



International Breweries Plc
Unaudited Condensed Financial Statements
for the 3 months ended 30th June 2023

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for the 3 months ended 30th June 2023
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International Breweries Plc
Unaudited Condensed Financial Statements
for the 3 months ended 30th June 2023
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 June 2023.
- b) That the Unaudited condensed financial statements represents the true and correct financial position of our company as at the said date of 30th June 2023.
- 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 June, 2023.
- e) That we are responsible for establishing and maintaining internal controls and affirm that the company's internal controls were effective as of 30th June, 2023.
- 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. Carlos Countino
Managing Director
FRC/2023/PRO/DIR/003/877967
28 July, 2023



Mr. David Tomlinson
Director
FRC/2023/PRO/DIR/003/147669
28 July, 2023



Ms. Chinyere Ezeugwu
Country Finance Manager
FRC/2013/ICAN/000000078:
28 July, 2023

International Breweries Plc
Unaudited Condensed Financial Statements
for the 3 months ended 30th June 2023
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
28 July, 2023



Mr. David Tomlinson
Director
FRC/2023/PRO/DIR/003/147669
28 July, 2023



Mr. Carlos Countino
Managing Director
FRC/2023/PRO/DIR/003/877967
28 July, 2023

International Breweries Plc

Unaudited Condensed Financial Statements

for the 3 months ended 30th June 2023

Statement of profit or loss

		3 Months Apr - June	6 Months Jan - June	3 Months Apr - June	6 Months Jan - June
		30 June 2023	30 June 2023	30 June 2022	30 June 2022
Note		N'000	N'000	N'000	N'000
Revenue	3	61,732,286	116,130,962	53,881,983	111,403,589
Cost of sales	4	(47,361,082)	(92,113,683)	(41,228,502)	(78,795,714)
Gross profit		14,371,204	24,017,279	12,653,481	32,607,875
Administrative, Marketing and promotion expenses	4	(12,719,067)	(22,673,120)	(12,617,187)	(24,723,449)
Impairment charge on financial assets		(56,039)	(155,985)	(42,311)	(76,491)
Other expense	5	(33,314,240)	(35,881,808)	1,714,590	(2,400,017)
		(31,718,142)	(34,693,634)	1,708,574	5,407,918
Finance income	6	2,994,543	6,429,409	691,546	2,198,618
Finance cost	6	(8,591,786)	(13,168,968)	(2,432,186)	(5,782,168)
Finance costs - net		(5,597,243)	(6,739,559)	(1,740,640)	(3,583,550)
(Loss)/Profit before tax		(37,315,385)	(41,433,193)	(32,066)	1,824,368
Income tax credit/(charge)		16,028,112	17,839,886	(352,899)	(1,488,167)
(Loss)/Profit for the period		(21,287,273)	(23,593,307)	(384,965)	336,201
Basic and diluted (loss)/earnings per share (Naira)	13	(0.79)	(0.88)	(0.01)	0.01

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

International Breweries Plc

Unaudited Condensed Financial Statements
for the 3 months ended 30th June 2023
Statement of other comprehensive income

	3 Months Apr - June	6 Months Jan - June	3 Months Apr - June	6 Months Jan - June
	30 June 2023 N'000	30 June 2023 N'000	30 June 2022 N'000	30 June 2022 N'000
(Loss)/Profit for the period	(21,287,273)	(23,593,307)	(384,965)	336,201
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	(25,191,874)	(24,298,922)	5,771,022	4,559,229
Other comprehensive income for the period	(25,191,874)	(24,298,922)	5,771,022	4,559,229
Total comprehensive (loss) / income for the period	(46,479,147)	(47,892,229)	5,386,057	4,895,430
Basic and diluted (loss)/earnings per share (Naira)	(0.79)	(0.88)	(0.01)	0.01

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

International Breweries Plc

Unaudited Condensed Financial Statements
for the 3 months ended 30th June 2023
Statement of financial position

	Note	30 June 2023	31 December 2022
		N'000	N'000
ASSETS			
Non-current assets			
Deferred tax assets		51,687,250	32,613,306
Property, plant and equipment		255,879,201	252,071,523
Right of use assets		13,731,249	15,989,425
Intangible assets		3,196,788	3,251,367
		<u>324,494,488</u>	<u>303,925,621</u>
Current assets			
Investment securities		88,000,000	86,213,956
Inventories		43,905,813	26,914,401
Derivative financial instruments		90,332,853	8,683,594
Trade and other receivables		21,136,274	22,489,101
Restricted cash	9	11,068,856	7,193,352
Cash and cash equivalents	9	16,416,866	28,831,715
		<u>270,860,662</u>	<u>180,326,119</u>
Total assets		<u>595,355,150</u>	<u>484,251,740</u>
LIABILITIES			
Non-current liabilities			
Employee benefit obligations		2,583,355	2,604,539
Borrowings		305,300,922	143,032,695
Lease liabilities		10,670,086	10,442,752
		<u>318,554,362</u>	<u>156,079,986</u>
Current liabilities			
Current tax liabilities		2,277,718	2,257,913
Trade and other payables		146,770,164	151,566,984
Borrowings		55,457,812	51,051,507
Lease liabilities		2,856,889	5,964,917
		<u>207,362,584</u>	<u>210,841,321</u>
Total liabilities		<u>525,916,946</u>	<u>366,921,307</u>
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		(23,030,782)	1,268,140
Employee benefit reserves		(227,281)	(227,281)
Retained losses		(81,898,919)	(58,305,612)
Total equity		<u>69,438,203</u>	<u>117,330,433</u>
Total equity and liabilities		<u>595,355,150</u>	<u>484,251,740</u>

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 28 July 2023 and were signed on its behalf by:



HRM Nnaemeka Alfred Achebe, CFR,MNI (Chairman) FRC/2013/NIM/00000001568



Mr. Carlos Countino (Director) FRC/2023/PRO/DIR/003/877967



Mr. David Tomlinson (Director) FRC/2023/PRO/DIR/003/147669



Ms. Chinyere Ezeugwu (Country Finance Manager) FRC/2013/ICAN/00000000781

International Breweries Plc

Unaudited Condensed Financial Statements

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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 2023	13,431,034	159,803,396	1,360,756	1,268,140	(227,281)	(58,305,612)	117,330,432
(Loss)/Profit for the period	-	-	-	-	-	(23,593,307)	(23,593,307)
Other comprehensive income	-	-	-	(24,298,922)	-	-	(24,298,922)
Total comprehensive (loss)/income for the period	-	-	-	(24,298,922)	-	(23,593,307)	(47,892,229)
Balance at 30 June 2023	13,431,034	159,803,396	1,360,756	(23,030,782)	(227,281)	(81,898,919)	69,438,203

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

International Breweries Plc
 Unaudited Condensed Financial Statements
 for the 3 months ended 30th June 2023
Statement of cash flows

		30 June 2023	30 June 2022
	Note	N'000	N'000
Cash flows from operating activities			
Cash generated from operations	14	(25,002,005)	10,642,810
Income tax paid		(1,214,253)	(215,370)
Employee benefits paid		(272,863)	-
Net cash (outflow)/inflow from operating activities		(26,489,121)	10,427,440
Cash flows from investing activities			
Acquisition of property, plant and equipment		(19,456,855)	(21,752,103)
Investment in debt securities		(1,786,044)	40,365,366
Interest received	6	6,429,409	2,198,618
Net cash (outflow)/inflow from investing activities		(14,813,490)	20,811,881
Cash flows from financing activities			
Proceeds/(Repayment) from/of borrowings		38,513,747	(62,320,000)
Lease payment		(5,152,904)	(3,585,675)
Interest paid		(597,577)	(4,523,528)
Net cash inflow/(outflow) from financing activities		32,763,266	(70,429,203)
Net (decrease)/increase in cash and cash equivalents		(8,539,345)	(39,189,882)
Cash and cash equivalents at the beginning of the period		36,025,067	66,802,029
Cash and cash equivalents at the end of the period	9	27,485,722	27,612,147

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 June 2023 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, 2022.

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 2022.

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

International Breweries Plc

Unaudited Condensed Financial Statements

for the 3 months ended 30th June 2023

Notes to the financial statements

3	Revenue	3 Months	6 Months	3 Months	6 Months
		Apr - June	Jan - June	Apr - June	Jan - June
		30 June 2023	30 June 2023	30 June 2022	30 June 2022
		N'000	N'000	N'000	N'000
	Revenue from contracts with customers	61,732,286	116,130,962	53,881,983	111,403,589
4	Breakdown of Expense	3 Months	6 Months	3 Months	6 Months
		Apr - June	Jan - June	Apr - June	Jan - June
		30 June 2023	30 June 2023	30 June 2022	30 June 2022
		N'000	N'000	N'000	N'000
	Materials consumed and allocated overheads	38,110,765	73,725,009	30,343,673	60,156,931
	Employee benefit expenses	4,441,615	8,231,918	3,516,776	6,882,208
	Technical management fees	1,060,216	2,820,104	1,616,460	3,342,108
	Depreciation and Ammortization	9,184,131	18,117,575	10,167,821	20,337,580
	Business running costs	3,545,434	6,431,027	2,499,304	4,726,753
	Advertising and promotion	3,737,989	5,461,170	5,701,655	8,073,584
		60,080,149	114,786,803	53,845,688	103,519,164
5	Other expense	3 Months	6 Months	3 Months	6 Months
		Apr - June	Jan - June	Apr - June	Jan - June
		30 June 2023	30 June 2023	30 June 2022	30 June 2022
		N'000	N'000	N'000	N'000
	Waste and scrap sales	-	12,802	7,501	12,802
	Sundry income	578,215	621,598	110,724	89,969
	Royalty received	27,335	70,948	965	20,898
	Net foreign exchange gain/(loss) - realised	7,969,821	4,078,882	(5,987,044)	(6,616,873)
	Net foreign exchange gain/(loss) - unrealised	(41,889,611)	(40,666,038)	7,582,444	4,093,187
		(33,314,240)	(35,881,808)	1,714,590	(2,400,017)
6	Finance income and costs	3 Months	6 Months	3 Months	6 Months
		Apr - June	Jan - June	Apr - June	Jan - June
		30 June 2023	30 June 2023	30 June 2022	30 June 2022
		N'000	N'000	N'000	N'000
	Finance income				
	Interest income	2,994,543	6,429,409	691,546	2,198,618
	Finance costs				
	Interest expense on borrowings	(7,572,709)	(11,052,404)	(1,707,559)	(4,523,528)
	Interest expense on lease liabilities	(1,019,077)	(2,116,564)	(724,627)	(1,258,640)
	Net finance costs	(5,597,243)	(6,739,559)	(1,740,640)	(3,583,550)

7 Property, plant and equipment

Acquisitions:

During the 6 months period ended 30th June 2023, the company acquired plant, property and equipment with a total cost of N19.5 billion (6 months ended 30th June 2022: N21.8 billion)

Capital commitments:

As at 30th June 2023, the company's commitment for plant, property and equipment was N34.3 billion (30th June 2022: N34.4 billion)

8 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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 for the 3 months ended 30th June 2023
 Notes to the financial statements

9	Cash and cash equivalents	30 June 2023 N'000	31 December 2022 N'000
	Cash at bank	16,416,866	59,428,503
	Restricted cash*	11,068,856	7,373,526
		<u>27,485,722</u>	<u>66,802,029</u>

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.

10	Share capital	30 June 2023 N'000	31 December 2022 N'000
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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 June, 2023 held an equity interest of 87.29% in International Breweries Plc.

Shareholding Structure/Free Float Status:

	30 June 2023		30 June 2022	
	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%	71,860,799	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	0.00%
Peter Nwokike Anugwu	-	0.00%	5,000,000	0.02%
Total Directors' Shareholdings	448,013,429	1.67%	453,013,429	1.65%
Other Influential Shareholdings				
Other Influential Shareholdings	0	0.00%	0	0.00%
Free Float in Units and Percentage	2,966,961,040	11.05%	2,961,961,040	11.03%
Free Float in Value	₦ 15,428,197,408.00		₦ 18,660,354,552.00	

Declaration:

International Breweries Plc's Board is aware of the free float percentage of 11.05% (N15,428,197,408.00) as at 30 June 2023 and compliance plans to be shared with The Exchange has been initiated.

11	Share premium	30 June 2023 N'000	31 December 2022 N'000
	Balance as at 30 June	159,803,396	159,803,396

12 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.

13	Earnings per share	3 Months Apr - June 30 June 2023	6 Months Jan - June 30 June 2023	3 Months Apr - June 30 June 2022	6 Months Jan - June 30 June 2022
	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.				
	(Loss)/Profit attributable to shareholders (N'000)	(21,287,273)	(23,593,307)	(384,965)	336,201
	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)/ profit per share (Naira)	(0.79)	(0.88)	(0.01)	0.01

International Breweries Plc
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 Notes to the financial statements

14 Cash generated from operating activities

14.1 Reconciliation of cash generated from operations	30 June 2023 N'000	30 June 2022 N'000
(Loss)/Profit before tax	(41,433,193)	1,824,368
Adjustment for non cash items:		
Depreciation and Impairment	15,703,756	17,251,049
Depreciation - Right of Use	2,413,819	2,603,889
Employee benefit expense	251,680	44,982
Interest received	(6,429,409)	(2,198,618)
Interest expense on borrowings	11,052,404	4,523,528
Interest expense on lease liability	2,116,564	1,258,640
Impairment loss on financial assets	155,985	76,491
Fair value (gain)/loss on foreign currency forwards	(81,649,259)	(2,478,832)
Fair value change on foreign currency forwards cash flow hedges	(24,298,922)	2,378,670
Unrealised exchange (gain)/loss	117,705,959	(4,093,187)
Changes in working capital:		
Decrease in trade and other receivables	1,196,842	10,895,340
Increase in inventories	(16,991,412)	(3,437,705)
(Decrease) in trade and other payables	(4,796,820)	(18,005,805)
Net cash generated from operations	(25,002,005)	10,642,810

15 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.

16 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 June, 2023.

17 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.