



International Breweries Plc
Unaudited Condensed Financial Statements
for the 9 months ended 30th September 2021

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International Breweries Plc
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for the 9 months ended 30th September 2021
Certification of the unaudited condensed financial statements

Further to the provisions of section 405 of the Companies and Allied Matters Act, 2020, we the Managing Director/CEO and Finance Director of International Breweries Plc ("the company") respectively hereby certify as follows:

- a) That we have reviewed the Unaudited condensed financial statements of the company for the period ended 30th September 2021.
- b) That the Unaudited condensed financial statements represents the true and correct financial position of our company as at the said date of 30th September 2021.
- c) That the Unaudited condensed financial statements does not contain any untrue statement of material fact or omit to state a material fact, which would make the statement misleading.
- d) That the Unaudited condensed financial statements fairly presents, in all material respects, the financial condition and results of operation of the company as of and for the period ended 30 September, 2021.
- e) That we are responsible for establishing and maintaining internal controls and affirm that the company's internal controls were effective as of 30th September, 2021.
- f) That all significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data have been disclosed to the independent Auditor and the Audit Committee.

Signed

Mr. Hugo, Dias Rocha
Managing Director
FRC/2021/003/00000022841
27 October, 2021

Mr. Bruno Zambrano
Finance Director
FRC/2020/003/00000020628
27 October, 2021

Ms. Chinyere Ezeugwu
Country Finance Manager
FRC/2013/ICAN/0000000078:
27 October, 2021

International Breweries Plc
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Statement of directors' responsibilities

The Companies and Allied Matters Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibility includes:

- a) ensuring that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act;
- b) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; and
- c) preparing the Company's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The directors accept responsibility for the unaudited condensed quarterly financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

HRM Nnaemeka Alfred Achebe, CFR, MNI
Chairman
FRC/2013/NIM/0000001568
27 October, 2021

Bruno Zambrano
Finance Director
FRC/2020/003/00000020628
27 October, 2021

Mr. Hugo, Dias Rocha
Executive Director
FRC/2021/003/00000022841
27 October, 2021

International Breweries Plc
 Unaudited Condensed Financial Statements
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Statement of profit or loss

		3 Months July - Sept	9 Months Jan - Sept	3 Months July - Sept	9 Months Jan - Sept
		30 September 2021 N'000	30 September 2021 N'000	30 September 2020 N'000	30 September 2020 N'000
Note					
Revenue	3	46,434,446	128,396,007	35,154,143	95,768,220
Cost of sales	4	(33,862,665)	(100,405,597)	(29,197,970)	(80,273,431)
Gross profit		12,571,781	27,990,410	5,956,173	15,494,789
Administrative, Marketing and promotion expenses	5	(12,056,797)	(32,300,671)	(10,055,783)	(26,028,279)
Net impairment charge on financial assets		(174,915)	(410,366)	(315,302)	(1,234,107)
Other income/(expense)	6	(130,735)	(11,473,641)	(443,261)	(4,125,020)
		209,334	(16,194,268)	(4,858,173)	(15,892,617)
Finance income	7	451,133	588,408	15,585	1,346,338
Finance cost	7	(949,717)	(1,903,426)	(894,842)	(3,173,666)
Finance costs - net		(498,584)	(1,315,018)	(879,257)	(1,827,328)
Loss before tax		(289,250)	(17,509,286)	(5,737,430)	(17,719,945)
Income tax credit		656,754	3,989,252	4,217,495	6,842,784
Profit/ (Loss) for the period		367,504	(13,520,034)	(1,519,935)	(10,877,161)
Basic and diluted earnings/(loss) per share (Naira)		0.01	(0.50)	(0.06)	(0.40)

The notes on pages 9 to 12 are an integral part of these financial statements.

International Breweries Plc

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Statement of other comprehensive income

	3 Months July - Sept	9 Months Jan - Sept	3 Months July - Sept	9 Months Jan - Sept
	30 September 2021 N'000	30 September 2021 N'000	30 September 2020 N'000	30 September 2020 N'000
Profit/(Loss) for the period	367,504	(13,520,034)	(1,519,935)	(10,877,161)
Other comprehensive income:				
<i>Items that will be subsequently reclassified to profit or loss:</i>				
Change in fair value of hedging instrument recognised in OCI	(1,604,154)	4,101,976	(301,764)	(9,341,896)
Other comprehensive income/(loss) for the period	(1,604,154)	4,101,976	(301,764)	(9,341,896)
Total comprehensive loss for the period	(1,236,650)	(9,418,058)	(1,821,699)	(20,219,057)
Basic and diluted earnings/(loss) per share (Naira)	0.01	(0.50)	(0.06)	(0.40)

The notes on pages 9 to 12 are an integral part of these financial statements.

International Breweries Plc

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for the 9 months ended 30th September 2021

Statement of financial position

	30 September 2021	31 December 2020
	N'000	N'000
ASSETS		
Non-current assets		
Property, plant and equipment	244,261,899	253,684,588
Right of use assets	9,919,156	2,634,463
Intangible assets	772,106	771,000
Other receivables	85,940	319,032
Deferred tax assets	27,019,241	22,549,998
	<u>282,058,342</u>	<u>279,959,081</u>
Current assets		
Inventories	23,537,214	14,192,926
Trade and other receivables	15,480,543	15,789,595
Investment securities	-	11,897,114
Cash and cash equivalents	76,556,577	33,477,340
Restricted cash	5,827,059	17,330,350
	<u>121,401,393</u>	<u>92,687,325</u>
Total assets	403,459,735	372,646,406
LIABILITIES		
Non-current liabilities		
Borrowings	110,064,877	-
Lease liabilities	6,430,777	580,529
Employee benefit obligations	2,881,799	2,410,499
	<u>119,377,453</u>	<u>2,991,028</u>
Current liabilities		
Trade and other payables	135,392,259	101,607,767
Borrowings	-	110,666,849
Lease liabilities	3,488,380	1,152,757
Derivative financial instruments	1,454,803	2,722,238
Current tax liabilities	1,431,041	1,771,910
	<u>141,766,483</u>	<u>217,921,521</u>
Total liabilities	261,143,936	220,912,549
EQUITY		
Share capital	13,431,034	13,431,034
Share premium	159,803,396	159,803,396
Other reserves	1,360,756	1,360,756
Cash flow hedge reserve	(2,202,622)	(6,304,598)
Employee benefit reserves	(1,251,173)	(1,251,173)
Retained losses	(28,825,592)	(15,305,558)
Total equity	<u>142,315,799</u>	<u>151,733,857</u>
Total equity and liabilities	403,459,735	372,646,406

The notes on pages 9 to 12 are an integral part of these financial statements.

The financial statements on pages 4 to 12 were approved and authorised for issue by the board of Directors on 27 October 2021 and were signed on its behalf by:

HRM Nnaemeka Alfred Achebe, CFR,MNI (Chairman) FRC/2013/NIM/0000001568

Mr. Hugo, Dias Rocha (Director) FRC/2021/003/00000022841

Mr. Bruno Zambrano (Director) FRC/2020/003/00000020628

Ms. Chinyere Ezeugwu (Country Finance Manager) FRC/2013/ICAN/0000000781

International Breweries Plc

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Statement of changes in equity

	Share capital N'000	Share Premium N'000	Other reserves N'000	Cash flow hedge reserve N'000	Employee benefit reserves N'000	Retained (losses)/ earnings N'000	Total equity N'000
At 1 January 2021	13,431,034	159,803,396	1,360,756	(6,304,598)	(1,251,173)	(15,305,558)	151,733,857
Loss for the period	-	-	-	-	-	(13,520,034)	(13,520,034)
Other comprehensive income	-	-	-	4,101,976	-	-	4,101,976
Total comprehensive loss for the period	-	-	-	4,101,976	-	(13,520,034)	(9,418,058)
Balance at 30 September 2021	13,431,034	159,803,396	1,360,756	(2,202,622)	(1,251,173)	(28,825,592)	142,315,799

The notes on pages 9 to 12 are an integral part of these financial statements.

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Statement of cash flows

		30 September 2021	30 September 2020
	Note	N'000	N'000
Cash flows from operating activities			
Cash generated from operations	15	41,412,601	22,342,683
Income tax paid		(804,689)	-
Net cash inflow from operating activities		40,607,912	22,342,683
Cash flows from investing activities			
Acquisition of property, plant and equipment		(16,182,625)	(12,095,991)
Investment in debt securities		11,897,114	-
Interest received	7	588,408	1,346,338
Net cash outflow from investing activities		(3,697,102)	(10,749,653)
Cash flows from financing activities			
Repayment of borrowings		(4,003,300)	(156,314,422)
Interest paid		(1,331,564)	(3,072,287)
Proceed from rights issue		-	162,775,768
Net cash outflow from financing activities		(5,334,864)	3,389,059
Net increase in cash and cash equivalents		31,575,946	14,982,088
Cash and cash equivalents at the beginning of the period		50,807,690	31,806,209
Cash and cash equivalents at the end of the period	10	82,383,636	46,788,297

The notes on pages 9 to 12 are an integral part of these financial statements.

1 General information

These financial statements are the financial statements of International Breweries Plc ("the Company"). The Company was incorporated in Nigeria as a private limited liability company on 22 December 1971 under the Companies and Allied Matters Act, and is domiciled in Nigeria. The Company became a public limited liability company on 26 April, 1994.

The address of its registered office is:
Plot 5A Abuja Street, Banana Island,
Ikoyi,
Lagos, Nigeria

The principal activities of the Company are brewing, packaging and marketing of beer, alcoholic flavoured/ non-alcoholic beverages and soft drinks.
The parent company is AB InBev Nigeria Holdings BV, the ultimate parent company is Anheuser-Busch InBev SA/NV.

2 Summary of accounting policies

2.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of preparation

The condensed financial statements for the period ended 30 September 2021 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information required by national regulations is included where appropriate. They do not include all the information required for a full annual financial statements, and should be read in combination with the year end financial statement of International Breweries Plc for the year ended 31st December, 2020.

All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in thousands of Naira.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The directors have no doubt that the company will be in existence after 12 months from the reporting date. The directors do not intend to cease operations or stop any of the production lines.

2.4 Changes in accounting policy and disclosures

The Company has applied the accounting policies in these condensed financial statements consistently with those applied in the financial statements for the year ended 31st December 2020.

No new accounting policy in the period under review has significant impact on the financial statements that require disclosure.

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Notes to the financial statements

3	Revenue	3 Months	9 Months	3 Months	9 Months
		July - Sept	Jan - Sept	July - Sept	Jan - Sept
		30 September 2021	30 September 2021	30 September 2020	30 September 2020
		N'000	N'000	N'000	N'000
	Revenue from contracts with customers	46,434,446	128,396,007	35,154,143	95,768,220
4	Cost of sales	3 Months July - Sept	9 Months Jan - Sept	3 Months July - Sept	9 Months Jan - Sept
		30 September 2021	30 September 2021	30 September 2020	30 September 2020
		N'000	N'000	N'000	N'000
	Materials consumed and allocated overheads	26,668,551	75,546,145	21,297,770	59,553,985
	Employee benefit expenses	980,231	2,747,294	910,861	2,638,575
	Technical management fees	1,393,033	3,851,880	826,122	2,250,553
	Amortisation of container	3,598,384	12,223,370	5,152,903	10,792,347
	Depreciation - plant machinery	1,222,466	6,036,908	1,010,315	5,037,972
		33,862,665	100,405,597	29,197,970	80,273,431
5	Administrative & Marketing expenses	3 Months July - Sept	9 Months Jan - Sept	3 Months July - Sept	9 Months Jan - Sept
		30 September 2021	30 September 2021	30 September 2020	30 September 2020
		N'000	N'000	N'000	N'000
	Employee benefit expenses	1,711,976	6,560,810	2,110,200	5,763,384
	Other staff related costs	1,234,990	2,831,701	683,490	2,271,347
	Business running costs	875,294	4,872,166	1,346,685	4,780,517
	Depreciation	5,534,760	10,105,968	3,652,759	7,622,219
	Advertising and promotion	2,699,777	7,930,026	2,262,649	5,590,812
		12,056,797	32,300,671	10,055,783	26,028,279
6	Other income/(expense)	3 Months July - Sept	9 Months Jan - Sept	3 Months July - Sept	9 Months Jan - Sept
		30 September 2021	30 September 2021	30 September 2020	30 September 2020
		N'000	N'000	N'000	N'000
	Waste and scrap sales	2,934	17,082	25,715	28,717
	Gain on derivatives	-	-	-	6,402,280
	Sundry (expense)/income	(478,455)	(411,338)	878,335	2,094,465
	Royalty received	49,585	98,601	-	-
	Net foreign exchange gain/(loss) - realised	347,728	(3,431,710)	(1,347,311)	(5,827,472)
	Net foreign exchange loss - unrealised	(52,527)	(7,746,276)	-	(6,823,010)
		(130,735)	(11,473,641)	(443,261)	(4,125,020)
7	Finance income and costs	3 Months July - Sept	9 Months Jan - Sept	3 Months July - Sept	9 Months Jan - Sept
		30 September 2021	30 September 2021	30 September 2020	30 September 2020
		N'000	N'000	N'000	N'000
	Finance income				
	Interest income	451,133	588,408	15,585	1,346,338
	Finance costs				
	Interest expense on borrowings	(509,647)	(1,331,564)	(861,049)	(3,072,287)
	Interest expense on lease liabilities	(440,070)	(571,862)	(33,793)	(101,379)
	Net finance costs	(498,584)	(1,315,018)	(879,257)	(1,827,328)

8 Property, plant and equipment

Acquisitions:

During the 9 months period ended 30th September 2021, the company acquired plant, property and equipment with a total cost of N16.2 billion (9 months ended 30th September 2020: N12.1 billion)

Capital commitments:

As at 30th September 2021, the company's commitment for plant, property and equipment was N12.9 billion (30th September 2020: N13.5 billion)

9 Borrowings

The overdraft facilities from the various banks are usually all secured by corporate guarantee of the company. Interest on the bank overdrafts is payable at rates ranging from 7% to 13%; there are no overdraft facilities during the period.

A balance of a loan amounting to \$278m which was obtained in 2018 with maturity date of May 2021 was rolled over for an additional 3 years period. The Company has entered into non deliverable forward contracts to mitigate the forex risk on the contractual interest and principal repayments. There is also a loan (revolving credit facility) of N57 billion that has not been drawn down by the company as at end of the reporting period.

Interest rates on the Company's loans range from 4% to 13%. The Company's borrowings are within the period from one year to three years.

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 Notes to the financial statements

10 Cash and cash equivalents	30 September 2021 N'000	31 December 2020 N'000
Cash at bank	76,556,577	33,477,340
Restricted cash*	5,827,059	17,330,350
	82,383,636	50,807,690

The company classifies its cash on hand and in bank, and investments in short term liquid instruments as cash and cash equivalents.
 *Restricted cash is collateral deposit held by the bank till the maturity date of forward contracts.

11 Share capital	30 September 2021 N'000	31 December 2020 N'000
Authorised: 30,000,000,000 Ordinary shares of 50 kobo each	15,000,000	15,000,000
Issued and fully paid: 26,862,069,000 Ordinary shares of 50 kobo each	13,431,034	13,431,034

Brauhaase International Management GMBH and its ultimate holding company (AB InBev Nigeria Holding BV) as at 30 September, 2021 held an equity interest of 87.29% in International Breweries Plc.

Shareholding Structure/Free Float Status:

	30 September 2021		31 September 2020	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	26,862,065,850	100%	26,862,065,850	100%
Substantial Shareholdings (5% and above)				
AB INBEV NIGERIA HOLDINGS BV (THE "COMPANY")	21,069,512,368	78.44%	21,069,512,368	78.44%
BRAUHAASE INTERNATIONAL MANAGEMENT GMBH	2,377,579,013	8.85%	2,377,579,013	8.85%
Total Substantial Shareholdings	23,447,091,381	87.29%	23,447,091,381	87.29%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Olugbenga Awomolo	334,075,394	1.24%	334,075,394	1.24%
Michael Onochie Ajukwu	71,860,799	0.27%	62,000,000	0.23%
Nnaemeka Alfred Achebe	40,732,127	0.15%	40,732,127	0.15%
Sunday Akintoye Omole	1,345,109	0.01%	1,345,109	0.01%
Peter Nwokike Anugwu	5,000,000	0.02%	5,000,000	0.02%
Total Directors' Shareholdings	453,013,429	1.69%	443,152,630	1.65%
Other Influential Shareholdings				
Other Influential Shareholdings	0	0.00%	0	0.00%
Free Float in Units and Percentage	2,961,961,040	11.03%	2,971,821,839	11.06%
Free Float in Value	₦ 14,217,412,992.00		₦ 14,264,744,827.20	

Declaration:
 International Breweries Plc's Board is aware of the free float percentage of 11.03% (N14,217,412,992.00) as at 30 September 2021 and compliance plans to be shared with The Exchange has been initiated.

12 Share premium	30 September 2021 N'000	31 December 2020 N'000
Balance as at 30 September	159,803,396	159,803,396

13 Fair Value
 IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions.
 At the reporting date, the Company valued its derivatives as measured at fair value in the level 2 fair value hierarchy. The carrying amounts of all other financial assets and liabilities at the reporting date approximate their fair values.

14 Loss per share
 Basic earnings/(loss) per share (EPS) is calculated by dividing the loss after taxation by the weighted average number of ordinary shares in issue at the end of the reporting period.

	3 Months July - Sept 30 September 2021	9 Months Jan - Sept 30 September 2021	3 Months July - Sept 30 September 2020	9 Months Jan - Sept 30 September 2020
Loss attributable to shareholders (N'000)	367,504	(13,520,034)	(1,519,935)	(10,877,161)
Weighted average number of ordinary shares in issue ('000)	26,862,069	26,862,069	26,862,069	26,862,069
Basic and diluted loss per share (Naira)	0.01	(0.50)	(0.06)	(0.40)

15 Cash generated from operating activities

15.1 Reconciliation of cash generated from operations	30 September 2021 N'000	30 September 2020 N'000
Loss before tax	(17,509,286)	(17,719,946)
Adjustment for non cash items:		
Depreciation and Impairment	25,865,714	23,452,538
Fair value loss on foreign currency forwards	-	(6,402,280)
Interest received	588,408	(1,346,338)
Interest expense	1,331,564	3,173,665
Impairment loss on financial assets	410,366	1,234,107
Unrealised exchange (gain)/loss	7,746,276	6,823,010
Changes in working capital:		
Decrease/(increase) in trade and other receivables	131,776	7,019,929
Decrease/(increase) in inventories	(9,344,288)	1,224,249
Decrease in trade and other payables	32,192,071	4,883,746
Net cash generated from operations	41,412,601	22,342,683

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Notes to the financial statements

16 Related Party Transactions

The company's related parties include the ultimate parent company, AB InBev, SAB-Miller Finance BV and SAB-Miller Plc a subsidiary of AB InBev; its group entities; the directors, their close family members and employees who are able to exert a significant influence on the company's operating policies. These may also include key management personnel having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

All outstanding balances with these related parties are priced on arm's length basis and are to be settled within the agreed periods. None of the balances are secured and do not bear interest.

17 Events after the reporting period

There were no events which could have materially impacted on the affairs of the company within the reporting period which have not been adequately disclosed in the unaudited condensed results for the period ended 30th September, 2021.

18 Securities Dealing Policy

International Breweries Plc has in place a Securities Trading Policy "The Policy" which guides the Board and Employees when effecting transactions in the Company's shares. The Policy provides for periods for Dealing in Shares and other Securities, established communication protocols on periods when transactions are not permitted to be effected on the Company's Shares (Closed Period) as well as disclosure requirements when effecting such transactions.

Insiders covered in this Policy have not notified the Company of any dealing in the Company's Securities within this period and the Company is not aware of any breach of this Policy within the period.