

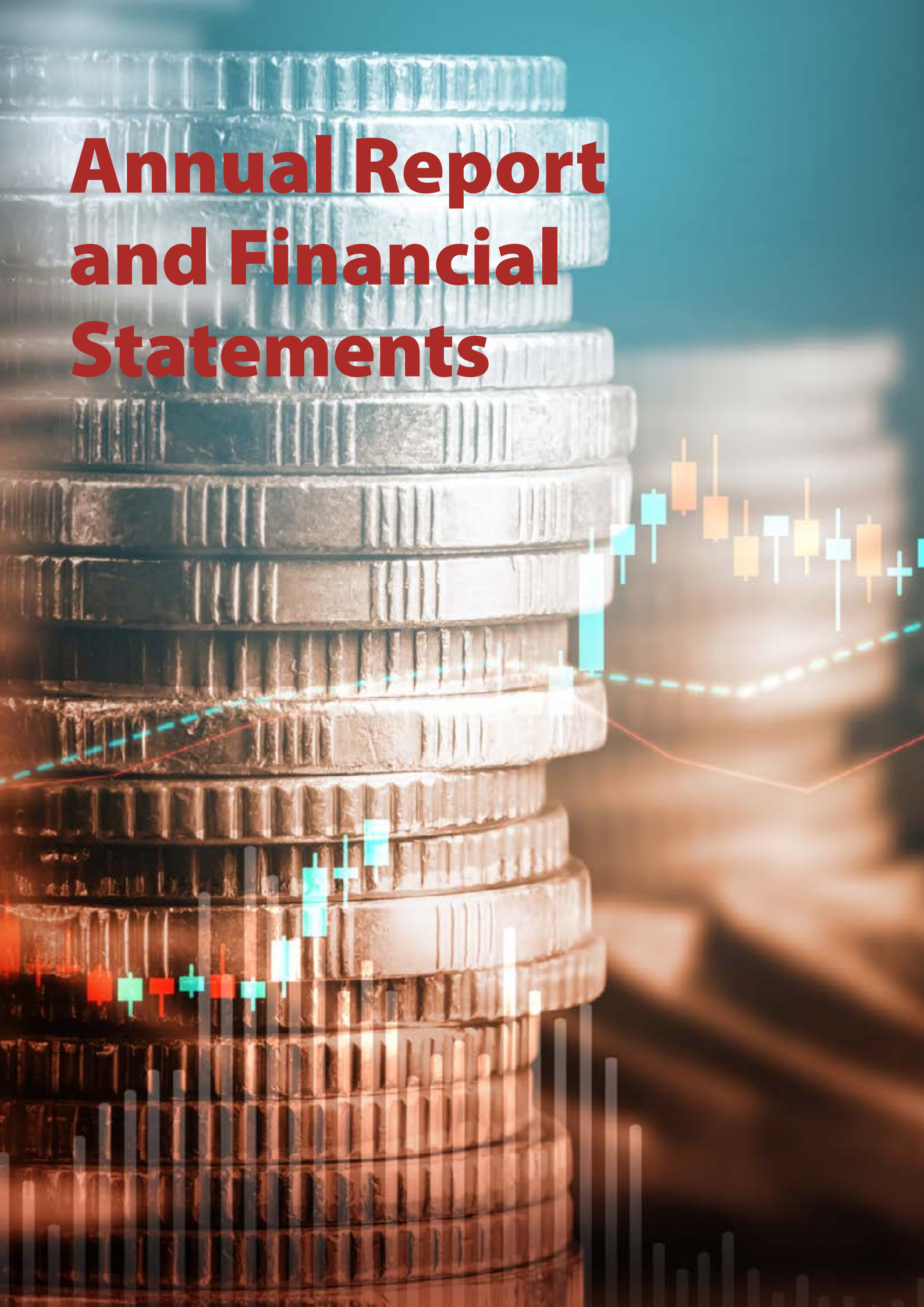
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CELEBRATING LIFE



**2022 INTEGRATED REPORT  
& FINANCIAL STATEMENTS**



# Annual Report and Financial Statements



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# CORPORATE INFORMATION

## DIRECTORS

Dr. M Oduor-Otieno	Group Chairman
Mrs. 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. Kathyryne Maundu (CPS No. 2159)  
Stamford Corporate Services LLP  
5<sup>th</sup> 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  
5<sup>th</sup> 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  
5<sup>th</sup> 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  
5<sup>th</sup> 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](mailto:eablinvestorrelations@diageo.com)  
Website: [www.eabl.com/investors](http://www.eabl.com/investors)

# DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements for the year ended 30<sup>th</sup> 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<sup>st</sup> 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 energise and connect the organisation 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<sup>th</sup> July, 2022.

By order of the Board

#### Ms. Kathryne Maundu

Company Secretary

Date: 27<sup>th</sup> 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 yanayoweza 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:

- Kwa uelewa wa kila Mkurugenzi, hakukuwepo taarifa zozote muhimu za ukaguzi wa hesabu za Kampuni ambazo mkaguzi wa hesabu hakuwa nazo; na
- 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. Kathryn 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 30<sup>th</sup> 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 30<sup>th</sup> 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 17<sup>th</sup> 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 30<sup>th</sup> June, 2021, was presented to shareholders for approval at the Annual General Meeting (AGM) held on 14<sup>th</sup> 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	<p><b>Purpose and link to Group Strategy</b> The base pay supports the attraction and retention of the best global talent with the capability to deliver EABL's strategy and performance goals.</p> <p><b>Operation</b></p> <ul style="list-style-type: none"> <li>It is paid monthly (12 equal instalments) during the year, and is pensionable.</li> <li>The base pay is reviewed annually in October, to reflect changes in market pay levels and individual performance.</li> <li>The Board Nominations and Remuneration Committee (BNRC) approves the budgets that form the basis for the annual base salary increments on an annual basis.</li> <li>Performance measure – It is based on individual's level of responsibility.</li> </ul>
Fixed allowances and benefits	<p><b>Purpose and link to Group Strategy</b></p> <ul style="list-style-type: none"> <li>These allowances and benefits provide market competitive and cost effective benefits.</li> </ul> <p><b>Operation</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>Market competitive benefits that are in line with the Company's pay structure include pension, medical, accident and life insurance and club membership.</li> <li>International assignees receive additional benefits that include: home leave travel, housing support, dependants' education support and tax support through tax equalisation.</li> <li>Performance measure – It is based on individual's level of responsibility.</li> </ul>
Bonus	<p><b>Purpose and link to Group Strategy</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>Operation</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>Bonuses are awarded during the EABL Annual Review Cycle and paid out in cash in September and October of every year.</li> <li>The elements used to calculate the bonus are:                         <ul style="list-style-type: none"> <li>» Annual base salary - Bonus is usually expressed in terms of one's annual base salary.</li> <li>» 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.</li> <li>» 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%.</li> </ul> </li> </ul> <p><b>Performance measure</b> – This is based on individual and Company performance.</p>

# DIRECTORS' REMUNERATION REPORT (continued)

Reward Element	Description
Shares / stock options	<p><b>Purpose and link to Group Strategy</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>Operation</b></p> <p>The Executive Directors participate in the below plans:</p> <ul style="list-style-type: none"> <li>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 three years after grant, subject to continued employment. Employees can exercise their options at any time within the seven year period following the vesting date.</li> <li>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.</li> </ul> <p><b>Performance measure for the right to receive shares</b> – The vesting of awards is linked to a range of measures which may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>A growth measure (e.g. net sales growth, operating profit growth);</li> <li>A measure of efficiency (e.g. operating margin, cumulative free cash flow, return on invested capital);</li> <li>A measure of Diageo's performance in relation to its peers (e.g. relative total shareholder return); and</li> <li>A measure relating to ESG (environmental, social or governance) priorities.</li> </ul>
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
<b>Year ended 30 June 2022</b>				
Ms. Jane Karuku	46,483	30,884	8,992	86,359
Ms. Risper Ohaga	26,564	18,363	5,655	50,582
<b>Total</b>	<b>73,047</b>	<b>49,247</b>	<b>14,647</b>	<b>136,941</b>
<b>Year ended 30 June 2021</b>				
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
<b>Total</b>	<b>84,667</b>	<b>-</b>	<b>73,552</b>	<b>158,219</b>

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
<b>Year ended 30<sup>th</sup> June, 2022</b>				
Ms. Jane Karuku	50,301	16,033	(7,172)	59,162
Ms. Risper Ohaga	7,139	1,302	-	8,441
<b>Total</b>	<b>57,440</b>	<b>17,335</b>	<b>(7,172)</b>	<b>67,603</b>
<b>Year ended 30 June 2021</b>				
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
<b>Total</b>	<b>84,359</b>	<b>32,740</b>	<b>(21,162)</b>	<b>95,937</b>

\* Mr. Andrew Cowan resigned on 1<sup>st</sup> 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 75<sup>th</sup> 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
<b>Year ended 30<sup>th</sup> June, 2022</b>			
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
<b>Total</b>	<b>38,449</b>	<b>-</b>	<b>38,449</b>
<b>Year ended 30<sup>th</sup> June, 2021</b>			
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
<b>Total</b>	<b>36,946</b>	<b>-</b>	<b>36,946</b>

#### By order of the Board

**Ms. Kathryn Maundu**

Company Secretary

Date: 27<sup>th</sup> 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 30<sup>th</sup> 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 27<sup>th</sup> July, 2022, and signed on its behalf by:

**Ms. Jane Karuku**

Group Managing Director

**Ms. Risper Ohaga**

Chief Financial Officer





# 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 200, which comprise the consolidated statement of financial position at 30<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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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Partners: E Kerich B Kimacia M Mugasa A Murage F Muriu P Ngahu B Ngunjiri R Njoroge S O Norbert's B Okundi K Saiti



## 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
<p><b>Carrying value of intangible assets (goodwill and brands) and investments in subsidiaries</b></p> <p>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 30<sup>th</sup> 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 30<sup>th</sup> June, 2022, was Kshs 47 billion.</p> <p>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.</p> <p>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.</p>	<p>We evaluated and validated the composition of management’s cash flow forecasts and the underlying assumptions based on the historical performance of the CGUs, industry-specific reports and the macro-economic outlook.</p> <p>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.</p> <p>We tested the mathematical accuracy and performed sensitivity analysis of the inputs and assumptions to the models.</p> <p>We assessed the adequacy and appropriateness of the related disclosures in Notes 23 and 24 of the financial statements.</p>



## 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
<p><b>Provisions and contingent liabilities</b></p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>Our audit focused on assessing the reasonableness of the Directors' judgements in relation to unresolved tax assessments and claims. In particular, our procedures included the following:</p> <ul style="list-style-type: none"> <li>• where relevant, assessing independent professional opinions used in the management judgements and estimates; and</li> <li>• validation of the management judgements and estimates against the supporting internal information and documents, and communications with relevant tax authorities.</li> </ul> <p>We evaluated whether the disclosures in the financial statements appropriately reflect any significant uncertainties that exist around the unresolved tax matters.</p>

### 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.



## **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**

**27<sup>th</sup> July, 2022**

## Consolidated statement of profit or loss

	Note	Year ended 30 <sup>th</sup> June	
		2022 Kshs '000	2021 Kshs '000
Revenue from contracts with customers	6	109,409,027	85,961,815
Cost of sales	7	(56,553,029)	(48,548,122)
<b>Gross profit</b>		<b>52,855,998</b>	<b>37,413,693</b>
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)
<b>Profit before income tax</b>	10	<b>24,016,258</b>	<b>10,858,033</b>
Income tax expense	13	(8,441,859)	(3,896,093)
<b>Profit for the year</b>		<b>15,574,399</b>	<b>6,961,940</b>
<b>Profit attributable to:</b>			
Equity holders of the Company	15	11,857,336	4,354,228
Non-controlling interests	18	3,717,063	2,607,712
<b>Profit for the year</b>		<b>15,574,399</b>	<b>6,961,940</b>
<b>Earnings per share</b>			
-basic and diluted (Kshs per share)	15	15.00	5.51

## Consolidated statement of comprehensive income

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

## Company statement of profit or loss and other comprehensive income

	Note	Year ended 30 <sup>th</sup> June	
		2022 Kshs '000	2021 Kshs '000
Revenue from contracts with customers	6	1,929,998	1,743,771
Dividends income		8,242,144	2,529,344
<b>Total revenue</b>		<b>10,172,142</b>	<b>4,272,115</b>
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)
<b>Profit before income tax</b>	10	<b>6,350,770</b>	<b>2,594,955</b>
Income tax (expense)/credit	13	(472,385)	367,667
<b>Profit for the year</b>		<b>5,878,385</b>	<b>2,962,622</b>
Profit for the year		5,878,385	2,962,622
Other comprehensive income, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>5,878,385</b>	<b>2,962,622</b>



## Consolidated statement of financial position

	Note	As at 30 <sup>th</sup> June	
		2022 Kshs '000	2021 Kshs '000
<b>Equity attributable to owners of the Company</b>			
Share capital	16	1,581,547	1,581,547
Share premium	16	1,691,151	1,691,151
Other reserves	17	(1,470,272)	(2,606,773)
Retained earnings		8,678,086	5,519,268
Proposed dividend	14	5,733,114	-
		<b>16,213,626</b>	<b>6,185,193</b>
Non-controlling interests	18	10,200,169	8,667,237
<b>Total equity</b>		<b>26,413,795</b>	<b>14,852,430</b>
<b>Non-current liabilities</b>			
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
		<b>42,174,455</b>	<b>45,562,271</b>
<b>Total equity and non-current liabilities</b>		<b>68,588,250</b>	<b>60,414,701</b>
<b>Non-current assets</b>			
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
		<b>75,015,807</b>	<b>66,024,480</b>
<b>Current assets</b>			
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
		<b>35,410,863</b>	<b>34,092,534</b>
<b>Current liabilities</b>			
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
		<b>41,838,420</b>	<b>39,702,313</b>
<b>Net current liabilities</b>		<b>(6,427,557)</b>	<b>(5,609,779)</b>
		<b>68,588,250</b>	<b>60,414,701</b>

The financial statements on pages 134 to 200 were approved for issue by the board of Directors on 27<sup>th</sup> 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 30 <sup>th</sup> June	
		2022 Kshs '000	2021 Kshs '000
<b>Equity attributable to owners of the Company</b>			
Share capital	16	1,581,547	1,581,547
Share premium	16	1,691,151	1,691,151
Other reserves	17	103,861	73,476
Retained earnings		16,720,614	19,540,747
Proposed dividends	14	5,733,114	-
<b>Total equity</b>		<b>25,830,287</b>	<b>22,886,921</b>
<b>Non-current liabilities</b>			
Borrowings	29	29,208,333	37,108,333
Lease liabilities	30	9,137	5,283
		<b>29,217,470</b>	<b>37,113,616</b>
<b>Total equity and non-current liabilities</b>		<b>55,047,757</b>	<b>60,000,537</b>
<b>Non-current assets</b>			
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
		<b>79,088,407</b>	<b>79,504,665</b>
<b>Current assets</b>			
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
		<b>11,171,089</b>	<b>7,397,277</b>
<b>Current liabilities</b>			
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
		<b>35,211,739</b>	<b>26,901,405</b>
<b>Net current liabilities</b>		<b>(24,040,650)</b>	<b>(19,504,128)</b>
		<b>55,047,757</b>	<b>60,000,537</b>

The financial statements on pages 134 to 200 were approved for issue by the board of Directors on 27<sup>th</sup> 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 30 <sup>th</sup> 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 1 <sup>st</sup> July, 2021	1,581,547	1,691,151	(2,606,773)	5,519,268	-	6,185,193	8,667,237	14,852,430
<b>Total comprehensive income</b>								
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
<b>Total comprehensive income for the year</b>	-	-	<b>1,229,414</b>	<b>11,857,336</b>	-	<b>13,086,750</b>	<b>3,760,036</b>	<b>16,846,786</b>
<b>Transactions with owners of the Company</b>								
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	-	-	-
<b>Total transactions with owners of the Company</b>	-	-	<b>(92,913)</b>	<b>(8,698,518)</b>	<b>5,733,114</b>	<b>(3,058,317)</b>	<b>(2,227,104)</b>	<b>(5,285,421)</b>
<b>At 30<sup>th</sup> June, 2022</b>	<b>1,581,547</b>	<b>1,691,151</b>	<b>(1,470,272)</b>	<b>8,678,086</b>	<b>5,733,114</b>	<b>16,213,626</b>	<b>10,200,169</b>	<b>26,413,795</b>

## Consolidated statement of changes in equity (continued)

Year ended 30 <sup>th</sup> 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 1 <sup>st</sup> July, 2020	1,581,547	1,691,151	(2,821,327)	5,869,572	6,320,943	7,672,325	13,993,268
<b>Total comprehensive income</b>							
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
<b>Total comprehensive income for the year</b>	-	-	195,187	4,354,228	4,549,415	2,622,366	7,171,781
<b>Transactions with owners of the Company</b>							
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)
<b>Total transactions with owners of the Company</b>	-	-	19,367	(4,704,532)	(4,685,165)	(1,627,454)	(6,312,619)
<b>At 30<sup>th</sup> June, 2021</b>	<b>1,581,547</b>	<b>1,691,151</b>	<b>(2,606,773)</b>	<b>5,519,268</b>	<b>6,185,193</b>	<b>8,667,237</b>	<b>14,852,430</b>

## 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
<b>At 1<sup>st</sup> July, 2021</b>	<b>1,581,547</b>	<b>1,691,151</b>	<b>73,476</b>	<b>19,540,747</b>	<b>-</b>	<b>22,886,921</b>
Total comprehensive income for the year	-	-	-	5,878,385	-	5,878,385
<b>Transactions with owners of the company:</b>						
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)
<b>At 30 June 2022</b>	<b>1,581,547</b>	<b>1,691,151</b>	<b>103,861</b>	<b>16,720,614</b>	<b>5,733,114</b>	<b>25,830,287</b>
<b>At 1 July 2020</b>	<b>1,581,547</b>	<b>1,691,151</b>	<b>48,310</b>	<b>16,578,125</b>	<b>16,578,125</b>	<b>19,899,133</b>
Total comprehensive income for the year	-	-	-	2,962,622	2,962,622	2,962,622
<b>Transactions with owners of the company:</b>						
Share based payment reserve (Note 17)	-	-	25,166	-	-	25,166
Total transactions with owners of the company	-	-	25,166	-	-	25,166
<b>At 30<sup>th</sup> June, 2021</b>	<b>1,581,547</b>	<b>1,691,151</b>	<b>73,476</b>	<b>19,540,747</b>	<b>19,540,747</b>	<b>22,886,921</b>

## Consolidated statement of cash flows

	Notes	Year ended 30 <sup>th</sup> June	
		2022 Kshs '000	2021 Kshs '000
<b>Operating activities</b>			
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)
<b>Net cash flows from operating activities</b>		<b>25,905,703</b>	<b>14,611,771</b>
<b>Investing activities</b>			
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	-
<b>Net cash flows from investing activities</b>		<b>(13,172,259)</b>	<b>(14,198,236)</b>
<b>Financing activities</b>			
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)
<b>Net cash flows from financing activities</b>		<b>(9,397,974)</b>	<b>3,464,073</b>
<b>Increase in cash and cash equivalents</b>		<b>3,335,470</b>	<b>3,877,608</b>
<b>Movement in cash and cash equivalents</b>			
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
<b>At end of year</b>	<b>33</b>	<b>8,066,971</b>	<b>4,421,021</b>

## Company statement of cash flows

	Notes	Year ended 30 <sup>th</sup> June	
		2022 Kshs '000	2021 Kshs '000
<b>Operating activities</b>			
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)
<b>Net cash flows from operating activities</b>		<b>6,449,289</b>	<b>4,917,394</b>
<b>Investing activities</b>			
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
<b>Net cash flows from investing activities</b>		<b>8,243,130</b>	<b>(6,916,430)</b>
<b>Financing activities</b>			
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)
<b>Net cash flows from financing activities</b>		<b>(11,129,824)</b>	<b>2,948,791</b>
<b>Increase in cash and cash equivalents</b>		<b>3,562,595</b>	<b>949,755</b>
<b>Movement in cash and cash equivalents</b>			
At start of year		1,761,351	811,596
Increase during the year		3,562,595	949,755
<b>At end of year</b>	33	<b>5,323,946</b>	<b>1,761,351</b>

## 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 30<sup>th</sup> 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 30<sup>th</sup> 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 1<sup>st</sup> 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 waiver 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 an 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 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 1<sup>st</sup> 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 30<sup>th</sup> 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 (continued)

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:

- Financial assets or financial liabilities classified as fair value through profit or loss are measured at fair value.
- Trade receivables are measured at their transaction price.
- 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 30<sup>th</sup> 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 30 <sup>th</sup> 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)
		<b>(142,043)</b>	<b>36,463</b>

Company		Profit or loss	
At 30 <sup>th</sup> 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
		<b>37,836</b>	<b>108,211</b>

##### (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
<b>(a) Group</b>		
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
	<b>23,449,559</b>	<b>19,834,796</b>
<b>(b) Company</b>		
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
	<b>39,673,036</b>	<b>36,126,565</b>

##### Credit risk management policy

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

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

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

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

## 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
<b>Trade and other receivables</b>	<b>9,240,879</b>	<b>7,762,422</b>
Net carrying amount of trade and other receivables:		
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)
<b>Net carrying amount</b>	<b>7,676,846</b>	<b>6,342,947</b>

#### (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
<b>Trade and other receivables</b>	<b>1,022,159</b>	<b>3,335,383</b>
Net carrying amount of trade and other receivables:		
Carrying amount before provision for expected credit losses	1,022,159	3,335,383
Provision for expected credit losses	-	-
<b>Net carrying amount</b>	<b>1,022,159</b>	<b>3,335,383</b>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 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 30 <sup>th</sup> 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
	<b>1,381,709</b>	<b>44,753,140</b>	<b>10,496,542</b>	<b>31,457,845</b>	<b>88,089,236</b>

#### Company

At 30 <sup>th</sup> 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
	<b>683,601</b>	<b>38,021,394</b>	<b>8,721,730</b>	<b>25,137,889</b>	<b>72,564,524</b>

## Notes (continued)

### 4. Financial risk management objectives and policies (continued)

#### Liquidity risk (continued)

##### Group

At 30 <sup>th</sup> 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	<b>55,226,786</b>
Lease liabilities	-	460,651	319,839	1,565,244	-	<b>2,345,734</b>
Trade and other payables	8,572,682	21,971,036	-	-	-	<b>30,543,718</b>
Bank overdraft	-	1,190,889	-	-	-	<b>1,190,889</b>
Dividend payable	673,463	-	-	-	-	<b>673,463</b>
	<b>9,246,145</b>	<b>34,264,690</b>	<b>18,180,967</b>	<b>15,401,226</b>	<b>12,887,562</b>	<b>89,980,589</b>

##### Company

At 30 <sup>th</sup> 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	<b>53,406,215</b>
Lease liabilities	-	8,285	4,208	1,425	-	<b>13,918</b>
Trade and other payables	-	19,320,605	-	-	-	<b>19,320,605</b>
Dividend payable	673,463	-	-	-	-	<b>673,463</b>
	<b>673,463</b>	<b>29,831,592</b>	<b>17,725,925</b>	<b>12,295,659</b>	<b>12,887,562</b>	<b>73,414,201</b>

#### 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 30<sup>th</sup> 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
<b>Net borrowings:</b>		
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)
<b>Net debt</b>	<b>35,164,996</b>	<b>42,196,173</b>
<b>EBITDA</b>		
Profit before tax	24,016,258	10,858,033
<b>Adjusted for:</b>		
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
<b>Net Debt to EBITDA</b>	<b>x1.03</b>	<b>x2.10</b>

#### 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 30<sup>th</sup> 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
<b>Net assets at fair value through profit or loss</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>

The following table presents the Group and Company's financial assets and liabilities that are measured at fair value at 30<sup>th</sup> 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
<b>Net assets at fair value through profit or loss</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>

There were no transfers between levels during the years ended 30<sup>th</sup> June, 2022, and 30<sup>th</sup> 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)	-	-
<b>Total sales</b>	<b>78,864,248</b>	<b>61,370,325</b>	<b>19,866,112</b>	<b>16,084,490</b>	<b>15,792,969</b>	<b>13,096,150</b>	<b>(5,114,302)</b>	<b>(4,589,150)</b>	<b>109,409,027</b>	<b>85,961,815</b>



## 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
<b>(a) Group</b>	<b>Kshs '000</b>	<b>Kshs '000</b>
Gross sales	193,849,847	152,572,477
Indirect taxes	(84,440,820)	(66,610,662)
	<b>109,409,027</b>	<b>85,961,815</b>
<b>(b) Company</b>		
Management fees	637,356	913,784
Royalties	1,292,642	829,987
	<b>1,929,998</b>	<b>1,743,771</b>

### 7. Cost of sales

	2022	2021
<b>(a) Group</b>		
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
	<b>56,553,029</b>	<b>48,548,122</b>
<b>(b) Company</b>		
Cost of goods sold	-	-
Distribution and warehousing	-	-
Staff costs	-	-
	-	-

## Notes (continued)

### 8. Administrative expenses

	2022	2021
	Kshs '000	Kshs '000
<b>(a) Group</b>		
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
	<b>10,841,540</b>	<b>9,320,113</b>
<b>(b) Company</b>		
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
	<b>1,682,363</b>	<b>1,568,599</b>

### 9. Other income/(expenses)

#### (a) Group

	2022	2021
<b>Other income</b>		
Net transactional foreign exchange gains	265,949	-
Sundry income	269,718	44,007
	<b>535,667</b>	<b>44,007</b>
<b>Other expenses</b>		
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
	<b>4,564,166</b>	<b>5,968,696</b>
	<b>(4,028,499)</b>	<b>(5,924,689)</b>

(\*) 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
<b>Other income</b>		
Net transactional foreign exchange gains	21,015	-
Sundry income	-	1,711,290
	<b>21,015</b>	<b>1,711,290</b>
<b>Other expenses</b>		
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
	<b>843,218</b>	<b>585,850</b>
	<b>(822,203)</b>	<b>1,125,440</b>

(\*) 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
	<b>13,159,782</b>	<b>10,351,628</b>

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
	<b>1,576</b>	<b>1,500</b>

#### (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
	<b>1,621,768</b>	<b>1,430,060</b>

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

	2022	2021
Management and administration	21	21
	<b>21</b>	<b>21</b>

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

## Notes (continued)

### 12. Finance income/(expenses)

#### (a) Group

	2022	2021
	Kshs '000	Kshs '000
<b>Finance income</b>		
Interest income	184,528	91,242
	<b>184,528</b>	<b>91,242</b>
<b>Finance costs</b>		
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)
	<b>(4,420,520)</b>	<b>(4,039,981)</b>

#### (b) Company

	2022	2021
	Kshs '000	Kshs '000
<b>Finance income</b>		
Interest income	3,322,278	3,210,164
	<b>3,322,278</b>	<b>3,210,164</b>
<b>Finance costs</b>		
Interest expense on borrowings	(4,566,854)	(4,442,498)
Interest expense on lease liabilities	(1,201)	(2,667)
Other finance costs	(71,028)	-
	<b>(4,639,083)</b>	<b>(4,445,165)</b>

### 13. Income tax expense

The income tax expense has been calculated using income tax rate of 30% as at 30<sup>th</sup> June, 2022 (30<sup>th</sup> June, 2021: 27.5%).

#### (a) Group

	2022	2021
	Kshs '000	Kshs '000
<b>Income tax expense</b>		
<b>Current income tax:</b>		
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
<b>Deferred income tax:</b>		
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
<b>Total income tax expense</b>	<b>8,441,859</b>	<b>3,896,093</b>

## 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
<b>Tax effects of:</b>		
- 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
<b>Income tax expense</b>	<b>8,441,859</b>	<b>3,896,093</b>

#### (b) Company

	2022	2021
	Kshs '000	Kshs '000
<b>Income tax expense</b>		
<b>Current income tax:</b>		
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
<b>Deferred income tax:</b>		
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)
<b>Total tax expense/(credit)</b>	<b>472,385</b>	<b>(367,667)</b>

## 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% (30 <sup>th</sup> June, 2021 – 27.5%)	1,905,231	713,613
<b>Tax effects of:</b>		
- 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)
<b>Income tax expense/(credit)</b>	<b>472,385</b>	<b>(367,667)</b>

### 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 30<sup>th</sup> 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 30<sup>th</sup> 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
<b>Weighted average number of ordinary shares</b>		
Issued and paid shares (Note 16)	790,774,356	790,774,356
Basic and diluted earnings per share (Kshs per share)	15.00	5.51



## Notes (continued)

### 16. Share capital

Group and Company	Number of shares	Ordinary shares	Share premium
		Kshs'000	Kshs'000
<b>Issued and fully paid</b>			
Balance as at 1 <sup>st</sup> July, 2020, 30 <sup>th</sup> June, 2021 and 30 <sup>th</sup> 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
<b>Movement in the year:</b>				
Purchase of shares	793,700	126,933	-	-
Transfer of shares	-	-	40,326	6,765
Issue of shares upon exercise of options	(23,170)	(3,635)	(6,714)	(966)
<b>Total movement in the year</b>	<b>770,530</b>	<b>123,298</b>	<b>33,612</b>	<b>5,799</b>
<b>At end of year</b>	<b>3,619,786</b>	<b>723,774</b>	<b>2,849,256</b>	<b>600,476</b>

## 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 30<sup>th</sup> June, 2022

	UDV (Kenya) Limited	Serengeti Breweries Limited	Other subsidiaries	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
<b>Non-controlling interest percentage</b>	<b>53.68%</b>	<b>7.5%</b>	<b>1% - 1.8%</b>	
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	
<b>Carrying amount of non-controlling interest</b>	<b>9,190,669</b>	<b>896,123</b>	<b>113,377</b>	<b>10,200,169</b>
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	
<b>In respect of non-controlling interest</b>	<b>3,539,297</b>	<b>128,547</b>	<b>49,219</b>	<b>3,717,063</b>
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	
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,812,892</b>	<b>(367,702)</b>	<b>2,594,202</b>	

## Notes (continued)

### 18. Non-controlling interests (continued)

#### (a) Subsidiaries with material non-controlling interests (continued)

At 30<sup>th</sup> June, 2021

	UDV (Kenya) Limited	Serengeti Breweries Limited	Other subsidiaries	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
<b>Non-controlling interest percentage</b>	<b>53.68%</b>	<b>7.5%</b>	<b>1% - 1.8%</b>	
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	
<b>Carrying amount of non-controlling interest</b>	<b>7,798,572</b>	<b>806,427</b>	<b>62,238</b>	<b>8,667,237</b>
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)	
<b>In respect of non-controlling interest</b>	<b>2,409,302</b>	<b>200,842</b>	<b>(2,432)</b>	<b>2,607,712</b>
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	
<b>Net increase in cash and cash equivalents</b>	<b>1,111,217</b>	<b>648,859</b>	<b>2,087,579</b>	

#### (b) Transactions with non-controlling interests

The amounts due from the non-controlling interests arising from the capital restructuring of Serengeti Breweries Limited in 2018, are classified as part of the investment in subsidiaries in the Company's statement of financial position. The movement in the balance during the period is as follows:

	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
<b>At end of year</b>	<b>868,627</b>	<b>874,600</b>

## Notes (continued)

### 19. Deferred income tax

Deferred income tax is calculated using the enacted domestic tax rate of 30% as at 30<sup>th</sup> 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
<b>At end of year</b>	<b>5,229,813</b>	<b>5,394,742</b>
<b>Analysed as follows:</b>		
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)
<b>At end of year</b>	<b>(540,552)</b>	<b>(841,629)</b>

## 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 30<sup>th</sup> June, 2022

	At 1 <sup>st</sup> 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 30 <sup>th</sup> June, 2022
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
<b>Deferred income tax liabilities</b>						
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
<b>Deferred income tax liabilities</b>	<b>9,109,804</b>	<b>-</b>	<b>(18,266)</b>	<b>33,747</b>	<b>208,241</b>	<b>9,333,526</b>
<b>Deferred income tax assets</b>						
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)
<b>Deferred income tax assets</b>	<b>(3,715,062)</b>	<b>-</b>	<b>9,279</b>	<b>(329,111)</b>	<b>(68,819)</b>	<b>(4,103,713)</b>
<b>Net deferred income tax</b>	<b>5,394,742</b>	<b>-</b>	<b>(8,987)</b>	<b>(295,364)</b>	<b>139,422</b>	<b>5,229,813</b>

##### Year ended 30<sup>th</sup> June, 2021

	At 1 <sup>st</sup> 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 30 <sup>th</sup> June, 2021
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
<b>Deferred income tax liabilities</b>						
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
<b>Deferred income tax liabilities</b>	<b>7,939,901</b>	<b>994,292</b>	<b>108,962</b>	<b>(74,622)</b>	<b>141,271</b>	<b>9,109,804</b>
<b>Deferred income tax assets</b>						
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)
<b>Deferred income tax assets</b>	<b>(2,824,481)</b>	<b>(323,469)</b>	<b>(34,818)</b>	<b>(491,014)</b>	<b>(41,280)</b>	<b>(3,715,062)</b>
<b>Net deferred income tax</b>	<b>5,115,420</b>	<b>670,823</b>	<b>74,144</b>	<b>(565,636)</b>	<b>99,991</b>	<b>5,394,742</b>

## Notes (continued)

### 19. Deferred income tax (continued)

#### (b) Company

##### Year ended 30<sup>th</sup> June, 2022

	At 1 <sup>st</sup> July, 2021	Impact of change in tax rate	Prior year (over)/under provision	Charged/ (credited) to profit or loss	At 30 <sup>th</sup> June, 2022
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
<b>Deferred income tax liabilities</b>					
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)
<b>Deferred income tax assets</b>					
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)
<b>Deferred income tax assets</b>	<b>(828,092)</b>	<b>-</b>	<b>9,278</b>	<b>327,696</b>	<b>(491,118)</b>
<b>Net deferred income tax</b>	<b>(841,629)</b>	<b>-</b>	<b>(30,852)</b>	<b>331,929</b>	<b>(540,552)</b>

##### Year ended 30<sup>th</sup> June, 2021

	At 1 <sup>st</sup> July, 2020	Impact of change in tax rate	Prior year (over)/under provision	Charged/ (credited) to profit or loss	At 30 <sup>th</sup> June, 2021
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
<b>Deferred income tax liabilities</b>					
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
<b>Deferred income tax liabilities</b>	<b>(37,682)</b>	<b>(8,956)</b>	<b>1,418</b>	<b>31,683</b>	<b>(13,537)</b>
<b>Deferred income tax assets</b>					
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)
<b>Deferred income tax assets</b>	<b>(404,851)</b>	<b>(85,620)</b>	<b>(31,765)</b>	<b>(305,856)</b>	<b>(828,092)</b>
<b>Net deferred income tax</b>	<b>(442,533)</b>	<b>(94,576)</b>	<b>(30,347)</b>	<b>(274,173)</b>	<b>(841,629)</b>

## Notes (continued)

### 20. Property, plant and equipment

#### (a) Group

	Freehold property	Leasehold buildings	Plant & equipment	Returnable packaging	Capital work in progress	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
<b>Year ended 30<sup>th</sup> June, 2022</b>						
<b>Cost</b>						
1 <sup>st</sup> 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
<b>At 30<sup>th</sup> June, 2022</b>	<b>6,729,319</b>	<b>8,169,501</b>	<b>63,263,701</b>	<b>20,760,919</b>	<b>9,003,246</b>	<b>107,926,686</b>
<b>Depreciation and impairment</b>						
At 1 <sup>st</sup> 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 intangible assets (Note 22)	-	764	(622)	-	-	142
Write-off	(111)	-	(699,534)	(1,217,482)	-	(1,917,127)
Effect of exchange rate changes	1,812	70,463	561,052	151,268	-	784,595
<b>At 30 June 2022</b>	<b>1,768,041</b>	<b>1,389,870</b>	<b>27,594,786</b>	<b>8,588,526</b>	<b>-</b>	<b>39,341,223</b>
<b>Carrying amount at 30<sup>th</sup> June, 2022</b>	<b>4,961,278</b>	<b>6,779,631</b>	<b>35,668,915</b>	<b>12,172,393</b>	<b>9,003,246</b>	<b>68,585,463</b>

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

The capital work in progress mainly relates to 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
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
<b>Year ended 30<sup>th</sup> June, 2021</b>						
<b>Cost</b>						
1 <sup>st</sup> 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
<b>At 30<sup>th</sup> June, 2021</b>	<b>6,525,302</b>	<b>7,248,149</b>	<b>58,448,898</b>	<b>15,324,912</b>	<b>7,508,488</b>	<b>95,055,749</b>
<b>Depreciation and impairment</b>						
At 1 <sup>st</sup> 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
<b>At 30<sup>th</sup> June, 2021</b>	<b>1,540,999</b>	<b>1,195,301</b>	<b>24,759,006</b>	<b>7,813,209</b>	<b>-</b>	<b>35,308,515</b>
<b>Carrying amount at 30<sup>th</sup> June, 2021</b>	<b>4,984,303</b>	<b>6,052,848</b>	<b>33,689,892</b>	<b>7,511,703</b>	<b>7,508,488</b>	<b>59,747,234</b>

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

The capital work in progress mainly relates to 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
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
<b>Year ended 30 June 2022</b>					
<b>Cost</b>					
1 <sup>st</sup> 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)
<b>At 30<sup>th</sup> June, 2022</b>	<b>361,992</b>	<b>14,896</b>	<b>134,473</b>	<b>2,048</b>	<b>513,409</b>
<b>Depreciation and impairment</b>					
At 1 <sup>st</sup> 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)
<b>At 30<sup>th</sup> June, 2022</b>	<b>15,069</b>	<b>877</b>	<b>92,850</b>	<b>-</b>	<b>108,796</b>
<b>Carrying amount at 30<sup>th</sup> June, 2022</b>	<b>346,923</b>	<b>14,019</b>	<b>41,623</b>	<b>2,048</b>	<b>404,613</b>

## 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
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
<b>Year ended 30 June 2021</b>					
<b>Cost</b>					
1 <sup>st</sup> 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)
<b>At 30<sup>th</sup> June, 2021</b>	<b>314,466</b>	<b>14,896</b>	<b>156,224</b>	<b>57,432</b>	<b>543,018</b>
<b>Depreciation and impairment</b>					
At 1 <sup>st</sup> 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)
<b>At 30<sup>th</sup> June, 2021</b>	<b>9,533</b>	<b>877</b>	<b>89,432</b>	<b>-</b>	<b>99,842</b>
<b>Carrying amount at 30<sup>th</sup> June, 2021</b>	<b>304,933</b>	<b>14,019</b>	<b>66,792</b>	<b>57,432</b>	<b>443,176</b>

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
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
<b>Year ended 30<sup>th</sup> June, 2022</b>				
<b>Gross carrying value</b>				
At 1 <sup>st</sup> July, 2021	735,911	1,583,311	69,280	<b>2,388,502</b>
Additions	-	450,283	-	<b>450,283</b>
Disposals	-	(59,538)	-	<b>(59,538)</b>
Effect of exchange rate changes	11,546	24,117	28	<b>35,691</b>
<b>At 30<sup>th</sup> June, 2022</b>	<b>747,457</b>	<b>1,998,173</b>	<b>69,308</b>	<b>2,814,938</b>
<b>Accumulated amortisation</b>				
At 1 <sup>st</sup> July, 2021	134,464	774,984	27,074	<b>936,522</b>
Amortisation charge	89,410	470,247	8	<b>559,665</b>
Disposals	-	(30,173)	-	<b>(30,173)</b>
Effect of exchange rate changes	3,353	12,566	2	<b>15,921</b>
<b>At 30<sup>th</sup> June, 2022</b>	<b>227,227</b>	<b>1,227,624</b>	<b>27,084</b>	<b>1,481,935</b>
<b>Carrying amount at 30<sup>th</sup> June, 2022</b>	<b>520,230</b>	<b>770,549</b>	<b>42,224</b>	<b>1,333,003</b>

	Buildings	Motor vehicles	Leasehold property	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
<b>Year ended 30<sup>th</sup> June, 2021</b>				
<b>Gross carrying value</b>				
At 1 <sup>st</sup> July, 2020	689,296	1,362,954	69,235	<b>2,121,485</b>
Additions	33,526	346,875	-	<b>380,401</b>
Disposals	-	(159,642)	-	<b>(159,642)</b>
Effect of exchange rate changes	13,089	33,124	45	<b>46,258</b>
<b>At 30<sup>th</sup> June, 2021</b>	<b>735,911</b>	<b>1,583,311</b>	<b>69,280</b>	<b>2,388,502</b>
<b>Accumulated amortisation</b>				
At 1 <sup>st</sup> July, 2020	47,576	469,432	27,062	<b>544,070</b>
Amortisation charge	84,812	373,860	8	<b>458,680</b>
Disposals	-	(82,944)	-	<b>(82,944)</b>
Effect of exchange rate changes	2,076	14,636	4	<b>16,716</b>
<b>At 30<sup>th</sup> June, 2021</b>	<b>134,464</b>	<b>774,984</b>	<b>27,074</b>	<b>936,522</b>
<b>Carrying amount at 30<sup>th</sup> June, 2021</b>	<b>601,447</b>	<b>808,327</b>	<b>42,206</b>	<b>1,451,980</b>

The Group leases space for offices, motor vehicles and office equipment. The leases of office space is for an average of 10 years with an option to renew. The Directors were not reasonably certain that the option to renew the lease would be exercised at the expiry of the lease. The option has therefore not been considered in determining the lease term. The leases of motor vehicles 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
<b>Year ended 30<sup>th</sup> June, 2022</b>		
<b>Gross carrying value</b>		
At 1 <sup>st</sup> July, 2021	24,529	24,529
Additions	10,588	10,588
<b>At 30<sup>th</sup> June, 2022</b>	<b>35,117</b>	<b>35,117</b>
<b>Accumulated amortisation</b>		
At 1 <sup>st</sup> July, 2021	11,930	11,930
Amortisation charge	7,348	7,348
At 30 <sup>th</sup> June, 2022	19,278	19,278
Carrying amount at 30 <sup>th</sup> June, 2022	15,839	15,839

	Motor vehicles Kshs '000	Total Kshs '000
<b>Year ended 30<sup>th</sup> June, 2022</b>		
<b>Gross carrying value</b>		
At 1 <sup>st</sup> July, 2020	52,557	52,557
Additions	3,379	3,379
Disposals	(31,407)	(31,407)
<b>At 30<sup>th</sup> June, 2021</b>	<b>24,529</b>	<b>24,529</b>
<b>Accumulated amortisation</b>		
At 1 <sup>st</sup> July, 2020	26,099	26,099
Amortisation charge	17,239	17,239
Disposals	(31,408)	(31,408)
<b>At 30<sup>th</sup> June, 2021</b>	<b>11,930</b>	<b>11,930</b>
<b>Carrying amount at 30<sup>th</sup> June, 2021</b>	<b>12,599</b>	<b>12,599</b>

## Notes (continued)

### 22. Intangible assets - software

#### (a) Group

	2022	2021
	Kshs'000	Kshs'000
<b>Cost</b>		
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
<b>At end of year</b>	<b>2,689,022</b>	<b>2,581,171</b>
<b>Amortisation</b>		
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
<b>At end of year</b>	<b>1,974,172</b>	<b>1,956,219</b>
<b>Carrying amount</b>	<b>714,850</b>	<b>624,952</b>

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
<b>Cost</b>		
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)	-
<b>At end of year</b>	<b>1,225,197</b>	<b>1,473,586</b>
<b>Amortisation</b>		
At start of year	1,350,067	1,312,550
Charge for the year	1,147	37,517
Write-off/derecognition	(169,572)	-
<b>At end of year</b>	<b>1,181,642</b>	<b>1,350,067</b>
<b>Carrying amount</b>	<b>43,555</b>	<b>123,519</b>

## 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
<b>Year ended 30<sup>th</sup> June, 2022</b>	<b>Kshs'000</b>	<b>Kshs'000</b>	<b>Kshs'000</b>
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
<b>Total</b>	<b>2,860,728</b>	<b>201,794</b>	<b>3,062,522</b>
<b>Year ended 30<sup>th</sup> June, 2021</b>			
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
<b>Total</b>	<b>2,831,130</b>	<b>29,598</b>	<b>2,860,728</b>

Goodwill represents the excess of cost of acquisitions over the fair value of identifiable assets and liabilities of the respective subsidiaries at acquisition date. For each of the subsidiaries, the goodwill was recognised due to the expected synergies arising from the business combination as at the acquisition date.

#### (b) Brand

	2022	2021
	<b>Kshs'000</b>	<b>Kshs'000</b>
At start of year	485,008	481,219
Effect of exchange rate changes	42,111	3,789
<b>At end of year</b>	<b>527,119</b>	<b>485,008</b>

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 <sup>1</sup>	4%	4%	5%	5%	5%	5%
WACC rate <sup>2</sup>	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 30<sup>th</sup> 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 30 <sup>th</sup> June, 2022	30 <sup>th</sup> 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%	-	-
<b>Net book amount</b>			<b>46,949,685</b>	<b>47,037,628</b>

### Movement in investment in subsidiaries

The movement in the carrying amount of the total investment in subsidiaries figure is as reflected below:

Year ended 30 <sup>th</sup> June, 2022		Kshs'000
At 1 <sup>st</sup> July, 2021		47,037,628
<b>Serengeti Breweries Limited</b>		
Settlement of amounts due from non-controlling interests (Note 18 (b))		(87,943)
<b>At 30<sup>th</sup> June, 2022</b>		<b>46,949,685</b>
Year ended 30 <sup>th</sup> June, 2021		Kshs'000
At 1 <sup>st</sup> July, 2020		40,620,200
<b>Serengeti Breweries Limited</b>		
Purchase of additional shares		6,271,376
Settlement of amounts due from non-controlling interests		146,052
<b>At 30<sup>th</sup> June, 2021</b>		<b>47,037,628</b>

As explained in Note 18, the carrying amount of investment in subsidiaries includes loans due from the non-controlling shareholders in Serengeti Breweries Limited of Kshs 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 30<sup>th</sup> 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 30<sup>th</sup> 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
<b>At end of year</b>	<b>10,000</b>	<b>10,000</b>

During the year, the investment in Challenge Fund Limited did not change. The carrying amount of the investment estimates its fair value.

### 26. Inventories

	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
	<b>13,272,250</b>	<b>11,688,157</b>

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)
	<b>7,676,846</b>	<b>6,342,947</b>
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
	<b>11,792,541</b>	<b>13,022,880</b>

#### Movement in expected credit losses allowance

The following table shows the movement in lifetime expected credit losses that has been recognized for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	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)
<b>At end of year</b>	<b>4,177,060</b>	<b>2,038,200</b>

#### (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
	<b>1,562,146</b>	<b>3,335,382</b>

## Notes (continued)

### 28. Trade and other payables

	2022	2021
	Kshs'000	Kshs'000
<b>(a) Group</b>		
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
	<b>32,209,869</b>	<b>30,543,718</b>
<b>(b) Company</b>		
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
	<b>26,223,218</b>	<b>19,320,605</b>

### 29. Borrowings

#### (a) Group

	2022	2021
	Kshs'000	Kshs'000
The borrowings are made up as follows:		
<b>Non-current</b>		
Bank loans	24,161,874	38,260,591
Medium term note	11,000,000	-
	<b>35,161,874</b>	<b>38,260,591</b>
<b>Current</b>		
Bank loans	6,633,690	6,900,000
	6,633,690	6,900,000
Bank overdraft	1,874,775	1,190,889
	<b>8,508,465</b>	<b>8,090,889</b>
	<b>43,670,339</b>	<b>46,351,480</b>

The carrying amounts of current borrowings approximate their fair value, as the impact of discounting is not material.

	2022	2021
	Kshs'000	Kshs'000
<b>The movement in borrowings is as follows:</b>		
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
<b>At end of year</b>	<b>43,670,339</b>	<b>46,351,480</b>

## 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 28<sup>th</sup> 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 15<sup>th</sup> 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 15<sup>th</sup> 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 24<sup>th</sup> 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 27<sup>th</sup> April, 2027.

(ii) Medium term note of Kshs 11,000,000,000 (2021: Kshs nil) was issued 29<sup>th</sup> October, 2021 at an interest of 12.25% per annum, payable bi-annually. The note is unsecured and matures on 29<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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:		
<b>Non-current</b>		
Bank loans	18,208,333	37,108,333
Medium term note	11,000,000	-
	<b>29,208,333</b>	<b>37,108,333</b>
<b>Current</b>		
Bank loans	6,633,333	6,900,000
Bank overdraft	6,633,333	6,900,000
	1,665,407	-
	<b>8,298,740</b>	<b>6,900,000</b>
<b>Total borrowings</b>	<b>37,507,073</b>	<b>44,008,333</b>

The carrying amounts of current borrowings approximate their fair value, as the impact of discounting is not material.

The movement in borrowings is as follows:

	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)
<b>At end of year</b>	<b>37,507,073</b>	<b>44,008,333</b>

#### (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 28<sup>th</sup> 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 29<sup>th</sup> October, 2021, at an interest of 12.25% per annum, payable bi-annually. The note is unsecured and matures on 29<sup>th</sup> 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 30<sup>th</sup> 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
<b>Movement of lease liabilities:</b>	<b>Kshs '000</b>	<b>Kshs '000</b>
At 1 <sup>st</sup> 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)
<b>At 30<sup>th</sup> June</b>	<b>1,436,403</b>	<b>1,456,603</b>
<b>Presented as:</b>		
Current lease liabilities	436,485	394,243
Non-current lease liabilities	999,918	1,062,360
	<b>1,436,403</b>	<b>1,456,603</b>

#### (b) Company

	2022	2021
<b>Movement of lease liabilities:</b>	<b>Kshs '000</b>	<b>Kshs '000</b>
At 1 <sup>st</sup> 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)
<b>At 30<sup>th</sup> June</b>	<b>15,317</b>	<b>12,620</b>
<b>Presented as:</b>		
Current lease liabilities	6,180	7,337
Non-current lease liabilities	9,137	5,283
	<b>15,317</b>	<b>12,620</b>

## 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
	<b>4,746,648</b>	<b>4,064,138</b>



## 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
<b>Cash generated from operations before working capital adjustments</b>	<b>34,401,978</b>	<b>20,805,172</b>
<b>Changes in working capital:</b>		
-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
<b>Cash (used in) generated from operations</b>	<b>35,330,088</b>	<b>21,523,733</b>

##### Company

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	-
<b>Cash generated from operations</b>	<b>(490,425)</b>	<b>1,265,923</b>
<b>Changes in working capital:</b>		
-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
<b>Cash generated from operations</b>	<b>7,618,284</b>	<b>7,296,773</b>

## Notes (continued)

### 33. Cash generated from operations (continued)

#### (b) Cash and cash equivalents

	2022	2021
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>Group</b>		
Cash and bank balances	9,941,746	5,611,910
Bank overdraft (Note 29(a))	(1,874,775)	(1,190,889)
	<b>8,066,971</b>	<b>4,421,021</b>
<b>Company</b>		
Cash and bank balances	6,989,353	1,761,351
Bank overdraft (Note 29(b))	(1,665,407)	-
	<b>5,323,946</b>	<b>1,761,351</b>

#### (c) Movement in working capital

##### Group

	2022	2021
<b>Movement in trade and other receivables</b>		
Movement per statement of financial position	1,230,339	(7,341,436)
Foreign currency translation differences	262,473	95,898
<b>Net movement in receivables as per cash flow</b>	<b>1,492,812</b>	<b>(7,245,538)</b>
<b>Movement in inventory</b>		
Movement per statement of financial position	(1,584,093)	(771,787)
Foreign currency translation differences	244,586	126,757
<b>Net movement in payables as per cash flow</b>	<b>(1,339,507)</b>	<b>(645,030)</b>
<b>Movement in trade and other payables</b>		
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
<b>Net movement in payables as per cash flow</b>	<b>774,805</b>	<b>8,609,129</b>

## 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
	<b>1,184,666</b>	<b>1,724,182</b>

##### (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
	<b>3,412,622</b>	<b>3,395,196</b>

## 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
	<b>Kshs'000</b>	<b>Kshs'000</b>
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
	<b>326,109</b>	<b>161,355</b>

Payables to related parties	2022	2021
	<b>Kshs'000</b>	<b>Kshs'000</b>
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
	<b>1,711,802</b>	<b>1,694,551</b>

## Notes (continued)

### 34. Related party transactions (continued)

#### (b) Company

##### (i) Management fees and royalties received/(paid)

	2022	2021
<b>Transactions with subsidiaries</b>	<b>Kshs'000</b>	<b>Kshs'000</b>
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
	<b>1,937,384</b>	<b>1,914,027</b>
<b>Transactions with related parties</b>	<b>Kshs'000</b>	<b>Kshs'000</b>
Diageo Great Britain Limited	5,834	(175,373)
Other related parties	(7,084)	5,117
	<b>(1,250)</b>	<b>(170,256)</b>
	<b>1,936,134</b>	<b>1,743,771</b>

##### (ii) Outstanding balances arising from sale and purchases of goods and services

##### Long-term receivables from subsidiaries

	2022	2021
	<b>Kshs'000</b>	<b>Kshs'000</b>
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
	<b>31,124,163</b>	<b>31,036,117</b>

The Company has advanced loans to the subsidiaries to finance their capital expenditure and working capital requirements as part of the Group's centralized treasury management process. 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
	Kshs'000	Kshs'000
<b>Receivables from subsidiaries</b>		
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
	<b>1,274,084</b>	<b>3,009,457</b>
<b>Receivables from related parties</b>		
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
	<b>63,093</b>	<b>51,878</b>
	<b>1,337,177</b>	<b>3,061,335</b>

##### Payables to related companies

	2022	2021
	Kshs'000	Kshs'000
<b>Payables to subsidiaries</b>		
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	-
	<b>25,173,712</b>	<b>17,607,473</b>
<b>Payables to related parties</b>		
Diageo Ireland	12,524	227
Diageo Business Services India	1,858	937
Diageo Great Britain Limited	-	52,616
	14,382	53,780
	<b>25,188,094</b>	<b>17,661,253</b>

## 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
	<b>221,790</b>	<b>242,669</b>

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
	<b>221,790</b>	<b>205,703</b>

##### (ii) Key management compensation

Key management includes executive Directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

#### 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
	<b>1,346,999</b>	<b>1,002,830</b>

#### 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
	<b>338,981</b>	<b>224,517</b>

## 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, 15<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> June 2022, of Kshs 3.75 per ordinary share, which was paid subject to withholding tax, on or about 27<sup>th</sup> April, 2022, to shareholders registered at the close of business on 28<sup>th</sup> February, 2022.
  - b) To approve a final dividend of Kshs 7.25 per ordinary share for the Financial Year ended 30<sup>th</sup> June, 2022, payable net of withholding tax as recommended by the Directors. The dividend will be payable on or about 30<sup>th</sup> October, 2022, to Shareholders on the Register of Members as at the close of business on 15<sup>th</sup> 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	d) Mr. Leo Breen
b) Mr. Japheth Katto	e) Ms. Ory Okolloh
c) Mr. Jimmy Mugerwa	
- 5) To receive, consider and if thought fit approve the Directors' Remuneration Report and the remuneration paid to the Directors for the year ended 30<sup>th</sup> June, 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

**Mrs. KATHRYNE MAUNDU**  
GROUP COMPANY SECRETARY

**Date: 22<sup>nd</sup> 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 13<sup>th</sup> 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](mailto:eabl.agm@eabl.com); or
  - c) Shareholders with email addresses will receive a registration link via email which they can use to register.

In order to complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number at hand.

For assistance, shareholders should dial the following helpline number: (+254) 709 170 041 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 15<sup>th</sup> September, 2022.

- 3) Registration for the AGM opens on Tuesday, 23<sup>rd</sup> August 2022 at 11:00 am East Africa Time (GMT+3) and will close on Tuesday, 13<sup>th</sup> 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](http://www.eabl.com)
- (i) a copy of this Notice and the Proxy form; (ii) the Company's Audited Financial Statements for the year ended 30<sup>th</sup> June, 2022.

The Condensed Audited Financial Statements for the year ended 30<sup>th</sup> 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](mailto:eabl.agm@eabl.com); or
  - b) Shareholders who will have registered to participate in the meeting shall be able to ask questions via SMS by dialing the USSD code above and selecting the option (ask Question) on the prompts; or
  - c) Visiting [www.eabl.com](http://www.eabl.com) and accessing the 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, 5<sup>th</sup> Floor, Garden City Business Park, Block A, Garden City Road, off Exit 7 Thika Superhighway, Ruaraka, Nairobi **OR** delivered to Image Registrars Limited, 5<sup>th</sup> Floor, Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi.

Shareholders must provide their full details (full names, ID/Passport Number/CDSC Account Number) when submitting their questions and clarifications.

Any questions and clarifications must reach the Company on or before Tuesday, 13<sup>th</sup> 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](http://www.eabl.com). Physical copies of the proxy form are also available at the Company Office Headquarters, situated at EABL Bustani Office, 5<sup>th</sup> Floor, Garden City Business Park, Block A, Garden City Road, off Exit 7 Thika Superhighway, Ruaraka, Nairobi **OR** from Image Registrars Limited offices, 5<sup>th</sup> Floor Absa Towers (formerly Barclays Plaza), Loita Street.

A proxy must be signed by the appointor or his attorney duly authorized in writing. If the appointor is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such body corporate.

- A completed form of proxy should be emailed to [eabl.aggm@eabl.com](mailto:eabl.aggm@eabl.com) or delivered to Image Registrars Limited, 5<sup>th</sup> Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi, so as to be received not later than 48 hours before the time of holding the meeting i.e. by Tuesday, 13<sup>th</sup> 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, 13<sup>th</sup> September, 2022, at 11:00 a.m. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Tuesday, 13<sup>th</sup> 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/USDD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USDD 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](http://www.eabl.com) for updates relating to the AGM. Please report any challenges or issues that you may face to us immediately for quick resolution using the email address [eabl.aggm@eabl.com](mailto:eabl.aggm@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, ulioliipwa 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 waliyotumia 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 itanza 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](http://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.
- 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](http://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](http://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 saina 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](mailto:eabl.agm@eabl.com) au ifikishwe kwa Image Registrars, Ghorofa ya 5, jumba la Absa Towers (zamani ikiitwa Barclays Plaza), Loita Street, S.L.P. 9287-00100 GPO, na ifike si chini ya saa 48 kabla ya wakati wa kufanyika kwa mkutano, sawa na kusema si baada ya Jumanne 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](http://www.eabl.com)

[eabl.com](http://www.eabl.com) mara kwa mara kwa taarifa na maelezo kuhusiana na AGM. Tafadhali tujulishe kuhusu matatizo au changamoto zozote unazoweza kukumbana nazo kwa utatuzi wa haraka kwa kutumia barua pepe [eabl.agm@eabl.com](mailto:eabl.agm@eabl.com) au kwa kutumia nambari yetu ya simu ya msaada ambayo ni (+254) 709 170 000 kati ya saa mbili asubuhi (8:00 a.m.) na kumi na moja jioni (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 30<sup>th</sup> 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 Nominees LTD 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
<b>Total number of shares</b>	<b>491,544,455.00</b>	<b>62.16</b>

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
<b>Total</b>	<b>790,774,356</b>	<b>26,733</b>	<b>100.00</b>

### EABL Directors' shareholding as at 30<sup>th</sup> 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





## 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, 15<sup>th</sup> 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 30 <sup>th</sup> June 2022 together with the Chairman's, Directors' and Auditors' Reports thereon.			
2) <b>Dividend</b> a) To confirm the Interim Dividend in respect of the Financial Year ended 30 <sup>th</sup> June 2022, of Kshs 3.75 per ordinary share, which was paid subject to withholding tax, on or about 27 <sup>th</sup> April 2022 to shareholders registered at the close of business on 28 <sup>th</sup> February 2022. b) To approve a final dividend of Kshs 7.25 per ordinary share for the Financial Year ended 30 <sup>th</sup> June 2022, payable net of withholding tax as recommended by the Directors. The dividend will be payable on or about 30 <sup>th</sup> October 2022, to Shareholders on the Register of Members as at the close of business on 15 <sup>th</sup> 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 30 <sup>th</sup> 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 saina /Tunaweka saina 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) <b>Mgawo wa faida</b> 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, ulioliipwa 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 utatanzwa 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, 5<sup>th</sup> 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 15<sup>th</sup> 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](mailto:eabl.agm@eabl.com) or delivered (together with a power of attorney or other authority (if any) under which it is assigned or a notarized certified copy of such power or authority) to Image Registrars Limited, 5<sup>th</sup> Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi, so as to be received by Tuesday, 13<sup>th</sup> 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 ikitwa 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

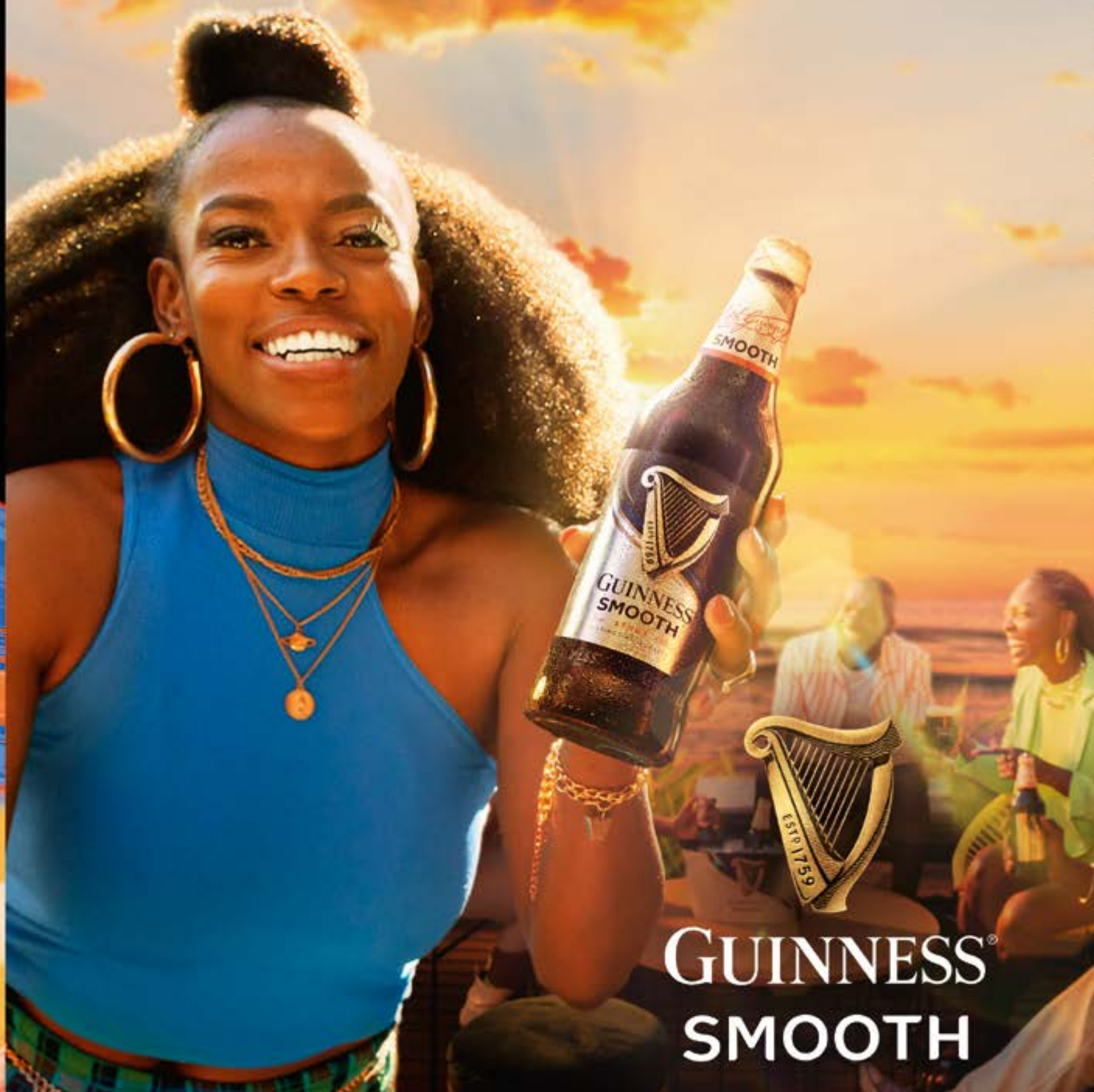
NINGEPENGA/TUNGEPENDA kutoa idhini yangu/yetu ya kutumiwa kwa nambari ya simu niliyotoa/tuliyotoa kwa ajili ya kupiga kura katika AGM.

### Maelezo:

1. Iwapo mwanachama atashindwa kuhudhuria yeye binafsi, Fomu hii ya Uwakilishi inafaa kujazwa na kutumwa kwa barua pepe kwa [eabl.agm@eabl.com](mailto: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 ikitwa 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 hakutakuziua 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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