

# **Nigerian Breweries Plc**



Unaudited Condensed Interim Financial Statements  
For the six months ended 30th June, 2022

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**Nigerian Breweries Plc**  
*Unaudited Condensed Interim Financial Statements*  
For the six months ended 30th June, 2022

**Condensed interim income statement**

	Notes	GROUP			
		Quarter to date 30 <sup>th</sup> June 2022	Year to date 30 <sup>th</sup> June 2022	Quarter to date 30 <sup>th</sup> June 2021	Year to date 30 <sup>th</sup> June 2021
		₦'000	₦'000	₦'000	₦'000
<b>Net Revenue</b>		<b>136,313,150</b>	<b>274,084,794</b>	<b>103,581,150</b>	<b>209,256,914</b>
Cost of Sales	6	(80,030,231)	(155,349,177)	(66,555,145)	(131,339,841)
<b>Gross Profit</b>		<b>56,282,919</b>	<b>118,735,617</b>	<b>37,026,005</b>	<b>77,917,073</b>
Other Income		1,140,632	1,999,979	260,429	628,456
Marketing and Distribution Expenses	6	(38,279,073)	(70,415,771)	(25,174,618)	(46,198,598)
Administrative Expenses	6	(7,028,683)	(14,480,237)	(6,684,343)	(12,429,178)
<b>Results from operating activities</b>		<b>12,115,795</b>	<b>35,839,588</b>	<b>5,427,473</b>	<b>19,917,753</b>
Finance income	7	155,230	228,744	64,203	89,639
Net loss on foreign exchange transactions		(5,404,315)	(7,280,955)	(2,620,410)	(3,235,848)
Finance costs	7b	(1,932,335)	(3,090,317)	(2,445,078)	(4,831,103)
<b>Net Finance costs</b>		<b>(7,181,420)</b>	<b>(10,142,528)</b>	<b>(5,001,285)</b>	<b>(7,977,312)</b>
Profit before tax		4,934,375	25,697,060	426,188	11,940,441
Income tax expenses	8	194,677	(6,954,415)	(360,782)	(4,222,193)
<b>Profit after tax</b>		<b>5,129,052</b>	<b>18,742,645</b>	<b>65,406</b>	<b>7,718,248</b>
Profit for the year attributable to:					
Owners of the Company		5,148,095	18,736,682	72,679	7,715,128
Non-controlling interest		(19,043)	5,963	(7,273)	3,120
<b>Profit for the period</b>		<b>5,129,052</b>	<b>18,742,645</b>	<b>65,406</b>	<b>7,718,248</b>
Earnings per share					
Basic Earnings per share (kobo)		64	232	1	96
Diluted earnings per share (kobo)		64	232	1	96

The notes on pages 11 to 16 are an integral part of these interim financial statements

**Nigerian Breweries Plc**  
*Unaudited Condensed Interim Financial Statements*  
For the six months ended 30th June, 2022

**Condensed interim income statement**

	Notes	COMPANY			
		Quarter to date 30 <sup>th</sup> June 2022	Year to date 30 <sup>th</sup> June 2022	Quarter to date 30 <sup>th</sup> June 2021	Year to date 30 <sup>th</sup> June 2021
		N'000	N'000	N'000	N'000
<b>Net Revenue</b>		<b>136,284,609</b>	<b>274,031,257</b>	<b>103,555,727</b>	<b>209,217,597</b>
Cost of Sales	6	(80,030,231)	(155,349,177)	(66,555,145)	(131,339,841)
<b>Gross Profit</b>		<b>56,254,378</b>	<b>118,682,080</b>	<b>37,000,582</b>	<b>77,877,756</b>
Other Income		1,140,632	1,999,979	260,429	628,456
Marketing and Distribution Expenses	6	(38,279,073)	(70,415,771)	(25,174,618)	(46,198,598)
Administrative Expenses	6	(6,782,537)	(14,030,250)	(6,568,906)	(12,219,293)
<b>Results from operating activities</b>		<b>12,333,400</b>	<b>36,236,038</b>	<b>5,517,487</b>	<b>20,088,321</b>
Finance income	7	155,230	228,744	64,203	89,639
		(5,404,315)	(7,280,955)	(2,620,410)	(3,235,848)
Finance costs	7b	(1,956,343)	(3,137,551)	(2,467,015)	(4,874,262)
<b>Net Finance costs</b>		<b>(7,205,428)</b>	<b>(10,189,762)</b>	<b>(5,023,222)</b>	<b>(8,020,471)</b>
Profit before tax		5,127,972	26,046,276	494,265	12,067,850
Income tax expenses	8	179,051	(6,964,910)	(360,891)	(4,209,695)
<b>Profit after tax</b>		<b>5,307,023</b>	<b>19,081,366</b>	<b>133,374</b>	<b>7,858,155</b>
Profit for the year attributable to:					
Owners of the Company		5,307,023	19,081,366	133,374	7,858,155
Non-controlling interest		-	-	-	-
<b>Profit for the period</b>		<b>5,307,023</b>	<b>19,081,366</b>	<b>133,374</b>	<b>7,858,155</b>
Earnings per share					
Basic Earnings per share (kobo)		66	237	2	97
Diluted earnings per share (kobo)		66	237	2	97

The notes on pages 11 to 16 are an integral part of these interim financial statements

**Condensed interim statement of other comprehensive income**

Notes	GROUP			
	Quarter to date 30 <sup>th</sup> June 2022	Year to date 30 <sup>th</sup> June 2022	Quarter to date 30 <sup>th</sup> June 2021	Year to date 30 <sup>th</sup> June 2021
	₦'000	₦'000	₦'000	₦'000
<b>Profit for the period</b>	5,148,095	18,736,682	72,679	7,715,128
Other comprehensive income, net of tax				
Total comprehensive income for the period	5,148,095	18,736,682	72,679	7,715,128
<b>Total comprehensive income for the year attributable to:</b>				
Owners of the Company	5,148,095	18,736,682	72,679	7,715,128
Non-controlling interest	(19,043)	5,963	(7,273)	3,120
Total comprehensive income for the period	5,129,052	18,742,645	65,406	7,718,248

The notes on pages 11 to 16 are an integral part of these interim financial statements

**Nigerian Breweries Plc**  
*Unaudited Condensed Interim Financial Statements*  
For the six months ended 30th June, 2022

<b>COMPANY</b>				
	<b>Quarter to date</b>	<b>Year to date</b>	<b>Quarter to date</b>	<b>Year to date</b>
	<b>30<sup>th</sup> June 2022</b>	<b>30<sup>th</sup> June 2022</b>	<b>30<sup>th</sup> June 2021</b>	<b>30<sup>th</sup> June 2021</b>
<b>Notes</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>Profit for the period</b>	<b>5,307,023</b>	<b>19,081,366</b>	<b>133,374</b>	<b>7,858,155</b>
Other comprehensive income, net of tax				
Total comprehensive income for the period	<b>5,307,023</b>	<b>19,081,366</b>	<b>133,374</b>	<b>7,858,155</b>
<b>Total comprehensive income for the year attributable to:</b>				
Owners of the Company	<u>5,307,023</u>	<u>19,081,366</u>	<u>133,374</u>	<u>7,858,155</u>
Total comprehensive income for the period	<b>5,307,023</b>	<b>19,081,366</b>	<b>133,374</b>	<b>7,858,155</b>

The notes on pages 11 to 16 are an integral part of these interim financial statements

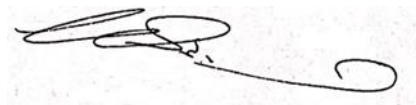
**Nigerian Breweries Plc**  
*Unaudited Condensed Interim Financial Statements*  
For the six months ended 30th June, 2022

**Condensed interim statement of financial position**

As at:

	Notes	30 <sup>th</sup> June 2022 Group N'000	30 <sup>th</sup> June 2022 Company N'000	31st December 2020 Group N'000	31st December 2020 Company N'000
<b>ASSETS</b>					
Property, plant and equipment	9	278,377,490	277,006,513	257,216,814	255,630,534
Right-of-use assets		9,349,639	9,210,766	95,272,318	12,520,277
Intangible assets and goodwill		39,579,277	93,579,277	94,334,332	94,334,332
Investments		150,000	929,625	150,000	929,625
Other receivables		1,057,940	1,057,940	1,134,459	1,134,459
<b>Non-current assets</b>		<b>382,514,346</b>	<b>381,784,121</b>	<b>365,355,882</b>	<b>364,393,076</b>
Inventories		81,847,564	81,611,701	62,191,510	62,067,403
Trade and other receivables		33,986,615	31,598,448	26,500,516	24,714,756
Prepayments		2,740,050	2,740,050	2,852,868	2,852,868
Deposit for imports		19,302,415	19,302,415	11,891,422	11,891,422
Cash and cash equivalents		11,421,518	11,417,814	16,730,029	16,720,040
<b>Current assets</b>		<b>149,298,162</b>	<b>146,670,428</b>	<b>120,166,345</b>	<b>118,246,489</b>
<b>Total assets</b>		<b>531,812,508</b>	<b>528,454,549</b>	<b>445,522,227</b>	<b>482,639,565</b>
<b>EQUITY</b>					
Share capital		4,110,453	4,110,453	4,037,916	4,037,916
Share premium		83,971,548	83,971,548	77,499,797	77,499,797
Share based payment reserve		210,658	210,658	170,753	170,753
Retained earnings		99,561,156	100,241,766	90,094,911	90,430,837
<b>Equity attributable to owners of the company</b>		<b>187,853,815</b>	<b>188,534,425</b>	<b>171,803,377</b>	<b>172,139,303</b>
<b>Non-controlling interest</b>		<b>114,850</b>	<b>-</b>	<b>108,887</b>	<b>-</b>
<b>Total Equity</b>		<b>187,968,665</b>	<b>188,534,425</b>	<b>171,912,264</b>	<b>172,139,303</b>
<b>LIABILITIES</b>					
Loans and borrowings		5,995,567	5,995,567	6,831,273	6,831,273
Employee benefits		10,976,415	10,976,415	10,964,102	10,964,102
Deferred tax liabilities		22,226,798	22,226,798	23,281,997	23,281,997
<b>Non-current liabilities</b>		<b>39,198,780</b>	<b>39,198,780</b>	<b>41,077,372</b>	<b>41,077,372</b>
Loans and borrowings		81,977,996	81,977,996	24,542,067	24,542,067
Current tax liabilities		13,654,804	13,642,979	10,623,647	10,547,531
Dividend payable		7,712,287	7,712,287	10,437,847	10,437,847
Trade and other payables		200,788,965	196,877,071	226,418,019	223,384,434
Provisions		511,011	511,011	511,011	511,011
<b>Current liabilities</b>		<b>304,645,063</b>	<b>300,721,344</b>	<b>272,532,591</b>	<b>269,422,890</b>
<b>Total liabilities</b>		<b>343,843,843</b>	<b>339,920,124</b>	<b>313,609,963</b>	<b>310,500,262</b>
<b>Total equity and liabilities</b>		<b>531,812,508</b>	<b>528,454,549</b>	<b>445,522,227</b>	<b>482,639,565</b>

Approved by the Board of Directors on 28th July, 2022 and signed on its behalf by:



Mr. Hans Essaadi  
Managing Director/CEO  
FRC/2022/PRO/DIR/003/195502



Mr. Rob Kleinjan  
Finance Director  
FRC/2019/ANAN/ 00000019433

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**Nigerian Breweries Plc**  
*Unaudited Condensed Interim Financial Statements*  
For the six months ended 30th June, 2022

**Condensed interim statement of changes in equity**

Group	Share Capital	Share Premium	Share Based Payment Reserve	Retained Earnings	Total	Non- Controlling Interest	Total Equity
Notes	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 <sup>st</sup> January 2022	4,037,916	77,499,797	170,753	90,094,911	171,803,377	108,887	171,912,264
Profit for the year	-	-	-	18,736,682	18,736,682	5,963	18,742,645
Other comprehensive income for the year	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<b>18,736,682</b>	<b>18,736,682</b>	<b>5,963</b>	<b>18,742,645</b>
Transaction with owners, recorded directly in equity	-	-	-	-	-	-	-
<b>Contributions and distributions</b>							
Issue of ordinary shares	72,537	6,471,751	-	-	6,544,288	-	6,544,288
Share based payment charge	-	-	204,311	-	204,311	-	204,311
Share based payment recharge	-	-	(164,406)	-	(164,406)	-	(164,406)
Dividends	-	-	-	(9,690,998)	(9,690,998)	-	(9,690,993)
Unclaimed dividends written back	-	-	-	420,561	420,561	-	420,561
<b>Total contributions and distributions</b>	<b>72,537</b>	<b>6,471,751</b>	<b>39,905</b>	<b>(9,270,437)</b>	<b>(2,686,244)</b>	<b>-</b>	<b>(2,686,244)</b>
<b>Changes in ownership interest</b>							
<b>Total transactions with owners of the company</b>	<b>72,537</b>	<b>6,471,751</b>	<b>39,905</b>	<b>9,466,245</b>	<b>16,050,438</b>	<b>5,963</b>	<b>16,056,401</b>
<b>Balance as at 30<sup>th</sup> June, 2022</b>	<b>4,110,453</b>	<b>83,971,548</b>	<b>210,658</b>	<b>99,561,156</b>	<b>187,853,815</b>	<b>114,850</b>	<b>187,968,665</b>

The notes on pages 11 to 16 are an integral part of these interim financial statements



**Condensed interim statement of changes in equity**

Company	Notes	Share Capital ₦'000	Share Premium ₦'000	Share Based Payment Reserve ₦'000	Retained Earnings ₦'000	Total Equity ₦'000
Balance as at 1 <sup>st</sup> January 2022		4,037,916	77,499,797	170,753	90,430,837	172,139,303
Profit for the year		-	-	-	19,081,366	19,081,366
Other comprehensive income for the year		-	-	-	-	-
<b>Total Comprehensive income for the year</b>		-	-	-	<b>19,081,366</b>	<b>19,081,366</b>
Transaction with owners, recorded directly in equity		-	-	-	-	-
<b>Contributions and distributions</b>						
Issue of ordinary shares		72,537	6,471,751	-	-	6,544,288
Share based payment charge		-	-	204,311	-	204,311
Share based payment recharge		-	-	(164,406)	-	(164,406)
Dividends		-	-	-	(9,690,998)	(9,690,998)
Unclaimed dividends written back		-	-	-	420,561	420,561
<b>Total contributions and distributions</b>		<b>72,537</b>	<b>6,471,751</b>	<b>39,905</b>	<b>(9,270,437)</b>	<b>(2,686,244)</b>
<b>Changes in ownership interest</b>						
<b>Total transactions with owners of the company</b>		<b>72,537</b>	<b>6,471,751</b>	<b>39,905</b>	<b>9,810,929</b>	<b>16,395,122</b>
<b>Balance as at 30<sup>th</sup> June, 2022</b>		<b>4,110,453</b>	<b>83,971,548</b>	<b>210,658</b>	<b>100,241,766</b>	<b>188,534,425</b>

The notes on pages 11 to 16 are an integral part of these interim financial statements

**Condensed interim statement of changes in equity**

Group	Share Capital	Share Premium	Share Based Payment Reserve	Retained Earnings	Total	Non- Controlling Interest	Total Equity
Notes	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 <sup>st</sup> January 2021	3,998,451	73,770,356	214,506	83,093,100	161,076,413	102,629	161,179,041
Profit for the year	-	-	7,715,128	7,715,128	3,120	7,718,248	5,589,464
Other comprehensive income for the year	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<b>7,715,128</b>	<b>7,715,128</b>	<b>7,715,128</b>	<b>7,718,248</b>
Transaction with owners, recorded directly in equity	-	-	-	-	-	-	-
<b>Contributions and distributions</b>							
Issue of ordinary shares	-	3,729,441	-	-	3,768,906	-	3,768,906
Share based payment charge	-	-	(238,026)	-	(238,026)	-	(238,026)
Share based payment recharge	-	-	(1,939)	-	(1,939)	-	(1,939)
Dividends	-	-	-	(5,517,862)	(5,517,862)	-	(5,517,862)
Unclaimed dividends written back	-	-	-	-	-	-	-
<b>Total contributions and distributions</b>	<b>39,465</b>	<b>3,729,441</b>	<b>(239,966)</b>	<b>(5,517,862)</b>	<b>(1,988,922)</b>	-	<b>(1,988,922)</b>
<b>Changes in ownership interest</b>							
	39,465	3,729,441	(239,966)	(5,517,862)	(1,988,922)	-	(1,988,922)
<b>Total transactions with owners of the company</b>							
	39,465	3,729,441	(239,966)	(5,517,862)	(1,988,922)	-	(1,988,922)
<b>Balance as at 30<sup>th</sup> June, 2021</b>	<b>4,037,916</b>	<b>77,499,797</b>	<b>(25,460)</b>	<b>85,290,366</b>	<b>166,802,619</b>	<b>105,749</b>	<b>166,908,367</b>

The notes on pages 11 to 16 are an integral part of these interim financial statements

**Condensed interim statement of changes in equity**

Company	Notes	Share Capital ₦'000	Share Premium ₦'000	Share Based Payment Reserve ₦'000	Retained Earnings ₦'000	Total Equity ₦'000
Balance as at 1 <sup>st</sup> January 2021		3,998,451	73,770,356	214,506	83,167,564	161,150,877
Profit for the year		-	-	-	7,858,155	7,858,155
Other comprehensive income for the year		-	-	-	-	-
<b>Total Comprehensive income for the year</b>		-	-	-	<b>7,858,155</b>	<b>7,858,155</b>
Transaction with owners, recorded directly in equity		-	-	-	-	-
<b>Contributions and distributions</b>						
Issue of ordinary shares		39,465	3,729,441	-	-	3,768,906
Share based payment charge		-	-	(238,026)	-	(238,026)
Share based payment recharge		-	-	(1,939)	-	(1,939)
Dividends		-	-	-	(5,517,862)	(5,517,862)
Unclaimed dividends written back		-	-	-	-	-
<b>Total contributions and distributions</b>		39,465	3,729,441	<b>(239,966)</b>	<b>(5,517,862)</b>	<b>(1,988,922)</b>
<b>Changes in ownership interest</b>						
<b>Total transactions with owners of the company</b>		39,465	3,729,441	<b>(239,966)</b>	<b>(5,517,862)</b>	<b>(1,988,922)</b>
<b>Balance as at 30<sup>th</sup> June, 2021</b>		<b>4,037,916</b>	<b>77,499,797</b>	<b>(25,460)</b>	<b>85,507,857</b>	<b>167,020,110</b>

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**Nigerian Breweries Plc**  
*Unaudited Condensed Interim Financial Statements*  
For the six months ended 30th June, 2022

**Condensed interim statement of cash flows**

	Notes	Group 2022 N'000	Company 2022 N'000	Group 2021 N'000	Company 2021 N'000
Profit for the year		18,742,645	19,081,366	7,718,248	7,858,155
Adjustments for:					
Depreciation		17,906,174	17,690,447	19,014,093	18,912,688
Amortization of intangible assets		771,943	771,943	740,882	740,882
Finance income		(228,744)	(228,744)	(89,639)	(89,639)
Interest expenses		3,090,317	3,137,551	3,884,843	3,928,002
Gratuity, employee benefit and share based payment charges		804,311	804,311	1,441,929	604,553
Loss/(Gain) on sale of property, plant and equipment		(614,021)	(614,021)	(1,317)	(11,403)
Income tax expense		6,954,415	6,964,910	4,222,193	4,209,695
Other non-cash item		-	-	508,509	427,326
		<b>47,427,040</b>	<b>47,607,763</b>	<b>36,592,279</b>	<b>36,580,259</b>
Changes in:					
Inventories		(19,656,054)	(19,544,298)	(11,059,138)	(11,008,041)
Trade and other receivables		(7,409,580)	(6,807,173)	(6,285,779)	(6,181,954)
Prepayments		112,818	112,818	(609,357)	(508,386)
Trade and other payables		(23,624,647)	(24,502,956)	27,412,980	26,943,885
Provisions		-	-	3,170,511	3,170,511
Deposit for imports		(7,410,993)	(7,410,993)	2,106,294	2,106,294
<b>Cash generated from operating activities</b>		<b>(10,561,416)</b>	<b>(10,544,839)</b>	<b>51,327,790</b>	<b>51,102,568</b>
Income tax paid		(4,978,457)	(4,924,661)	(4,711,832)	(4,711,832)
Gratuity paid		(381,979)	(381,979)	(1,939)	(1,939)
Other long term employee benefits paid		(798,114)	(798,114)	-	-
Share based payment		(164,406)	(164,406)	-	-
VAT paid*		(14,088,240)	(14,088,240)	(14,796,393)	(14,796,393)
<b>Net cash from operating activities</b>		<b>(30,972,612)</b>	<b>(30,902,239)</b>	<b>31,817,626</b>	<b>31,592,403</b>
<b>Cash flows from investing activities</b>					
Finance income		228,744	228,744	89,639	89,639
Proceeds from sale of property, plant and equipment		18,581	257,921	6,842	18,581
Acquisition of property, plant and equipment		(27,295,236)	(27,295,236)	(18,154,780)	(17,901,982)
Acquisition of right-of-use asset		(202,308)	(202,308)	-	-
Acquisition of intangible assets		(16,888)	(16,888)	1,643	1,643
<b>Net cash used in investing activities</b>		<b>(27,010,914)</b>	<b>(27,027,768)</b>	<b>(18,044,917)</b>	<b>(17,792,118)</b>
<b>Cash flows from financing activities</b>					
Proceeds from loans and borrowings		(11,378,008)	(11,378,008)	(23,180,277)	(23,180,277)
Repayment of loans and borrowings		69,088,045	69,088,045	-	-
Interest paid		(1,765,886)	(1,813,120)	(3,337,251)	(3,380,410)
Payment of Lease Liability		(105,173)	(105,173)	(819,878)	(819,878)
Deposit at registrars related to prior years unclaimed dividends		132,110	132,110	(4,796,522)	-
Dividends paid		(5,583,819)	(5,583,819)	(1,373,359)	(1,373,359)
<b>Net cash used in financing activities</b>		<b>50,387,269</b>	<b>50,340,035</b>	<b>(28,710,766)</b>	<b>(28,753,925)</b>
Net increase/(decrease) in cash and cash equivalents		<b>(7,596,257)</b>	<b>(7,589,972)</b>	<b>50,742,274</b>	<b>(14,938,057)</b>
Cash and cash equivalents as at 1 <sup>st</sup> January		16,730,029	16,720,040	6,361,057	30,369,847
<b>Cash and cash equivalents as at 30<sup>th</sup> June</b>		<b>9,133,772</b>	<b>9,130,068</b>	<b>15,431,790</b>	<b>15,395,974</b>
Represented by:					
Cash balance		9,133,772	9,130,068	15,431,790	15,395,975
		<b>9,133,772</b>	<b>9,130,068</b>	<b>15,431,790</b>	<b>15,395,975</b>

The notes on pages 11 to 16 are an integral part of these financial statements.

\* Value Added Tax (VAT) paid shown separately above has been adjusted for in deriving the change in trade and other payables ]

**Notes to the condensed interim financial statements**

**1. REPORTING ENTITY**

Nigerian Breweries Plc, a public Company quoted on The Nigerian Stock Exchange, was incorporated in Nigeria on the 16<sup>th</sup> November 1946, under the name, Nigerian Brewery Limited. The name was changed on 7th January 1957, to Nigerian Breweries Limited and thereafter to Nigerian Breweries Plc in 1990 when the Companies and Allied Matters Act of that year came into effect. The Company is a subsidiary of Heineken N.V. a company domiciled in the Netherlands, the latter having a 56.79% interest in the equity of Nigerian Breweries Plc. The address of the Company's registered office is 1, Abebe Village Road, Iganmu, Lagos. The condensed interim financial statements of the Company as at and for the six-month period ended 30th June 2022 comprise the Company and its subsidiaries.

The financial statements of Nigerian Breweries Plc as at and for the year ended 31st December 2021 are available from the Company's registered website [www.nbplc.com/investor-relations.html](http://www.nbplc.com/investor-relations.html)

**2. REGULATIONS FOR DEALING IN NB PLC'S SHARES AND SECURITIES**

In compliance with The Nigerian Exchange Limited's Rules, Nigerian Breweries Plc has in place Regulations to guide the Board, employees and other persons classified as insiders when effecting transactions in the Company's shares and securities. The Company's Regulations for Dealing in Shares and other Securities provide amongst others, the period when transactions are not allowed to be effected on the Company's shares and securities ("Closed Period") as well as disclosure requirements when effecting such transactions. All concerned are obliged to observe the provisions of the Regulations when dealing in the Company's shares and securities. The Company has made inquiries of all affected persons and is not aware of any infringement of the policy during the period.

**3. BASIS OF PREPARATION**

**a. Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of Nigerian Breweries Plc as at and for the year ended 31st December 2021.

**b. Functional and presentation currency**

These condensed interim financial statements are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand unless stated otherwise.

**c. Use of estimates and judgements**

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31st December 2021.

**Notes to the condensed interim financial statements**

**4. SIGNIFICANT ACCOUNTING POLICIES**

**a. General**

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31st December 2021.

**b. Income tax**

Income tax expenses are recognised based on management's best estimation of the weighted average expected full year income tax rate.

**5. SEASONALITY**

The performance of the Company is subject to seasonal fluctuations as a result of weather conditions and festivities. The Company's full year results and volumes are dependent on the performance in the peak-selling season, typically resulting in higher revenue and profitability in the last quarter of the year. The impact from this seasonality is also noticeable in several working capital related items such as inventory, trade receivables and payables.

**6. ANALYSIS OF EXPENSES BY NATURE**

For the six-month period ended 30th June:

	<b>Group 2022 N'000</b>	<b>Company 2022 N'000</b>	<b>Group 2021 N'000</b>	<b>Company 2021 N'000</b>
Raw materials and consumables	112,112,911	112,112,911	92,899,222	92,899,222
Advertising and sales expenses	32,109,148	32,109,148	16,649,161	16,649,161
Depreciation	17,906,174	17,690,447	18,946,392	18,942,642
Amortization	771,943	771,943	740,882	740,882
Employee benefits	26,900,238	26,900,238	27,517,051	27,517,051
Distribution	25,900,238	25,900,238	9,396,256	9,396,256
Repairs and Maintenance	8,137,136	8,137,136	7,768,663	7,768,663
Royalty and technical service fees	6,695,705	6,695,705	4,871,359	4,871,359
Others	10,109,202	9,874,942	11,143,938	10,972,496
<b>Total cost of sales, marketing &amp; distribution and administration expenses</b>	<b>240,245,185</b>	<b>239,795,198</b>	<b>189,932,924</b>	<b>189,757,732</b>

**7. INTEREST INCOME, INTEREST EXPENSES AND OTHER NET FINANCE EXPENSES**

Net finance income and expenses for the six-month period ended 30th June 2022 amounted to **₦10.2 billion** (six-month period ended 30th June 2021: **₦8.0 billion**).

**a. Finance income**

Interest income for the six-month period ended 30th June 2022 amounted to **₦228 million** (six-month period ended 30th June 2021: **₦89.6 million**).

**b. Finance expense**

Interest expenses for the six-month period ended 30th June 2022 amounted to **₦10.4 billion** (six-month ended 30th June 2021: **₦8.1 billion** expenses).

Other net finance expenses for the six-month period ended 30th June 2022 amounted to **₦7.9 billion** (Six-month ended 30<sup>th</sup> June 2021: **₦4.2 billion**).

**Notes to the condensed interim financial statements**

The interest expenses on the net pension liability for the period ended 30th June 2022 amounted to ₦402 million (six-month period ended 30th June 2021: ₦756 million).

**8. INCOME TAX EXPENSES**

The Company's effective tax rate in respect of continuing operations for the six-month period ended 30th June 2022 was 26.74 per cent (for the six-month period ended 30th June 2021: 34.88 per cent).

**9. PROPERTY PLANT AND EQUIPMENT**

**Acquisitions**

During the six-month period ended 30th June 2022 the Company acquired, plant and equipment with a cost of ₦27.2 billion (six-month period ended 30th June 2021: ₦17.9 billion).

**Capital commitments**

As at 30th June 2022, the Company's capital expenditure commitments for property, plant and equipment amounted to ₦123 billion (30th June 2021: ₦90.5 billion).

**10. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

**Financial risk management**

The aspect of the Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31st December 2021.

**11. EQUITY**

**(a) Reserves**

The reserves consist of share premium, share-based payment, equity contribution reserves and retained earnings.

**Weighted average number of shares (basic and diluted)**

For the six-month period ended 30th June

In shares

	<b>2022</b>	<b>2021</b>
1 <sup>st</sup> January		
Weighted average number of shares	8,042,944,463	7,996,902,051
Weighted average Scrip issues	24,179,000	46,042,412
<hr/>		
30 <sup>th</sup> June		
Weighted average number of shares	8,067,123,463	8,042,944,463

**Notes to the condensed interim financial statements**

**12. SHAREHOLDING PATTERN AND FREE FLOAT**

The Company has reviewed its shareholding pattern in line with The Nigerian Exchange Limited's Rules and confirms that it has a free float value of ₦204 billion as at 30th June, 2022 and complies with The Exchange's free float requirement for companies listed on the Main Board as detailed below:

<b>Shareholding pattern and free float</b>				
	<b>30th June, 2022</b>		<b>30th June 2021</b>	
<b>Share Price (Naira)</b>	<b>58.80</b>		<b>50.00</b>	
	Units	% (issued share capital)	Units	% (issued share capital)
Issued Share capital	<b>8,220,905,900</b>	<b>100.00%</b>	<b>8,075,831,900</b>	<b>100.00%</b>
<b>Substantial Shareholdings (5% and above)*</b>				
Heineken Brouwerijen B.V.	3,150,312,417	38.32%	<b>3,074,655,845</b>	38.07%
Distilled Trading International B.V.	1,284,898,782	15.63%	1,254,041,196	15.53%
<b>Total Substantial Shareholdings</b>	<b>4,435,211,199</b>	<b>53.95%</b>	<b>4,328,697,041</b>	<b>53.60%</b>
<b>Directors' Shareholding (direct and indirect, excluding directors with substantial interest)</b>				
Chief. Kola B. Jamodu (Direct)	915,470	0.01%	874,065	0.01%
Mrs. Ifueko Omoigui Okauru, MFR (Direct)	35,992	0.00%	35,992	0.00%
Mr. Rob Kleinjan (Direct)	19,302	0.00%	19,302	0.00%
Mrs. Adeyinka O. Aroyewun (Direct)	1,687	0.00%	1,687	0.00%
<b>Total Directors' Shareholdings</b>	<b>972,451</b>	<b>0.01%</b>	<b>931,046</b>	<b>0.01%</b>
<b>Other Influential Shareholdings</b>				
Heineken International B.V.	225,612,066	2.79%	220,103,862	2.73%
The Nigerian Breweries-Felix Ohiwerei Education Trust Fund	23,001,680	0.28%	35,267,238	0.44%
Progress Trust (CPFA) Limited	3,278,837	0.04%	3,262,000	0.04%
Odutola Holdings Limited	35,267,238	0.43%	35,267,238	0.04%
Osun State Government	4,569,240	0.06%	4,569,240	0.44%
Ogun State Agricultural Dev Corporation	3,345,396	0.04%	3,345,396	0.04%
University Of Nigeria Nsukka, Enugu State	2,875,694	0.03%	2,875,694	0.04%
Oyo State Government	2,259,120	0.03%	2,259,120	0.03%
University Of Ife Endowment Fund, Osun State	1,756,264	0.02%	1,756,264	0.02%
University Of Ibadan, Oyo State	1,334,033	0.02%	1,300,673	0.02%
Ondo State Government	300,000	0.00%		0.00%
Olabisi Onabanjo University, Ogun State	446,586	0.01%	446,586	0.01%
Ministry Of Finance Incorporated Ebonyi State	241,380	0.00%	240,000	0.00%
Ibile Holdings Limited, Lagos	233,030	0.00%	233,030	0.00%
Osun State Finance & Investment Co. Ltd.	190,000	0.00%	190,000	0.00%
Ministry Of Finance Inc. Bayelsa State	180,400	0.00%	180,400	0.00%
Irepo Local Government, Oyo Sate	138,772	0.00%	138,772	0.00%
Benue Investment & Property Co Ltd	100,000	0.00%	100,000	0.00%
Ogun State Univ. Development Foundation	93,864	0.00%	93,864	0.00%
Kogi State University Investment Acct	24,000	0.00%		0.00%



**Nigerian Breweries Plc**  
*Unaudited Condensed Interim Financial Statements*  
For the six months ended 30th June, 2022

Kogi State University,Anyigba	93,500	0.00%	93,500	0.00%
Tai Solarin University Of Education, Ogun State	60,000	0.00%	60,000	0.00%
Association of Housing Corporation of Nigeria (LSDPC), Lagos	52,612	0.00%	52,612	0.00%
Local Govt. Staff Pensions Board, Awka	563	0.00%		0.00%
Local Govt. Staff Pension Board/Bureau, Osun Sate	1,409	0.00%	45,000	0.00%
Ibadan Local Govt. Properties co. Ltd.	40,000	0.00%	40,000	0.00%
Ladoke Akintola University Of Technology	40,000	0.00%	40,000	0.00%
Enugu State University & Science Tech	30,000	0.00%	30,000	0.00%
Ogun State Property & Investment Cooperative	25,680	0.00%	25,680	0.00%
University Guest House, Ibadan, Oyo State	24,000	0.00%	24,000	0.00%
Lagos Trustees Limited	15,000	0.00%		0.00%
Niger State Dev. Co.	21,508	0.00%	21,508	0.00%
University Of Ibadan General Inv. Fund	20,860	0.00%	20,860	0.00%
Local Government Staff Pension Bureau	1,972	0.00%	100	0.00%
Ministry of Defence CT & CS Ltd	20,010	0.00%	20,010	0.00%
Akwa-Ibom Property & Investment	20,000	0.00%	20,000	0.00%
Plateau Inv. & Properties Ltd	19,415	0.00%	19,415	0.00%
Lagos Investment Limited	18,950	0.00%	19,400	0.00%
Ministry Of Finance Incorporated Anambra State	18,064	0.00%	18,064	0.00%
Lagos Island Local Government	12,783	0.00%	12,783	0.00%
Lagos State Min. Of Works & Transport	9,000	0.00%	9,000	0.00%
Akwa Ibom Ind. Dev.Fin.Co. Limited	6,866	0.00%	20,000	0.00%
Lagos State Hosp Mgt Board Snr Staff	6,664	0.00%	6,664	0.00%
Ministry Of Finance Incorporated Enugu State	5,512	0.00%	5,512	0.00%
Iseyin Local Govt.(Nut)Coop.Inv.& Credit, Oyo State	4,000	0.00%	4,000	0.00%
Oyo State Government	2,259,120	0.03%		0.00%
Oyo State Finance & Invest. Company Limited	2,696	0.00%	2,696	0.00%
University Of Ibadan Agronomy Fund	2,500	0.00%	2,500	0.00%
Ijebu-East Local Government, Ogun State	2,000	0.00%	2,000	0.00%
Ministry Of Finance & Econ. Development Incor. Ebonyi State	1,380	0.00%	1,380	0.00%
Enugu State Daily Savings Pro. Union	1,307	0.00%	1,307	0.00%
Irewole Local Govt Ikire Osun State	1,000	0.00%	1,000	0.00%
Local Govt. Staff Pensions Board, Anambra State	563	0.00%	563	0.00%
State Admin. Gen Anambra	64,960	0.00%		0.00%
State Admin-General Lagos	14,960	0.00%		0.00%
State Admin-General Imo	18,400	0.00%		0.00%
Ministry of Finance Incorporated, Calabar	140	0.00%	140	0.00%
Abubakar Tafawa Belewa University Bauchi State	18	0.00%	18	0.00%
Ministry Of Finance Incorporated Enugu State	5,512	0.00%	5,512	0.00%
Lagos State Hosp Mgt Board Snr Staff	6,664	0.00%		0.00%
Enugu Admin, General Public Trustee	41,784	0.00%		0.01%
Gateway Holdings Ltd, Ogun State	520,206	0.01%	520,206	0.01%
Delta Holdings Nig Limited	45,000	0.00%	45,000	0.00%
Okin Holdings Limited	20,660	0.00%	20,660	0.00%

**Nigerian Breweries Plc**  
*Unaudited Condensed Interim Financial Statements*  
For the six months ended 30th June, 2022

Ijebu-East Local Government	2,000	0.00%	2,000	0.00%
<b>Total Other Influential Shareholdings</b>	<b>308,826,838</b>	<b>3.81%</b>	<b>312,842,467</b>	<b>3.88%</b>
<b>Free Float in Units and Percentage</b>	<b>3,475,895,412</b>	<b>42.23%</b>	<b>3,433,361,346</b>	<b>42.51%</b>
<b>Free Float in Value (in Naira)</b>	<b>204,382,650,226</b>			<b>171,668,067,300</b>

\*While Stanbic Nominees Nigeria Limited holds 11.47% of the Company's shares, the shares are held on behalf of various shareholders. Consequently, the shares are considered as free floats and available for trading on the floor of The Exchange.

**Notes to the condensed interim financial statements**

**13. NET CASH COVERAGE /INTEREST BEARING DEBT POSITION**

For the six-month period ended 30th June:

	<b>Group 2022 ₦'000</b>	<b>Company 2022 ₦'000</b>	<b>Group 2021 ₦'000</b>	<b>Company 2021 ₦'000</b>
Loans and borrowings	81,977,996	81,977,996	29,856,669	29,856,669
Bank overdraft and Commercial papers	-	-	4,515,212	4,515,212
Cash, cash equivalents and current	(9,133,772)	(9,130,068)	(15,431,790)	(15,395,975)
<b>(Net cash coverage position)/interest bearing debt position</b>	<b>72,844,224</b>	<b>72,847,928</b>	<b>18,940,091</b>	<b>18,975,906</b>

The Company has revolving credit facilities with two Nigerian banks to finance its working capital. The approved limit of the loan with each of the banks are ₦6 billion to ₦15 billion (total of ₦21 billion).

**14. CONTINGENCIES**

No material updates in comparison with 2021 year-end reporting were identified that need to be reported.

**15. RELATED PARTY TRANSACTIONS**

The Company has related party relationships with its parent company, Heineken N.V. and Heineken group entities. These transactions are conducted on terms comparable to transactions with third parties. The related party transactions in the first six-month period ended 30<sup>th</sup> June, 2022 do in substance not deviate from the transactions as reflected in the financial statements as at and for the year 31st December 2021.

	<b>Transaction value</b>		<b>Balance due (to)/from</b>	
	<b>Jun-22 ₦'000</b>	<b>Jun-21 ₦'000</b>	<b>Jun-22 ₦'000</b>	<b>Jun-21 ₦'000</b>
Purchases - other related parties	(49,897,880)	(28,962,545)	(30,159,691)	(12,946,155)
Contract brewing services with:				
- Other related parties	-	(224,764)	765,778	543,094
<b>Technical Service fees &amp; royalties</b>				
- Parent	(1,131,119)	(780,551)	(1,954,175)	(1,157,061)
- Other related parties	(5,564,586)	(4,090,808)	(9,705,971)	(3,423,308)
<b>Total Technical and Royalty</b>	<b>(6,695,705)</b>	<b>(4,871,359)</b>	<b>(11,660,146)</b>	<b>(4,580,369)</b>
Sales and others				
- Other related parties	1,849,152	1,838,276	(16,627,712)	(10,515,429)

**Notes to the condensed interim financial statements**

**16. SUBSEQUENT EVENTS**

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Company as at 30th June 2022 that have not been adequately provided for or disclosed in these condensed interim financial statements.