

East African Breweries Limited

NOTICE AND AGENDA OF THE 2020 ANNUAL GENERAL MEETING

NOTICE is hereby given that in accordance with an Order issued by the High Court of Kenya in Miscellaneous Application No E.680 of 2020 on 29th April 2020, the Ninety-Eighth Annual General Meeting of East African Breweries Limited for the year 2020 will be held via electronic communication on Wednesday, 16th September, 2020 at 11:00 a.m. to conduct the following business: -

ORDINARY BUSINESS:

- 1) To receive, consider and if thought fit, adopt the Audited Financial Statements for the year ended 30th June 2020 together with the Chairman's, Directors' and Auditors' Reports thereon.
- 2) Dividend
To confirm the interim dividend of Kshs 3/- per ordinary share paid on 17th April 2020 for the year ended 30 June 2020, noting that this will be the full and final dividend for the financial year under review.
- 3) Election of Directors:
 - a) Ms. Carol Musyoka, retires by rotation in accordance with the provisions of Articles 116 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 116 of the Company's Articles of Association, and, being eligible, offers himself for re-election.
 - c) Mr. John O'Keeffe retires by rotation in accordance with the provisions of Articles 116 of the Company's Articles of Association, and, being eligible, offers himself for re-election.
 - d) Mr. Leo Breen was appointed during the financial year to fill a casual vacancy on the Board. He retires in accordance with the provisions of Articles 117 of the Company's Articles of Association, and, being eligible, offers himself for re-election.
 - e) Ms. Risper Ohaga was appointed during the financial year to fill a casual vacancy on the Board. She retires in accordance with the provisions of Articles 117 of the Company's Articles of Association, and, being eligible, offers herself for re-election.
- 4) In accordance with the provisions of Section 769 of the Companies Act 2015, the following Directors being members of the Board Audit & Risk Management Committee, be elected to continue serving as members of the said Committee:
 - a) Mr. John Ulanga
 - b) Mr. Japheth Katto
 - c) Mr. Jimmy Mugerwa
 - d) Mr. Leo Breen
- 5) To receive, consider and if thought fit approve the Directors' Remuneration Report and the remuneration paid to the Directors' for the year ended 30th June 2020.
- 6) To note that the Auditors Messrs. PricewaterhouseCoopers (PwC) 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.
- 7) To consider any other business of which notice will have been duly received.

SPECIAL BUSINESS

1. To consider and if thought fit to pass the following resolution as a Special Resolution, as recommended by the Directors: -
 - a) That the Articles of Association of the Company be amended by inserting the following new Article 72A:

72A ATTENDANCE OF A GENERAL MEETING BY ELECTRONIC MEANS

72A.1 In the case of any general meeting, the Board may make arrangements for simultaneous attendance and participation by electronic means allowing persons not present together at the same place to attend, speak and vote at the meeting. The arrangements for simultaneous attendance and participation at any place at which persons are participating, using electronic means may include arrangements for controlling or regulating the level of attendance at any particular venue provided that such arrangements shall operate so that all members and proxies wishing to attend the meeting are able to attend at one or other of the venues, including venues chosen by such persons individually.

72A.2 The members or proxies at the place or places at which persons are participating via electronic means shall be counted in the quorum for, and be entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the Chairman of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that the members or proxies attending at the place or places at which persons are participating via electronic means are able to:

- a) participate in the business for which the meeting has been convened; and
- b) see and hear all persons who speak (whether through the use of microphones, loud speakers, computer, audio-visual communication equipment or otherwise, whether in use when these Articles are adopted or developed subsequently) in the place at which persons are participating and any other place at which persons are participating via electronic means.

BY ORDER OF THE BOARD



KATHRYNE MAUNDU (MS)
 COMPANY SECRETARY

Date: 18th August 2020

NOTES:

NOTES:

- 1) In view of the ongoing Coronavirus 2019 (COVID-19) pandemic and the related Public Health Regulations and directives passed by the Government of Kenya precluding inter alia public gatherings, it is impracticable, as contemplated under section 280 of the Companies Act 2015, for East African Breweries Limited to hold a physical Annual General Meeting (AGM) in the manner prescribed in its Articles of Association.
- 2) On 29 April 2020, the High Court of Kenya in Miscellaneous Application No. E680 of 2020, made under the provisions of Section 280 of the Companies Act, 2015 (the Companies Act) issued an order granting special dispensation to any company listed on the Nairobi Securities Exchange ("Public Company") to convene and conduct a virtual general meeting subject to receipt of a No Objection from the Capital Markets Authority (CMA).
- 3) East African Breweries Limited has convened and is conducting this virtual annual general meeting following receipt of a No Objection from the Capital Markets Authority.
- 4) Shareholders wishing to participate in the meeting should register for the AGM by dialing *483*816# for all Kenyan telephone networks and *284*67# for Ugandan telephone networks and following the various registration prompts. In order to complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number at hand. For assistance shareholders should dial the following helpline number: (+254) 709 170 000 from 9:00 a.m. to 3:00 p.m. from Monday to Friday. Any shareholder outside Kenya should dial the helpline number to be assisted to register.
- 5) Registration for the AGM opens on Tuesday 18th August, 2020 at 11:00 a.m. and will close on Sunday, 13th September, 2020 at 11:00 a.m. East African time.
- 6) In accordance with Section 283 (2) (c) of the Companies Act, the following documents may be viewed on the Company's website www.eabl.com (i) a copy of this Notice and the proxy form; (ii) the Company's audited financial statements for the year ended 30th June 2020; (iii) a copy of the High Court Order in Miscellaneous Application No. E680 of 2020; and (iv) a copy of the No Objection issued by the CMA.

The Condensed Audited Financial Statements for the year ended 30th June 2020 have been published with this Notice.

- 7) Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
 - a) sending their written questions by email to eabl.agm@eabl.com; or
 - b) shareholders who will have registered to participate in the meeting shall be able to ask questions via SMS by dialing the USSD code above and selecting the option (ask Question) on the prompts; or
 - c) visiting www.eabl.com and accessing the 2020 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 5th Floor, Garden City Business Park, Block A, Garden City Road, off Exit 7 Thika Superhighway. Kindly note that strict Covid-19 protocols will be observed at our offices, which includes the opening of physical letters after 48 hours.

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 Monday 14th September, 2020 at 11:00 am. Limited questions will be responded to during the Annual General Meeting.

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 general meeting. A full list of all questions received and the answers thereto grouped into thematic areas and will be published on the Company's website no later than 12 hours before the start of the general meeting.

- 8) In accordance with Section 298(1) of the Companies Act, shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf.

A proxy need not be a member of the Company. If the Proxy appointed is not the Chairman of the AGM, the appointed proxy will need access to a mobile telephone.

A proxy form is available on the Company's website via this link: www.eabl.com. Physical copies of the proxy form are also available at 5th Floor, Garden City Business Park, Block A, Garden City Road, off Exit 7 Thika Superhighway, P.O. Box 30161-00100 Nairobi.

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

A completed form of proxy should be emailed to eabl.agm@eabl.com and if not possible, delivered to 5th Floor, Garden City Business Park, Block A, Garden City Road, off Exit 7 Superhighway, P.O. Box 30161-00100 Nairobi, so as to be received not later than 48 hours before the time of holding the meeting i.e. Monday 14th September, 2020 at 11:00 a.m. Any person appointed as a proxy should submit his/her mobile telephone number to the Company no later than Monday 14th September, 2020 at 11:00 a.m. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Tuesday 15th September, 2020 to allow time to address any issues.

- 9) The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the general meeting. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour ahead of the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hours' time and providing a link to the live stream.
- 10) 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) via the USSD prompts.
- 11) A poll shall be conducted for all the resolutions put forward in the notice.
- 12) Results of the poll shall be published within 48 hours following conclusion of the AGM.
- 13) Shareholders are encouraged to continuously monitor the Company's website www.eabl.com for updates relating to the AGM. Please report any challenges or issues that you may face to us immediately for quick resolution using the email address eabl.agm@eabl.com or our helpline (+254) 709 170 000 from 9:00 a.m. to 3:00 p.m. from Monday to Friday.

East African Breweries Limited

CONDENSED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Condensed consolidated statement of profit or loss

	Year ended 30 June	
	2020	2019
	Kshs 'M	Kshs 'M
Revenue	74,916	82,543
Cost of sales	(41,896)	(44,426)
Gross profit	33,020	38,117
Total costs	(22,365)	(20,302)
Profit before income tax	10,655	17,815
Income tax expense	(3,634)	(6,300)
Profit for the year	7,021	11,515
Basic earnings per share	5.2	11.2

Condensed consolidated statement of financial position

	Year ended 30 June	
	2020	2019
	Kshs 'M	Kshs 'M
Total Equity	13,993	16,155
Non-current liabilities	43,621	37,251
Total equity and non-current liabilities	57,614	53,406
Non-current assets	62,690	57,463
Working capital		
Current assets	25,968	29,602
Current liabilities	(31,044)	(33,659)
57,614	53,406	

Condensed consolidated statement of changes in equity

Year ended	Share capital & Share premium	Other reserves	Retained earnings	Non-controlling interests	Total equity
30 June 2020	Kshs 'M	Kshs 'M	Kshs 'M	Kshs 'M	Kshs 'M
At 1 July 2018	3,273	(3,875)	6,282	5,971	11,651
Total comprehensive income	-	576	8,804	2,673	12,053
Shared based payments	-	(90)	-	-	(90)
Dividends					
- Interim 2019	-	-	(1,977)	(56)	(2,033)
- Final 2018	-	-	(4,349)	(1,077)	(5,426)
At 30 June 2019	3,273	(3,389)	8,760	7,511	16,155
Total comprehensive income for the year	-	531	4,086	3,061	7,678
Transactions with non-controlling interests	-	-	140	(448)	(308)
Share based payments	-	36	-	-	36
Dividends					
- Interim for 2020	-	-	(2,372)	(829)	(3,201)
- Final for 2019	-	-	(4,745)	(1,622)	(6,367)
At 30 June 2020	3,273	(2,822)	5,869	7,673	13,993

Condensed consolidated statement of cash flows

	Year ended 30 June	
	2020	2019
	Kshs 'M	Kshs 'M
Cash generated from operations	13,636	28,491
Net interest paid	(3,805)	(3,604)
Tax paid	(6,485)	(2,321)
Net cash generated from operating activities	3,346	22,566
Net cash used in investing activities	(8,330)	(11,546)
Net cash used in financing activities	(5,358)	(1,724)
Net (decrease)/increase in cash and cash equivalents	(10,342)	9,296
At start of year	12,469	3,187
Foreign exchange impact of translation	(398)	(14)
Net (decrease)/increase in cash and cash equivalents	(10,342)	9,296
Cash and cash equivalents at end of year	1,729	12,469

Net Sales
Ksh 74.9bn
 -9%

Total Costs
Ksh 22.4bn
 -10%

Profit After Tax
Ksh 7.0bn
 -39%