

**Nigerian Breweries Plc**

**RC: 613**



Unaudited Condensed Interim Financial Statements  
For the nine months ended 30th September, 2022

Table of Contents

<b>Condensed interim income statement ended 30th September</b> .....	1
<b>Condensed interim statement of other comprehensive income ended 30<sup>th</sup> September</b> .....	3
<b>Condensed interim statement of financial position</b> .....	5
<b>Condensed interim statement of changes in equity</b> .....	6
<b>Condensed interim statement of cash flows</b> .....	100
<b>Notes to the condensed interim financial statements</b> .....	111

**Nigerian Breweries Plc**  
*Unaudited Condensed Interim Financial Statements*  
For the nine months ended 30th September 2022

**Condensed interim income statement**

	Notes	GROUP			
		Quarter to date	Year to date	Quarter to date	Year to date
		30 <sup>th</sup> September	30 <sup>th</sup> September	30 <sup>th</sup> September	30 <sup>th</sup> September
		2022	2022	2021	2021
		N'000	N'000	N'000	N'000
<b>Net Revenue</b>		<b>119,364,354</b>	<b>393,449,148</b>	<b>100,024,496</b>	<b>309,281,410</b>
Cost of Sales	6	(83,570,227)	(238,919,404)	(67,404,787)	(198,744,628 )
<b>Gross Profit</b>		<b>35,794,127</b>	<b>154,529,744</b>	<b>32,619,709</b>	<b>110,536,782</b>
Other Income		506,084	2,506,063	265,658	894,114
Marketing and Distribution Expenses	6	(30,594,093)	(101,009,864)	(22,913,615)	(69,112,213)
Administrative Expenses	6	(6,158,412)	(20,638,649)	(5,152,900)	(17,582,078)
<b>Results from operating activities</b>		<b>(452,294)</b>	<b>35,387,294</b>	<b>4,818,852</b>	<b>24,736,605</b>
Finance income	7a	29,922	258,666	5,239	94,878
Net loss on foreign exchange transactions		(3,082,035)	(10,362,990)	(1,171,030)	(4,406,878)
Finance costs	7b	(3,099,942)	(6,190,259)	(2,855,991)	(7,687,094)
<b>Net Finance costs</b>		<b>(6,152,055)</b>	<b>(16,294,583)</b>	<b>(4,021,782)</b>	<b>(11,999,094)</b>
Profit / (loss) before tax		(6,604,349)	19,092,711	797,070	12,737,511
Income tax expenses	8	2,616,927	(4,337,488)	(298,697)	(4,520,890)
<b>Profit / (loss) after tax</b>		<b>(3,987,422)</b>	<b>14,755,223</b>	<b>498,373</b>	<b>8,216,621</b>
Profit / (loss) for the year attributable to:					
Owners of the Company		(3,969,898)	14,750,673	496,842	8,211,970
Non-controlling interest		(17,524)	4,550	1,531	4,651
<b>Profit for the period</b>		<b>(3,987,422)</b>	<b>14,755,223</b>	<b>498,373</b>	<b>8,216,621</b>
Earnings per share					
Basic Earnings per share (kobo)		(49)	182	6	102
Diluted earnings per share (kobo)		(49)	182	6	102

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 nine months ended 30th September 2022

**Condensed interim income statement**

	Notes	COMPANY			
		Quarter to date 30 <sup>th</sup> September 2022 ₦'000	Year to date 30 <sup>th</sup> September 2022 ₦'000	Quarter to date 30 <sup>th</sup> September 2021 ₦'000	Year to date 30 <sup>th</sup> September 2021 ₦'000
		<b>Net Revenue</b>		<b>119,305,065</b>	<b>393,336,322</b>
Cost of Sales	6	(83,570,227)	(238,919,404)	(67,404,787)	(198,744,628)
<b>Gross Profit</b>		<b>35,734,838</b>	<b>154,416,918</b>	<b>32,595,976</b>	<b>110,473,732</b>
Other Income		483,983	2,483,962	265,658	894,114
Marketing and Distribution Expenses	6	(30,594,093)	(101,009,864)	(22,913,615)	(69,112,213)
Administrative Expenses	6	(5,910,806)	(19,941,056)	(4,995,520)	(17,214,813)
<b>Results from operating activities</b>		<b>(286,078)</b>	<b>35,949,960</b>	<b>4,952,499</b>	<b>25,040,820</b>
Finance income	7a	29,922	258,666	5,239	94,878
Net loss on foreign exchange transactions		(3,082,035)	(10,362,990)	(1,171,030)	(4,406,878)
Finance costs	7b	(3,099,942)	(6,237,493)	(2,878,677)	(7,752,939)
<b>Net Finance costs</b>		<b>(6,152,055)</b>	<b>(16,341,817)</b>	<b>(4,044,468)</b>	<b>(12,064,939)</b>
Profit / (loss) before tax		(6,438,133)	19,608,143	908,031	12,975,881
Income tax expenses	8	2,614,490	(4,350,420)	(292,566)	(4,502,261)
<b>Profit / (loss) after tax</b>		<b>(3,823,643)</b>	<b>15,257,723</b>	<b>615,465</b>	<b>8,473,620</b>
Profit / (loss) for the year attributable to:					
Owners of the Company		(3,823,643)	15,257,723	615,465	8,473,620
Non-controlling interest		-	-	-	-
<b>Profit / (loss) for the period</b>		<b>(3,823,643)</b>	<b>15,257,723</b>	<b>615,465</b>	<b>8,473,620</b>
Earnings per share					
Basic Earnings per share (kobo)		(47)	189	8	105
Diluted earnings per share (kobo)		(47)	189	8	105

The notes on pages 11 to 15 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> September 2022 ₦'000	Year to date 30 <sup>th</sup> September 2022 ₦'000	Quarter to date 30 <sup>th</sup> September 2021 ₦'000	Year to date 30 <sup>th</sup> September 2021 ₦'000	
	<b>Profit / (loss) for the period</b>	<b>(3,987,422)</b>	<b>14,755,223</b>	<b>498,373</b>	<b>8,216,621</b>
	Other comprehensive income, net of tax				
<b>Total comprehensive income for the period</b>	<b>(3,987,422)</b>	<b>14,755,223</b>	<b>498,373</b>	<b>8,216,621</b>	
<b>Total comprehensive income for the year attributable to:</b>					
Owners of the Company	(3,969,898)	14,750,673	496,842	8,211,970	
Non-controlling interest	(17,524)	4,550	1,531	4,651	
<b>Total comprehensive income for the period</b>	<b>(3,987,422)</b>	<b>14,755,223</b>	<b>498,373</b>	<b>8,216,621</b>	

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**Condensed interim statement of other comprehensive income**

Notes	COMPANY				
	Quarter to date 30 <sup>th</sup> September 2022 ₦'000	Year to date 30 <sup>th</sup> September 2022 ₦'000	Quarter to date 30 <sup>th</sup> September 2021 ₦'000	Year to date 30 <sup>th</sup> September 2021 ₦'000	
	<b>Profit / (loss) for the period</b>	<b>(3,823,643)</b>	<b>15,257,723</b>	<b>615,465</b>	<b>8,473,620</b>
	Other comprehensive income, net of tax				
Total comprehensive income for the period	<b>(3,823,643)</b>	<b>15,257,723</b>	<b>615,465</b>	<b>8,473,620</b>	
<b>Total comprehensive income for the year attributable to:</b>					
Owners of the Company	<b>(3,823,643)</b>	<b>15,257,723</b>	<b>615,465</b>	<b>8,473,620</b>	
Total comprehensive income for the period	<b>(3,823,643)</b>	<b>15,257,723</b>	<b>615,465</b>	<b>8,473,620</b>	

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**Nigerian Breweries Plc**  
*Unaudited Condensed Interim Financial Statements*  
*For the nine months ended 30th September 2022*

**Condensed interim statement of financial position**  
**As at 30<sup>th</sup> September, 2022**

	Notes	30 <sup>th</sup> September 2022 Group N'000	30 <sup>th</sup> September 2022 Company N'000	31st December 2021 Group N'000	31st December 2021 Company N'000
<b>ASSETS</b>					
Property, plant and equipment	9	292,203,426	290,919,690	257,216,814	255,630,534
Intangible assets and goodwill		93,374,997	93,374,997	94,334,332	94,334,332
Right of Use Asset (ROUA)		9,679,628	9,575,347	12,520,277	12,364,126
Investments		150,000	929,625	150,000	929,625
Other receivables		1,022,927	1,022,927	1,134,459	1,134,459
<b>Non-current assets</b>		<b>396,430,978</b>	<b>395,822,586</b>	<b>365,355,882</b>	<b>364,393,076</b>
Inventories		94,346,373	94,109,782	62,191,510	62,067,403
Trade and other receivables		40,468,313	38,004,394	26,500,516	24,714,756
Prepayments		3,075,808	3,075,808	2,852,868	2,852,868
Deposit for imports		7,201,363	7,201,363	11,891,422	11,891,422
Cash and cash equivalents		14,693,437	14,688,027	16,730,029	16,720,040
<b>Current assets</b>		<b>159,785,294</b>	<b>157,079,374</b>	<b>120,166,345</b>	<b>118,246,489</b>
<b>Total assets</b>		<b>556,216,272</b>	<b>552,901,960</b>	<b>485,522,227</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		653,586	653,586	170,753	170,753
Retained earnings		95,575,147	96,418,123	90,094,911	90,430,837
<b>Equity attributable to owners of the company</b>		<b>184,310,734</b>	<b>185,153,710</b>	<b>171,803,377</b>	<b>172,139,303</b>
<b>Non-controlling interest</b>		<b>113,437</b>	<b>-</b>	<b>108,887</b>	<b>-</b>
<b>Total Equity</b>		<b>184,424,171</b>	<b>185,153,710</b>	<b>171,912,264</b>	<b>172,139,303</b>
<b>LIABILITIES</b>					
Loans and borrowings		5,565,709	5,565,709	6,831,273	6,831,273
Employee benefits		11,091,889	11,091,889	10,964,102	10,964,102
Deferred tax liabilities		22,900,381	22,900,381	23,281,997	23,281,997
<b>Non-current liabilities</b>		<b>39,557,979</b>	<b>39,557,979</b>	<b>41,077,372</b>	<b>41,077,372</b>
Loans and borrowings		108,128,787	108,128,787	24,542,067	24,542,067
Current tax liabilities		10,324,599	10,315,211	10,623,647	10,547,531
Dividend payable		7,142,683	7,142,683	10,437,847	10,437,847
Trade and other payables		206,127,042	202,092,579	226,418,019	223,384,434
Provisions		511,011	511,011	511,011	511,011
<b>Current liabilities</b>		<b>332,234,122</b>	<b>328,190,271</b>	<b>272,532,591</b>	<b>269,422,890</b>
<b>Total liabilities</b>		<b>371,792,101</b>	<b>367,748,250</b>	<b>313,609,963</b>	<b>310,500,262</b>
<b>Total equity and liabilities</b>		<b>556,216,272</b>	<b>552,901,960</b>	<b>485,522,227</b>	<b>482,639,565</b>

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



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



**Mr. Ben Wessels Boer**  
**Finance Director**

*\*Mr. 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.*

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**Nigerian Breweries Plc**  
*Unaudited Condensed Interim Financial Statements*  
For the nine months ended 30th September 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 period	-	-	-	14,750,673	14,750,673	4,550	14,755,223
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	14,750,673	14,750,673	4,550	14,755,223
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	-	-	647,237	-	647,237	-	647,237
Share based payment recharge	-	-	(164,404)	-	(164,404)	-	(164,404)
Dividends	-	-	-	(9,690,998)	(9,690,998)	-	(9,690,998)
Unclaimed dividends written back	-	-	-	420,561	420,561	-	420,561
<b>Total contributions and distributions</b>	72,537	6,471,751	482,833	(9,270,437)	(2,243,316)	-	(2,243,316)
<b>Changes in ownership interest</b>							
<b>Total transactions with owners of the company</b>	72,537	6,471,751	482,833	5,480,236	12,507,357	4,550	12,511,907
<b>Balance as at 30th September, 2022</b>	4,110,453	83,971,548	653,586	95,575,147	184,310,734	113,437	184,424,171

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

**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 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 period	-	-	-	15,257,723	15,257,723
Other comprehensive income for the period	-	-	-	-	-
<b>Total Comprehensive income for the period</b>	-	-	-	<b>15,257,723</b>	<b>15,257,723</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	-	-	647,237	-	647,237
Share based payment recharge	-	-	(164,404)	-	(164,404)
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>482,833</b>	<b>(9,270,437)</b>	<b>(2,243,316)</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>482,833</b>	<b>5,987,286</b>	<b>13,014,407</b>
<b>Balance as at 30<sup>th</sup> September, 2022</b>	<b>4,110,453</b>	<b>83,971,548</b>	<b>653,586</b>	<b>96,418,123</b>	<b>185,153,710</b>

The notes on pages 11 to 14 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	161,179,042
Profit for the period	-	-	-	8,211,970	8,211,970	4,651	8,216,621
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<b>8,211,970</b>	<b>8,211,970</b>	<b>4,651</b>	<b>8,216,621</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	-	3,768,906
Share based payment charge	-	-	(174,600)	-	(174,600)	-	(174,600)
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>(176,539)</b>	<b>(5,517,862)</b>	<b>(1,925,495)</b>	<b>-</b>	<b>(1,925,495)</b>
<b>Changes in ownership interest</b>							
<b>Total transactions with owners of the company</b>	<b>39,465</b>	<b>3,729,441</b>	<b>(176,539)</b>	<b>(5,517,862)</b>	<b>(1,925,495)</b>	<b>-</b>	<b>(1,925,495)</b>
<b>Balance as at 30<sup>th</sup> September, 2021</b>	<b>4,037,916</b>	<b>77,499,797</b>	<b>37,967</b>	<b>85,787,208</b>	<b>167,362,888</b>	<b>107,280</b>	<b>167,470,168</b>

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

**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 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 period	-	-	-	8,473,620	8,473,620
Other comprehensive income for the period	-	-	-	-	-
<b>Total Comprehensive income for the period</b>	-	-	-	<b>8,473,620</b>	<b>8,473,620</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	-	-	(174,600)	-	(174,600)
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>	<b>39,465</b>	<b>3,729,441</b>	<b>(176,539)</b>	<b>(5,517,862)</b>	<b>(1,925,495)</b>
<b>Changes in ownership interest</b>					
<b>Total transactions with owners of the company</b>	<b>39,465</b>	<b>3,729,441</b>	<b>(176,539)</b>	<b>(5,517,862)</b>	<b>(1,925,495)</b>
<b>Balance as at 30<sup>th</sup> September, 2021</b>	<b>4,037,916</b>	<b>77,499,797</b>	<b>37,967</b>	<b>86,123,322</b>	<b>167,699,002</b>

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**Nigerian Breweries Plc**  
*Unaudited Condensed Interim Financial Statements*  
For the nine months ended 30th September 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 period		14,755,223	15,257,723	8,216,621	8,473,620
Adjustments for:					
Depreciation		27,145,323	26,842,355	28,676,109	28,506,406
Amortization of intangible assets		1,160,315	1,160,315	1,114,879	1,114,879
Finance income		(258,666)	(258,666)	(94,878)	(94,878)
Interest expenses		6,190,259	6,237,493	8,288,980	8,354,825
Gratuity, employee benefit and share based payment charges		1,547,237	1,547,237	2,174,605	2,174,605
Loss on sale of property, plant and equipment		(638,710)	(638,710)	-	-
Income tax expense		7,625,560	4,350,420	4,520,607	4,501,979
Other non-cash item		-	-	894,390	813,207
		<b>57,526,541</b>	<b>54,498,167</b>	<b>53,791,313</b>	<b>53,844,643</b>
Changes in:					
Inventories		(32,154,863)	(32,042,379)	(21,482,096)	(21,461,566)
Trade and other receivables		(13,856,265)	(13,178,106)	(12,006,466)	(11,902,641)
Prepayments		(222,940)	(222,940)	(515,470)	(390,236)
Trade and other payables		(13,289,948)	(14,290,826)	42,381,677	41,728,973
Provisions		-	-	(24,461)	(24,461)
Deposit for imports		4,690,059	4,690,059	(1,016,962)	(1,016,962)
<b>Cash generated from operating activities</b>		<b>2,692,584</b>	<b>(546,025)</b>	<b>61,127,535</b>	<b>60,777,750</b>
Income tax paid		(8,306,225)	(4,964,357)	(8,192,830)	(8,192,830)
Gratuity paid		(570,067)	(570,067)	(1,100,808)	(1,100,808)
Other long term employee benefits paid		(1,090,755)	(1,090,755)	-	-
Share based payment		(164,404)	(164,404)	-	-
VAT paid*		(19,413,136)	(19,413,136)	(20,895,252)	(20,895,252)
<b>Net cash from operating activities</b>		<b>(26,852,003)</b>	<b>(26,748,744)</b>	<b>30,938,645</b>	<b>30,588,860</b>
<b>Cash flows from investing activities</b>					
Finance income		258,666	258,666	94,878	94,878
Proceeds from sale of property, plant and equipment		370,891	370,891	22,371	22,371
Acquisition of property, plant and equipment		(51,939,448)	(51,939,025)	(25,614,622)	(25,182,912)
Acquisition of right-of-use asset		(788,914)	(840,784)	-	-
Acquisition of intangible assets		(200,980)	(200,980)	(100,865)	(100,865)
<b>Net cash used in investing activities</b>		<b>(52,299,785)</b>	<b>(52,351,231)</b>	<b>(25,598,239)</b>	<b>(25,166,528)</b>
<b>Cash flows from financing activities</b>					
Proceeds from loans and borrowings		114,380,609	114,380,609	-	-
Repayment of loans and borrowings		(28,698,659)	(28,698,659)	(12,882,411)	(12,882,411)
Interest paid		(2,431,901)	(2,479,135)	(8,288,981)	(8,354,825)
Lease Liability paid		(113,540)	(113,540)	(1,384,840)	(1,384,840)
Deposit at registrars related to prior years unclaimed dividends		132,110	132,110	-	-
Dividends paid		(6,153,423)	(6,153,423)	(1,373,359)	(1,373,359)
<b>Net cash used in financing activities</b>		<b>77,115,196</b>	<b>77,067,962</b>	<b>(23,929,591)</b>	<b>(23,995,435)</b>
Net increase/(decrease) in cash and cash equivalents		<b>(2,036,592)</b>	<b>(2,032,013)</b>	<b>(18,589,184)</b>	<b>(18,573,103)</b>
Cash and cash equivalents as at 1 <sup>st</sup> January		16,730,029	16,720,040	30,369,847	30,349,614
<b>Cash and cash equivalents as at 30<sup>th</sup> June</b>		<b>14,693,437</b>	<b>14,688,027</b>	<b>11,780,663</b>	<b>11,776,511</b>
Represented by:					
Cash balance		14,693,437	14,688,027	11,780,663	11,776,511
		<b>14,693,437</b>	<b>14,688,027</b>	<b>11,780,663</b>	<b>11,776,511</b>

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 Exchange Limited, was incorporated in Nigeria on the 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 a 56.33% 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 nine-month period ended 30th September 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 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 statement are presented in Naira, which is the Company's functional currency. All financial information presented in Naira have been rounded to the nearest thousand unless stated otherwise.

**c. Use of estimates and judgments**

The preparation of financial statements in conformity with IFRS requires Management to make judgments, estimates and assumptions that affect 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 judgments 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 nine-month period ended 30th September:

	<b>Group 2022 ₦'000</b>	<b>Company 2022 ₦'000</b>	<b>Group 2021 ₦'000</b>	<b>Company 2021 ₦'000</b>
Raw materials and consumables	171,669,194	171,669,194	141,200,158	141,200,158
Advertising and sales expenses	44,442,067	44,442,067	25,949,754	28,506,406
Depreciation	27,145,323	26,842,355	28,676,109	18,942,642
Amortization	1,160,315	1,160,315	1,114,878	1,114,878
Employee benefits	38,588,894	38,588,894	38,918,150	38,918,150
Distribution	39,736,272	39,736,272	19,362,419	19,362,419
Repairs and Maintenance	13,142,186	13,142,186	12,446,297	12,446,297
Royalty and technical service fees	9,119,727	9,119,727	6,322,315	6,322,315
Others	15,563,939	15,169,314	11,448,839	11,251,277
<b>Total cost of sales, marketing &amp; distribution and administration expenses</b>	<b>360,567,917</b>	<b>359,870,324</b>	<b>285,438,919</b>	<b>285,071,652</b>

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

Net finance income and expenses for the nine-month period ended 30th September 2022 amounted to ₦16 billion (nine-month period ended 30th September 2021: ₦12 billion).

**a. Finance income**

Interest income for the nine-month period ended 30th September 2021 amounted to ₦259 million (nine-month period ended 30th September 2021: ₦94.9 million).

**b. Finance expense**

Interest expenses for the nine-month period ended 30th September 2021 amounted to ₦16.6 billion (nine-month ended 30th September 2021: ₦12.1 billion expenses).

Other net finance expenses for the nine-month period ended 30th September 2022 amounted to ₦11.2 billion (nine-month ended 30th September 2021: ₦5.8 billion).

**Notes to the condensed interim financial statements**

The interest expenses on the net pension liability for the period ended 30<sup>th</sup> September 2022 amounted to ₦604 Million (nine-month period ended 30<sup>th</sup> September 2021: ₦1.1 billion)

**8. INCOME TAX EXPENSES**

The Company's effective tax rate in respect of continuing operations for the nine-month period ended 30th September 2022 was 22.18 per cent (for the nine-month period ended 30th September 2021: 36.29 per cent).

**9. PROPERTY PLANT AND EQUIPMENT**

**Acquisitions**

During the nine-month period ended 30th September 2021, the Company acquired, plant and equipment with a cost of ₦51.9 billion (nine-month period ended 30th September 2021: ₦25.1 billion).

**Capital commitments**

As at 30th September 2022, the Company's capital expenditure commitments for property, plant and equipment amounted to ₦93.4 billion (30th September 2021: ₦85.5 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 nine-month period ended 30th September  
 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
Scrip issues	24,179,000	78,929,849
<hr/>		
30th September		
Weighted average number of shares	8,067,123,463	8,075,831,900

**Notes to the condensed interim financial statements**

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

For the nine-month period ended 30th September:

	<b>Group 2022 ₦'000</b>	<b>Company 2022 ₦'000</b>	<b>Group 2021 ₦'000</b>	<b>Company 2021 ₦'000</b>
Loans and borrowings	108,128,787	108,128,787	41,148,110	41,148,110
Bank overdraft and Commercial papers	-	-	2,552,894	2,552,894
Cash, cash equivalents and current	(14,693,437)	(14,688,027)	(11,780,663)	(11,776,511)
<b>(Net cash coverage position)/interest bearing debt position</b>	<b>93,435,350</b>	<b>93,440,760</b>	<b>31,920,341</b>	<b>31,924,493</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).

**13. CONTINGENCIES**

No material updates in comparison with 2021 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 nine-month period ended 30th September 2022 do not in substance deviate from the transactions as reflected in the financial statements as at and for the year ended 31<sup>st</sup> December, 2021.

	<b>Transaction value</b>		<b>Balance due (to)/from</b>	
	<b>Sept-22 ₦'000</b>	<b>Sept-21 ₦'000</b>	<b>Sept-22 ₦'000</b>	<b>Sept-21 ₦'000</b>
Purchases and others	(68,021,047)	(48,983,182)	(28,183,706)	(17,693,886)
Contract brewing services with:				
- Other related parties	-	(323,241)	652,085	(243,472)
<b>Technical Service fees &amp; royalties</b>				
- Parent	(1,644,402)	(1,143,147)	(2,467,459)	(780,584)
- Other related parties	(7,475,325)	(5,179,169)	(11,616,710)	(3,211,706)
<b>Total Technical Service Fees and Royalties</b>	<b>(9,119,727)</b>	<b>(6,322,316)</b>	<b>(14,084,168)</b>	<b>(3,992,290)</b>
Sales and others				
- Other related parties	2,221,587	3,289,251	(17,804,195)	(14,888,979)

**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 30th September 2022 that have not been adequately provided for or disclosed in these condensed interim financial statements.