

EAST AFRICAN BREWERIES PLC (“EABL”)

TENDER OFFER

to purchase up to 2,177,995 ordinary shares in the issued share capital of UGANDA BREWERIES LIMITED (“UBL”)



1. THE TENDER OFFER

EABL hereby offers to acquire up to 2,177,995 ordinary shares in the issued share capital of UBL (“**Ordinary Shares**”), which represents a maximum of 1.81 % of the issued share capital of UBL, by means of a tender offer (“**Tender Offer**”).

The Tender Offer will open at 9:00 a.m. on 3rd September 2024 and will be open to holders of Ordinary Shares [other than EABL] (“**Shareholders**”) on the register of members of UBL as at 2nd September 2024.

The Tender Offer will close at 5:00 p.m. on 3rd March 2025, following which the entitlements of Shareholders whose Tender Offer Acceptance Form and share transfer form have been received by Image Registrars Limited (“**Data Processing Agent**”) prior to 5:00 p.m. on 3rd March 2025 (“**Closing**”) will be calculated and settled.

2. THE TENDER OFFER PRICE

The price payable for each Ordinary Share tendered in the Tender Offer is UGX 5,630 (Ugandan Shillings Five Thousand Six Hundred Thirty) per share (“**Tender Price**”) which has been arrived at in the manner set out below.

The EABL Board of Directors commissioned an independent valuation of the shares of UBL which was conducted by Mazars BRJ, a Certified Firm of Accountants in Uganda (“**Independent Valuer**”).

The Independent Valuer arrived at the Tender Price by calculating the average of the Market Multiples Approach (Enterprise Value to EBITDA Multiple) and the Discounted Cash Flows (DCF). The two methods were applied for comparison purposes and they provided relatively similar results as summarised in the table below:

Valuation methodology	Equity value (UGX'000)	Number of shares	Value of a share
Discounted cash flow method (DCF)	691,398,298	120,471,308	5,739
EV/EBITDA multiple method	665,221,152	120,471,308	5,522
Average	678,309,725		5,630

Table 1: Independent valuation of UBL Shares

EABL WILL NOT ACQUIRE SHARES TENDERED AT PRICES HIGHER THAN THE TENDER PRICE DURING THE PERIOD IN WHICH THE TENDER OFFER IS OPEN.

3. IMPACT OF THE TENDER OFFER ON UBL

At the date of this Tender Offer document (“**Tender Offer Document**”), EABL holds 118,293,313 Ordinary Shares, which represents 98.19% of the issued share capital of UBL.

If the Tender Offer is accepted in full, EABL will hold 120,471,308 Ordinary Shares, which would represent 100% of the issued share capital of UBL.

The Tender Offer is consistent with EABL’s strategy for the East African market. EABL’s East African business continues to grow from strength to strength and is expanding its reach at pace. In addition, a resilient and adaptive approach by the East African business through the Covid-19 pandemic combined with vibrant ecommerce growth has cemented EABL’s belief that this is an appropriate time to deepen its East African position. EABL therefore intends to convert UBL from a public company into a private company.

The Tender Offer will help to address administrative and legal challenges faced by UBL which have arisen because a significant number of UBL’s minority Shareholders are uncontactable, such as:

- (i) non-attendance by minority shareholders at General Meetings which hinders the proper and efficient conduct of the business of UBL due to a lack of sufficient quorum;
- (ii) challenges maintaining an accurate and up to-date share register as is mandatorily required by section 119 of the Ugandan Companies Act, 2012; and
- (iii) the inability to contact minority Shareholders for routine matters regarding the business of UBL.

If any Shareholder does not wish to accept the Tender Offer, then such Shareholder need not take any further action.

If any Shareholder wishes to tender all or some of its Ordinary Shares in the Tender Offer, then Shareholders should complete the Tender Offer Acceptance Form and share transfer form in accordance with the instructions set out therein and return it, together with identification documents for such Shareholder (a copy of ID/passport for individuals or of the certificate of incorporation/registration for companies/groups/societies, in each case certified or notarised by a lawyer as a true copy, or for Ugandan companies certified by the Uganda Companies Registry, together with an original share certificate(s)) to the Data Processing Agent no later than 3rd March 2025.

IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS NOTICE OR THE ACTION YOU SHOULD TAKE REGARDING THIS TENDER OFFER, YOU SHOULD CONSULT YOUR FINANCIAL OR LEGAL ADVISER.

4. TIMETABLE OF KEY EVENTS

9:00 a.m. on 3rd September 2024 Tender Offer opens.
5:00 p.m. on 3rd March 2025 Closing.
3rd April 2025 Announcement of the results of the Closing.

5. NOTIFICATIONS TO REGULATORS

The Capital Markets Authority of Kenya and the Nairobi Securities Exchange will be notified of the Tender Offer as a matter of procedure under paragraph E.05 of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002 (the **Disclosure Regulations**).

EABL is also cross-listed on the Uganda Securities Exchange and Dar es Salaam Securities Exchange. Accordingly, the Capital Markets Authority in Uganda, Ugandan Securities Exchange, Capital Markets & Securities Authority in Tanzania and Dar es Salaam Stock Exchange will be notified of the Tender Offer as a matter of procedure under paragraph A.07 of the Disclosure Regulations.

Terms and Conditions of the Tender Offer.

5.1 General Terms and Conditions

All tenders must be made on the prescribed Tender Offer Acceptance Form and share transfer form, duly completed in accordance with the instructions thereon, which constitute part of the terms of the Tender Offer. A tender will only be valid where the procedures contained herein and in the Tender Offer Acceptance Form are complied with. The Tender Offer and all tenders will be governed by and construed in accordance with Ugandan law. Delivery or posting of a Tender Offer Acceptance Form and share transfer form will constitute irrevocable submission to the jurisdiction of the Ugandan courts.

All tenders will be irrevocable. A holder of Ordinary Shares shall only be permitted to tender their Ordinary Shares in the Tender Offer if at the date of Closing, such shares are free from all pledges, liens and other encumbrances. Ordinary Shares successfully tendered will be acquired by

EABL fully paid and free from all liens, charges, equitable interests and encumbrances and together with all rights attaching thereto, including the right to all dividends and other distributions declared, made or paid in respect of such Ordinary Shares.

Ordinary Shares tendered will be acquired by EABL together with the right to attend and vote at any general meeting of UBL after settlement on or about 24th March 2025.

No tenders received by the Data Processing Agent before 9:00 a.m. on 3rd September 2024 or after 5:00 p.m. on 3rd March 2025 will be accepted.

All questions as to the number of Ordinary Shares tendered and/or the validity, eligibility (including the time of receipt) and acceptance of any tender of Ordinary Shares will be determined by EABL, acting through the Data Processing Agent appointed in connection with the Tender Offer which determination will be final and binding on all of the parties (except as otherwise required under applicable law).

EABL, acting through the Data Processing Agent, reserves the absolute right to reject any or all tenders they determine not to be in proper form or the acceptance or payment for which may, in the opinion of EABL, acting through the Data Processing Agent, be unlawful or may violate applicable legal or regulatory requirements. EABL, acting through the Data Processing Agent, also reserves the absolute right to waive any of the terms of the Tender Offer and any defect or irregularity in the tender of any particular Ordinary Shares or any particular Shareholder. No tender of Ordinary Shares will be deemed to be validly made until all defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the Tender Offer will not be dispatched until after the Tender Offer Acceptance Form and share transfer form is complete in all respects and the share certificates and /or other document(s) of title, and identification documents (a copy of ID/passport for individuals or of the certificate of incorporation/registration for companies/groups/societies, in each case certified by a lawyer as a true copy), satisfactory to EABL, acting through the Data Processing Agent, have been received by the Data Processing Agent. Neither EABL nor the Data Processing Agent nor any other person is or will be obliged to give notice of any defects or irregularities in tenders, and none of them will incur any liability for failure to give any such notice. Neither EABL nor the Data Processing Agent, nor any person acting on behalf of any of them, will have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of Tender Offer Acceptance Forms or otherwise in connection therewith.

The failure of any person to receive a copy of this Tender Offer Document, the Tender Offer Acceptance Form or share transfer form will not invalidate any aspect of the Tender Offer. Each Shareholder shall be responsible for all communications, notices, certificates, documents of title and other documents and remittances to be delivered by or to them or their designated agents.

The Tender Offer is not conditional on a minimum level of Ordinary Shares being tendered in the Tender Offer. There is no minimum level of acceptances.

All references to time in this Tender Offer Document are to Uganda time.

All questions as to calculation of any entitlements will be determined by EABL, acting through the Data Processing Agent, in its sole discretion. Neither EABL, nor the Data Processing Agent nor any person acting on behalf of any of them, will have any liability to any person for any loss or alleged loss arising from the calculation of any entitlement.

5.2 Updates on level of acceptances

From 3rd March 2025, the Data Processing Agent will calculate the number of Ordinary Shares tendered by Shareholders in the Tender Offer and EABL will publish such number via an announcement and in two national newspapers on 3rd April 2025.

5.3 Settlement

Following the calculation of the entitlements to the Shareholders by the Data Processing Agent, the payment for each Shareholder’s entitlement will be processed on a rolling basis within 21 days of verification of the Shareholder’s documents. The payments will be processed in accordance with the preferred method of payment indicated in the applicable Tender Offer Acceptance Form.

5.4 Tendering Shareholder Confirmations

Each Shareholder that tenders Ordinary Shares into the Tender Offer irrevocably undertakes, represents, and warrants to EABL and its agents (so as to bind such Shareholder, its representatives and its heirs, successors and assigns) that:

- (i) the execution of the Tender Offer Acceptance Form and such form(s) of transfer and/or other document(s) relating to the Ordinary Shares constitutes the irrevocable instruction by such Shareholder for an authorised representative of UBL to deliver such form(s) of transfer and/or other document(s), together with the share certificate(s) and/or other document(s) relating to the Ordinary Shares, for registration and cancellation (in the case of the share certificate(s)) within 3 months of the Tender Offer Closing and to do all other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the acceptance of the tender offer and to vest in EABL or its nominee(s) or such other person(s) as EABL may direct the Ordinary Shares;
- (ii) such Shareholder will do all such acts and things as may be necessary or expedient to vest in EABL or its nominee(s) or such other person(s) as EABL may direct the Ordinary Shares;
- (iii) such Shareholder agrees to ratify each and every act or thing which may be done or affected by UBL or EABL or by any director of UBL or EABL or its agents, as the case may be, in the proper exercise of any of its or their powers and/or authorities conferred by or referred to in this Tender Offer Document;
- (iv) the Tender Offer may lawfully be made to such Shareholder and the acceptance of the Tender Offer may lawfully be made by such Shareholder and that such Shareholder has taken appropriate steps to satisfy themselves of such legality and has complied with the laws of any relevant jurisdiction in connection with the Tender Offer;
- (v) such Shareholder’s Ordinary Shares are sold free from all liens, charges, equitable interests and encumbrances and together with all rights attaching thereto, including the right to all dividends and other distributions declared, made or paid in respect of such Ordinary Shares, and, with the right to attend and vote at any general meeting of UBL after 3rd April 2025.

5.5 Nominee Shareholders

Nominee Shareholders will be responsible for ensuring that the Tender Offer Acceptance Forms and share transfer forms submitted by them are consistent with the instructions they have received from the relevant underlying beneficial shareholders and are validly completed (including as regards the giving of the representations, warranties and undertakings described in this Tender Offer Document). None of EABL, the Data

Processing Agent or other agent of EABL will (i) have any obligation to verify that a Tender Offer Acceptance Form and/ or share transfer form submitted by a Nominee Shareholder is consistent with the instructions given by its underlying beneficial shareholders or is validly completed by the Nominee Shareholder, or (ii) have any liability to Nominee Shareholders or relevant underlying beneficial shareholders in the event that a Tender Offer Acceptance Form and/ or share transfer form submitted by a Nominee Shareholder is rejected or treated as invalid.

For the avoidance of doubt, cash due to Shareholders under the terms of the Tender Offer will be paid to Nominee Shareholders and will not be paid directly to relevant underlying beneficial shareholders. Payment to Nominee Shareholders in accordance with the terms of the Tender Offer will be a complete discharge of EABL’s payment obligations, and none of EABL, the agents or the Data Processing Agent will have any obligation in relation to the application of the monies so paid to the Nominee Shareholder under the terms of the Tender Offer.

5.6 Overseas Shareholders

The Tender Offer is for Ordinary Shares of a company incorporated under the laws of Uganda and is subject to the procedural and disclosure requirements of Ugandan law. Since this Tender Offer Document has been prepared in accordance with Ugandan law, the information disclosed may not be the same as that which would have been provided in accordance with the laws of any other jurisdiction. No person outside of Uganda receiving a copy of this Tender Offer Document, any Tender Offer Acceptance Form or share transfer form may treat the same as constituting an invitation or offer to him unless the Tender Offer is lawfully made in the relevant territory. It is the responsibility of any such person to satisfy themselves as to full observance of the laws of that territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory.

5.7 Further Tender Offers

EABL reserves the right, subject to compliance with applicable law, to launch one or more additional tender offers in relation to UBL, or otherwise to acquire additional shares in UBL, following the close of the Tender Offer.

6. GENERAL DISCLOSURES AND INFORMATION

- 6.1 EABL is a public company registered in the Republic of Kenya with registration number C. 5/34 and is listed on the Nairobi Securities Exchange and is cross listed on the Dar es Salaam Stock Exchange and the Uganda Securities Exchange. EABL is the holding company for Kenya Breweries Limited (KBL), Uganda Breweries Limited (UBL) and Serengeti Breweries Limited (SBL) as well as other subsidiaries in East Africa. Further information on EABL, including its annual financial reports, details of directors, core activities, management and major shareholders can be found on its website at <https://www.eabl.com>.
- 6.2 UBL is a public limited liability company incorporated in the Republic of Uganda with registration number P. 18. UBL has been a leading brewer in Uganda since it began operations in 1946. UBL is located in PortBell, Luzira in the outskirts of Kampala.
- 6.3 EABL has sufficient cash resources and facilities at its disposal to satisfy full acceptance of the Tender Offer. Every shareholder who wishes to tender their Ordinary Shares will be paid in full.
- 6.4 Capital gains tax will be payable in Uganda by the Shareholders in connection with the gain accruing on the transfer of such Ordinary Shares in accordance with the current legislation. Stamp duty and registration fees (**Transaction Costs**) will be payable in Uganda in connection with the transfer of the Ordinary Shares to EABL in accordance with the current legislation. EABL will bear the Transaction Costs.
- 6.5 Any settlement of the consideration to which any Shareholder is entitled under the Tender Offer will be implemented in full in accordance with the terms of the Tender Offer without regard to any lien, right of set off, counter claim or other analogous rights to which EABL may otherwise be or claim to be entitled as against the Shareholder.

19. PARTIES TO THE TENDER OFFER

Offeror:	East African Breweries Plc Garden City Business Park, Block A, 5 th Floor Peponi Road, Off Ngumba Road, Exit 7 Off Thika Superhighway P.O. Box 30161 - 00100 Nairobi, Kenya
Offeree:	Uganda Breweries Limited Plot 3 - 17, Port Bell Road Luzira Kampala, Uganda
Legal Adviser to the Offeror	Coulson Harney LLP (Bowmans Kenya) 5 th Floor, West Wing, ICEA Lion Centre Riverside Park, Chiromo Road P. O. Box 10643 - 00100 Nairobi, Kenya
	AF Mpanga Advocates 4 th Floor, DFCU Towers 26 Kyadondo Road, Nakasero, Kampala P.O. Box 1520 Kampala, Uganda
Data Processing Agent:	Image Registrars Limited Jubilee Insurance Center Plot 14, Parliament Avenue, 1st Floor Kampala, Uganda Email: ubllshares@image.co.ke Website: www.image.co.ke and click on the Shareholder Services tab. Telephone: +256 762 260 804

DISCLAIMERS

Copies of this Tender Offer Document and the Tender Offer Acceptance Form will be made available on the website of EABL at <https://www.eabl.com> and Image Registrars at <https://www.image.co.ke>.