



**INTERNATIONAL
BREWERIES PLC.**

A proud part of the **ABInBev** family

International Breweries Plc
Unaudited Financial Statements
for the 3 months quarter ending 31 December 2019

International Breweries Plc
Unaudited Financial Statements
for the 3 months quarter ending 31 December 2019
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International Breweries Plc
Unaudited Financial Statements
for the 3 months quarter ending 31 December 2019
Compliance certification

COMPLIANCE CERTIFICATE ON THE COMPANYS UNAUDITED FINANCIAL STATEMENTS FOR THE 3 MONTHS QUARTER ENDING DECEMBER 2019.

We the undersigned hereby certify that:

- a) We have reviewed the report, and
- b) Based on our knowledge the report does not:
 - i. Contain any untrue statement of a material fact, or
 - ii. Omit to state a material fact, that would make the statements misleading in the light of the circumstances under which the statements were prepared.
- c) Based on our knowledge the financial statements and other financial information included in the report fairly represent, in all material aspects the financial conditions and results of operations of the company as of, and for the period in the report.
- d) We hereby state that we:
 - i. Are responsible for establishing and maintaining controls
 - ii. Have designed such internal controls to ensure that material information relating to the company are is made known to us by others within the company particularly during the period the periodic reports are being prepared.
 - iii. Have evaluated the adequacy and effectiveness of the company's internal controls as of date
- e) The financial statements are prepared in compliance with IAS 34 – Interim Financial Reporting

HRM Nnaemeka Alfred Achebe
Chairman
FRC/2013/NIM/00000001568

Micheal Daramola
Director
FRC/2013/IODN/000000004432

Alex Atuona
Country Finance Manager
FRC/2019/ICAN/00000019271

International Breweries Plc

Unaudited Financial Statements

for the 3 months quarter ending 31 December 2019

Statement of profit or loss and other comprehensive income

		Unaudited 3 Months (Oct - Dec) 31 December 2019 N'000	Unaudited 12 Months (Jan - Dec) 31 December 2019 N'000	Audited 3 Months (Oct - Dec) 31 December 2018 N'000	Audited 12 Months (Jan - Dec) 31 December 2018 N'000
Revenue	5	35,091,153	132,351,500	37,263,910	120,610,825
Cost of sales	6	(23,215,496)	(87,348,159)	(21,905,312)	(73,270,580)
Gross profit		11,875,656	45,003,340	15,358,598	47,340,245
Administrative expenses	10	(8,256,252)	(28,481,479)	(3,663,407)	(15,883,120)
Marketing and promotion expenses	8	(6,039,860)	(29,308,510)	(4,203,615)	(20,966,060)
Net impairment charge on financial assets		(121,270)	(1,234,968)	-	(236,392)
Other income	7	3,685	754,375	17,814	807,494
Other gains/(losses) - net	9	(1,586,398)	(292,829)	567,808	(3,166,112)
Result from operating activities		(4,124,439)	(13,560,070)	8,077,198	7,896,055
Finance income	11	-	1,776	78,696	84,265
Finance cost	11	(9,238,415)	(22,375,801)	(7,015,278)	(16,029,632)
Net finance costs		(9,238,415)	(22,374,026)	(6,936,582)	(15,945,367)
Loss before tax		(13,362,854)	(35,934,096)	1,140,616	(8,049,312)
Company Income tax expense		(1,377,832)	(1,377,832)	(66,389)	(161,963)
Income tax credit	12	5,602,643	13,233,819	2,196,933	4,344,977
(Loss)/profit for the year		(9,138,043)	(24,078,109)	3,271,160	(3,866,298)
Other comprehensive income:					
<i>Items that will not be subsequently reclassified to profit or loss:</i>					
Remeasurements of post employment benefits obligations		-	-	(198,142)	(198,142)
Other comprehensive loss for the year		-	-	(198,142)	(198,142)
Total comprehensive (loss)/income for the year		(9,138,043)	(24,078,109)	3,073,018	(4,064,440)
Basic and diluted (loss)/earnings per share (Naira)		(106)	(280)	38	(36)

International Breweries Plc

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for the 12 months period ended 31 December 2019

Statement of financial position

		12 Months period ended December 2019 Unaudited	12 Months period ended December 2018 Audited
ASSETS	Note	N'000	N'000
Non-current assets			
Property, plant and equipment	12	273,843,992	243,373,657
Intangible assets	13	364,352	467,506
Other receivables	15	1,641,968	45,684
Derivative financial Instruments		1,482,841	656,500
Deferred tax assets		13,423,437	189,618
		<u>290,756,589</u>	<u>244,732,965</u>
Current assets			
Inventories	14	22,214,665	19,857,541
Trade and other receivables	15	26,858,335	28,330,564
Cash and cash equivalents		33,540,065	17,357,850
		<u>82,613,065</u>	<u>65,545,955</u>
Total assets		<u>373,369,654</u>	<u>310,278,920</u>
LIABILITIES			
Non-current liabilities			
Borrowings		155,237,430	153,738,160
Employee benefit obligations		2,955,544	2,500,402
		<u>158,192,974</u>	<u>156,238,562</u>
Current liabilities			
Trade and other payables	16	84,525,839	53,994,967
Borrowings		116,769,239	63,438,877
Current tax liabilities		2,798,788	1,445,591
		<u>204,093,866</u>	<u>118,879,435</u>
Total liabilities		<u>362,286,840</u>	<u>275,117,997</u>
EQUITY			
Share capital		4,297,931	4,297,931
Share premium		6,160,731	6,160,731
Other reserves		1,360,756	1,360,756
Employee benefit reserves		(1,555,357)	(1,555,357)
Retained earnings		818,753	24,896,862
Total equity		<u>11,082,814</u>	<u>35,160,923</u>
Total equity and liabilities		<u>373,369,654</u>	<u>310,278,920</u>

Approved by the board on 31 January 2020 and signed on its behalf by:

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

_____)
_____) Micheal Daramola (Director) FRC/2013/IODN/000000004432

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

The notes on 7-14 form an integral part of these interim financial statements

International Breweries Plc
 Unaudited Financial Statements
 for the 12 months period ended 31 December 2019
Statement of changes in equity

Notes	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
Balance at 1 January 2019	4,297,931	6,160,731	1,360,756	(1,555,357)	24,896,862	35,160,923
At 1 January 2019 - Restated	4,297,931	6,160,731	1,360,756	(1,555,357)	24,896,862	35,160,923
Profit for the year	-	-	-	-	(24,078,109)	(24,078,109)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(24,078,109)	(24,078,109)
Transactions with owners in their capacity as owners:	-	-	-	-	-	-
Balance at 31 December 2019	4,297,931	6,160,731	1,360,756	(1,555,357)	818,753	11,082,814
Balance at 1 January 2018	4,297,931	6,160,731	1,360,756	(1,357,215)	28,763,160	39,225,363
At 1 January 2018 - Restated	4,297,931	6,160,731	1,360,756	(1,357,215)	28,763,160	39,225,363
Loss for the year	-	-	-	-	(3,866,298)	(3,866,298)
Other comprehensive loss	-	-	-	(198,142)	-	(198,142)
Total comprehensive loss for the year	-	-	-	(198,142)	(3,866,298)	(4,064,440)
Transactions with owners in their capacity as owners:	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-
Balance at 31 December 2018	4,297,931	6,160,731	1,360,756	(1,555,357)	24,896,862	35,160,923

The notes on 7-14 form an integral part of these interim financial statements

International Breweries Plc
 Unaudited Financial Statements
 for the 12 months period ended 31 December 2019
Statement of cash flows

		12 Months period ended December 2019 Unaudited	12 Months period ended December 2018 Audited
	Note	N'000	N'000
Cash flows from operating activities			
Cash (used in)/ generated from operations	18	40,504,896	(28,874,806)
Income tax paid		(24,635)	(1,350,564)
Employee benefits paid		-	(1,143,895)
Net cash (outflow)/inflow from operating activities		40,480,261	(31,369,265)
Cash flows from investing activities			
Acquisition of property, plant and equipment	12	(56,761,408)	(69,772,968)
Acquisition of intangible asset	13	(74)	(102,326)
Proceeds from disposal of property, plant and equipment		7,829	-
Interest income	11	1,776	84,265
Net cash outflow from investing activities		(56,751,877)	(69,791,029)
Cash flows from financing activities			
Proceed from borrowings		110,199,550	254,798,160
Repayment of borrowings and overdraft		(51,708,030)	(150,313,251)
Interest paid	11	-	(2,684,784)
Net cash inflow from financing activities		58,491,520	101,800,125
Net increase/(decrease) in cash and cash equivalents		42,219,905	639,831
Cash and cash equivalents at the beginning of the year		(11,028,585)	(11,668,416)
Cash and cash equivalents at the end of the year		31,191,319	(11,028,585)

The notes on 7-14 form an integral part of these interim financial statements

International Breweries Plc
Unaudited Financial Statements
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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.

2 Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IRFS) IAS 34 'Interim Financial Reporting'. They do not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of International Breweries Plc as at and for the year ended 31 December 2019.

3 Summary of accounting policies

a. General

The accounting policies as applied in these condensed interim financial statements are the same as applied in the Company's financial statements as at and for the year ended 31st December 2019

b. Basis of preparation of condensed interim financial statements

The condensed interim financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the condensed interim financial statements.

The condensed interim financial statements have been prepared in accordance with the going concern principle under the historical cost concept except for the following:

- certain financial assets and liabilities – measured at amortised cost
- derivative instruments – measured at fair value

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

The preparation of condensed interim 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 condensed interim financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

4 Critical accounting estimates, judgements and errors

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed herein.

a. Deferred taxation

The Company is subject to income taxes within Nigeria, which does not require much judgment in terms of provision for income taxes but a certain level of judgment is required for recognition of the deferred tax assets. Management is required to assess the ability of the Company to generate future taxable economic earnings that will utilize the deferred tax assets. Assumptions over the generation of future taxable profits depends on management's estimates of future cash flows. This estimate of future taxable income is based on forecast cash flows from operations

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Notes to the financial statements

Note	Unaudited	Unaudited	Audited	Audited
	3 Months	12 Months	3 Months	12 Months
	(Oct - Dec)	(Jan - Dec)	(Oct - Dec)	(Jan - Dec)
	31 December	31 December	31 December	31 December
	2019	2019	2018	2018
	N'000	N'000	N'000	N'000
5 Revenue	35,091,153	132,351,500	37,263,910	120,610,825
6 Cost of sales				
Materials consumed and allocated overheads	18,756,456	70,398,874	16,137,994	55,523,367
Salaries, wages, allowances (production staff)	43,129	44,618	740,826	2,374,127
Technical management fees	844,820	2,244,940	863,284	2,780,263
Depreciation - plant and machinery	3,571,092	14,659,728	4,163,208	12,592,823
	<u>23,215,496</u>	<u>87,348,159</u>	<u>21,905,312</u>	<u>73,270,580</u>
7 Other income				
Sale of scrap	3,685	11,526	17,716	32,351
Sundry income	-	742,849	98	15,658
	<u>3,685</u>	<u>754,375</u>	<u>17,814</u>	<u>48,009</u>
Fair value gain on derivatives				
8 Marketing, promotion and distribution expenses				
Transportation and distribution	2,950,840	13,194,951	2,962,125	11,223,003
Employee benefit expense	26,629	4,792,260	38,752	1,883,552
Advertising and promotion	3,062,392	11,321,299	1,202,738	7,859,505
	<u>6,039,860</u>	<u>29,308,510</u>	<u>4,203,615</u>	<u>20,966,060</u>
9 Other gains/(losses) - net				
Net foreign exchange (loss)/Gain realised	(104,094)	(858,878)	(127,506)	2,101,267
Loss on disposal of asset	-	11,708	-	-
Fair value gain/(loss) on derivatives	(393,641)	(826,340)	(355,502)	(759,485)
Net foreign exchange Gain/(loss) unrealised	2,084,134	1,966,339	(84,800)	1,064,845
	<u>1,586,398</u>	<u>292,829</u>	<u>(567,808)</u>	<u>2,406,627</u>
10 Administrative expenses				
Salaries wages and allowances (admin staff)	880,100	4,389,647	1,997,816	4,588,953
Staff recruitment and training expenses	73,938	206,608	69,907	215,374
Audit remuneration	25,430	65,844	20,211	59,609
Other staff related costs	397,531	2,647,036	386,239	2,148,042
Business running costs	3,906,289	9,005,700	951,739	4,508,395
Depreciation	2,947,155	12,063,416	214,800	4,295,335
Amortisation	25,809	103,228	22,695	67,412
	<u>8,256,252</u>	<u>28,481,479</u>	<u>3,663,407</u>	<u>15,883,120</u>
11 Results from continuing operations				
(a) Finance income	-	1,776	78,696	84,265
(b) Finance expense				
Interest expense on bank borrowings and overdraft	(9,238,415)	(22,375,801)	(7,015,278)	(16,029,632)
Net finance cost	<u>(9,238,415)</u>	<u>(22,375,801)</u>	<u>(7,015,278)</u>	<u>(16,029,632)</u>

International Breweries Plc

Unaudited Financial Statements

for the 12 months period ended 31 December 2019

Notes to the financial statements

12 Notes to the condensed interim financial statements

	Land and 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
Cost:						
As at 1 January 2019	46,636,929	148,506,355	6,951,463	60,435,190	15,584,414	278,114,351
Additions					56,741,945	56,741,945
Reclassification	2,234,290	(5,564,050)	3,349,297			19,537
Transfers from asset in course of construction	2,366,482	10,520,017	3,600,523	24,443,029	(40,949,589)	(19,537)
Write off	-	-	-	-	-	-
Disposals	-	(19,537)	-	-	-	(19,537)
As at 31 December 2019	51,237,702	153,442,785	13,901,283	84,878,219	31,376,769	334,836,758
As at 1 January 2019	1,334,165	11,943,486	1,029,370	20,433,673	-	34,740,694
Depreciation for the year	1,630,731	11,359,626	3,161,971	10,126,808	-	26,279,136
Write off	-	-	-	-	-	-
Disposals	-	(7,600)	-	-	-	(7,600)
As at 31 December 2019	2,964,896	23,295,512	4,191,341	30,560,481	-	61,012,230
Net book value						
At 31 December 2019	48,272,806	130,147,273	9,709,942	54,317,738	31,376,769	273,824,528
At 1st January 2019	45,302,764	136,562,869	5,922,093	40,001,517	15,584,414	243,373,657

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 for the 12 months period ended 31 December 2019
 Notes to the financial statements

12 Notes to the condensed interim financial statements

	Land and 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
Cost:						
As at 1 January 2018	25,434,810	75,708,486	6,758,894	38,437,054	65,217,977	211,557,221
Additions	-	-	-	-	69,772,968	69,772,968
Transfers from asset in course of construction	21,202,119	73,560,955	2,645,321	21,998,136	(119,406,531)	-
Write off	-	(763,086)	(2,452,752)	-	-	(3,215,838)
Disposals	-	-	-	-	-	-
As at 31 December 2018	46,636,929	148,506,355	6,951,463	60,435,190	15,584,414	278,114,351
As at 1 January 2018	410,414	6,902,535	999,477	13,062,887	-	21,375,313
Depreciation for the year	923,751	5,804,037	2,482,645	7,677,725	-	16,888,158
Write off	-	(763,086)	(2,452,752)	(306,939)	-	(3,522,777)
Disposals	-	-	-	-	-	-
As at 31 December 2018	1,334,165	11,943,486	1,029,370	20,433,673	-	34,740,694
Net book value						
At 31 December 2018	45,302,764	136,562,869	5,922,093	40,001,517	15,584,414	243,373,657
At 1st January 2018	25,024,396	68,805,951	5,759,417	25,374,167	25,374,167	190,181,908

International Breweries Plc

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for the 12 months period ended 31 December 2019

Notes to the financial statements

13	Intangible assets	12 Months period ended December 2019 Unaudited N'000	12 Months period ended December 2018 Audited N'000
	Computer software		
	Cost		
	Opening balance	582,819	480,493
	Additions	74	102,326
	As at 31 December	582,893	582,819
	Accumulated amortisation		
	Opening balance	115,313	47,901
	For the year	103,228	67,412
	As at 31 December	218,541	115,313
	Carrying amount		
	As at period ended	364,352	467,506
14	Inventories	N'000	N'000
	Raw materials	10,798,622	9,500,425
	Finished products	1,793,785	1,997,732
	Production in progress	3,591,539	4,508,624
	Engineering Spares	5,139,739	3,716,848
	Consumables	789,241	73,817
	Stationeries	101,740	60,095
		22,214,665	19,857,541
15	Trade and other receivables	N'000	N'000
	Trade receivables	22,899,818	25,538,562
	Amount due from related parties	1,051,549	275,284
	Other receivables	2,785,951	1,550,200
	Prepayment - others	1,762,985	966,518
		28,500,303	28,330,564

International Breweries Plc

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for the 12 months period ended 31 December 2019

Notes to the financial statements

16	Trade and other payables	12 Months period ended December 2019 Unaudited	12 Months period ended December 2018 Audited
		N'000	N'000
	Trade payable	33,661,574	11,925,626
	Accrued expenses	10,421,282	16,780,264
	Dividend payable	4,658	-
	Due to related companies	36,747,610	20,714,990
	Unclaimed dividends	175,963	175,963
	Other payables	3,514,753	4,398,124
		84,525,839	53,994,967
17	Borrowings		
	Current		
	Bank overdrafts	2,348,746	28,386,435
	Term bank loan	114,420,493	35,052,442
		116,769,239	63,438,877
	Non Current		
	Term bank loan	155,237,430	153,738,160

The overdraft facilities from the various banks are all unsecured. Interest on the bank overdrafts is payable at rates ranging from 13.5% to 14%.

Interest rates on the Company's loans range from 2.6% to 14%. The Company's borrowings are for a period ranging from one year to three years.

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for the 12 months period ended 31 December 2019

Notes to the financial statements

	12 Months period ended December 2019 Unaudited	12 Months period ended December 2018 Audited
	N'000	N'000
18		
Loss before tax	(35,934,096)	(8,049,312)
Adjustment for non cash items:		
Depreciation of property, plant and equipment	26,271,536	16,888,158
Amortisation of intangible assets	103,228	67,412
Fair value gain on derivatives	(826,341)	656,500
Interest income	(1,776)	(84,265)
Interest expense	22,375,801	16,029,632
Impairment of property, plant and equipment	-	-
Employee benefit expense	455,142	874,771
Loss on disposal of property plant and equipment	11,708	-
Impairment loss on financial assets	1,234,968	236,392
Unrealised exchange loss	-	1,064,845
Changes in working capital:		
(Increase)/decrease in trade and other receivables	(1,359,023)	(11,380,861)
Increase in inventories	(2,357,123)	(3,652,755)
(Decrease)/increase in trade and other payables	30,530,872	(41,525,323)
Net cash generated from operations	40,504,896	(28,874,806)

19 Related parties

The company's related parties include the ultimate parent company, AB InBev SA/NV and its subsidiaries; 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.

Brauhaase International Management GMBH and its ultimate holding company as at 31 December, 2019 held an equity interest of 75.04% in International Breweries Plc.

20 Events after the reporting period

There were no significant events after the reporting period, which could have had a material effect on the state of affairs of the Company as at 31 December 2019 that have not been adequately provided for or disclosed in the financial statements.

21 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) International Breweries Plc (the Company) maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement of the policy during the period.

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Statement of value added

	Unaudited		Audited	
	3 Months (Oct - Dec)		3 Months (Oct - Dec)	
	31 December 2019		31 December 2018	
	N'000	%	N'000	%
Revenue	132,351,500	286.4	120,610,825	286.2
Less: bought in materials and services	(86,899,300)	- 188.1	(79,269,769)	- 188.1
Other income	754,375	1.6	807,494	1.9
Value added	46,206,575	100	42,148,550	100
Applied as follows:				
To pay employees:				
Wages, salaries and other benefits	9,226,525	20.0	8,846,632	21.0
To pay government:				
Tax credit	11,855,987	25.7	4,183,014	9.9
To provide for enhancement of assets and growth:				
Depreciation of plant, property and equipment	26,723,144	57.8	16,888,158	40.1
Net Interest	22,375,801	48.4	16,029,632	38.0
Amortisation of intangible asset	103,228	0.2	67,412	0.2
(Loss)/Profit for the year	(24,078,109)	- 52.1	(3,866,298)	- 9.2
Value added	46,206,575	100	42,148,550	100

This statement represents the distribution of the wealth created through the use of the Company's assets by its own and employees' efforts.