



Nigerian Breweries Plc
RC: 613

Unaudited Condensed Interim Financial Statements
For the Three Months Ended 31st March, 2023

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Condensed interim income statement

| | | 31st March 2023 Group ₦'000 | 31st March 2023 Company ₦'000 | 31st March 2022 Group ₦'000 | 31st March 2022 Company ₦'000 |
|--|-------|--|--|--|--|
| | Notes | | | | |
| Net Revenue | | 123,313,951 | 123,271,246 | 137,771,644 | 137,746,648 |
| Cost of Sales | 6 | (79,430,019) | (79,430,019) | (75,318,946) | (75,318,946) |
| Gross Profit | | 43,883,932 | 43,841,227 | 62,452,698 | 62,427,702 |
| Other Income | | 356,227 | 356,227 | 859,347 | 859,347 |
| Selling and Distribution Expenses | 6 | (33,697,147) | (33,697,147) | (32,588,208) | (32,588,208) |
| Administrative Expenses | 6 | (8,217,543) | (8,040,919) | (7,451,554) | (7,247,713) |
| Net (release)/charge of expected credit loss on financial assets | | (441,634) | (441,634) | 451,510 | 451,510 |
| Results from operating activities | | 1,883,835 | 2,017,754 | 23,723,793 | 23,902,638 |
| Finance income | 7a | 39,872 | 39,872 | 73,514 | 73,514 |
| Net loss on foreign exchange transactions | | (14,641,051) | (14,641,051) | (1,876,640) | (1,876,640) |
| Finance costs | 7b | (4,719,716) | (4,719,716) | (1,157,982) | (1,181,208) |
| Net Finance costs | | (19,320,895) | (19,320,895) | (2,961,108) | (2,984,334) |
| Profit before tax | | (17,437,060) | (17,303,141) | 20,762,685 | 20,918,304 |
| Income tax expenses | 8 | 6,721,857 | 6,721,857 | (7,149,092) | (7,143,961) |
| Profit/(Loss) after tax | | (10,715,203) | (10,581,284) | 13,613,593 | 13,774,343 |
| Profit for the year attributable to: | | | | | |
| Owners of the Company | | (10,715,203) | (10,581,284) | 13,611,764 | 13,774,343 |
| Non-controlling interest | | - | - | 1,829 | - |
| Profit/(Loss) for the period | | (10,715,203) | (10,581,284) | 13,613,593 | 13,774,343 |
| Earnings per share | | | | | |
| Basic Earnings per share (kobo) | | (129) | (128) | 169 | 171 |
| Diluted earnings per share (kobo) | | (129) | (128) | 169 | 171 |

Condensed interim statement of other comprehensive income

| | Notes | 31st March 2023 Group ₦'000 | 31st March 2023 Company ₦'000 | 31st March 2022 Group ₦'000 | 31st March 2022 Company ₦'000 |
|--|-------|--------------------------------------|--|--------------------------------------|--|
| Profit/(Loss) for the period | | (10,715,203) | (10,581,284) | 13,613,593 | 13,774,343 |
| Other comprehensive income, net of tax | | | | | |
| Total comprehensive income for the period | | (10,715,203) | (10,581,284) | 13,613,593 | 13,774,343 |
| Total comprehensive income for the quarter attributable to: | | | | | |
| Owners of the Company | | (10,715,203) | (10,581,284) | 13,611,764 | 13,774,343 |
| Non-controlling interest | | - | - | 1,829 | - |
| Total comprehensive income for the period | | (10,715,203) | (10,581,284) | 13,613,593 | 13,774,343 |

The notes on pages 11 to 15 are an integral part of these interim financial statements

Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the Three Months Ended 31st March, 2023

Condensed interim statement of financial position


As at:

| | Notes | 31st March 2023 | | 31st December 2022 | |
|--|-------|---------------------------|---------------------------|---------------------------|---------------------------|
| | | Group 2023 N'000 | Company 2023 N'000 | Group 2022 N'000 | Company 2022 N'000 |
| ASSETS | | | | | |
| Property, plant and equipment | 9 | 361,983,018 | 361,021,989 | 358,967,704 | 357,922,963 |
| Right-of-use assets | | 9,587,114 | 9,540,315 | 9,901,779 | 9,828,656 |
| Intangible assets and goodwill | | 93,068,559 | 93,068,559 | 93,425,102 | 93,425,102 |
| Investments | | 150,000 | 929,625 | 150,000 | 929,625 |
| Other receivables | | 2,105,004 | 2,105,004 | 2,022,169 | 2,022,169 |
| Non-current assets | | <u>466,893,695</u> | <u>466,665,492</u> | <u>464,466,754</u> | <u>464,128,515</u> |
| Inventories | | 105,009,454 | 104,807,378 | 83,517,310 | 83,344,213 |
| Trade and other receivables | | 51,055,251 | 53,257,298 | 40,709,753 | 42,837,156 |
| Prepayments | | 2,771,664 | 2,771,664 | 1,958,201 | 1,958,201 |
| Deposit for imports | | 7,200,875 | 7,200,875 | 6,898,323 | 6,898,323 |
| Cash and cash equivalents | | 19,855,232 | 19,842,182 | 22,180,841 | 22,151,846 |
| Assets held for sale | | 157,500 | | 157,500 | |
| Current assets | | <u>186,049,976</u> | <u>187,879,397</u> | <u>155,421,928</u> | <u>157,189,739</u> |
| Total assets | | <u>652,943,671</u> | <u>654,544,889</u> | <u>619,888,682</u> | <u>621,318,254</u> |
| EQUITY | | | | | |
| Share capital | | 5,138,066 | 5,138,066 | 5,138,066 | 5,138,066 |
| Share premium | | 82,943,935 | 82,943,935 | 82,943,935 | 82,943,935 |
| Share based payment reserve | | 1,161,777 | 1,161,777 | 944,383 | 944,383 |
| Retained earnings | | 80,058,691 | 81,271,411 | 90,773,894 | 91,852,695 |
| Equity attributable to owners of the Company | 11 | 169,302,469 | 170,515,189 | 179,800,278 | 180,879,079 |
| Non-controlling interest | | 113,437 | - | 113,437 | - |
| Total equity | | <u>169,415,906</u> | <u>170,515,189</u> | <u>179,913,715</u> | <u>180,879,079</u> |
| LIABILITIES | | | | | |
| Loans and borrowings | | 2,096,701 | 2,096,701 | 2,425,875 | 2,425,875 |
| Lease liabilities | | 9,985 | 9,985 | 14,622 | 14,622 |
| Employee benefits | | 11,413,291 | 11,413,291 | 11,422,347 | 11,422,347 |
| Deferred tax liabilities | | 11,823,322 | 11,823,322 | 18,407,463 | 18,407,463 |
| Non-current liabilities | | <u>25,343,299</u> | <u>25,343,299</u> | <u>32,270,307</u> | <u>32,270,307</u> |
| Loans and borrowings | | 190,734,490 | 190,734,490 | 119,824,926 | 119,824,926 |
| Lease liabilities | | 17,474 | 17,474 | 17,313 | 17,313 |
| Current tax liabilities | | 12,864,968 | 12,864,968 | 13,002,683 | 13,002,683 |
| Dividend payable | | 8,357,782 | 8,357,782 | 9,007,012 | 9,007,012 |
| Trade and other payables | | 240,382,605 | 240,884,540 | 264,089,648 | 264,553,856 |
| Provisions | | 5,827,147 | 5,827,147 | 1,763,078 | 1,763,078 |
| Current liabilities | | <u>458,184,466</u> | <u>458,686,401</u> | <u>4,07,704,660</u> | <u>408,168,868</u> |
| Total liabilities | | <u>483,527,765</u> | <u>484,029,700</u> | <u>439,974,967</u> | <u>440,439,175</u> |
| Total equity and liabilities | | <u>652,943,671</u> | <u>654,544,889</u> | <u>619,888,682</u> | <u>621,318,254</u> |

Approved by the Board of Directors on 25th April, 2023 and signed on its behalf by:



Chief Kolawole B. Jamodu
Chairman
FRC/2013/ICAN/00000001617



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



Mr. Bernardus A. Wessels Boer*
Finance Director

*Mr. Wessels Boer has a waiver from the Financial Reporting Council of Nigeria ("FRCN") to sign the Financial Statements while processing his FRCN registration with the Council.

The notes on pages 11 to 15 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 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Balance at 1 st January 2023 | 5,138,066 | 82,943,935 | 944,383 | 90,773,894 | 179,800,278 | 113,437 | 179,913,715 |
| Profit/(Loss) for the period | - | - | - | (10,715,203) | (10,715,203) | - | (10,715,203) |
| Other comprehensive income for the period | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (10,715,203) | (10,715,203) | - | (10,715,203) |
| Transaction with owners, recorded directly in equity | | | | | | | |
| <i>Contributions and distributions</i> | | | | | | | |
| Issue of ordinary shares | - | - | - | - | - | - | - |
| Share based payment charge | - | - | 217,394 | - | 217,394 | - | 217,394 |
| | | | | | - | - | - |
| Share based payment recharge | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - |
| Unclaimed dividends written back | - | - | - | - | - | - | - |
| Total contributions and distributions | - | - | 217,394 | - | 217,394 | - | 217,394 |
| Changes in ownership interest | | | | | | | |
| Total transactions with owners of the company | - | - | 217,394 | (10,715,203) | (10,497,809) | - | (10,497,809) |
| Balance as at 31st March, 2023 | 5,138,066 | 82,943,935 | 1,161,777 | 80,058,691 | 169,302,469 | 113,437 | 169,415,906 |

Condensed interim statement of changes in equity

Company

| | Share Capital | Share Premium | Share Based Payment Reserve | Retained Earnings | Total Equity |
|---|------------------|-------------------|--------------------------------------|----------------------|--------------------|
| Notes | N'000 | N'000 | N'000 | N'000 | N'000 |
| Balance at 1 st January 2023 | 5,138,066 | 82,943,935 | 944,383 | 91,852,695 | 180,879,079 |
| Profit/(Loss) for the period | - | - | - | (10,581,284) | (10,581,284) |
| Other comprehensive income for the period | - | - | - | - | - |
| Total Comprehensive income for the period | - | - | - | (10,581,284) | (10,581,284) |
| Transaction with owners, recorded directly in equity | | | | | |
| <i>Contributions and distributions</i> | | | | | |
| Issue of ordinary shares | - | - | - | - | - |
| Share based payment charge | - | - | 217,394 | - | 217,394 |
| Share based payment recharge | - | - | - | - | - |
| Dividends | - | - | - | - | - |
| Unclaimed dividends written back | - | - | - | - | - |
| Total contributions and distributions | - | - | 217,394 | - | 217,394 |
| Changes in ownership interest | | | | | |
| Total transactions with owners of the company | - | - | 217,394 | (10,581,284) | (10,363,890) |
| Balance as at 31st March, 2023 | 5,138,066 | 82,943,935 | 1,161,777 | 81,271,411 | 170,515,189 |

The notes on pages 11 to 15 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 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Balance at 1 st January 2022 | 4,037,916 | 77,499,797 | 170,753 | 90,094,911 | 171,803,377 | 108,887 | 171,912,264 |
| Profit/(Loss) for the period | - | - | - | 13,611,764 | 13,611,764 | 1,829 | 13,613,593 |
| Other comprehensive income for the period | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 13,611,764 | 13,611,764 | 1,829 | 13,613,593 |
| Transaction with owners, recorded directly in equity | | | | | | | |
| <i>Contributions and distributions</i> | | | | | | | |
| Issue of ordinary shares | - | - | - | - | - | - | - |
| Share based payment charge | - | - | 74,546 | - | 74,546 | - | 74,546 |
| Share based payment recharge | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - |
| Unclaimed dividends written back | - | - | - | 376,144 | 376,144 | - | 376,144 |
| Total contributions and distributions | - | - | 74,546 | 376,144 | 450,690 | - | 450,690 |
| Changes in ownership interest | | | | | | | |
| Total transactions with owners of the company | - | - | 74,546 | 13,987,908 | 14,062,454 | 1,829 | 14,064,283 |
| Balance as at 31st March, 2022 | 4,037,916 | 77,499,797 | 245,299 | 104,082,819 | 185,865,831 | 110,716 | 185,976,547 |

Condensed interim statement of changes in equity

Company

| | Share Capital | Share Premium | Share Based Payment Reserve | Retained Earnings | Total Equity |
|---|------------------|-------------------|--------------------------------------|----------------------|--------------------|
| Notes | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Balance at 1 st January 2022 | 4,037,916 | 77,499,797 | 170,753 | 90,430,837 | 172,139,303 |
| Profit/(Loss) for the period | - | - | - | 13,774,343 | 13,774,343 |
| Other comprehensive income for the period | - | - | - | - | - |
| Total Comprehensive income for the period | - | - | - | 13,774,343 | 13,774,343 |
| Transaction with owners, recorded directly in equity | | | | | |
| <i>Contributions and distributions</i> | | | | | |
| Issue of ordinary shares | - | - | - | - | - |
| Share based payment charge | - | - | 74,546 | - | 74,546 |
| Share based payment recharge | - | - | - | - | - |
| Dividends | - | - | - | - | - |
| Unclaimed dividends written back | - | - | - | 376,144 | 376,144 |
| Total contributions and distributions | - | - | 74,546 | 376,144 | 450,690 |
| Changes in ownership interest | | | | | |
| Total transactions with owners of the company | - | - | 74,546 | 14,150,487 | 14,225,033 |
| Balance as at 31st March, 2022 | 4,037,916 | 77,499,797 | 245,299 | 104,581,324 | 186,364,336 |

The notes on pages 11 to 15 are an integral part of these interim financial statements

Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the Three Months Ended 31st March, 2023

Condensed interim statement of cash flows

| | Group 2023 N'000 | Company 2023 N'000 | Group 2022 N'000 | Company 2022 N'000 |
|--|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Notes | | | | |
| Profit/(Loss) for the period | (10,715,203) | (10,581,284) | 13,613,593 | 13,774,343 |
| Adjustments for: | | | | |
| Depreciation | 11,316,462 | 11,206,426 | 8,878,484 | 8,791,528 |
| Amortization of intangible assets | 408,218 | 408,218 | 385,960 | 385,960 |
| Finance income | (39,872) | (39,872) | (73,514) | (73,514) |
| Interest expenses | 4,719,716 | 4,719,716 | 1,158,044 | 1,181,270 |
| Gratuity, employee benefit and share based payment charges | 625,124 | 625,124 | 670,749 | 670,749 |
| Loss/(Gain) on sale of property, plant and equipment | (30,164) | (30,164) | (466,028) | (466,028) |
| Changes in provisions | 4,064,069 | 4,064,069 | - | - |
| Income tax expense | (6,721,857) | (6,721,857) | 7,149,093 | 7,143,962 |
| | 3,626,493 | 3,650,376 | 31,316,381 | 31,408,270 |
| Changes in: | | | | |
| Inventories | (21,492,144) | (21,463,165) | (6,269,541) | (6,190,043) |
| Trade and other receivables | (10,428,333) | (10,502,977) | (9,907,166) | (9,738,850) |
| Prepayments | (813,463) | (813,463) | (1,162,275) | (1,162,275) |
| Trade and other payables | (31,098,027) | (31,060,300) | (9,643,923) | (9,979,077) |
| Deposit for imports | (302,552) | (302,552) | 336,915 | 336,915 |
| Cash generated from operating activities | (60,508,026) | (60,492,081) | 4,670,391 | 4,674,940 |
| Income tax paid | - | - | - | - |
| Gratuity paid | (187,100) | (187,100) | (175,022) | (175,022) |
| Other long term employee benefits paid | (555,097) | (555,097) | (457,681) | (457,681) |
| VAT paid* | (6,615,916) | (6,615,916) | (7,946,217) | (7,946,217) |
| Net cash from operating activities | (67,866,139) | (67,850,194) | (3,908,529) | (3,903,980) |
| Cash flows from investing activities | | | | |
| Finance income | 39,872 | 39,872 | 73,514 | 73,514 |
| Proceeds from sale of property, plant and equipment | 31,809 | 31,809 | 17,771 | 17,771 |
| Acquisition of property, plant and equipment | (2,362,461) | (2,362,461) | (7,429,066) | (7,428,642) |
| Acquisition of right-of-use asset | (34,872) | (34,872) | (152,584) | (133,463) |
| Acquisition of intangible assets | (51,675) | (51,675) | (11,930) | (11,930) |
| Net cash used in investing activities | (2,377,327) | (2,377,327) | (7,502,295) | (7,482,750) |
| Cash flows from financing activities | | | | |
| Proceeds from loans and borrowings | 145,738,242 | 145,738,242 | 19,579,840 | 19,579,840 |
| Repayment of loans and borrowings | (75,157,850) | (75,157,850) | (718,535) | (718,535) |
| Interest paid | (2,009,185) | (2,009,185) | (714,293) | (737,519) |
| Payment of Lease Liability | (4,120) | (4,120) | (100,962) | (100,962) |
| Dividends paid | (649,230) | (649,230) | (318,757) | (318,757) |
| Net cash used in financing activities | 67,917,857 | 67,917,857 | 17,727,293 | 17,704,067 |
| Net increase/(decrease) in cash and cash equivalents | (2,325,609) | (2,309,664) | 6,316,469 | 6,317,337 |
| Cash and cash equivalents at 1 st January | 22,180,841 | 22,151,846 | 16,730,029 | 16,720,040 |
| Cash and cash equivalents at 31st March | 19,855,232 | 19,842,182 | 23,046,498 | 23,037,377 |
| Represented by: | | | | |
| Cash balance | 19,855,232 | 19,842,182 | 23,046,498 | 23,037,377 |
| | 19,855,232 | 19,842,182 | 23,046,498 | 23,037,377 |

The notes on pages 11 to 15 are an integral part of these interim 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 16th 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 approximately 56% interest in the equity of Nigerian Breweries Plc. The Company's registered office address is 1, Abebe Village Road, Iganmu, Lagos. The condensed interim financial statements of the Company as at and for the three-months period ended 31st March 2023 comprise the Company and its subsidiaries financial position.

The financial statements of Nigerian Breweries Plc as at and for the year ended 31st December 2022 are available on the Company's registered website www.nbplc.com/investor-relations.html

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

In compliance with The Nigerian Stock Exchange'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 2022.

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 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 2022.

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 2022.

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 Three -month period ended 31st March

| | Group 2023 ₦'000 | Company 2023 ₦'000 | Group 2022 ₦'000 | Company 2022 ₦'000 |
|--|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Raw materials and consumables | 53,514,990 | 53,514,990 | 54,608,530 | 54,608,530 |
| Advertising and sales expenses | 10,606,556 | 10,606,556 | 14,038,381 | 14,038,381 |
| Depreciation | 11,316,462 | 11,206,426 | 8,878,484 | 8,791,528 |
| Amortization | 408.218 | 408.218 | 385,960 | 385,960 |
| Employee benefits | 18,903,291 | 18,898,553 | 13,514,060 | 13,514,060 |
| Distribution | 15,304,515 | 15,304,515 | 11,466,382 | 11,466,382 |
| Repairs and Maintenance | 3,972,788 | 3,972,788 | 3,937,817 | 3,937,817 |
| Royalty and technical service fees | 3,110,991 | 3,110,991 | 3,436,723 | 3,436,723 |
| Others | 4,206,898 | 4,145,048 | 4,640,861 | 4,523,976 |
| Total cost of sales, marketing & distribution and administration expenses | 121,344,709 | 121,168,085 | 114,907,198 | 114,703,357 |

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

Net finance income and expenses for the three-month period ended 31st March 2023 amounted to ₦19 billion (Three-month period ended 31st March 2022: ₦3 billion).

a. Finance income

Interest income for the three-month period ended 31st March 2023 amounted to ₦39.8 million (three-month period ended 31st March 2022: ₦73.5 million).

Notes to the condensed interim financial statements

b. Finance expense

Interest expenses for the three-month period ended 31st March 2023 amounted to ₦4.7 billion (three-month ended 31st March 2022 ₦1.2 billion expenses).

Other net finance expenses for the three-months period ended 31st March 2023 amounted to ₦11.2 billion (three-months ended 31st March 2022: ₦1.8 billion expenses).

The interest expenses on the net pension liability for the period ended 31st March 2023 amounted to ₦219 million (three-month period ended 31st March 2022: ₦296 million).

8. INCOME TAX EXPENSES

The Company's effective tax rate in respect of continuing operations for the three-months period ended 31st March 2023 was 39 per cent (for the three-months period ended 31st March 2022: 34 per cent).

9. PROPERTY PLANT AND EQUIPMENT

Acquisitions

During the three-months period ended 31st March 2023 the Company acquired, plant and equipment with a cost of ₦2.4 billion (three-month period ended 31st March 2022: ₦7.4 billion).

Capital commitments

As at 31st March 2023, the Company's capital expenditure commitments for property, plant and equipment amounted to ₦118 billion (31st March 2022: ₦98 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 2022.

11. EQUITY

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 three-months period ended 31st March
 In shares

| | 2023 | 2022 |
|-----------------------------------|---------------|---------------|
| 1 st January | | |
| Weighted average number of shares | 8,298,839,837 | 8,042,944,463 |
| 31 st March | | |
| Weighted average number of shares | 8,298,839,837 | 8,042,944,463 |

Notes to the condensed interim financial statements

12. NET CASH COVERAGE /INTEREST BEARING DEBT POSITION

| | Group 31st March 2023 ₦'000 | Company 31st March 2023 ₦'000 | Group 31st December 2022 ₦'000 | Company 31st December 2022 ₦'000 |
|--|--------------------------------------|--|---|---|
| Loans and Borrowings | 190,734,490 | 190,734,490 | 119,824,926 | 119,824,926 |
| Cash, cash equivalents and current | (19,855,232) | (19,842,182) | (22,180,841) | (22,151,846) |
| (Net cash coverage position)/Interest bearing debt position | 170,879,258 | 170,892,308 | 97,644,085 | 97,673,080 |

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).

13. CONTINGENCIES

No material updates in comparison with 2022 year-end reporting were identified that need to be reported.

14. 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 three-month period ended 31st March 2023 do not, in substance deviate from the transactions as reflected in the financial statements as at and for the year 31st December 2022.

| | Transaction value | | Balance due (to)/from | |
|---|--------------------|--------------------|-----------------------|--------------------|
| | March-23 ₦'000 | March-22 ₦'000 | March-23 ₦'000 | March-22 ₦'000 |
| Purchases - other related parties | (29,269,679) | (30,919,623) | (30,159,466) | (34,709,910) |
| Contract brewing services with: | | | | |
| - Other related parties | - | - | 971,590 | 245,413 |
| Technical Service fees & royalties | | | | |
| - Parent | (693,588) | (516,182) | (5,907,670) | (1,339,238) |
| - Other related parties | (2,422,689) | (2,920,541) | (28,804,997) | (7,061,926) |
| Total Technical and Royalty | (3,116,277) | (3,436,723) | (34,712,667) | (8,401,164) |
| Sales and others | | | | |
| - Other related parties | 5,119,376 | 864,691 | (4,926,809) | (17,688,982) |

Notes to the condensed interim financial statements

15. 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 31st March 2023 that have not been adequately provided for or disclosed in these condensed interim financial statements.