



SEYCHELLES BREWERIES LIMITED

56TH ANNUAL GENERAL MEETING

MINUTES OF MEETING

(Version: FINAL)

DATE & TIME Friday 29th November 2024 at 11AM

VENUE Savoy Resort & Spa, Beau Vallon

PRESENT

Board of Directors

Mr. Andrew Ross	Chairperson
Ms. Yvonne Mwangi	Managing Director
Mr. Jean Weeling-Lee	Director
Mr. Rod Thorrington	Director
Ms. Nisreen Abdul Majid	Director
Mr. Haiko Cremer	Director
Mrs. Noel Goueth	Finance Director

Service Providers

Mrs. Daniella Larue	Representing Azer Corporate, Company Secretary
Mr. Rajesh Mathur	Senior Partner, Baker Tilly Chartered Accountants, Auditors
Ms. Annie Dugasse	Representing ACM Associates, Sponsor Advisor

Shareholders

- 276 shareholders or their proxies
- No. of shares represented: 11,175,996 shares
- Shareholding represented: 88.7%

Seychelles Breweries Limited
Annual General Meeting held on Friday 29th November 2024 at 11AM,
Savoy Resort & Spa, Beau Vallon

Introduction

The meeting was called to order at 11 AM by Mr Andrew Ross, the Board Chairperson. He reminded attendees that this was Seychelles Breweries' 56th AGM, covering the year ended 30th June 2024. At the request of the Chairperson, the Company Secretary reported that there were 217 shareholders or their proxies at the start of the meeting, representing 88 % of the total shares confirming a quorum.

The Chairperson introduced the directors present and the service providers working with Seychelles' Breweries Limited. He then asked the meeting to observe a minute of silence in memory of the shareholders who passed away during the year 2024.

Notice convening the meeting.

The Chairperson confirmed that the notice of the meeting had been circulated and requested it be accepted as read.

The Chairperson's Report.

The Chairperson read his report, which had been included in the annual report circulated to all shareholders. After delivering his report, he presented the following resolutions for the members' consideration.

1. Minutes of the 55th Annual General Meeting

The Chairperson informed the members that the minutes of the 55th Annual General Meeting had been available on the Company's website and the MERJ Exchange website, and asked that they be taken as read. He moved that the minutes be confirmed, as no amendments, omissions, or corrections had been received. The motion was seconded by Ms. Lydia Jumeau and carried unanimously.

2. The Directors' and Auditors' Reports

The directors' and auditors' reports, that had been circulated together with the audited accounts for the year ended 30th June 2024, were taken as read.

Mr Rajesh Mathur, Country Manager, informed the members that 2024 was the first year for Baker Tilly as auditor of the Company and reported that the onBoarding process met international standards. He acknowledged that since this was their first audit, they had a lot of questions for the finance team and expressed satisfaction that the information requested was provided in a timely manner. He reported that the auditors had a clean opinion on the accounts of the Company.

Seychelles Breweries Limited
Annual General Meeting held on Friday 29th November 2024 at 11AM,
Savoy Resort & Spa, Beau Vallon

The Chairperson welcomed questions on the Directors' and Auditors' Reports and on the financial statements for the year ended 30th June 2024.

- 1. Mr Mike King-Harman** referred to the price of the Seybrew shares on the stock exchange which he stated has stuck at SCR85 except for a few days when it went down to SCR73. He noted that there has been a 25% decline in the earnings per share (EPS) and at the same share price, the shares have moved from a PE of about 7 to a PE of about 12 and there is still no information on trading volumes. In the meantime, PKF is no longer a member of Merj and he felt that effectively, the stock market has become irrelevant. He added that currently, anyone who wishes to trade must sign up as a trader and go through the associated, rigorous compliance process. He wanted to know why the Company remains listed since the tax benefit is no longer available, and it is not easier to trade shares because of the need to register. He also wanted to know the cost to the Company of being listed.

The Chairperson indicated that he has been apprised of the termination of PKF's membership with MERJ and the concerns with trading by other shareholders and the Company Secretary. He stressed the importance of having a credible share register to the Company and promised that this issue will be taken up with Merj again as a matter of urgency. He added that the Company Secretary has had some engagement with MERJ but that this is yet to materialize into the necessary action and the quality of service that would be expected from the stock exchange.

He informed the AGM that the cost to remain listed is SCR1 million per year. On the reasons for remaining listed, the Chairperson stated that this issue has been discussed by the Board and its position is that this is the best option for the Company at this stage.

On the issue of liquidity of the shares, the Chairperson explained that this was beyond the Company's control. Some shareholders have had shares for many years, and they are not willing to trade them. He reiterated that the Company has no control over the volume of trades and the share price.

- 2. Mr King-Harman** remarked that as a shareholder he should be grateful for the high dividend pay-out, but he expressed concern that in a year where revenue has decreased, and with a weaker balance sheet and cash flow, there is a 100% dividend pay-out. He referred to the statement in the annual report about increased investments and wanted to know what the dividend policy is because he opined that a 100% dividend payout cannot be sustained whilst investing.

The Chairperson responded that Seybrew's retained earnings is becoming significant and the Company has very robust cash forecasting and cash flow projections in terms of its investments. He indicated that all these factors were considered and debated extensively before declaring the dividend.

Seychelles Breweries Limited
Annual General Meeting held on Friday 29th November 2024 at 11AM,
Savoy Resort & Spa, Beau Vallon

3. **Mr King-Harman** wondered whether the decision for the 100% dividend payout was influenced by the parent company and referred to the recent selling-off of Diageo breweries in Nigeria, Cameroon and Ethiopia. He expressed concern that if there was a push by Diageo to push cash out of the company, they may have other intentions for Seybrew.

In his response, the Chairperson reiterated that the dividend rate was debated on and approved by the full Board of directors of Seybrew. He explained that Diageo had specific, unique reasons for selling these breweries and emphasized that these events did not influence Seybrew's dividend level.

4. **Mr King-Harman** expressed concern at the position of debtors, which he indicated has increased by 40% and made up 9% of turnover. He referred to the connected Company owing USD 2 million that has been a debtor for over 90 days.

Mrs Noel Goueth, the Finance Director, clarified that the threshold for payment within the Group is USD5 million for either party, so USD2 million is still below this. In respect to the local debtors, she explained that the past year has been challenging for the company and its distributors. She mentioned the important role of the distributors in terms of the growth of the Company and she added that the Company has had to offer a more flexible working capital cycle to the main distributors by increasing their payable days from 24 to 30. She explained that this was necessary to ensure continuity of the service, and this had the effect of increasing debtors.

3. The Financial Statements for the year ended 30th June 2024.

The Chairperson proposed the approval of the financial statements for the year ended 30th June 2024, along with the directors' and auditors' reports. The motion was seconded by Ms. Theresette Marie and carried unanimously.

4. Appointment of Auditors

The Chairperson moved to authorize the directors to appoint the auditors, following nomination by the Company's Audit Committee. The motion was seconded by Ms. Helen Ernesta and carried unanimously.

5. Appointment of directors

The Chairperson proposed the following motions for the election of the Directors who were appointed during the year.

Seychelles Breweries Limited
Annual General Meeting held on Friday 29th November 2024 at 11AM,
Savoy Resort & Spa, Beau Vallon

Appointment of Mr. Haiko Cremer as Director: Proposed by the Chairperson, seconded by Mr. Selby Choisy, and carried unanimously.

6. Re-election of directors

Re-election of Mr. Rod Thorrington as Director: Proposed by the Chairperson, seconded by Mr. Mike King-Harman, and carried unanimously.

7. Remuneration Policy

The Chairperson moved with the approval of the Company's remuneration policy:

1. **Managing Director:** Proposed remuneration of SCR 3.2 million per annum for the financial year 2024/2025. Seconded by Mr. Johny Amade and carried unanimously.
2. **Finance Director:** Proposed remuneration of SCR 2.7 million per annum for the financial year 2024/2025. Seconded by Mrs. Elma Naidu and carried unanimously.
3. **Non-Executive Directors:** Proposed remuneration of SCR 272,000 per annum for the financial year 2024/2025. Seconded by Mr. Edwyn Palmer and carried unanimously.
4. **Auditors:** Proposed authorization for the directors to fix the auditor's remuneration for the financial year 2024/2025. Seconded by Mr. Antoine Fernandes and carried unanimously.

8. Declaration of a final dividend.

The Chairperson proposed a final dividend of SCR 6.79 per share for the period ended 30th June 2024. The motion was seconded by Mr. Terrence Dingwall and carried unanimously. The dividend will be paid on Friday, 13th December 2024, by bank transfer or cheque to all shareholders on the register of members by close-of-business on Friday 29th November 2024.

The Chairperson urged shareholders, who have not done so, to provide their bank details to the Company Secretary, by the 30th June 2025 and informed them that 2024 was the last year that dividend payments will be done by cheque.

Any other business

Having concluded the ordinary business of the AGM, the Chairperson opened the floor for shareholders' questions.

Seychelles Breweries Limited
Annual General Meeting held on Friday 29th November 2024 at 11AM,
Savoy Resort & Spa, Beau Vallon

1. **Mr Francois Rose** expressed his disappointment at how the AGM is being advertised. He suggested that there should be banners in key locations, including on Praslin, something that he has suggested before. He acknowledged that there were adverts on the radio but felt that TV adverts would have reached more shareholders.

The Chairperson thanked Mr Rose and noted his concerns about increasing publicity for the AGM and pledged to discuss with the Board to ascertain whether there is a need to broadly advertise the AGM, since it is meant exclusively for Seybrew shareholders.

2. Mr Rose expressed his disappointment that he did not receive a copy of the annual report before the AGM and neither has any of his 7 family members who are also shareholders. He said that in the past the annual reports were posted to shareholders well before the AGM. He indicated that the copy of the annual report at the AGM venue did not include a copy of the minutes of the last AGM.

The Chairperson noted the concerns and acknowledged that there have been delays in the past, especially through the post and that is why reports are made available electronically. He expressed hope that shareholders found ways to access the AGM documents digitally and even through social media platforms such as WhatsApp.

3. **Ms Wilna Azemia** referred to the tokens that are given to shareholders at the AGM and commented on the deadline set to issue these. She recounted that she could not collect her token by the set deadline last year as this was around the time of the 7th December events when everyone was preoccupied with issues relating to these events. She indicated that she turned up one day after the deadline but was not given the tokens. She wrote an email to explain her case, which although acknowledged, was not considered. She wanted to know what happens to the uncollected tokens and felt that more consideration should have been given to extending the deadline under the circumstances.

The Chairperson expressed sympathy with Ms Azemia and all shareholders who were affected by the 7th of December events and advised that the Company will see what could be done. He noted Ms Azemia's concerns, but added that there are deadlines, as the uncollected tokens are returned to the stock and there are some processes that are in place that must be followed.

4. **Mr Terrence Dingwall** wanted the Company to consider serving Seybrew beers to shareholders during the AGM lunch. He acknowledged that in the past, there were some inappropriate behaviours and abuse by some shareholders, which he felt could be addressed by issuing coupons and suggested a maximum of 2 coupons per shareholder.

Seychelles Breweries Limited
Annual General Meeting held on Friday 29th November 2024 at 11AM,
Savoy Resort & Spa, Beau Vallon

In his response, the Chairperson echoed Mr Dingwall's comment that the inappropriate behaviours of a small number of people led to the decision to not provide beers at the AGM lunch. He stated that the gift bags that have been given to shareholders will allow them to enjoy products produced and distributed by Seybrew. He added that this request will be considered.

5. **Ms Lucy Hoareau** referred to the Seybrew promotion, "Debouse" and enquired whether this has improved Seybrew sales. She questioned the responsibility of the Company for launching such a promotion given the current social climate in Seychelles, with regards to the alcohol abuse. She felt that this should be a concern for all shareholders and for Seybrew. Ms Hoareau suggested promoting diet and sugar-free products as a better sales pitch and for the image of the Company as well.

Yvonne Mwangi, the Managing Director explained that the promotion had a small impact on sales and echoed the Chairperson's message that Seybrew must remain relevant to its consumers and give them programs that will get them excited to enjoy the Seybrew brands. She indicated that there have been many such promotions in the past, and she outlined the process for the promotion and added that it is still in-line with the Company's policy for responsible drinking, by getting consumers to drink better and not more. She said that the Company will continue to do promotions to get consumers excited about the Company's brands. She added that the promotion gives SCR10,000 weekly to one winner and the star prize of SCR300,000 when the promotion concludes on the 6th December 2024. The other prizes are STC vouchers which allows consumers to shop for what is needed for their homes. She stressed that those winning SCR10,000 are also doing something for their homes. She reiterated that there is nothing in the promotion which encourages consumers to buy more Seybrews but rather it gives them a token to use for whatever they need for their home. The Managing Director stated that Seybrew is aware of the alcohol problem and works closely with the Government and the Ministry of Health to ensure that there is awareness and education about responsible drinking, and this is evident in Seybrew's adverts and through its SMASH and DrinkIQ programs. She added that competitors are doing similar programs and promotions and encouraged consumers to drink responsibly in the process.

There were a couple of comments from shareholders on this issue:

- **Comment 1:** People who enjoy Seybrew are not necessarily abusing alcohol and if Seybrew does not sell, the Company will need to close.
- **Comment 2:** As adults, people are free to drink as much or as little as they want. Alcohol consumption is a matter of personal responsibility.

Seychelles Breweries Limited
Annual General Meeting held on Friday 29th November 2024 at 11AM,
Savoy Resort & Spa, Beau Vallon

5. **Mr Philippe Chong Seng** enquired on the issue of the quality of the Seybrew draught referenced in the Chairperson’s statement and wanted to know if the problem was due to imported materials.

The Chairperson explained that this was a process-related issue in the brewhouse, that was identified and corrected. There were issues with the plant and new equipment has been ordered and new protocols put in place to ensure good quality Seybrew draughts at the outlets.

6. **Mrs Pervin Ghislain** remarked that the shareholders have been very faithful to Seybrew, with some shareholders having shares for many years. She commended the company on its success. She raised a point she made at the last AGM that the Board needs to consider issuing bonus shares. The Chairperson noted the request and stated that this will be considered by the Board.

Closing of the meeting

There being no other questions, on behalf of the Board, the Chairperson thanked the shareholders for their participation and questions.

The meeting closed at 11.59 am followed by lunch.

Chairperson

Date