



**INTERNATIONAL  
BREWERIES PLC.**  
A proud part of the **ABInBev** family

***International Breweries Plc***  
Unaudited Condensed Financial Statements  
for the 3 months ended 31st March 2020

**International Breweries Plc**

Unaudited Condensed Financial Statements

for the 3 months ended 31st March 2020

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## **International Breweries Plc**

### Unaudited Condensed Financial Statements

for the 3 months ended 31st March 2020

#### *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.

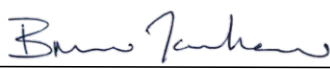


HRM Nnaemeka Alfred Achebe, CFR, MNI

Chairman

FRC/2013/NIM/00000001568

23 April, 2020



Bruno Zambrano

Executive Director

FRC/2020/003/00000020628

23 April, 2020



Alexander Chukwuma Atuona

Country Finance Manager

FRC/2019/ICAN/00000019271

23 April, 2020

## **International Breweries Plc**

Unaudited Condensed Financial Statements

for the 3 months ended 31st March 2020

*Statement of profit or loss and other comprehensive income*

		31 March 2020	31 March 2019 restated
	Note	N'000	N'000
Revenue	5	35,348,525	35,096,776
Cost of sales	6	(29,175,632)	(26,150,981)
<b>Gross profit</b>		<b>6,172,893</b>	<b>8,945,795</b>
Administrative expenses	7	(4,760,815)	(4,891,194)
Marketing and promotion expenses	8	(3,797,074)	(3,926,613)
Net impairment charge on financial assets		(13,710)	-
Other (expense)/income	9	4,301,278	2,933
Other (losses)	10	(9,942,766)	(363,766)
		<b>(8,040,194)</b>	<b>(232,845)</b>
Finance income	11	1,330,133	511
Finance cost	11	(984,207)	(5,085,549)
Finance costs - net		345,926	(5,085,038)
<b>Loss before tax</b>		<b>(7,694,268)</b>	<b>(5,317,884)</b>
Income tax credit		2,048,269	1,330,199
<b>Loss for the year</b>		<b>(5,645,999)</b>	<b>(3,987,685)</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Remeasurements of post employment benefits obligations		-	140,115
Other comprehensive income/(loss) for the year		-	140,115
<b>Total comprehensive loss for the year</b>		<b>(5,645,999)</b>	<b>(3,847,570)</b>
<b>Basic and diluted loss earnings per share (Naira)</b>		<b>(0.21)</b>	<b>(0.46)</b>

The notes on pages 8 to 12 are an integral part of these financial statements.


**International Breweries Plc**  
 Unaudited Condensed Financial Statements  
 for the 3 months ended 31st March 2020  
 Statement of financial position

		31 March 2020	31 December 2019
		N'000	Restated N'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	267,418,371	271,160,045
Right of use assets		2,104,255	2,328,201
Intangible assets		338,544	364,352
Other receivables		83,318	207,485
Derivative financial Instruments		4,800,302	263,491
Deferred tax assets		11,521,250	9,237,326
		<u>286,266,039</u>	<u>283,560,900</u>
<b>Current assets</b>			
Inventories		24,412,765	21,976,390
Trade and other receivables		27,100,399	27,803,033
Cash and cash equivalents	13	25,104,057	31,806,209
		<u>76,617,221</u>	<u>81,585,632</u>
<b>Total assets</b>		<b><u>362,883,260</u></b>	<b><u>365,146,532</u></b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		-	-
Borrowings	14	-	149,753,338
Lease liabilities		1,222,049	1,193,325
Employee benefit obligations		2,630,107	2,630,107
		<u>3,852,156</u>	<u>153,576,770</u>
<b>Current liabilities</b>			
Trade and other payables		84,769,970	88,186,999
Borrowings	14	107,389,631	113,881,753
Lease liabilities		58,555	53,486
Current tax liabilities		2,219,479	1,983,825
		<u>194,437,636</u>	<u>204,106,062</u>
<b>Total liabilities</b>		<b><u>198,289,792</u></b>	<b><u>357,682,833</u></b>
<b>EQUITY</b>			
Share capital	15	13,431,034	4,297,931
Share premium	16	159,803,396	6,160,731
Other reserves		1,360,756	1,360,756
Employee benefit reserves		(1,415,242)	(1,415,242)
Retained earnings		(8,586,476) -	2,940,477
<b>Total equity</b>		<u>164,593,468</u>	<u>7,463,699</u>
<b>Total equity and liabilities</b>		<b><u>362,883,260</u></b>	<b><u>365,146,532</u></b>

The notes on pages 8 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 22 April 2020 and were signed on its behalf by:

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

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

  
 Mr. Alexander Chukwuma Atuona (Country Finance Manager) FRC/2019/ICAN/00000019271

**International Breweries Plc**  
Unaudited Condensed Financial Statements  
for the 3 months ended 31st March 2020  
*Statement of changes in equity*

	Share capital N'000	Share Premium N'000	Other reserves* N'000	Employee benefit reserves N'000	Retained (losses)/ earnings N'000	Total equity N'000
<b>At 1 January 2020</b>	<b>4,297,931</b>	<b>6,160,731</b>	<b>1,360,756</b>	<b>(1,415,242)</b>	<b>(2,940,477)</b>	<b>7,463,699</b>
Loss for the year	-	-	-	-	(5,645,999)	(5,645,999)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	-	(5,645,999)	(5,645,999)
Issue of shares	9,133,103	153,642,665	-	-	-	162,775,768
Group reorganisation						
<b>Balance at 31 March 2020</b>	<b>13,431,034</b>	<b>159,803,396</b>	<b>1,360,756</b>	<b>(1,415,242)</b>	<b>(8,586,476)</b>	<b>164,593,468</b>

The notes on pages 8 to 12 are an integral part of these financial statements.

**International Breweries Plc**

Unaudited Condensed Financial Statements

for the 3 months ended 31st March 2020

*Statement of cash flows*

	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Note</b>	<b>N'000</b>	<b>Restated N'000</b>
<b>Cash flows from operating activities</b>		
Cash generated from/(used in) from operations	18 (2,817,478)	1,616,233
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(2,817,478)</b>	<b>1,616,233</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(2,514,057)	(8,599,844)
Proceeds from disposal of property, plant and equipment	-	310
Interest received	1,330,133	511
<b>Net cash outflow from investing activities</b>	<b>(1,183,924)</b>	<b>(8,599,023)</b>
<b>Cash flows from financing activities</b>		
Proceed from borrowings	-	8,674,209
Repayment of borrowings	(164,526,104)	-
Proceed from rights issue	162,775,768	-
Interest paid	(950,414)	(5,085,549)
<b>Net cash inflow from financing activities</b>	<b>(2,700,750)</b>	<b>3,588,660</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(6,702,152)</b>	<b>(3,394,130)</b>
Cash and cash equivalents at the beginning of the year	31,806,209	(11,028,584)
<b>Cash and cash equivalents at the end of the year</b>	<b>25,104,057</b>	<b>(14,422,714)</b>

The notes on pages 8 to 12 are an integral part of these financial statements.

**International Breweries Plc**  
Unaudited Condensed Financial Statements  
for the 3 months ended 31st March 2020  
*Notes to the 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:  
22/36 Glover road,  
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 ultimate parent company is ABInBev Nigeria Holdings BV.

**Summary of accounting policies**

**2 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.

**Basis of preparation**

The condensed financial statements for the period ended 31 March 2020 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, 2019.

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.

**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. The directors do not intend to cease operations or stop any of the production lines.

The shareholders approved that a Rights Issue be conducted to deleverage the Company's balance sheet on 15 October, 2019. The company is strategically positioned for success in the future. Although it recorded a loss in the year ended 31 December 2019, it continues to grow in quality and number.

**4 Changes in accounting policy and disclosures**

The Company has applied the below standard and amendments for the first time for their annual reporting period commencing 1 January 2018:

**IFRS 16 Leases**

IFRS 16 Leases became effective on 1 January 2019 and was applied by the company for the first time as of that date, under the full retrospective application, with an initial application date as of 1 January 2018.

IFRS 16 replaces the current lease accounting requirements and introduces significant changes to lessee accounting, removing the distinction between operating and finance leases under IAS 17 Leases and related interpretations and requiring a lessee to recognize a right-of-use asset and a lease liability at lease commencement date. IFRS 16 also requires the recognition of depreciation charges relating to right-of-use assets and interest expenses on lease liabilities, as compared to the recognition of operating lease expenses or rental costs on a straight-line basis over the lease term, as was the case under prior requirements. In addition, the company has amended the cash flow statement presentation in order to segregate the payment of leases into a principal portion presented within financing activities and an interest component presented within operating activities.

The company has chosen the full retrospective application of IFRS 16 and, consequently, has restated the comparative information in these financial statements. In addition, the company has applied the practical expedient available on transition to IFRS 16 to not reassess whether a contract is or contains a lease. Accordingly, the definition of a lease under IAS 17 and its related interpretations will continue to apply to the leases entered or modified before 1 January 2019.



**International Breweries Plc**

Unaudited Condensed Financial Statements  
for the 3 months ended 31st March 2020  
Notes to the financial statements

	<b>31 March</b>	<b>Restated</b>
	<b>2020</b>	<b>31 March</b>
	<b>N'000</b>	<b>2019</b>
		<b>N'000</b>
<b>5 Revenue</b>		
Net revenue from contracts with customers	35,348,525	35,096,776
<b>6 Cost of sales</b>		
Materials consumed and allocated overheads	22,609,719	20,088,515
Employee benefit expenses	1,009,315	711,359
Technical management fees	830,690	789,888
Amortisation of container	2,096,181	3,246,017
Depreciation - plant machinery	2,629,728	1,315,201
	<b>29,175,632</b>	<b>26,150,981</b>
<b>7 Administrative expenses</b>		
Employee benefit expenses	892,387	967,803
Other staff related costs	645,273	671,001
Business running costs	1,795,823	1,857,233
Depreciation	1,427,333	1,395,158
	<b>4,760,815</b>	<b>4,891,194</b>
<b>8 Marketing, promotion and distribution expenses</b>		
<b>Marketing and Sales Expenses</b>	<b>3,797,074</b>	<b>3,926,613</b>
<b>9 Other income/(expense)</b>		
Waste and scrap sales	1,728	2,933
Gain/(loss) on derivatives	4,543,819	-
Sundry income	(244,269)	-
	<b>4,301,278</b>	<b>2,933</b>
<b>10 Other gains/(losses) - net</b>		
Net foreign exchange gain/(loss) - realised	(4,690,456)	811,559
"Net foreign exchange (loss) - unrealised	(5,252,310)	(1,163,617)
Loss on disposal of PPE	-	(11,708)
	<b>(9,942,766)</b>	<b>(363,766)</b>
<b>11 Finance income and costs</b>		
Interest income	1,330,133	511
<b>Finance costs</b>		
Interest expense on borrowings	(950,414)	(5,085,549)
Interest expense Right of use assets	(33,793)	-
Finance costs	<b>(984,207)</b>	<b>(5,085,549)</b>

**International Breweries Plc**

Unaudited Condensed Financial Statements  
for the 3 months ended 31st March 2020

Notes to the financial statements

**12 Property, plant and equipment**

	Land N'000	Buildings N'000	Plant and machinery N'000	Vehicles, furniture and equipment N'000	Returnable containers N'000	Assets in course of construction N'000	Total N'000
<b>Cost</b>							
<b>As at 1 January 2020</b>	2,625,774	48,611,928	153,442,785	13,901,283	88,889,528	31,480,192	338,951,490
Additions	-	-	-	-	-	2,514,057	2,514,057
Reclassification	-	-	369,717.96	1,004,953.02	92,308.07	1,466,979.05	-
Write off	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>As at 31 March 2020</b>	2,625,774	48,611,928	153,812,503	14,906,236	88,981,836	32,527,270	341,465,547
<b>Accumulated Depreciation</b>							
<b>As at 1 January 2020</b>	-	3,022,535	22,529,571	4,232,314	38,007,025	-	67,791,445
Depreciation for the year	-	360,223	2,698,518	748,500	2,448,491	-	6,255,732
Adjustments	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>As at 31 March 2020</b>	-	3,382,758	25,228,089	4,980,814	40,455,516	-	74,047,177
<b>Net book value</b>							
<b>As at 31 March 2020</b>	2,625,774	45,229,170	128,584,414	9,925,422	48,526,320	32,527,270	267,418,371
<b>At 31 December 2019</b>	2,625,774	45,589,393	130,913,214	9,668,969	50,882,503	31,480,192	271,160,045
<b>At 1 January 2020</b>	2,625,774	45,589,393	130,913,214	9,668,969	50,882,503	31,480,192	271,160,045

\*Adjustments relate to a reclassification of returnable container acquisition costs which were recognised in accumulated depreciation. This has a nil impact on the net book value of the returnable containers.

\*Amount writeoffs relates to fully depreciated assets which are no longer in use by the company. There was no write off in the current year.

13	<b>Cash and cash equivalents</b>	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
	<b>Cash in hand</b>	-	-
	Cash at bank	9,752,704	15,694,953
	Restricted cash*	15,351,353	16,111,256
		<u>25,104,057</u>	<u>31,806,209</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.

**14 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. 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.

(a)	<b>Current</b>	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
	Bank overdrafts	-	-
	Term bank loan	107,389,631	113,881,753
		<u>107,389,631</u>	<u>113,881,753</u>

(b)	<b>Non Current</b>	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
	Term bank loan	-	149,753,338
		<u>-</u>	<u>149,753,338</u>

15	<b>Share capital</b>	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
	<b>Authorised:</b> 30,000,000,000 Ordinary shares of 50 kobo each	15,000,000	4,300,000
	<b>Issued and fully paid:</b> 26,862,069,000 Ordinary shares of 50 kobo each	13,431,034	4,297,931

16	<b>Share premium</b>	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
	Balance as at 31 March	159,803,396	6,160,731

**17 Earnings/(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.

	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
Loss attributable to shareholders (N'000)	(5,645,999)	(3,987,685)
Weighted average number of ordinary shares in issue ('000)	26,862,069	8,595,862
Basic and diluted loss per share (Naira)	<u>(0.21)</u>	<u>(0.46)</u>

13	<b>Cash and cash equivalents</b>	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
	<b>Cash in hand</b>	-	-
	Cash at bank	9,752,704	15,694,953
	Restricted cash*	15,351,353	16,111,256
		<u>25,104,057</u>	<u>31,806,209</u>

The company classifies its cash on hand and in bank, and investments in short term liquid instruments as cash and cash equivalents.

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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.

(a)	<b>Current</b>	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
	Bank overdrafts	-	-
	Term bank loan	107,389,631	113,881,753
		<u>107,389,631</u>	<u>113,881,753</u>

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	Term bank loan	-	149,753,338
		<u>-</u>	<u>149,753,338</u>

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	<b>Authorised:</b> 30,000,000,000 Ordinary shares of 50 kobo each	<u>15,000,000</u>	<u>4,300,000</u>
	<b>Issued and fully paid:</b> 26,862,069,000 Ordinary shares of 50 kobo each	<u>13,431,034</u>	<u>4,297,931</u>

16	<b>Share premium</b>	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
	Balance as at 31 March	<u>159,803,396</u>	<u>6,160,731</u>

**17 Earnings/(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.

	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
Loss attributable to shareholders (N'000)	<u>(5,645,999)</u>	<u>(3,987,685)</u>
Weighted average number of ordinary shares in issue ('000)	<u>26,862,069</u>	<u>8,595,862</u>
Basic and diluted loss per share (Naira)	<u>(0.21)</u>	<u>(0.46)</u>

**18 Cash generated from operating activities**

	<b>31 March 2020 N'000</b>	<b>31 March 2019 N'000</b>
<b>18.1 Reconciliation of cash generated from operations</b>		
Loss before tax	(7,694,268)	(5,317,884)
<b>Adjustment for non cash items:</b>		
Depreciation of property, plant and equipment	6,255,732	5,917,470
Depreciation right of use	223,946	-
Amortisation of intangible assets	25,808	38,906
Fair value loss on derivatives	(4,543,819)	(1,820,117)
Interest received	(1,330,133)	(511)
Interest expense	984,207	5,085,549
Employee benefit expense	-	50,774
Loss on disposal of property plant and equipment	-	11,708
Impairment loss on financial assets	13,710	-
Unrealised exchange loss	6,907,376	(1,060,000)
<b>Changes in working capital:</b>		
(Increase) in trade and other receivables	813,092	(3,480,702)
Increase in inventories	(2,436,375)	(2,371,776)
Increase/(Decrease) in trade and other payables	(2,036,754)	4,562,816
<b>Net cash generated from/(used in) operations</b>	<b>(2,817,478)</b>	<b>1,616,233</b>

**19 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 31 March, 2020.

In view of the COVID-19 pandemic, we have strengthened our health and safety practices within our operations and with stakeholders. We are supporting efforts at ensuring the pandemic is combated in partnership with government at State and Federal levels and also, in the communities where we operate. While the economic impact of this pandemic on the Nigerian and global economy can not be fully assessed at this stage, our Board and Management have initiated our business continuity plans to ensure that the company remains a going concern.

**20 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.