its balance sheet. The Capital Markets Authority has exempted the Group from maintaining a current ratio of 1 until June 2023. The Group had undrawn funding available as at 30th June, 2022 of Kshs 11.8 billion (2021: Kshs 11.4 billion) as disclosed in Note 29(a).

The Directors have undertaken a detailed funding assessment of the Group, including a debt maturity analysis. Based on the outcome of the assessment, the Directors have concluded that the Group will generate/access sufficient funds to meet all its obligations over the next twelve-month period from the date of this report. They have also reviewed all the borrowing financial covenants and confirm that the Group is compliant.

As explained in Note 2(a)(ii) the Directors find it appropriate to prepare these financial statements on a going concern basis.

The Directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibility.

Approved by the Board of Directors on 27th July, 2022, and signed on its behalf by:

Ms. Jane Karuku
Group Managing Director

Ms. Risper Ohaga
Chief Financial Officer

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Independent auditor's report to the shareholders of East African Breweries Plc

Report on the audit of 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 134 to 199, which comprise the consolidated statement of financial position at 30th June, 2022, 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 30th June, 2022, 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 as at 30th June, 2022, and of its financial performance and its 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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Independent auditor's report 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 Note 23 of the financial statements, the group has goodwill of Kshs 3.1 billion and indefinite-lived brand intangible assets of Kshs 527 million as at 30th June, 2022, arising from business acquisitions in prior years. The carrying amount of investments in subsidiaries in the Company's statement of financial position at 30th June, 2022, was Kshs 47 billion. Management perform 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, being the higher of value-in-use and fair value less costs to dispose, requires management judgement in both identifying and then 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, and the most appropriate discount and long-term growth rates. 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. Our audit procedures included assessing 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 assessing 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.

Independent auditor's report 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 to 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. The future outcome of these claims could be materially different from the Directors' judgements.	As explained in Note 31 in 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 of 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 2022 Integrated Report and Financial Statements which are 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 2022 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.

pwc

Independent auditor's report 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.

Independent auditor's report to the shareholders of East African Breweries Plc (continued)

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

- 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.

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 prescribed by the Companies Act, 2015

Report of the directors

In our opinion the information given in the report of directors' report on pages 118 to 119 is consistent with the financial statements.

Directors' remuneration report

In our opinion the auditable part of the directors' remuneration report on pages 122 to 127 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, 2022

Consolidated statement of profit or loss

	Note	Year ended 30th June	
		2022	**2021**
		Kshs '000	**Kshs '000**
Revenue from contracts with customers	6	109,409,027	85,961,815
Cost of sales	7	(56,553,029)	(48,548,122)
Gross profit		**52,855,998**	**37,413,693**
Selling and distribution costs		(9,733,709)	(7,362,119)
Administrative expenses	8	(10,841,540)	(9,320,113)
Other expenses	9	(4,028,499)	(5,924,689)
Finance income	12	184,528	91,242
Finance costs	12	(4,420,520)	(4,039,981)
Profit before income tax	10	**24,016,258**	**10,858,033**
Income tax expense	13	(8,441,859)	(3,896,093)
Profit for the year		**15,574,399**	**6,961,940**
Profit attributable to:			
Equity holders of the Company	15	11,857,336	4,354,228
Non-controlling interests	18	3,717,063	2,607,712
Profit for the year		**15,574,399**	**6,961,940**
Earnings per share			
-basic and diluted (Kshs per share)	15	15.00	5.51

Consolidated statement of comprehensive income

	Year ended 30th June	
	2022	**2021**
	Kshs '000	**Kshs '000**
Profit for the year	15,574,399	6,961,940
Other comprehensive income, net of tax:		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	1,272,387	209,841
Total comprehensive income for the year	**16,846,786**	**7,171,781**
Total comprehensive income for the year attributable to:		
Equity holders of the Company	13,086,750	4,549,415
Non-controlling interests	3,760,036	2,622,366
Total comprehensive income for the year	**16,846,786**	**7,171,781**

Company statement of profit or loss and other comprehensive income

	Note	Year ended 30th June	
		2022	2021
		Kshs '000	Kshs '000
Revenue from contracts with customers	6	1,929,998	1,743,771
Dividends income		8,242,144	2,529,344
Total revenue		**10,172,142**	**4,272,115**
Administrative expenses	8	(1,682,364)	(1,568,599)
Other (expenses)/income	9	(822,203)	1,125,440
Finance income	12	3,322,278	3,210,164
Finance costs	12	(4,639,083)	(4,445,165)
Profit before income tax	10	**6,350,770**	**2,594,955**
Income tax (expense)/credit	13	(472,385)	367,667
Profit for the year		**5,878,385**	**2,962,622**
Profit for the year		5,878,385	2,962,622
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		**5,878,385**	**2,962,622**

Consolidated statement of financial position

	Note	As at 30th June	
		2022 Kshs '000	2021 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
Other reserves	17	(1,470,272)	(2,606,773)
Retained earnings		8,678,086	5,519,268
Proposed dividend	14	5,733,114	-
		16,213,626	**6,185,193**
Non-controlling interests	18	10,200,169	8,667,237
Total equity		**26,413,795**	**14,852,430**
Non-current liabilities			
Deferred income tax	19	6,012,663	6,239,320
Borrowings	29	35,161,874	38,260,591
Lease liabilities	30	999,918	1,062,360
		42,174,455	**45,562,271**
Total equity and non-current liabilities		**68,588,250**	**60,414,701**
Non-current assets			
Property, plant and equipment	20	68,585,463	59,747,234
Right-of-use assets	21	1,333,003	1,451,980
Intangible assets – Software	22	714,850	624,952
Intangible assets – Goodwill	23	3,062,522	2,860,728
Intangible assets – Brand	23	527,119	485,008
Other financial assets	25	10,000	10,000
Deferred income tax	19	782,850	844,578
		75,015,807	**66,024,480**
Current assets			
Inventories	26	13,272,250	11,688,157
Trade and other receivables	27	11,792,541	13,022,880
Current income tax		404,326	3,769,587
Cash and bank balances	33	9,941,746	5,611,910
		35,410,863	**34,092,534**
Current liabilities			
Trade and other payables	28	32,209,869	30,543,718
Dividends payable	14	683,601	673,463
Borrowings	29	6,633,690	6,900,000
Lease liabilities	30	436,485	394,243
Bank overdraft	33	1,874,775	1,190,889
		41,838,420	**39,702,313**
Net current liabilities		**(6,427,557)**	**(5,609,779)**
		68,588,250	**60,414,701**

The financial statements on pages 134 to 198 were approved for issue by the board of Directors on 27th July, 2022, and signed on its behalf by:

Ms. Jane Karuku
Group Managing Director

Risper G Ohaga
Group Chief Financial Officer

Company statement of financial position

	Note	As at 30th June	
		2022 Kshs '000	**2021 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
Other reserves	17	103,861	73,476
Retained earnings		16,720,614	19,540,747
Proposed dividends	14	5,733,114	-
Total equity		**25,830,287**	**22,886,921**
Non-current liabilities			
Borrowings	29	29,208,333	37,108,333
Lease liabilities	30	9,137	5,283
		29,217,470	**37,113,616**
Total equity and non-current liabilities		**55,047,757**	**60,000,537**
Non-current assets			
Property and equipment	20	404,613	443,176
Right-of-use assets	21	15,839	12,599
Intangible assets – software	22	43,555	123,519
Investment in subsidiaries	24	46,949,685	47,037,625
Other financial assets	25	10,000	10,000
Receivables from related parties	34	31,124,163	31,036,117
Deferred income tax	19	540,552	841,629
		79,088,407	**79,504,665**
Current assets			
Trade and other receivables	27	1,562,146	3,335,382
Current income tax		2,619,590	2,300,544
Cash and bank balances	33	6,989,353	1,761,351
		11,171,089	**7,397,277**
Current liabilities			
Trade and other payables	28	26,223,218	19,320,605
Dividends payable	14	683,601	673,463
Bank overdraft	33	1,665,407	-
Borrowings	29	6,633,333	6,900,000
Lease liabilities	30	6,180	7,337
		35,211,739	**26,901,405**
Net current liabilities		**(24,040,650)**	**(19,504,128)**
		55,047,757	**60,000,537**

The financial statements on pages 17 to 89 were approved for issue by the board of Directors on 27th July, 2022, and signed on its behalf by:

Ms. Jane Karuku
Group Managing Director

Ms. Risper Ohaga
Group Chief Financial Officer

Consolidated statement of changes in equity

Year ended 30th June, 2022	Share capital	Share premium	Other reserves	Retained earnings	Proposed dividends	Total	Non-controlling interest	Total equity
	Kshs '000	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
At 1st July, 2021	**1,581,547**	**1,691,151**	**(2,606,773)**	**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)	-	-	30,385	-	-	**30,385**	-	**30,385**
Employees share ownership plan (Note 17)	-	-	(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	**-**	**-**	**(92,913)**	**(8,698,518)**	**5,733,114**	**(3,058,317)**	**(2,227,104)**	**(5,285,421)**
At 30th June, 2022	**1,581,547**	**1,691,151**	**(1,470,272)**	**8,678,086**	**5,733,114**	**16,213,626**	**10,200,169**	**26,413,795**

Consolidated statement of changes in equity (continued)

Year ended 30th June,2021	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
At 1st July, 2020	**1,581,547**	**1,691,151**	**(2,821,327)**	**5,869,572**	**6,320,943**	**7,672,325**	**13,993,268**
Total comprehensive income							
Profit for the year	-	-	-	4,354,228	**4,354,228**	2,607,712	**6,961,940**
Other comprehensive income	-	-	195,187	-	**195,187**	14,654	**209,841**
Total comprehensive income for the year	**-**	**-**	**195,187**	**4,354,228**	**4,549,415**	**2,622,366**	**7,171,781**
Transactions with owners of the Company							
Purchase of additional interest in a subsidiary (Note 18)	-	-	-	(4,704,532)	**(4,704,532**	(1,566,844)	**(6,271,376)**
Share based payment reserve (Note 17)	-	-	25,166	-	**25,166**	-	**25,166**
Employees share ownership plan (Note 17)	-	-	(5,799)	-	**(5,799)**	-	**(5,799)**
Dividends:							
- Interim for 2021	-	-	-	-	**-**	(11,020)	**(11,020)**
- Final for 2020	-	-	-	-	**-**	(49,590)	**(49,590)**
Total transactions with owners of the Company	**-**	**-**	**19,367**	**(4,704,532)**	**(4,685,165)**	**(1,627,454)**	**(6,312,619)**
At 30th June, 2021	**1,581,547**	**1,691,151**	**(2,606,773)**	**5,519,268**	**6,185,193**	**8,667,237**	**14,852,430**

Company statement of changes in equity

	Share capital	Share premium	Other reserves	Retained earnings	Proposed dividends	Total equity
	Kshs'000	Kshs'000	Kshs '000	Kshs'000	Kshs'000	Kshs'000
At 1st 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)	-	-	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	(8,698,518)	5,733,114	(2,935,019)
At 30 June 2022	**1,581,547**	**1,691,151**	**103,861**	**16,720,614**	**5,733,114**	**25,830,287**
At 1 July 2020	**1,581,547**	**1,691,151**	**48,310**	**16,578,125**	**16,578,125**	**19,899,133**
Total comprehensive income for the year	-	-		2,962,622	2,962,622	2,962,622
Transactions with owners of the company:						
Share based payment reserve (Note 17)	-	-	25,166	-	-	25,166
Total transactions with owners of the company	-	-	25,166	-	-	25,166
At 30th June, 2021	**1,581,547**	**1,691,151**	**73,476**	**19,540,747**	**19,540,747**	**22,886,921**

Consolidated statement of cash flows

		Year ended 30th June	
	Notes	2022	2021
		Kshs '000	Kshs '000
Operating activities			
Cash generated from operations	33	35,330,087	21,523,733
Interest received	12	184,528	91,242
Interest paid on borrowings		(4,137,835)	(3,141,386)
Interest paid on lease liabilities	30	(95,211)	(89,530)
Income tax paid		(5,375,866)	(3,772,288)
Net cash flows from operating activities		**25,905,703**	**14,611,771**
Investing activities			
Purchase of property, plant and equipment	20	(13,007,210)	(7,744,506)
Purchase of intangible assets - software	22	(186,788)	(182,354)
Purchase of additional interest in a subsidiary	24	-	(6,271,376)
Transfer of intangible assets to related parties	22	21,739	-
Net cash flows from investing activities		**(13,172,259)**	**(14,198,236)**
Financing activities			
Repayment of principal portion of lease liabilities	30	(642,942)	(482,774)
Dividends paid to Company's shareholders	14	(2,879,245)	-
Dividends paid to non-controlling interests		(2,269,910)	(60,610)
Unclaimed dividend paid - Unclaimed Financial Assets Authority		(76,022)	(140,396)
Proceeds from borrowings	29	19,519,110	23,552,160
Repayment of borrowings	29	(22,925,667)	(19,398,508)
Movement in treasury shares	17	(123,298)	(5,799)
Net cash flows from financing activities		**(9,397,974)**	**3,464,073**
Increase in cash and cash equivalents		**3,335,470**	**3,877,608**
Movement in cash and cash equivalents			
At start of year		4,421,021	1,729,297
Foreign exchange impact on translation		310,480	(1,185,884)
Increase in the year		3,335,470	3,877,608
At end of year	33	**8,066,971**	**4,421,021**

Company statement of cash flows

	Notes	Year ended 30th June	
		2022	2021
		Kshs '000	Kshs '000
Operating activities			
Cash generated from operations	33	7,618,284	7,296,773
Interest received	12	3,799,973	2,725,585
Interest paid on borrowings		(4,477,413)	(4,583,068)
Interest paid on lease liabilities	30	(1,201)	(2,667)
Income tax paid		(490,354)	(519,229)
Net cash flows from operating activities		**6,449,289**	**4,917,394**
Investing activities			
Purchase of property, plant and equipment	20	(36,610)	(70,716)
Purchase of intangible assets	22	(78,040)	(108,770)
Purchase of additional interest in a subsidiary	24	-	(6,271,376)
Property, plant and equipment - transfer to related companies	20	44,468	44,712
Proceeds from disposal of property and equipment		159,214	101,733
Movement in intercompany funding		(88,046)	(3,141,357)
Dividends received from subsidiaries		8,242,144	2,529,344
Net cash flows from investing activities		**8,243,130**	**(6,916,430)**
Financing activities			
Repayment of principal portion of lease liabilities	30	(7,891)	(19,146)
Dividends paid to Company's shareholders	14	(2,879,244)	-
Unclaimed dividend paid - Unclaimed Financial Assets Authority		(76,022)	(140,396)
Proceeds from borrowings	29	14,000,000	22,400,000
Repayment of borrowings	29	(22,166,667)	(19,291,667)
Net cash flows from financing activities		**(11,129,824)**	**2,948,791**
Increase in cash and cash equivalents		**3,562,595**	**949,755**
Movement in cash and cash equivalents			
At start of year		1,761,351	811,596
Increase during the year		3,562,595	949,755
At end of year	33	**5,323,946**	**1,761,351**

Notes

1. General information

East African Breweries Plc is incorporated as a limited liability Company in Kenya under the Kenyan 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 30th June, 2022, and for the year then ended comprise the Company and the subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The Group is primarily involved in marketing, production and distribution of a collection of brands that range from beer, spirits to adult non-alcoholic drinks.

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

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

2. Summary of 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 Kenyan 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 Group's statement of financial position indicates a net current liabilities position of Kshs 6,427,557,000 (2021: Kshs 5,609,779,000). As Directors, we are satisfied that this is transient in nature as the Group continues to align its capital expenditure with long term funding. The Capital Markets Authority has exempted the Group from maintaining a current ratio of 1 until 2023. The Group had undrawn funding available as at 30th June, 2022, of Kshs 11.8 billion (2021: Kshs 11.4 billion) as disclosed in Note 29(a).

To further satisfy themselves as to the going concern of the Group Management have undertaken a detailed funding assessment including a debt maturity analysis. Based on the outcome of this exercise it was concluded that the Group would generate/access sufficient funds to meet all its obligations over the next twelve-month period from the date of the financial statements.

(iii) Functional and presentation currency

The financial statements are presented in Kenya Shillings (Kshs) which is the Company's functional currency. All financial information 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 1st July, 2021:

Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform

In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.

The Phase 2 amendments provide the following reliefs:

- When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement.
- The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing that transition.

Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries.

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

Notes (continued)

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(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 narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g.: the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1st January, 2023.

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

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

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting disclosures.

The effective date of the amendment is 1st January, 2023.

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

Amendments to IAS 8: Definition of Accounting Estimates

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The effective date of the amendment is 1st January, 2023.

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

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

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in the retained earnings, or another component of equity, as appropriate.

The effective date of the amendment is 1st January, 2023.

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

Amendments to IAS 16: Property, Plant and Equipment - Proceeds before intended use

The amendment to IAS 16 Property, Plant and Equipment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The effective date of the amendments is 1st January, 2022.

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

Notes (continued)

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

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

Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The effective date of the amendments is 1st January, 2022.

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

Amendments to IFRS 3: Reference to the Conceptual Framework

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

The effective date of the amendments is 1st January, 2022.

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

Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture

The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between and investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

Effective date: in December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research on the equity method.

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

Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements to IFRS Standards 2018-2020 cycle make amendments to the following standards:

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for Derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.
- IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

The effective date of the amendments is 1st January, 2022.

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

(vii) Early adoption of standards

The Group did not early adopt new or amended standards in the year ended 30th June, 2022.

(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 also 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.

Notes (continued)

2. Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

(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.

(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.

(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.

Notes (continued)

2. Summary of significant accounting policies (continued)

(g) Property, plant and equipment (contnued)

Costs include expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

Buildings	25 years or unexpired period of lease if less than 25 years
Plant, equipment, furniture and fittings	5 – 33 years
Motor vehicles	4 – 5 years
Returnable packaging	5 – 15 years

Freehold land and capital work in progress are not depreciated.

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

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

(h) Intangible assets

(i) Computer software

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

(ii) Goodwill

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

(iii) Brands

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

(i) Financial instruments

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

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

Classification

The Group classifies its financial instruments into the following categories:

i) Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at amortised cost.

ii) Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at fair value through other comprehensive income.

iii) All other financial assets are classified and measured at fair value through profit or loss.

iv) Notwithstanding the above, the Group may:

   a) on initial recognition of an equity investment that is not held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income.

   b) on initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

v) Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The Group may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

vi) All other financial liabilities are classified and measured at amortised cost.

Notes (continued)

2. Summary of significant accounting policies (continued)

(i) Financial instruments (continued)

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.

The above accounting policy has been applied from 1 July 2019.

(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.

(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.

Notes (continued)

2. Summary of significant accounting policies (continued)

(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.

(ii) 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 income 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 income 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 income 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 income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. A tax rate reconciliation that reconciles the notional taxation charge as calculated at the Kenya tax rate, to the actual total tax charge is prepared on a materiality basis. As a Group operating in multiple countries, the actual tax rates applicable to profits in some of countries are different from the Kenya tax rate.

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

(q) Dividends

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

(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.

Notes (continued)

2. Summary of significant accounting policies (continued)

(s) Impairment (continued)

Impairment of financial assets (continued)

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 within finance costs in the period in which they are incurred.

(v) Share capital

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

(w) Cash and cash equivalents

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

(x) Comparatives

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

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.

Notes (continued)

3. Critical accounting estimates and judgements (continued)

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 23.

(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.

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.

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

A 5 percent strengthening of the Kenya shilling against the following currencies at 30th June, 2022, 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 2021.

Notes (continued)

4. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Foreign currency risk

Group		Profit or loss	
At 30th June		**2022**	**2021**
		Kshs'000	**Kshs'000**
EUR	Euro	(19,086)	61,659
GBP	Sterling Pound	(27,621)	(30,491)
RWF	Rwandan Franc	-	8,327
TZS	Tanzania Shillings	3,477	3,661
UGX	Uganda Shillings	(5,569)	52,751
USD	US Dollar	(91,273)	(57,597)
ZAR	South African Rand	(1,971)	(1,847)
		(142,043)	**36,463**

Company		Profit or loss	
At 30th June		**2022**	**2021**
		Kshs'000	**Kshs'000**
EUR	Euro	(3,372)	123
GBP	Sterling Pound	41,410	45,952
SSP	South Sudanese Pound	-	-
TZS	Tanzanian Shilling	3,932	3,714
UGX	Ugandan Shilling	1,425	56,533
USD	US Dollar	(5,568)	1,848
ZAR	South African Rand	9	41
		37,836	**108,211**

(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 2022, an increase/decrease of 1 percentage point would have resulted in a decrease/increase in profit for the period of Kshs 331,734,860 (2021: Kshs 32,583,336), 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.

Notes (continued)

4. Financial risk management objectives and policies (continued)

Credit risk (continued)

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:

	2022	2021
	Kshs 000	**Kshs 000**
(a) Group		
Trade receivables (Note 27(a))	8,972,396	7,762,422
Other receivables (Note 27(a))	4,209,308	6,299,109
Receivables from related companies (Note 34(a))	326,109	161,355
Bank balances (Note 33(b))	9,941,746	5,611,910
	23,449,559	**19,834,796**
(b) Company		
Long-term receivables from subsidiaries (Note 34(b))	31,124,163	31,036,117
Receivables from related companies (Note 34(b))	1,337,177	3,061,335
Other receivables (Note 27(b))	222,343	267,762
Bank balances (Note 33(b))	6,989,353	1,761,351
	39,673,036	**36,126,565**

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.

Notes (continued)

4. Financial risk management objectives and policies (continued)

Credit risk (continued)

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

	2022	2021
	Kshs'000	**Kshs'000**
Not due	2,142,183	2,279,361
-by up to 30 days	5,022,672	3,704,077
-by 31 to 120 days	799,537	546,042
-over 121 days	1,276,487	1,232,942
Trade and other receivables	**9,240,879**	**7,762,422**
Net carrying amount of trade and other eceivables:		
Carrying amount before provision for expected credit losses	9,240,879	7,762,422
Provision for expected credit losses	(1,564,033)	(1,419,475)
Net carrying amount	**7,676,846**	**6,342,947**

(b) Company

Not due	675,870	3,219,724
- by up to 30 days	290,521	62,949
- by 31 to 120 days	23	2,492
- by 121 days and above	55,745	50,218
Trade and other receivables	**1,022,159**	**3,335,383**
Net carrying amount of trade and other eceivables:		
Carrying amount before provision for expected credit losses	1,022,159	3,335,383
Provision for expected credit losses	-	-
Net carrying amount	**1,022,159**	**3,335,383**

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.

Notes (continued)

4. Financial risk management objectives and policies (continued)

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.

Group

At 30th 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
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**

Company

At 30th 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
Borrowings	-	10,125,328	8,717,073	25,132,231	43,974,542
Lease liabilities	-	7,441	4,657	5,658	17,756
Trade and other payables	-	26,223,218	-	-	26,223,218
Bank overdraft	-	1,665,407	-	-	1,665,407
Dividend payable	683,601	-	-	-	683,601
	683,601	**38,021,394**	**8,721,730**	**25,137,889**	**72,564,524**

Notes (continued)

4. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Group

At 30th June, 2021	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
Borrowings	-	10,642,114	17,861,128	13,835,982	12,887,562	**55,226,786**
Lease liabilities	-	460,651	319,839	1,565,244	-	**2,345,734**
Trade and other payables	8,572,682	21,971,036	-	-	-	**30,543,718**
Bank overdraft	-	1,190,889	-	-	-	**1,190,889**
Dividend payable	673,463	-	-	-	-	**673,463**
	9,246,145	**34,264,690**	**18,180,967**	**15,401,226**	**12,887,562**	**89,980,589**

Company

At 30th June, 2021	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
Borrowings	-	10,502,702	17,721,717	12,294,234	12,887,562	**53,406,215**
Lease liabilities	-	8,285	4,208	1,425	-	**13,918**
Trade and other payables	-	19,320,605	-	-	-	**19,320,605**
Dividend payable	673,463	-	-	-	-	**673,463**
	673,463	**29,831,592**	**17,725,925**	**12,295,659**	**12,887,562**	**73,414,201**

Capital risk management

The Group is committed to enhancing shareholder value in the long term, both by investing in the businesses and brands so as to deliver continued improvement in the return from those investments and by managing the capital structure. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's objectives when managing capital are:

- To ensure that the Company and the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.
- To maintain a strong capital base to support the current and future development needs of the business.

In the management of the capital structure, the Group focuses on the net borrowings to earnings before interest, taxes, depreciation, and amortization (EBITDA) leverage. The Group targets a net borrowings to EBITDA leverage of 0.5 to 1.5 times. The Group regularly reviews the net borrowings to EBITDA leverage to ensure that it is within the set limits. As at 30th June, 2022, the Group was within the set target.

The Group is not subject to externally imposed capital requirements.

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:

	2022	2021
	Kshs'000	**Kshs'000**
Net borrowings:		
Total borrowings (Note 29)	43,670,339	46,351,480
Lease liabilities (Note 30)	1,436,403	1,456,603
Less: cash and bank balances (Note 33(b))	(9,941,746)	(5,611,910)
Net debt	**35,164,996**	**42,196,173**
EBITDA		
Profit before tax	24,016,258	10,858,033
Adjusted for:		
Net finance costs	4,235,992	3,948,739
Depreciation and amortisation	5,883,394	5,293,444
Total EBITDA	34,135,644	20,100,216
Net Debt to EBITDA	**x1.03**	**x2.10**

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.

Notes (continued)

4. Financial risk management objectives and policies (continued)

Fair value measurement (continued)

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

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

The following table presents the Group and Company's financial assets and liabilities that are measured at fair value at 30th 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 (Note 25)	-	-	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 30th June, 2021.

	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 30th June, 2022, and 30th June, 2021.

Notes (continued)

5. Operating segments

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

The Group Executive Committee considers the business from a geographical perspective. Geographically, the Group Executive Committee considers the performance of the business in Kenya, Uganda and Tanzania. Exports to South Sudan, Rwanda, Burundi and the Great Lakes Region are recognised in the country of origin.

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

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

	Kenya		Uganda		Tanzania		Eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
External sales	73,818,318	56,849,012	19,798,985	16,021,240	15,791,724	13,091,563	-	-	109,409,027	85,961,815
Inter segment sales	5,045,930	4,521,313	67,127	63,250	1,245	4,587	(5,114,302)	(4,589,150)	-	-
Total sales	**78,864,248**	**61,370,325**	**19,866,112**	**16,084,490**	**15,792,969**	**13,096,150**	**(5,114,302)**	**(4,589,150)**	**109,409,027**	**85,961,815**

Notes (continued)

5. Operating segments (continued)

Reportable segments assets and liabilities agree to the consolidated assets as follows:

	Kenya		Uganda		Tanzania		Eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Segment non-current assets	90,715,768	90,210,157	15,217,665	11,306,820	14,866,695	10,535,754	(45,784,321)	(46,028,251)	75,015,807	66,024,480
Total segment assets	115,532,659	116,024,730	20,698,224	18,992,548	20,246,029	15,773,097	(46,050,242)	(50,673,361)	110,426,670	100,117,014
Segment liabilities	63,609,304	71,363,824	14,318,237	15,440,806	9,064,318	5,742,714	(2,978,984)	(7,282,760)	84,012,875	85,264,584
Capital expenditure	4,259,394	3,693,510	4,628,652	2,685,493	4,305,952	1,547,857	-	-	13,193,998	7,926,860
Depreciation and amortization	3,716,985	3,513,610	1,192,595	891,700	973,814	888,134	-	-	5,883,394	5,293,444

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

	2022	2021
(a) Group	**Kshs '000**	**Kshs '000**
Gross sales	193,849,847	152,572,477
Indirect taxes	(84,440,820)	(66,610,662)
	109,409,027	**85,961,815**
(b) Company		
Management fees	637,356	913,784
Royalties	1,292,642	829,987
	1,929,998	**1,743,771**

7. Cost of sales

	2022	2021
(a) Group		
Raw materials and consumables	28,840,034	24,930,181
Distribution and warehousing	8,853,756	7,894,835
Maintenance and other costs	9,519,304	7,845,567
Staff costs	4,540,798	3,617,615
Depreciation and amortisation	4,799,137	4,259,924
	56,553,029	**48,548,122**
(b) Company		
Cost of goods sold	-	-
Distribution and warehousing	-	-
Staff costs	-	-
	-	-

Notes (continued)

8. Administrative expenses

	2022	2021
	Kshs '000	**Kshs '000**
(a) Group		
Staff costs	8,618,984	6,734,013
Office supplies and other costs	914,936	1,425,264
Depreciation and amortisation	1,084,257	1,033,520
Travelling and entertainment	223,363	127,316
	10,841,540	**9,320,113**
(b) Company		
Staff costs	1,621,768	1,430,060
Office supplies and other costs	6,496	21,024
Depreciation and amortisation	36,812	110,329
Travelling and entertainment	17,287	7,186
	1,682,363	**1,568,599**

9. Other income/(expenses)

(a) Group

	2022	2021
Other income		
Net transactional foreign exchange gains	265,949	-
Sundry income	269,718	44,007
	535,667	**44,007**
Other expenses		
Indirect tax expenses (*)	1,939,172	3,255,764
Expected credit losses on trade receivables (Note 27(a))	2,138,860	583,279
Net transactional foreign exchange losses	-	1,218,413
Write-off of property, plant and equipment (Note 20(a))	319,891	680,083
Sundry expenses	166,243	231,157
	4,564,166	**5,968,696**
	(4,028,499)	**(5,924,689)**

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

Notes (continued)

9. Other income/(expenses) (continued)

(b) Company

	2022	2021
	Kshs '000	**Kshs '000**
Other income		
Net transactional foreign exchange gains	21,015	-
Sundry income	-	1,711,290
	21,015	**1,711,290**
Other expenses		
Indirect tax expenses (*)	647,407	317,027
Net transactional foreign exchange losses	-	58,857
Expected credit losses on trade receivables (Note 27(a))	64,179	-
Sundry expenses	131,632	209,966
	843,218	**585,850**
	(822,203)	**1,125,440**

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

10. Profit before income tax

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

(a) Group

	2022	2021
	Kshs '000	**Kshs '000**
Inventories expensed (Note 26)	28,840,034	24,930,181
Employee benefits expense (Note 11(a))	13,159,782	10,024,254
Depreciation on property, plant and equipment (Note 20(a))	5,165,098	4,640,708
Depreciation of right-of-use assets (Note 21)	559,665	458,680
Amortisation of intangible assets - software (Note 22(a))	158,631	194,056
Auditor's remuneration	33,855	37,247

(b) Company

	2022	2021
	Kshs '000	**Kshs '000**
Employee benefits expense (Note 11(b))	1,621,768	1,159,656
Depreciation on property and equipment (Note 20(b))	28,317	30,120
Depreciation of right-of-use assets (Note 21)	7,348	17,239
Amortisation of intangible assets - software (Note 22(b))	1,147	37,517
Auditor's remuneration	7,719	6,623

Notes (continued)

11. Employee benefits expense

a) Group

The following items are included within employee benefits expense:

	2022	2021
	Kshs '000	**Kshs '000**
Salaries and wages	8,808,396	7,230,251
Defined contribution scheme	536,101	460,769
National Social Security Fund	216,390	146,892
Share based payments	30,385	25,166
Employee share ownership plan of the parent company(*)	157,959	83,022
Other staff costs	3,410,551	2,405,528
	13,159,782	**10,351,628**

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

	2022	2021
Production	881	818
Sales and distribution	418	404
Management and administration	277	278
	1,576	**1,500**

(b) Company

The following items are included within employee benefits expense:

	2022	2021
	Kshs '000	**Kshs '000**
Salaries and wages	828,196	1,141,202
Defined contribution scheme	60,854	65,414
National Social Security Fund	8,741	(8,044)
Share based payments	30,385	25,166
Employee share ownership plan of the parent company(*)	93,808	48,797
Other staff costs	599,784	157,525
	1,621,768	**1,430,060**

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

	2022	2021
Management and administration	21	21
	21	**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)

(a) Group

	2022	2021
	Kshs '000	Kshs '000
Finance income		
Interest income	184,528	91,242
	184,528	**91,242**
Finance costs		
Interest expense on borrowings	(4,241,367)	(3,950,158)
Interest expense on lease liabilities	(95,211)	(89,530)
Other finance costs	(83,942)	(293)
	(4,420,520)	**(4,039,981)**

(b) Company

	2022	2021
	Kshs '000	Kshs '000
Finance income		
Interest income	3,322,278	3,210,164
	3,322,278	**3,210,164**
Finance costs		
Interest expense on borrowings	(4,566,854)	(4,442,498)
Interest expense on lease liabilities	(1,201)	(2,667)
Other finance costs	(71,028)	-
	(4,639,083)	**(4,445,165)**

13. Income tax expense

The income tax expense has been calculated using income tax rate of 30% as at 30th June, 2022 (30th June, 2021: 27.5%).

(a) Group

	2022	2021
	Kshs '000	Kshs '000
Income tax expense		
Current income tax:		
Current year charge	8,575,039	3,883,464
Under/(over) provision of tax in prior years	171,171	(166,702)
Current income tax charge	8,746,210	3,716,762
Deferred income tax:		
Current year credit	(295,364)	(565,636)
Impact of change in tax rates	-	670,823
(Over)/under provision in prior years	(8,987)	74,144
Deferred income tax (credit)/charge	(304,351)	179,331
Total income tax expense	**8,441,859**	**3,896,093**

Notes (continued)

13. Income tax expense (continued)

(a) Group (continued)

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

	2022	2021
	Kshs '000	**Kshs '000**
Profit before income tax	24,016,258	10,858,033
Tax calculated at the statutory income tax rate of 30% (30 June 2021 – 27.5%)	7,204,877	2,985,959
Tax effects of:		
- Expenses not deductible for tax purposes	1,054,889	803,355
- Different tax rates of foreign subsidiaries	19,909	74,255
- Tax losses previously not recognised	-	(521,990)
- Impact of change in tax rates	-	647,072
Under/(over) provision of current tax in prior years	171,171	(166,702)
(Over)/under provision of deferred tax in prior years	(8,987)	74,144
Income tax expense	**8,441,859**	**3,896,093**

(b) Company

	2022	2021
Income tax expense	**Kshs '000**	**Kshs '000**
Current income tax:		
Current year charge	4,446	171,035
Under/(over) provision of tax in prior years	166,862	(139,606)
Current income tax expense	171,308	31,429
Deferred income tax:		
Current year charge/(credit)	331,929	(274,173)
Impact of change in tax rates	-	(94,576)
Over provision in prior years	(30,852)	(30,347)
Deferred income tax charge/(credit) (Note 19(b))	301,077	(399,096)
Total tax expense/(credit)	**472,385**	**(367,667)**

Notes (continued)

13. Income tax expense (continued)

(b) Company (continued)

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:

	2022	2021
	Kshs '000	**Kshs '000**
Profit before income tax	6,350,771	2,594,955
Tax calculated at the statutory income tax rate of 30% (30th June, 2021 – 27.5%)	1,905,231	713,613
Tax effects of:		
- Non-taxable income	(2,472,643)	(695,570)
- Expenses not deductible for tax purposes	903,787	423,656
- Tax losses previously not recognised	-	(521,990)
- Impact of changes in tax rates	-	(117,423)
Over provision of deferred income tax in prior year	(30,852)	(30,347)
Under/(over) provision of current income tax in prior year	166,862	(139,606)
Income tax expense/(credit)	**472,385**	**(367,667)**

14. Dividends

An interim dividend of Kshs 3.75 (2021: nil) per share amounting to Kshs 2,965,404,000 was paid during the year. The Directors recommend the payment of a final dividend of Kshs 7.25 (2021: nil) per share amounting to Kshs 5,733,114,000 (2021: nil), which together with the interim dividend brings the total dividend for the year to Kshs 11.00 (2021: nil) per share amounting to Kshs 8,698,518,000 (2021: nil).

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 30th June, 2022, was based on profit attributable to ordinary shareholders of Kshs 11,857,336,000 (2021: Kshs 4,354,228,000) and a weighted average number of ordinary shares outstanding during the year ended 30th June, 2022, of 790,774,356 (2021: 790,774,356). The basic and diluted earnings per share are the same as there is no dilutive effect.

	2022	2021
	Kshs '000	**Kshs '000**
Profit attributable to ordinary shareholders	11,857,336	4,354,228
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)	15.00	5.51

Notes (continued)

16. Share capital

Group and Company	Number of shares	Ordinary shares	Share premium
		Kshs'000	Kshs'000
Issued and fully paid			
Balance as at 1st July, 2020, 30th June, 2021 and 30th June, 2022	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 general meetings of the Company. All shares rank equally with regard to the Company's residual assets.

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:

(i) 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 2022		30 June 2021	
	Number of shares	Ksh'000	Number of shares	Ksh'000
At start of year	2,849,256	600,476	2,815,644	594,677
Movement in the year:				
Purchase of shares	793,700	126,933	-	-
Transer of shares	-	-	40,326	6,765
Issue of shares upon exercise of options	(23,170)	(3,635)	(6,714)	(966)
Total movement in the year	**770,530**	**123,298**	**33,612**	**5,799**
At end of year	**3,619,786**	**723,774**	**2,849,256**	**600,476**

Notes (continued)

17. Other reserves (continued)

(a) Employee share based payment reserves (continued)

(ii) 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.

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:

	2021 series	2020 series	2019 series
Grant date share price	144	n/a	197
Exercise price			
-ESOP	167	n/a	197
-RSU	-	n/a	-
-ESSS	131	n/a	158
Expected volatility	13.02%	n/a	46.20%
Dividend yield	2.60%	n/a	5.2%
Forfeiture rate	3.3%	n/a	3.3%
Option life	3 years	n/a	5 years

The assumptions above were determined based on the historical trends.

Share based payment reserves are not distributable.

(b) 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.

Notes (continued)

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 30th 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%**	**7.5%**	**1% - 1.8%**	
Non-current assets	2,920,782	15,391,506	15,185,074	
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	6,298,829	
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 (generated from) financing activities	(4,021,022)	962,008	2,157,466	
Net increase (decrease) in cash and cash equivalents	**1,812,892**	**(367,702)**	**2,594,202**	

Notes (continued)

18. Non-controlling interests (continued)

(a) Subsidiaries with material non-controlling interests (continued)

At 30th June, 2021

	UDV (Kenya) Limited	Serengeti Breweries Limited	Other subsidiaries	Total
	Kshs'000	**Kshs'000**	**Kshs'000**	**Kshs'000**
Non-controlling interest percentage	**53.68%**	**7.5%**	**1% - 1.8%**	
Non-current assets	2,322,459	11,018,638	11,299,287	
Currents assets	19,218,002	5,183,871	6,750,324	
Non-current liabilities	(1,147,340)	(892,337)	(4,451,336)	
Current liabilities	(5,865,229)	(4,557,808)	(10,140,296)	
Net assets	14,527,892	10,752,364	3,457,979	
Carrying amount of non-controlling interest	**7,798,572**	**806,427**	**62,238**	**8,667,237**
Net sales	21,402,754	13,091,482	16,062,588	
Profit after tax	4,488,268	1,578,809	(135,151)	
Total profit for the year	4,488,268	1,578,809	(135,151)	
In respect of non-controlling interest	**2,409,302**	**200,842**	**(2,432)**	**2,607,712**
Cash generated from operating activities	1,453,751	2,450,960	3,647,365	
Cash used in investment activities	(332,018)	(1,153,554)	(2,010,843)	
Cash used in (generated from) financing activities	(10,516)	(648,547)	451,057	
Net increase in cash and cash equivalents	**1,111,217**	**648,859**	**2,087,579**	

(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 subsidiries in the Company's statement of financial position. The movement in the balance during the period is as follows:

	2022	2021
	Kshs'000	**Kshs'000**
At start of year	874,600	2,836,496
Settlement through assignment of 50% of dividends declared by subsidiary	(87,943)	(39,845)
Settlement through purchase of shares	-	(2,031,727)
Total settlement of the loan to non-controlling shareholders	(87,943)	(2,071,572)
Effect of exchange rate changes	81,970	109,676
At end of year	**868,627**	**874,600**

Notes (continued)

19. Deferred income tax

Deferred income tax is calculated using the enacted domestic tax rate of 30% as at 30th June, 2022 (2021: 30%). The movement on the deferred income tax account is as follows:

(a) Group

	2022	2021
	Kshs'000	**Kshs'000**
At start of year	5,394,742	5,115,420
Credit to profit or loss	(295,364)	(565,636)
Effect of change in tax rates	-	670,823
(Over)/under provision of deferred income tax in prior years	(8,987)	74,144
Effect of change in exchange rates	139,422	99,991
Total deferred income tax movement	(164,929)	279,322
At end of year	**5,229,813**	**5,394,742**
Analysed as follows:		
Deferred income tax liabilities	6,012,663	6,239,320
Deferred income tax assets	(782,850)	(844,578)
At end of year	5,229,813	5,394,742

(b) Company

	2022	2021
	Kshs'000	**Kshs'000**
At start of year	(841,629)	(442,533)
Charge/(credit) to profit or loss	331,929	(274,173)
Effect of change in tax rates	-	(94,576)
Over-provision of deferred income tax in prior year	(30,852)	(30,347)
Total deferred income tax movement	301,077	(399,096)
At end of year	**(540,552)**	**(841,629)**

Notes (continued)

19. Deferred income tax (continued)

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

(a) Group

Year ended 30th June, 2022

	At 1st July, 2021	Impact of change in tax rate	Prior year (over)/under provision	Charged/ (credited) to profit or loss	Effects of Exchange rate changes	At 30th June, 2022
	Kshs'000	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**
Deferred income tax liabilities						
Property, plant and equipment	8,444,830	-	21,863	49,170	198,527	8,714,390
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	**9,109,804**	**-**	**(18,266)**	**33,747**	**208,241**	**9,333,526**
Deferred income tax assets						
Property, plant and equipment	(276,452)	-	-	-	(18,550)	(295,002)
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	(1,632,545)	-	12,488	394,090	(22,018)	(1,247,985)
Other deductible differences	(1,724,558)	-	2,624	(683,851)	(15,400)	(2,421,185)
Deferred income tax assets	**(3,715,062)**	**-**	**9,279**	**(329,111)**	**(68,819)**	**(4,103,713)**
Net deferred income tax	**5,394,742**	**-**	**(8,987)**	**(295,364)**	**139,422**	**5,229,813**

Year ended 30th June, 2021

	At 1st July, 2020	Impact of change in tax rate	Prior year (over)/under provision	Charged/ (credited) to profit or loss	Effects of exchange rate changes	At 30th June, 2021
	Kshs'000	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**
Deferred income tax liabilities						
Property, plant and equipment	7,321,742	944,781	107,561	(60,081)	130,827	8,444,830
Right-of-use assets	450,278	49,400	1,401	(48,886)	8,851	461,044
Unrealised exchange gains/(losses)	167,881	111	-	34,345	1,593	203,930
Deferred income tax liabilities	**7,939,901**	**994,292**	**108,962**	**(74,622)**	**141,271**	**9,109,804**
Deferred income tax assets						
Property, plant and equipment	(274,782)	-	-	-	(1,670)	(276,452)
Unrealised exchange gains/(losses)	334,327	(24,031)	17,511	82,201	(1,561)	408,447
Lease liabilities	(459,088)	(51,541)	(9,251)	29,988	(62)	(489,954)
Tax losses carried forward	(1,255,297)	(14,980)	10,850	146,760	(4,780)	(1,117,447)
Tax losses previously not recognised	-	-	-	(515,098)	-	(515,098)
Other deductible differences	(1,169,641)	(232,917)	(53,928)	(234,865)	(33,207)	(1,724,558)
Deferred income tax assets	**(2,824,481)**	**(323,469)**	**(34,818)**	**(491,014)**	**(41,280)**	**(3,715,062)**
Net deferred income tax	**5,115,420**	**670,823**	**74,144**	**(565,636)**	**99,991**	**5,394,742**

Notes (continued)

19. Deferred income tax (continued)

(b) Company

Year ended 30th June, 2022

	At 1st July, 2021	Impact of change in tax rate	Prior year (over)/under provision	Charged/ (credited) to profit or loss	At 30th June, 2022
	Kshs'000	**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
Unrealized exchange gains	40,130	-	(40,130)	-	-
Deferred income tax liabilities	(13,537)	-	(40,130)	4,233	(49,434)
Deferred income tax assets					
Unrealized exchange losses	(11,824)	-	(5,833)	(22,473)	(40,130)
Lease liabilities	(3,786)	-	-	(809)	(4,595)
Tax losses carried forward	(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)**

Year ended 30th June, 2021

	At 1st July, 2020	Impact of change in tax rate	Prior year (over)/under provision	Charged/ (credited) to profit or loss	At 30th June, 2021
	Kshs'000	**Kshs'000**	**Kshs'000**	**Kshs'000**	**Kshs'000**
Deferred income tax liabilities					
Property, plant and equipment	(44,304)	(8,861)	(1)	(4,281)	(57,447)
Right-of-use assets	6,615	(96)	1,419	(4,158)	3,780
Unrealized exchange gains	7	1	-	40,122	40,130
Deferred income tax liabilities	**(37,682)**	**(8,956)**	**1,418**	**31,683**	**(13,537)**
Deferred income tax assets					
Unrealized exchange losses	(83,705)	(13,072)	18,343	66,610	(11,824)
Lease liabilities	(7,097)	-	(1,419)	4,730	(3,786)
Tax losses previously not recognised	-	-	-	(515,098)	(515,098)
Other deductible differences	(314,049)	(72,548)	(48,689)	137,902	(297,384)
Deferred income tax assets	**(404,851)**	**(85,620)**	**(31,765)**	**(305,856)**	**(828,092)**
Net deferred income tax	**(442,533)**	**(94,576)**	**(30,347)**	**(274,173)**	**(841,629)**

Notes (continued)

20. Property, plant and equipment

(a) Group

	Freehold property	Leasehold buildings	Plant & equipment	Returnable packaging	Capital work in progress	Total
Year ended 30th June, 2022	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Cost						
1st 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 30th June, 2022	**6,729,319**	**8,169,501**	**63,263,701**	**20,760,919**	**9,003,246**	**107,926,686**
Depreciation and impairment						
At 1st July ,2021	1,540,999	1,195,301	24,759,006	7,813,209	-	35,308,515
Charge for the year	187,260	123,342	2,974,884	1,841,531	-	5,165,098
Transfer to ingantible 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 at 30th 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)

(a) Group (Continued)

	Freehold property	Leasehold buildings	Plant & equipment	Returnable packaging	Capital work in progress	Total
Year ended 30th June, 2021	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Cost						
1st July, 2020	6,074,617	6,241,585	55,461,615	13,999,283	7,548,309	89,325,409
Additions	83,739	498,641	1,717,839	2,293,921	3,150,366	7,744,506
Transfers from capital work in progress	366,346	437,059	2,395,290	95,687	(3,294,382)	-
Transfer to intangible assets (Note 22)	-	-	-	-	(38,878)	(38,878)
Write-off	(3,899)	(15,412)	(1,653,888)	(1,187,574)	(8,149)	(2,868,922)
Effect of exchange rate changes	4,499	86,276	528,042	123,595	151,222	893,634
At 30th June, 2021	**6,525,302**	**7,248,149**	**58,448,898**	**15,324,912**	**7,508,488**	**95,055,749**
Depreciation and impairment						
At 1st July, 2020	1,339,609	1,090,541	23,057,793	7,102,556	-	32,590,499
Charge for the year	200,870	91,785	2,678,962	1,669,091	-	4,640,708
Write-off	(2,491)	(9,452)	(1,156,519)	(1,020,377)	-	(2,188,839)
Effect of exchange rate changes	3,011	22,427	178,770	61,939	-	266,147
At 30th June, 2021	**1,540,999**	**1,195,301**	**24,759,006**	**7,813,209**	**-**	**35,308,515**
Carrying amount at 30th June, 2021	**4,984,303**	**6,052,848**	**33,689,892**	**7,511,703**	**7,508,488**	**59,747,234**

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 the Kisumu Brewery in Kenya in finalisation, capacity expansion in Tanzania and beer and spirits upgrade in Uganda.

Notes (continued)

20. Property, plant and equipment (continued)

(b) Company

	Freehold property	Leasehold buildings	Equipment	Capital work in progress	Total
Year ended 30 June 2022	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Cost					
1st July, 2021	314,466	14,896	156,224	57,432	543,018
Additions	17,746	-	-	18,864	36,610
Transfers from capital work in progress	29,780	-	-	(29,780)	-
Transfer to intangible assets - software	-	-	(2,357)	-	(2,357)
Write-off	-	-	(19,394)	-	(19,394)
Transfers to Group companies	-	-	-	(44,468)	(44,468)
At 30th June, 2022	**361,992**	**14,896**	**134,473**	**2,048**	**513,409**
Depreciation and impairment					
At 1st July, 2021	9,533	877	89,432	-	99,842
Charge for the year	5,536	-	22,781	-	28,317
Write-off	-	-	(19,363)	-	(19,363)
At 30th June, 2022	**15,069**	**877**	**92,850**	**-**	**108,796**
Carrying amount at 30th June, 2022	**346,923**	**14,019**	**41,623**	**2,048**	**404,613**

Notes (continued)

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

	Freehold property	Leasehold buildings	Equipment	Capital work in progress	Total
Year ended 30 June 2021	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Cost					
1st July, 2020	312,396	14,896	310,534	65,153	702,979
Additions	1,216	-	-	69,500	70,716
Transfers from capital work in progress	854	-	-	(854)	-
Transfer to intangible assets - software	-	-	-	(31,655)	(31,655)
Transfers to Group companies	-	-	-	(44,712)	(44,712)
Write-off	-	-	(154,310)	-	(154,310)
At 30th June, 2021	**314,466**	**14,896**	**156,224**	**57,432**	**543,018**
Depreciation and impairment					
At 1st July, 2020	4,822	877	217,015	-	222,714
Charge for the year	4,711	-	25,409	-	30,120
Write-off	-	-	(152,992)	-	(152,992)
At 30th June, 2021	**9,533**	**877**	**89,432**	**-**	**99,842**
Carrying amount at 30th June, 2021	**304,933**	**14,019**	**66,792**	**57,432**	**443,176**

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

Notes (continued)

21. Right-of-use assets

Movement of right-of-use assets:

(a) Group

	Buildings	Motor vehicles	Leasehold property	Total
Year ended 30th June, 2022	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Gross carrying value				
At 1st 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 30th June, 2022	**747,457**	**1,998,173**	**69,308**	**2,814,938**
Accumulated amortisation				
At 1st 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 30th June, 2022	**227,227**	**1,227,624**	**27,084**	**1,481,935**
Carrying amount at 30th June, 2022	**520,230**	**770,549**	**42,224**	**1,333,003**

	Buildings	Motor vehicles	Leasehold property	Total
Year ended 30th June, 2021	**Kshs '000**	**Kshs '000**	**Kshs '000**	**Kshs '000**
Gross carrying value				
At 1st July, 2020	689,296	1,362,954	69,235	**2,121,485**
Additions	33,526	346,875	-	**380,401**
Disposals	-	(159,642)	-	**(159,642)**
Effect of exchange rate changes	13,089	33,124	45	**46,258**
At 30th June, 2021	**735,911**	**1,583,311**	**69,280**	**2,388,502**
Accumulated amortisation				
At 1st July, 2020	47,576	469,432	27,062	**544,070**
Amortisation charge	84,812	373,860	8	**458,680**
Disposals	-	(82,944)	-	**(82,944)**
Effect of exchange rate changes	2,076	14,636	4	**16,716**
At 30th June, 2021	**134,464**	**774,984**	**27,074**	**936,522**
Carrying amount at 30th June, 2021	**601,447**	**808,327**	**42,206**	**1,451,980**

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 is 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)

(b) Company

	Motor vehicles Kshs '000	Total Kshs '000
Year ended 30th June, 2022		
Gross carrying value		
At 1st July ,2021	24,529	24,529
Additions	10,588	10,588
At 30th June, 2022	**35,117**	**35,117**
Accumulated amortisation		
At 1st July, 2021	11,930	11,930
Amortisation charge	7,348	7,348
At 30th June, 2022	19,278	19,278
Carrying amount at 30th June, 2022	15,839	15,839

	Motor vehicles Kshs '000	Total Kshs '000
Year ended 30th June, 2022		
Gross carrying value		
At 1st July, 2020	52,557	52,557
Additions	3,379	3,379
Disposals	(31,407)	(31,407)
At 30th June, 2021	**24,529**	**24,529**
Accumulated amortisation		
At 1st July, 2020	26,099	26,099
Amortisation charge	17,239	17,239
Disposals	(31,408)	(31,408)
At 30th June, 2021	**11,930**	**11,930**
Carrying amount at 30th June, 2021	**12,599**	**12,599**

Notes (continued)

22. Intangible assets - software

(a) Group

	2022	2021
	Kshs'000	**Kshs'000**
Cost		
At start of year	2,581,171	2,384,698
Additions	186,788	182,354
Write-off/derecognition	(169,572)	(31,902)
Transfer from property plant and equipment (Note 20(a))	74,753	38,878
Transfer to related parties	(21,739)	-
Effect of exchange rate changes	37,621	7,143
At end of year	**2,689,022**	**2,581,171**
Amortisation		
At start of year	1,956,219	1,782,662
Charge for the year	158,631	194,056
Write-off/derecognition	(169,572)	(29,081)
Transfer from property plant and equipment (Note 20(a))	(142)	-
Effect of exchange rate changes	29,036	8,582
At end of year	**1,974,172**	**1,956,219**
Carrying amount	**714,850**	**624,952**

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

(b) Company

	2022	2021
	Kshs'000	**Kshs'000**
Cost		
At start of year	1,473,586	1,434,894
Additions	78,040	108,770
Transfer from property plant and equipment (Note 20(b))	2,357	31,655
Transfer to Group companies	(159,214)	(101,733)
Write-off/derecognition	(169,572)	-
At end of year	**1,225,197**	**1,473,586**
Amortisation		
At start of year	1,350,067	1,312,550
Charge for the year	1,147	37,517
Write-off/derecognition	(169,572)	-
At end of year	**1,181,642**	**1,350,067**
Carrying amount	**43,555**	**123,519**

Notes (continued)

23. Intangible assets - goodwill and brand

(a) Goodwill

	Carrying amount at start of year	Effect of exchange rate changes	Carrying amount at end of year
Year ended 30th 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**
Year ended 30th June, 2021			
Serengeti Breweries Limited (SBL)	2,219,246	17,481	2,236,727
UDV (Kenya) Limited (UDV)	415,496	-	415,496
International Distillers (Uganda) Limited (IDU)	196,388	12,117	208,505
Total	**2,831,130**	**29,598**	**2,860,728**

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

	2022	2021
	Kshs'000	**Kshs'000**
At start of year	485,008	481,219
Effect of exchange rate changes	42,111	3,789
At end of year	**527,119**	**485,008**

The balance represents the purchase price allocation to the "Premium Serengeti Lager" brand at acquisition of Serengeti Breweries Limited.

Notes (continued)

23. Intangible assets - goodwill and brand (continued)

(c) Impairment testing for cash-generating units containing goodwill and brand

(i) Impairment testing methodology

For the purposes of impairment testing, goodwill is allocated to the Group's operating segments which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount of an operating segment is determined based on a detailed 5-year model that has been extrapolated in perpetuity by applying the long-term growth rate of the country. Profit has been amended with working capital and capital expenditure requirements. The net cashflows 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.

(ii) Key assumptions used for value in use calculations

	Tanzania		Kenya		Uganda	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Terminal growth rate[1]	4%	4%	5%	5%	5%	5%
WACC rate[2]	14%	12%	11%	10%	11%	10%

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, the recoverable value of the relevant operating segment exceeded the carrying net asset amount (including the goodwill) for SBL, UDV and IDU at 30th June, 2022. As a result, the Group has not recognised an impairment charge (2021: Nil).

Brand

Based on the above assumptions, the recoverable value of the brand exceeded the carrying value at 30 June 2022. As a result, the Group has not recognised an impairment charge (2021: 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)

24. Investments in subsidiaries

	Country of incorporation	Effective ownership interest	Book value at 30th June, 2022	30th June, 2021
			Kshs'000	Kshs'000
Kenya Breweries Limited	Kenya	100%	22,377,809	22,377,809
Serengeti Breweries Limited	Tanzania	92.5%	22,299,905	22,387,848
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			**46,949,685**	**47,037,628**

Movement in investment in subsidiaries

The movement in the carrying amount of the total investment in subsidiaries figure is as reflected below:

Year ended 3^{0th} June, 2022	
	Kshs'000
At 1st July, 2021	47,037,628
Serengeti Breweries Limited	
Settlement of amounts due from non-controlling interests (Note 18 (b))	(87,943)
At 30th June, 2022	**46,949,685**

Year ended 30th June, 2021	
	Kshs'000
At 1st July, 2020	40,620,200
Serengeti Breweries Limited	
Purchase of additional shares	6,271,376
Settlement of amounts due from non-controlling interests	146,052
At 30th June, 2021	**47,037,628**

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 868,627,000 (2021: Kshs 874,600,000) arising from the capital restructuring of the subsidiary in 2018.

Notes (continued)

24. Investment in subsidiaries (continued)

Movement in investment in subsidiaries (continued)

The details of the movement in investment in subsidiaries is as disclosed below:

(a) Serengeti Breweries Limited (SBL)

The investment in SBL decreased by Kshs 88 million in the year ended 30th June, 2022, arising from payment of assigned dividend from non-controlling shareholders as disclosed in Note 18.

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 30th June, 2022, the Company would not have recognised any impairment against the carrying amount of the investment in subsidiary (2021: Nil).

If the pre-tax discount rate applied to the cash flow projections for SBL had been 1% higher than management's estimates (12% instead of 11%), the Company would not have to recognise an impairment against the carrying value of the investment in subsidiary (2021: Nil).

If the terminal growth rate applied to the cash flow projections for SBL had been 1% lower than management's estimates (2.5% instead of 3.5%), the Company would not have had to recognise any impairment against the carrying value of the investment in subsidiary (2021: Nil).

25. Other financial assets (Group and Company)

	2022	2021
	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

	2022	2021
(a) Group	**Kshs'000**	**Kshs'000**
Raw materials and consumables	7,326,223	7,540,796
Work in progress	879,441	650,119
Finished goods	4,721,844	3,324,322
Goods in transit	344,742	172,920
	13,272,250	**11,688,157**

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to Kshs 28,840,034,000 (2021: Kshs 24,930,181,000).

Notes (continued)

27. Trade and other receivables

(a) Group

	2022	2021
	Kshs'000	Kshs'000
Trade receivables	9,240,879	7,762,422
Less: provision for expected credit losses	(1,564,033)	(1,419,475)
	7,676,846	**6,342,947**
Other receivables	4,209,308	6,299,109
Less: provision for expected credit losses	(2,613,027)	(618,725)
Prepayments	2,193,305	838,194
Receivables from related parties (Note 34 (a) (iii))	326,109	161,355
	11,792,541	**13,022,880**

Movement in expected credit losses allowance

The following table shows the movement in lifetime expected credit losses that has been recognized for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	2022	2021
	Kshs'000	Kshs'000
At start of year	2,038,200	1,511,581
Charge to profit or loss (Note 9(a))	2,138,860	583,279
Write-offs	-	(56,660)
At end of year	**4,177,060**	**2,038,200**

(b) Company

	2022	2021
	Kshs'000	Kshs'000
Receivables from related companies (Note 34 (b) (iii))	1,337,177	3,061,335
Other receivables	222,343	267,762
Prepayments	2,626	6,285
	1,562,146	**3,335,382**

Notes (continued)

28. Trade and other payables

	2022	2021
(a) Group	**Kshs'000**	**Kshs'000**
Trade payables	10,306,211	8,772,866
Other payables and accrued expenses	20,191,856	20,076,301
Payables to related parties (Note 34 (a) (iii))	1,711,802	1,694,551
	32,209,869	**30,543,718**
(b) Company		
Trade payables	68,292	781,219
Payables to related parties (Note 34 (b) (iii))	25,188,094	17,661,253
Other payables and accrued expenses	966,832	878,133
	26,223,218	**19,320,605**

29. Borrowings

(a) Group

	2022	2021
	Kshs'000	**Kshs'000**
The borrowings are made up as follows:		
Non-current		
Bank loans	24,161,874	38,260,591
Medium term note	11,000,000	-
	35,161,874	**38,260,591**
Current		
Bank loans	6,633,690	6,900,000
	6,633,690	6,900,000
Bank overdraft	1,874,775	1,190,889
	8,508,465	**8,090,889**
	43,670,339	**46,351,480**

The carrying amounts of current borrowings approximate their fair value, as the impact of discounting is not material.

	2022	2021
	Kshs'000	**Kshs'000**
The movement in borrowings is as follows:		
At start of year	46,351,480	44,938,591
Advanced in the year - Bank loans	8,519,110	23,552,160
Issue of Medium Term Note	11,000,000	-
Repayment of bank loans	(22,925,667)	(19,398,508)
Movement in bank overdrafts	683,886	(2,741,449)
Effect of exchange rate changes	41,530	686
At end of year	**43,670,339**	**46,351,480**

Notes (continued)

29. Borrowings (continued)

(a) Group (continued)

(i) Bank loans comprise:

- Long term loan from Stanbic Bank Kenya Limited of Kshs 2,500,000,000 (2021: Kshs 3,500,000,000) at a weighted average interest rate of 9.4% (2021: 8.9%). The loan is unsecured and matures in March 2025.
- Long term loan from Standard Chartered bank of Kenya of Kshs 6,333,333,333 (2021: Kshs 7,600,000,000) at a weighted average interest rate of 9% (2021: 9%). The loan is unsecured and matures in December 2024.
- Medium term loan from Stanbic Bank Kenya of Kshs 5,958,333,333 (2021: Kshs 5,958,333,333) at interest rate of 10% (2021: 10%). The loan is unsecured and matures in June 2026.
- Medium term loan from Standard Chartered Bank of Kenya of Kshs 2,250,000,000 (2021: Kshs 3,750,000,000 at interest rate of 8.8% (2021: 8.3%). The loan is unsecured and matures on 28th December, 2023.
- Medium term loan from Absa Bank Kenya of Kshs 4,800,000,000 (2021: Kshs 4,800,000,000) at an interest of 8.5% (2021: 8.0%). The loan is unsecured and matures in June 2025.
- Medium term loan from Absa Bank Kenya of Kshs 3,000,000,000 at an interest of 8.5% (2021: 8.0%). The loan is unsecured and matures in December 2026.
- Medium term loan from Stanbic Bank of Uganda of UGX 38,000,000,000 at an effective interest rate of (182 T-bill rate +1.85%), effectively 10.85%. This facility is unsecured and matures on 15th April, 2026.
- Medium term loan from Citi Bank of Uganda of UGX 38,000,000,000 at an effective interest rate of (182 T-bill rate +1.9%), effectively 10.85%. This facility is unsecured and matures on 15th May, 2026.
- Medium term loan from Stanbic Bank of Uganda of UGX 33,000,000,000 at an effective interest rate of (182 T-bill rate +1.75%), effectively 10.75%. This facility is unsecured and matures on 24th June, 2027.
- Medium-term loan from Standard Chartered Bank Tanzania of TZS 50,000,000,000 (2021: Nil) at an interest (182 T-bill rate +5.8%) effectively 8.36% per annum. The loan is unsecured and matures on 27th April, 2027.

(ii) Medium term note of Kshs 11,000,000,000 (2021: Kshs nil) was issued 29th October, 2021 at an interest of 12.25% per annum, payable bi-annually. The note is unsecured and matures on 29th October, 2026.

(iii) The bank overdraft balance of Kshs 1,874,775,000 is utilised from Citibank Kenya and Citibank Tanzania, with an effective interest rate of 10% (2021: 10%) as of 30th June, 2022. The Group has unutilised bank overdraft facilities with Citibank Kenya, SCB Bank of Kenya, SCB bank of Tanzania, Absa Kenya, Equity Bank Kenya, Absa Bank of Uganda, and Citibank Uganda.

The Group is not in breach of any financial covenants for facilities issued by its bankers as at 30 June 2022. The Group had available undrawn facilities of Kshs 11.8 billion as at 30th June, 2022 (2021: Kshs 11.4 billion).

Notes (continued)

29. Borrowings (continued)

(b) Company

	2022	2021
	Kshs'000	**Kshs'000**
The borrowings are made up as follows:		
Non-current		
Bank loans	18,208,333	37,108,333
Medium term note	11,000,000	-
	29,208,333	**37,108,333**
Current		
Bank loans	6,633,333	6,900,000
	6,633,333	6,900,000
Bank overdraft	1,665,407	-
	8,298,740	**6,900,000**
Total borrowings	**37,507,073**	**44,008,333**

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:

	2022	2021
	Kshs'000	**Kshs'000**
The movement in borrowings is as follows:		
At start of year	44,008,333	43,704,807
Advanced in the year - bank loans	3,000,000	22,400,000
Issue of Medium Term Note	11,000,000	-
Repayment of bank loans	(22,166,667)	(19,291,667)
Movement in bank overdrafts	1,665,407	(2,804,807)
At end of year	**37,507,073**	**44,008,333**

(i) Bank loans comprise:

- Long term loan from Stanbic Bank Kenya Limited of Kshs 2,500,000,000 (2021: Kshs 3,500,000,000) at a weighted average interest rate of 9.4% (2021: 8.9%). The loan is unsecured and matures in March 2025.
- Long term loan from Standard Chartered bank of Kenya of Kshs 6,333,333,333.32 (2021: Kshs 7,600,000,000) at a weighted average interest rate of 9% (2021: 9%). The loan is unsecured and matures in December 2026.
- Medium term loan from Stanbic Bank Kenya of Kshs 5,958,333,333 (2021: Kshs 5,958,333,333) at interest rate of 10% (2021: 10%). The loan is unsecured and matures in June 2026.
- Medium term loan from Standard Chartered bank of Kenya of Kshs 2,250,000,000 (2021: Kshs 3,750,000,000 at interest rate of 8.8% (2021: 8.3%). The loan is unsecured and matures on 28th December, 2023.
- Medium term loan from Absa Bank Kenya of Kshs 4,800,000,000 (2021: Kshs 4,800,000,000) at an interest of 8.5% (2021: 8.0%). The loan is unsecured and matures in June 2025.
- Medium term loan from Absa Bank Kenya of Kshs 3,000,000,000 at an interest of 8.5% (2021: 8.0%). The loan is unsecured and matures in December 2026.

Notes (continued)

29. Borrowings (continued)

(b) Company

(ii) Medium term note of Kshs 11,000,000,000 (2021: Kshs nil) was issued 29th October, 2021, at an interest of 12.25% per annum, payable bi-annually. The note is unsecured and matures on 29th October, 2026.

(iii) The bank overdraft balance of Kshs 1,665,407,000 is utilised from Citibank Kenya, with an effective interest rate of 10% (2021: 10%) as of 30th June, 2022. The Company has unutilised bank overdraft facilities with Citibank Kenya, SCB Bank of Kenya, Absa Kenya and Equity Bank Kenya.

30. Lease liabilities

(a) Group

	2022	2021
Movement of lease liabilities:	**Kshs '000**	**Kshs '000**
At 1st July	1,456,603	1,611,106
Additions	450,283	380,401
Interest expense on leases	95,211	89,530
Repayment of lease liabilities		
- Payment of the principal portion of the lease liability	(642,942)	(482,774)
- Interest paid on lease liabilities	(95,211)	(89,530)
Effect of change in exchange rates	172,459	(52,130)
At 30th June	**1,436,403**	**1,456,603**
Presented as:		
Current lease liabilities	436,485	394,243
Non-current lease liabilities	999,918	1,062,360
	1,436,403	**1,456,603**

(b) Company

	2022	2021
Movement of lease liabilities:	**Kshs '000**	**Kshs '000**
At 1st July	12,620	28,387
Additions	10,588	3,379
Interest expense on leases	1,201	2,667
Repayment of lease liabilities		
- Payment of the principal portion of the lease liability	(7,891)	(19,146)
- Interest paid on lease liabilities	(1,201)	(2,667)
At 30th June	**15,317**	**12,620**
Presented as:		
Current lease liabilities	6,180	7,337
Non-current lease liabilities	9,137	5,283
	15,317	**12,620**

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.

32. Commitments

(i) Capital commitments - Group

Capital expenditure contracted for at the reporting date but not recognised in the financial statements is as follows:

	2022	2021
	Kshs'000	**Kshs'000**
Contracted but not provided for	4,746,648	4,064,138
	4,746,648	**4,064,138**

Notes (continued)

33. Cash generated from operations

(a) Reconciliation of profit before income tax to cash generated from operations:

Group

	2022	2021
	Kshs'000	**Kshs'000**
Profit before income tax	24,016,258	10,858,033
Adjustments for:		
Interest income (Note 12(a))	(184,528)	(91,242)
Interest expense on borrowings (Note 12(a))	4,241,367	3,950,158
Interest expense on lease liabilities (Note 12(a))	95,211	89,530
Depreciation of property, plant and equipment (Note 20(a))	5,165,098	4,640,708
Amortisation of right-of-use asset (Note 21(a))	559,665	458,680
Amortisation of intangible asset - software (Note 23(a))	158,631	194,056
Share based payments	30,385	25,166
Write-off of property, plant and equipment	319,891	680,083
Cash generated from operations before working capital adjustments	**34,401,978**	**20,805,172**
Changes in working capital:		
-Trade and other receivables	1,492,812	(7,245,538)
- Inventories	(1,339,507)	(645,030)
-Trade and other payables	774,805	8,609,129
Cash (used in) generated from operations	**35,330,088**	**21,523,733**

Company

	2022	2021
Profit before income tax	6,350,771	2,594,955
Adjustments for:		
Interest income (Note 12(b))	(3,322,278)	(3,210,164)
Interest expense on borrowings (Note 12(b))	4,566,854	4,442,498
Interest expense on lease liabilities (Note 32(b))	1,201	2,667
Depreciation of property and equipment (Note 20(b))	28,317	30,120
Amortisation of right-of-use asset (Note 21(b))	7,348	17,239
Amortisation of intangible asset - software (Note 22(b))	1,147	37,517
Share based payments	30,385	25,166
Dividend income	(8,242,144)	(2,529,344)
Settlement of amounts due from non-controlling interests (non-cash) (Note 18(b))	87,943	(146,049)
Loss on disposal of property and equipment	-	1,318
Write-off of property, plant and equipment	31	-
Cash generated from operations	**(490,425)**	**1,265,923**
Changes in working capital:		
-Trade and other receivables (Note 33(c))	1,295,537	(754,019)
-Trade and other payables (Note 33(c))	6,813,172	6,784,869
Cash generated from operations	**7,618,284**	**7,296,773**

Notes (continued)

33. Cash generated from operations (continued)

(b) Cash and cash equivalents

	2022	2021
	Kshs'000	**Kshs'000**
Group		
Cash and bank balances	9,941,746	5,611,910
Bank overdraft (Note 29(a))	(1,874,775)	(1,190,889)
	8,066,971	**4,421,021**
Company		
Cash and bank balances	6,989,353	1,761,351
Bank overdraft (Note 29(b))	(1,665,407)	-
	5,323,946	**1,761,351**

(c) Movement in working capital

Group

	2022	2021
Movement in trade and other receivables		
Movement per statement of financial position	1,230,339	(7,341,436)
Foreign currency translation differences	262,473	95,898
Net movement in receivables as per cash flow	**1,492,812**	**(7,245,538)**
Movement in inventory		
Movement per statement of financial position	(1,584,093)	(771,787)
Foreign currency translation differences	244,586	126,757
Net movement in payables as per cash flow	**(1,339,507)**	**(645,030)**
Movement in trade and other payables		
Movement per statement of financial position	1,666,151	8,812,635
External interest payable	(699,065)	(382,299)
Foreign currency translation differences	(192,281)	178,793
Net movement in payables as per cash flow	**774,805**	**8,609,129**

Notes (continued)

34. 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 . 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

	2022	2021
	Kshs'000	**Kshs'000**
Diageo Ireland	564,636	366,825
Diageo North America, Inc.	282,987	252,871
Diageo Brands B.V.	255,023	138,105
Diageo Great Britain	81,468	916,956
Guinness Cameroon S.A.	552	8,934
Diageo Scotland Limited	-	29,112
Diageo Business Services India	-	7,796
Other related parties	-	3,583
	1,184,666	**1,724,182**

(iii) Purchase of goods and services

	2022	2021
	Kshs'000	**Kshs'000**
Diageo Brands B.V.	1,686,831	1,764,326
Diageo Ireland	1,379,379	1,021,500
Diageo Great Britain	340,823	516,029
Diageo Business Services India	2,506	4
United Spirits Limited	2,285	-
Guinness Cameroun S. A.	552	-
Guinness Nigeria Plc	226	-
Diageo Üzletviteli Szolgáltatások Zrt.	20	-
Guinness Storehouse Limited	-	69,937
Diageo South Africa (Pty) Limited	-	14,728
Diageo Scotland Limited	-	8,672
	3,412,622	**3,395,196**

Notes (continued)

34. Related party transactions (continued)

(a) Group (continued)

(iii) Outstanding balances arising from sale and purchase of goods/services

Receivables from related parties	2022	2021
	Kshs'000	**Kshs'000**
Guinness Nigeria Plc	182,875	17,897
Diageo plc	51,044	5,195
Guinness Ghana Breweries Plc	43,042	810
Diageo Great Britain Limited	21,727	-
Diageo Japan K. K.	10,237	-
Diageo Panama S.A.	10,091	-
Guinness Cameroun S.A.	3,650	2,482
Diageo Angola Limitada	2,316	2,314
Diageo China Limited	866	-
Diageo Moet Hennessy (Thailand) Limited	203	-
Seychelles Breweries Limited	49	162
Diageo Scotland Limited	9	-
Diageo Üzletviteli Szolgáltatások Zrt.	-	2,482
Diageo North America, Inc	-	58,260
Meta Abo Breweries	-	71,343
Diageo Polski Sp. Z.o.o.	-	410
	326,109	**161,355**

Payables to related parties	2022	2021
	Kshs'000	**Kshs'000**
Diageo Ireland	916,682	609,500
Diageo Brands B.V.	412,328	830,093
Diageo Great Britain Ltd	230,816	180,445
Diageo North America, Inc	135,367	57,550
R&A Bailey & Co	11,205	-
Diageo Business Services India	2,435	1,689
Guinness Cameroun S.A.	1,958	1,920
Guinness Nigeria Plc	523	-
Diageo Uzeltiveti Szolgal	488	1,101
Diageo South Africa (Pty) Ltd	-	12,253
	1,711,802	**1,694,551**

Notes (continued)

34. Related party transactions (continued)

(b) Company

(i) Management fees and royalties received/(paid)

	2022	2021
Transactions with subsidiaries	**Kshs'000**	**Kshs'000**
Kenya Breweries Limited	1,452,891	1,204,747
UDV (Kenya) Limited	167,196	327,954
Uganda Breweries Limited	209,393	258,103
Serengeti Breweries Limited	89,623	103,670
East Africa Maltings Limited	18,281	19,553
	1,937,384	**1,914,027**
Transactions with related parties	**Kshs'000**	**Kshs'000**
Diageo Great Britain Limited	5,834	(175,373)
Other related parties	(7,084)	5,117
	(1,250)	**(170,256)**
	1,936,134	**1,743,771**

(ii) Outstanding balances arising from sale and purchases of goods and services
Long-term receivables from subsidiaries

	2022	2021
	Kshs'000	**Kshs'000**
Kenya Breweries Limited	26,800,000	26,800,000
Uganda Breweries Limited	2,537,163	2,449,117
UDV Kenya Limited	1,100,000	1,100,000
East Africa Maltings Limited	687,000	687,000
	31,124,163	**31,036,117**

The Company has advanced loans to the subsidiaries to finance their capital expenditure and working capital requirements as part of the Group's centralized treasury management process. 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)

34. Related party transactions (continued)

(b) Company (continued)

(ii) Outstanding balances arising from sale and purchases of goods and services (continued)

Receivables from related companies

	2022	2021
Receivables from subsidiaries	**Kshs'000**	**Kshs'000**
East African Maltings Limited	986,141	2,895,889
Kenya Breweries Limited	249,682	-
Uganda Breweries Limited	38,261	73,606
Serengeti Breweries Limited	-	39,962
	1,274,084	**3,009,457**
Receivables from related parties		
Guinness Nigeria Plc	33,537	3,273
Diageo Great Britain Limited	21,727	8,969
Guinness Cameroun S.A.	3,650	2,482
Diageo Angola Limitada	2,316	2,314
Guinness Ghana Breweries Limited	620	810
Diageo plc	116	779
Seychelles Breweries Limited	49	162
Other related parties	1,078	-
Diageo Üzletivitali Szolgáltatások Zrt.	-	2,482
Diageo Polski Sp. Z.o.o.	-	410
Meta Abo Breweries Limited	-	30,197
	63,093	**51,878**
	1,337,177	**3,061,335**

Payables to related companies

	2022	2021
	Kshs'000	**Kshs'000**
Payables to subsidiaries		
UDV (Kenya) Limited	14,401,457	11,368,851
Kenya Breweries Limited	10,486,082	5,984,098
EABL international Limited	276,151	254,524
Serengeti Breweries Limited	8,070	-
Uganda Breweries Limited	1,952	-
	25,173,712	**17,607,473**
Payables to related parties		
Diageo Ireland	12,524	227
Diageo Business Services India	1,858	937
Diageo Great Britain Limited	-	52,616
	14,382	53,780
	25,188,094	**17,661,253**

Notes (continued)

34. Related party transactions (continued)

(c) Other related party disclosures

(i) Directors' remuneration

Group

	2022	2021
	Kshs'000	**Kshs'000**
Fees for services as a Director	38,583	36,946
Share based payments	46,266	47,504
Other emoluments (included in key management compensation in (ii) below)	136,941	158,219
	221,790	**242,669**

Directors' remuneration include fees in relation to non-executive Directors and compensation to executive Directors in the Company and its subsidiaries.

Company

	2022	2021
	Kshs'000	**Kshs'000**
Fees for services as a Director	38,583	36,946
Share based payments	46,266	37,044
Other emoluments (included in key management compensation in (ii) below)	136,941	131,713
	221,790	**205,703**

(ii) Key management compensation

Key management includes executive Directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

Group

	2022	2021
	Kshs'000	**Kshs'000**
Salaries and other shorter term employment benefits	1,122,865	835,322
Share based payments	129,935	87,950
Post-employment benefits	94,199	79,558
	1,346,999	**1,002,830**

Company

	2022	2021
	Kshs'000	**Kshs'000**
Salaries and other shorter term employment benefits	265,859	165,758
Share based payments	65,232	54,580
Post-employment benefits	7,890	4,179
	338,981	**224,517**

Notes (continued)

35. 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 One Hundredth 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) at Safari Park Hotel, along Thika Road, Exit 7 Nairobi on Thursday, 15th September, 2022, 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 30th June 2022 together with the Directors Report and Auditors' Reports thereon.

2) Dividend
   a) To confirm the Interim Dividend in respect of the Financial Year ended 30th June 2022, of Kshs 3.75 per ordinary share, which was paid subject to withholding tax, on or about 27th April, 2022, to shareholders registered at the close of business on 28th February, 2022.
   b) To approve a final dividend of Kshs 7.25 per ordinary share for the Financial Year ended 30th June, 2022, payable net of withholding tax as recommended by the Directors. The dividend will be payable on or about 30th October, 2022, to Shareholders on the Register of Members as at the close of business on 15th September, 2022.

3) Election of Directors:
   a) Ms. Carol Musyoka retires by rotation in accordance with the provisions of Articles 117 of the Company's Articles of Association, and, being eligible, offers herself for re-election.
   b) Mr. Jimmy Mugerwa retires by rotation in accordance with the provisions of Articles 117 of the Company's Articles of Association, and, being eligible, offers himself for re-election.
   c) Mr. Leo Breen retires by rotation in accordance with the provisions of Articles 117 of the Company's Articles of Association, and, being eligible, offers himself for re-election.

4) In accordance with the provisions of Section 769 of the Companies Act 2015, the following Directors being members of the Board Audit & Risk Management Committee, be elected to continue serving as members of the said Committee:
   a) Mr. John Ulanga
   b) Mr. Japheth Katto
   c) Mr. Jimmy Mugerwa
   d) Mr. Leo Breen
   e) Ms. Ory Okolloh

5) To receive, consider and if thought fit approve the Directors' Remuneration Report and the remuneration paid to the Directors for the year ended 30th June, 2022.

6) To re-appoint Messrs. PricewaterhouseCoopers (PwC) LLP as auditor of the Company in accordance with the provisions of Section 721(2) of the Companies Act, 2015, and to authorize the Board to fix their remuneration for the ensuing financial year.

7) To consider any other business of which due notice has been given.

BY ORDER OF THE BOARD

KATHRYNE MAUNDU
GROUP COMPANY SECRETARY

Date: 22nd August, 2022

NOTES ON THE ANNUAL GENERAL MEETING ('AGM')

1) East African Breweries PLC (the 'Company') has convened and is conducting this AGM as a hybrid meeting, in line with the provisions of the Company's Articles of Association.

Shareholders should **register** to attend the AGM either physically or electronically by 13th September, 2022, at 11:00 a.m. (East Africa Time (EAT), GMT+3) as described further below.

2) Shareholders wishing to participate in the AGM should register by doing the following: -

a) Dialing *483*809# for all Kenyan telephone networks, *284*34# for Ugandan telephone networks, or *149*46*17# for Tanzania networks, *801*40# for Rwanda networks and *120*6210*10# for South Africa networks and following the various registration 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.

In order to complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number at hand.

For assistance, shareholders should dial the following helpline number: (+254) 709 170 041 from 8:00 a.m. to 5:00 p.m. from Monday to Friday.

Shareholders are requested to indicate at the point of registration, if they will attend the meeting physically, at Safari Park Hotel.

Kindly note that registration for the AGM will only be undertaken as outlined above; shareholders will not be able to register for the AGM at the venue of the meeting on the 15th September, 2022.

3) Registration for the AGM opens on Tuesday, 23rd August 2022 at 11:00 am East Africa Time (GMT+3) and will close on Tuesday, 13th September, 2022, at 11:00 am East Africa Time (GMT+3).

4) In accordance with Section 180 of the Company's Articles of Association, the following documents may be viewed on the Company's website www.eabl.com

(i) a copy of this Notice and the Proxy form; (ii) the Company's Audited Financial Statements for the year ended 30th June, 2022.

The Condensed Audited Financial Statements for the year ended 30th June, 2022, have been published with this Notice.

The reports may also be accessed upon request by dialing the USSD code above and selecting the Reports option. The reports and agenda can also be accessed on the livestream link.

5) Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:

a) Sending their written questions by email to eabl.agm@eabl.com; or

b) Shareholders who will have registered to participate in the meeting shall be able to ask questions via SMS by dialing the USSD code above and selecting the option (ask Question) on the prompts; or

c) Visiting www.eabl.com and accessing the 2022 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, 13th September, 2022, at 11:00 am. 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 questions received to the return physical address or email address provided by the Shareholder no later than 12 hours before the start of the AGM. A full list of all questions received, and the answers thereto will be published on the Company's website not later than 12 hours before the start of the AGM.

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 authorized in writing. If the appointor is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such body corporate.

A completed form of proxy should be emailed to eabl.agm@eabl.com or delivered 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 not later than 48 hours before the time of holding the meeting i.e. by Tuesday, 13th September, 2022, 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, 13th September, 2022, at 11:00 a.m. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Tuesday, 13th September, 2022, to allow time to address any issues.

7) The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the general meeting. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour ahead of the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hour's time and providing a link to the live stream.

8) Duly registered shareholders and proxies may follow the proceedings of the AGM using the live stream platform and may access the agenda. Duly registered shareholders and proxies may vote when prompted by the Chairman.

9) A poll shall be conducted 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) 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 that 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.

12) 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

EAST AFRICAN BREWERIES PLC

KWA WENYEHISA WOTE

ILANI inatolewa hapa kwamba Mkutano Mkuu wa Kila Mwaka (AGM) wa Mia Moja wa East African Breweries PLC ('Kampuni') utafanyika kwa njia ya mchanganyiko (sehemu itahusisha wenyehisa kukongamana na nyingine ifanyike kwa njia ya mawasiliano ya kielektroniki) katika hoteli ya Safari Park, katika Barabara ya Thika, ukitokea njia ya kutokea nambari 7, Nairobi, mnamo Alhamisi 15 Septemba, 2022 saa 11:00 a.m. (tano asubuhi) (saa za Afrika Mashariki), 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 2022 pamoja na ripoti ya Wakurugenzi na Ripoti ya Mkaguzi 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 22, wa Kshs 3.75 kwa kila hisa ya kawaida, uliolipwa baada ya kutolewa kodi ya zuio au withholding tax, mnamo au karibu na 27 Aprili 2020 kwa wenyehisa waliokuwa wamesajiliwa kufikia kufungwa kwa shughuli za kibiashara 28 Februari 2022.

b) Kuidhinisha mgawo wa faida wa mwisho wa Kshs 7.25 kwa kila hisa ya kawaida kwa Mwaka wa Kifedha Uliokamilika 30 Juni 2022, ambao utatozwa kodi ya zuio au withholding tax, kama ilivyopendekezwa na Wakurugenzi. Mgawo huo wa faida utalipwa mnamo au karibu na 30 Oktoba 2022, kwa Wenyehisa waliokuwa kwenye Sajili ya Wanachama kufikia kufungwa kwa shughuli za kibiashara mnamo 15 Septemba, 2022.

3) Kuchaguliwa kwa Wakurugenzi:
   a) Carol Musyoka anastaafu kwa mzunguko kuambatana na Kifungu 117 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.
   b) Jimmy Mugerwa anastaafu kwa mzunguko kuambatana na Kifungu 117 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.
   c) Leo Breen, anastaafu kwa mzunguko kuambatana na Kifungu 117 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.

4) Kuambatana na maelezo katika Kifungu 769 cha Sheria za Kampuni za mwaka 2015, Wakurugenzi wafuatao, ambao ni wanachama wa Kamati ya Ukaguzi wa Hesabu & Usimamisi wa Hatari, wachaguliwe kuendelea kuhudumu kama wanachama wa Kamati hiyo:
   a) John Ulanga
   b) Japheth Katto
   c) Jimmy Mugerwa
   d) Leo Breen
   e) Ory Okolloh

5) Kupokea, Kutathmini na iwapo itakubalika, kuidhinisha Ripoti ya Malipo ya Wakurugenzi na malipo ya Wakurugenzi kwa mwaka uliomalizika 30 Juni 2022.

6) Kuwateua tena PricewaterhouseCoopers (PwC) LLP kuhudumu kama Wakaguzi wa Hesabu wa Kampuni kwa mujibu wa Kifungu 721(2) cha Sheria za Kampuni, 2015 na kuwapa idhini Wakurugenzi wa 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

KATHRYNE MAUNDU
KATIBU WA KAMPUNI

Tarehe: 22 Agosti 2022

NOTES ON THE ANNUAL GENERAL MEETING ('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.

2) Wenyehisa wanafaa **kujiandikisha** kuhudhuria mkutano huu wa AGM kwa kufika wenyewe mkutanoni au kwa njia ya kielektroniki kufikia 13 Septemba 2022 saa tano asubuhi (11:00 a.m.) saa za Afrika Mashariki (EAT), GMT+3) kama ilivyoelezwa hapa chini.

3) Wenyehisa ambao wangependa kushiriki katika mkutano huu wa AGM wanafaa kujisajili kwa kufanya yafuatayo:-
   a) Kupiga simu *483*809# kwa mitandao yote ya simu Kenya, *284*34# kwa mitandao ya simu ya Uganda, au *149*46*17# kwa mitandao ya Tanzania, *801*40# kwa mitandao ya Rwanda na *120*6210*10# kwa mitandao ya Afrika Kusini na kufuata maelezo mbalimbali ya usajili 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) 709 170 041 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 15 Septemba 2022.

4) Shughuli ya kujisajili kwa ajili ya AGM itaanza mnamo Jumanne, 23 Agosti 2022 saa tano asubuhi (11:00 a.m.) saa za Afrika Mashariki (GMT+3) na kufungwa Jumanne tarehe 13 Septemba, 2022 saa tano asubuhi (11:00 a.m.) saa za Afrika Mashariki (GMT+3).

5) 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 2022.

   Nakala ya ufupisho wa Taarifa za Kifedha za mwaka uliomalizika 30 Juni 2022 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 kiunganisho cha kupeperusha mkutano moja kwa moja.

6) 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 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 2022 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, 13 Septemba, 2022 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. Orodha kamili ya maswali yaliyopokelewa na majibu yaliyotolewa, itachapishwa katika tovuti ya Kampuni si chini ya saa 12 kabla ya AGM kuanza.

7) Kuambatana na Kifungu 298 (1) cha Sheria za Kampuni, 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 mwanchama 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 kiunganisho hiki cha mtandaoni: www.eabl.com. Nakala za karatasi za fomu za uwakilishi pia zinapatikana 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 13 Septemba, 2022 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, 13 Septemba, 2021 saa tano asubuhi (11:00 a.m.) Mwenyehisa ambaye usajili wa mwakilishi wake utakataliwa atafahamishwa kabla ya Jumanne, 13 Septemba 2021 kumpa muda wa kushughulikia masuala yatakayoibuka.

8) 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 namba 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 kiunganisho cha kufuatilia matukio moja kwa moja.

9) Wenyehisa na wawakilishi waliosajiliwa wanaweza kufuatilia matukio ya AGM wakitumia kiunganisho cha matangazo ya moja kwa moja na wanaweza kupata pia ajenda. Wenyehisa na wawakilishi waliosajiliwa wanaweza kupiga kura (wakiombwa kufanya hivyo na Mwenyekiti) kwa kutumia huduma ya USSD.

10) Kura itapigwa kwa maazimio yote ambayo yameorodheshwa kwenye ilani.

11) Matokeo ya kura yatachapishwa katika kipindi cha saa 48 baada ya kumalizika kwa AGM, katika magazeti mawili yanayosambazwa kitaifa na katika tovuti ya Kampuni.

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 (3:00 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)

PRINCIPAL SHAREHOLDERS AND SHARE DISTRIBUTION

The ten largest shareholdings in the Company and the respective number of shares held at 30th June, 2022, are as follows:

Name(s) and Address	Number of shares	%
Stanbic Nominees LTD A/C NR3530153-1	395,608,434.00	50.03
Standard Chartered Nominees Non-Resd. A/C KE004667	22,935,194.00	2.90
Standard Chartered Nominees Non-Resd. A/C KE10085	20,804,500.00	2.63
Kenya Commercial Bank Nominees LTD A/C 915B	11,016,844.00	1.39
Standard Chartered Nominees RESD A/C KE11401	8,255,169.00	1.04
Stanbic Nominees LTD R6631578	7,947,017.00	1.00
Stanbic NomineesLTD A/C NR1031461	6,518,264.00	0.82
Standard Chartered KENYA Nominees LTD A/C KE003534	7,447,011.00	0.94
Stanbic Nominees LTD A/C NR3530153-1	5,564,400.00	0.70
Stanbic Nominees LTD NR7522171	5,447,622.00	0.69
Total number of shares	**491,544,455.00**	**62.16**

Distribution of shareholders	Number of shares	Number of shareholders	%
1-500 shares	2,601,638	13,890	0.33
501-5,000 shares	16,218,014	10,143	2.05
5,001- 10,000 shares	6,920,993	964	0.88
10,001- 100,000 shares	39,480,220	1,322	4.99
100,001 – 1,000,000 shares	109,158,405	338	13.80
Over 1,000,000 shares	616,395,086	76	77.95
Total	**790,774,356**	**26,733**	**100.00**

EABL Directors' shareholding as at 30th June, 2022	
Directors' names	**Number of shares**
Ms. Jane Karuku	1,296
Ms. Ory Okolloh	820
Ms. Risper Ohaga	700
Ms. Carol Musyoka	5,782

NOTES

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, 15th September 2022 and at any adjournment thereof.

As witness I/We lay my/our hand (s) this ________________ day of ________________ 2022.

Signature ________________________ Signature ________________________

Please clearly mark the box below to instruct your proxy how to vote

RESOLUTION	FOR	AGAINST	ABSTAIN
1) To receive, consider and adopt the audited Financial Statements for the year ended 30th June 2022 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 30th June 2022, of Kshs 3.75 per ordinary share, which was paid subject to withholding tax, on or about 27th April 2022 to shareholders registered at the close of business on 28th February 2022. b) To approve a final dividend of Kshs 7.25 per ordinary share for the Financial Year ended 30th June 2022, payable net of withholding tax as recommended by the Directors. The dividend will be payable on or about 30th October 2022, to Shareholders on the Register of Members as at the close of business on 15th September 2022.			
3) Election of Directors: a) Carol Musyoka, who retires by rotation in accordance with the provisions of Articles 117 of the Company's Articles of Association, and, being eligible, offers herself for re-election.			
b) Jimmy Mugerwa, who retires by rotation in accordance with the provisions of Articles 117 of the Company's Articles of Association, and, being eligible, offers himself for re-election.			
c) Leo Breen, who retires by rotation in accordance with the provisions of Articles 117 of the Company's Articles of Association, and, being eligible, offers himself for re-election.			
4) To elect the following Directors, being members of the Board Audit & Risk Management Committee to continue to serve as members of the said Committee: - John Ulanga; Japheth Katto; Jimmy Mugerwa; Leo Breen and Ory Okolloh.			
5) To receive, consider and if thought fit approve the Directors' Remuneration Report and the remuneration paid to the Directors' for the year ended 30th June 2022.			
6) To re-appoint the Auditors Messrs. PricewaterhouseCoopers (PwC) to continue in office as auditors by virtue of Section 721(2) of the Companies Act 2015 and to authorize the Board of Directors to fix their remuneration for the ensuing financial year.			

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 kuwa mwakilishi wangu/wetu na kupiga kura kwa niaba yangu/yetu katika Mkutano Mkuu wa Kila Mwaka wa Kampuni utakaoandaliwa Alhamisi, 15 Septemba 2022 na tarehe nyingine yoyote iwapo utaahirishwa..

Kama shahidi/mashahidi Naweka saini /Tunaweka saini tarehe ____________________ ya mwezi wa ____________________2022.

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 2022 pamoja na ripoti za Mwenyekiti, Mkurugenzi na Mkaguzi wa hesabu zilizomo.			
2) **Mgawo wa faida** a) Kuthibitisha mgawo wa faida wa muda kwa ajili ya Mwaka wa Kifedha uliokamilika 30 Juni 22, 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 2020 kwa wenyehisa waliokuwa wamesajiliwa kufikia kufungwa kwa shughuli za kibiashara 28 Februari 2022. b) Kuidhinisha mgawo wa faida wa mwisho wa Kshs 7.25 kwa kila hisa ya kawaida kwa Mwaka wa Kifedha Uliokamilika 30 Juni 2022, ambao utatozwa kodi ya zuio au withholding tax, kama ilivyopendekezwa na Wakurugenzi. Mgawo huo wa faida utalipwa mnamo au karibu na 30 Oktoba 2022, kwa Wenyehisa waliokuwa kwenye Sajili ya Wanachama kufikia kufungwa kwa shughuli za kibiashara mnamo 15 Septemba, 2022.			
3) Kuchaguliwa kwa wakurugenzi: a) Carol Musyoka, anayestaafu kwa mzunguko kuambatana na Kifungu 117 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.			
b) Jimmy Mugerwa, anayestaafu kwa mzunguko kuambatana na Kifungu 117 cha Sheria za Kuundwa kwa Kampuni, na, kwa kuwa anahitimu, anajiwasilisha kuomba kuchaguliwa tena.			
c) Leo Breen, anayestaafu kwa mzunguko kuambatana na Kifungu 117 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 & Usimamisi wa Hatari, wachaguliwe kuendelea kuhudumu kama wanachama wa Kamati hiyo: - John Ulanga; Japheth Katto; Jimmy Mugerwa; Leo Breen na Ory Okolloh.			
5) Kupokea, Kutathmini na iwapo itakubalika, kuidhinisha Ripoti ya Malipo ya Wakurugenzi na malipo ya Wakurugenzi kwa mwaka uliomalizika 30 Juni 2022.			
6) Kuwateua tena PricewaterhouseCoopers (PwC) kuendelea kuhudumu kama Wakaguzi wa Hesabu wa Kampuni kwa mujibu wa Kifungu 721(2) cha Sheria za Kampuni, 2015 na kuwapa idhini Wakurugenzi wa Bodi kuamua malipo yao kwa mwaka wa kifedha unaofuata.			

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 15th September 2022.

Consent for use of the Mobile Number provided

I/WE would give my/our consent for the use of the mobile number provided for purposes of voting at the AGM.

Notes:

1. If a member is unable to attend personally, this Proxy Form should be completed, signed and emailed to eabl.agm@eabl.com or delivered (together with a power of attorney or other authority (if any) under which it is assigned or a notarized certified copy of such power or authority) to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi, so as to be received by Tuesday, 13th September 2022 at 11:00 a.m. i.e. 48 hours before the meeting or any adjournment thereof or, in the case of a poll taken subsequent to the date of the meeting, or any adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll which is taken more than 48 hours after the day of the meeting or adjourned meeting.

2. In case of a member being a corporate body, the Proxy Form must be under its common seal or under the hand of an officer or duly authorized attorney of such corporate body.

3. As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. The appointment of the Chairman of the meeting as proxy has been included for convenience. To appoint as a proxy any other person, delete the words "the Chairman of the Meeting or" and insert the full name of your proxy in the space provided. A proxy need not to be a shareholder of the Company.

4. Completion and submission of the form of proxy will not prevent you from attending the meeting and voting at the meeting in person, in which case any votes cast by your proxy will be excluded.

5. A vote "abstain" option has been included on the form of proxy. The legal effect of choosing this option on any resolution is that you will be treated as not having voted on the relevant resolution. The number of votes in respect of which votes are withheld will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.

FOMU YA IDHINI YA MAWASILIANO YA KIELEKTRONIKI

Tafadhali jaza kwa HERUFI KUBWA

Jina kamili la mwakilishi (wawakilishi): ____

____

Anwani: ____

____

Nambari ya Simu

Tarehe: ______________________ Saini: ______________________

Tafadhali weka alama katika **MOJA** kati ya visanduku vilivyo hapa chini na kuirejesha fomu hii kwa Image Registrars S.L.P. 9287- 00100 Nairobi, Ghorofa ya 5, jumba la Absa Towers (zamani ikiitwa Barclays Plaza), Loita Street:

Idhini ya kusajili

MIMI/SISI ninatoa/tunatoa idhini ya kusajiliwa kushiriki katika Mkutano Mkuu wa Kila Mwaka utakaofanyika kwa njia ya kielektroniki mnamo 15 Septemba, 2022.

Idhini ya kutumiwa kwa nambari ya simu iliyotolewa

NINGEPENGA/TUNGEPENDA kutoa idhini yangu/yetu ya kutumiwa kwa nambari ya simu niliyotoa/tuliyotoa kwa ajili ya kupiga kura katika AGM.

Maelezo:

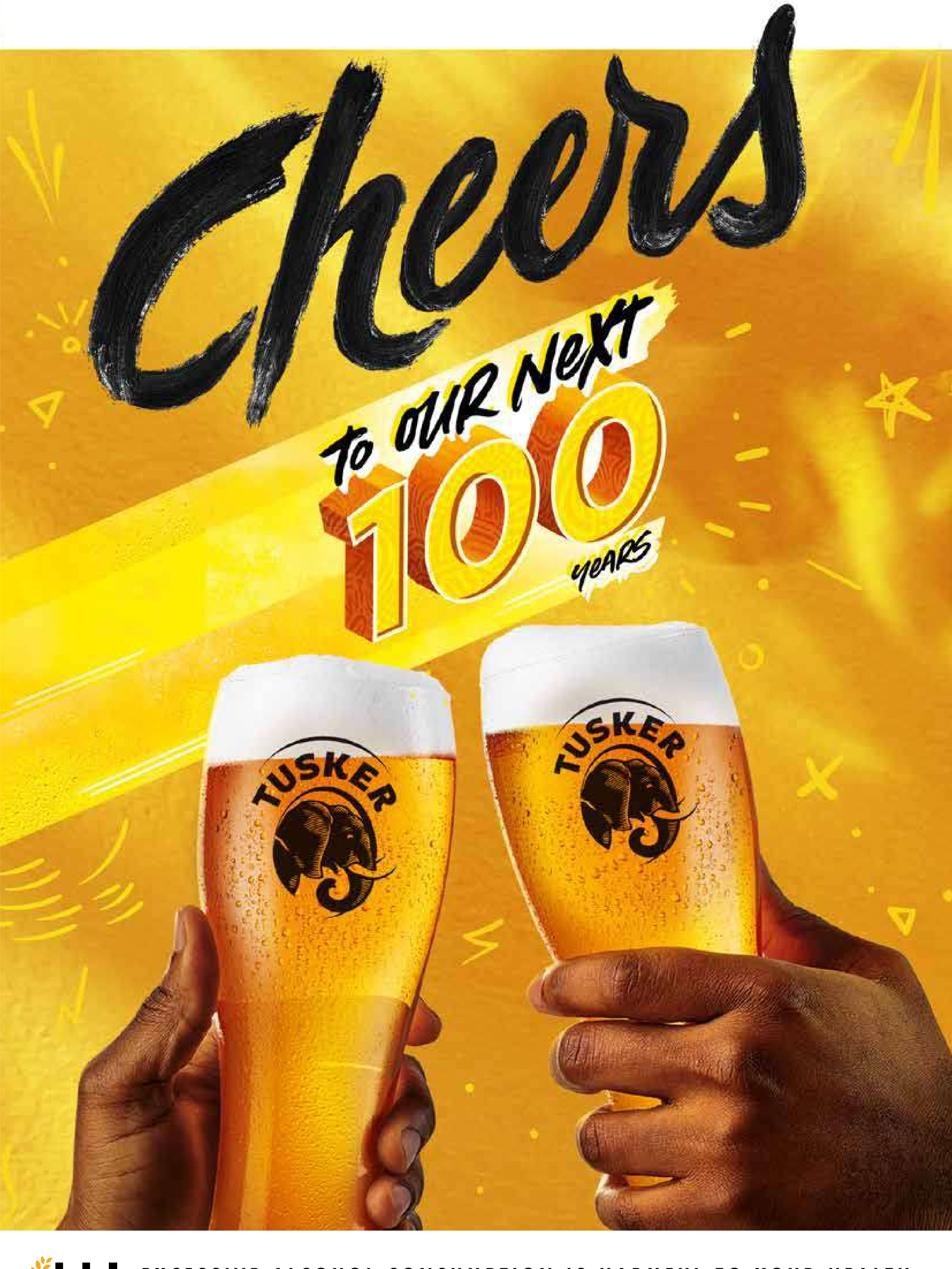
1. Iwapo mwanachama atashindwa kuhudhuria yeye binafsi, Fomu hii ya Uwakilishi inafaa kujazwa na kutumwa kwa barua pepe kwa eabl.agm@eabl.com au iwasilishwe (pamoja na barua ya idhini ya wakili au mamlaka nyingine(iwapo itakuwepo) ambaye imetiwa saini chini yake au nakala ya cheti cha kutoa idhini au mamlaka iliyotiwa 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 si baada ya Jumanne 13 Septemba, 2022 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 ambayo itapigwa 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 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 au" 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.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