



Nigerian Breweries Plc
RC: 613

Unaudited Condensed Interim Financial Statements
For the Three Months Ended 31st March, 2021

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Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the Three Months Ended 31st March, 2021

Condensed interim income statement

		31st March 2021 Group N'000	31st March 2021 Company N'000	31st March 2020 Group N'000	31st March 2020 Company N'000
	Notes				
Net Revenue		105,675,764	105,661,870	83,225,575	83,200,623
Cost of Sales	5	<u>(66,004,762)</u>	<u>(66,004,762)</u>	<u>(48,334,963)</u>	<u>(48,334,963)</u>
Gross Profit		39,671,002	39,657,108	34,890,612	34,865,660
Other Income		368,027	368,027	181,362	181,362
Marketing and Distribution Expenses	5	(19,803,914)	(19,803,914)	(18,796,759)	(18,796,759)
Administrative Expenses	5	<u>(5,744,835)</u>	<u>(5,650,387)</u>	<u>(5,339,407)</u>	<u>(5,291,311)</u>
Results from operating activities		<u>14,490,280</u>	<u>14,570,834</u>	<u>10,935,808</u>	<u>10,958,952</u>
Finance income	6a	25,436	25,436	7,944	7,944
Finance costs	6b	<u>(3,001,463)</u>	<u>(3,022,685)</u>	<u>(2,646,641)</u>	<u>(2,666,243)</u>
Net Finance costs		<u>(2,976,027)</u>	<u>(2,997,249)</u>	<u>(2,638,697)</u>	<u>(2,658,299)</u>
Profit before tax		11,514,253	11,573,585	8,297,111	8,300,653
Income tax expenses	7	<u>(3,854,721)</u>	<u>(3,848,804)</u>	<u>(2,770,311)</u>	<u>(2,764,118)</u>
Profit after tax		<u>7,659,532</u>	<u>7,724,781</u>	<u>5,526,800</u>	<u>5,536,535</u>
Profit for the year attributable to:					
Owners of the Company		7,658,055	7,724,781	5,504,278	5,536,536
Non-controlling interest		<u>1,477</u>	<u>-</u>	<u>1,274</u>	<u>-</u>
Profit for the period		<u>7,659,532</u>	<u>7,724,781</u>	<u>5,505,552</u>	<u>5,536,536</u>
Earnings per share					
Basic Earnings per share (kobo)		96	97	69	69
Diluted earnings per share (kobo)		96	97	69	69

Nigerian Breweries Plc
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Condensed interim statement of other comprehensive income

	31st March 2021 Group Notes ₦'000	31st March 2021 Company ₦'000	31st March 2020 Group ₦'000	31st March 2020 Company ₦'000
Profit for the period	7,659,532	7,724,781	5,505,552	5,536,536
Other comprehensive income, net of tax				
Total comprehensive income for the period	7,659,532	7,724,781	5,505,552	5,536,536
Total comprehensive income for the quarter attributable to:				
Owners of the Company	7,658,055	7,724,781	5,504,278	5,536,536
Total comprehensive income for the period	7,659,532	7,724,781	5,505,552	5,536,536

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

Nigerian Breweries Plc
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Condensed interim statement of financial position

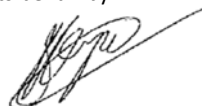
As at:

	Notes	31st March 2021		31st December 2020	
		Group N'000	Company N'000	Group N'000	Company N'000
ASSETS					
Property, plant and equipment	8	211,959,152	210,952,722	213,412,133	212,369,121
Intangible assets and goodwill		94,879,777	94,879,777	95,272,318	95,272,318
Right of Use of Assets (ROUA)		41,608,593	41,608,593	42,915,964	42,834,781
Investments		150,000	929,625	150,000	929,625
Other receivables		992,427	992,427	911,375	911,375
		349,589,949	349,363,144	352,661,790	352,317,220
Non-current assets					
Inventories		39,645,681	39,511,594	36,087,210	35,992,172
Trade and other receivables		23,479,096	22,415,283	11,417,423	10,457,436
Prepayments		4,416,718	4,335,132	3,745,422	3,745,422
Deposit for imports		9,887,813	9,887,813	11,575,510	11,575,510
Cash and cash equivalents		18,434,788	18,416,422	30,369,847	30,349,614
		95,864,096	94,566,244	93,195,412	92,120,154
Current assets					
		445,454,045	443,929,388	445,857,202	444,437,374
Total assets					
EQUITY					
Share capital		3,998,451	3,998,451	3,998,451	3,998,451
Share premium		73,770,356	73,770,356	73,770,356	73,770,356
Share based payment reserve		210,649	210,649	214,506	214,506
Retained earnings		90,751,157	90,892,347	83,093,100	83,167,564
Equity attributable to owners of the Company	11	168,730,613	168,871,803	161,076,413	161,150,877
Non-controlling interest		104,106	-	102,629	-
		168,834,719	168,871,803	161,179,042	161,150,877
LIABILITIES					
Loans and borrowings		35,653,339	35,653,339	39,636,707	39,636,707
Employee benefits		17,107,990	17,107,990	16,719,748	16,719,748
Deferred tax liabilities		18,172,070	18,172,070	17,854,115	17,854,115
		70,933,399	70,933,399	74,210,570	74,210,570
Non-current liabilities					
Loans and borrowings		15,869,767	15,869,767	51,810,629	51,810,629
Bank Overdraft and Commercial Papers		21,443,447	21,443,447		
Current tax liabilities		15,249,828	15,194,344	11,713,346	11,663,778
Dividend payable		7,704,346	7,704,346	7,707,091	7,707,091
Trade and other payables		145,409,674	143,903,417	139,200,670	137,858,575
Provisions		8,865	8,865	35,854	35,854
		205,685,927	204,124,186	210,467,590	209,075,927
Current liabilities					
		276,619,326	275,057,585	284,678,160	283,286,497
Total liabilities					
		445,454,045	443,929,388	445,857,202	444,437,374
Total equity and liabilities					

Approved by the Board of Directors on 22nd April, 2021 and signed on its behalf by:



Mr. Jordi Borrut Bel
(Managing Director/CEO)
FRC/2018/IODN/00000018359



Mr. Rob Kleinjan
(Finance Director)
FRC/2014/MULTI/00000009921

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	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 st January 2021	3,998,451	73,770,356	214,506	83,093,100	161,076,413	102,629	161,179,041
Profit for the period	-	-	-	7,658,055	7,658,055	1,477	7,659,532
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	7,658,055	7,658,055	1,274	7,659,532
Transaction with owners, recorded directly in equity							
<i>Contributions and distributions</i>							
Issue of ordinary shares	-	-	-	-	-	-	-
Share based payment charge	-	-	63,427	-	63,427	-	63,427
Share based payment recharge	-	-	(67,282)	-	(67,282)	-	(67,282)
Dividends	-	-	-	-	-	-	-
Unclaimed dividends written back	-	-	-	-	-	-	-
Total contributions and distributions	-	-	(3,855)	-	(3,855)	-	(3,855)
Changes in ownership interest							
Total transactions with owners of the company	-	-	(3,855)	-	(3,855)	-	(3,855)
Balance as at 31st March, 2021	3,998,451	73,770,356	210,651	90,751,155	168,730,613	104,106	168,834,718

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 2021	3,998,451	73,770,356	214,506	83,167,564	161,150,877
Profit for the period	-	-	-	7,724,781	7,724,781
Other comprehensive income for the period	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	7,724,781	7,724,781
Transaction with owners, recorded directly in equity					
<i>Contributions and distributions</i>					
Issue of ordinary shares	-	-	-	-	-
Share based payment charge	-	-	63,427	-	63,427
Share based payment recharge	-	-	(67,282)	-	(67,282)
Dividends	-	-	-	-	-
Unclaimed dividends written back	-	-	-	-	-
Total contributions and distributions	-	-	(3,855)	-	(3,855)
Changes in ownership interest					
Total transactions with owners of the company	-	-	(3,855)	-	(3,855)
Balance as at 31st March, 2021	3,998,451	73,770,356	210,651	90,892,345	168,871,803

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	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 st January 2020	3,998,451	73,770,356	501,557	89,382,366	167,652,730	97,249	167,749,979
Profit for the period	-	-	-	5,504,278	5,504,278	1,274	5,505,552
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	5,504,278	23,749,044	1,274	5,505,552
Transaction with owners, recorded directly in equity							
<i>Contributions and distributions</i>							
Issue of ordinary shares	-	-	-	-	-	-	-
Share based payment charge	-	-	47,644	-	47,644	-	47,644
Share based payment recharge	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Unclaimed dividends written back	-	-	-	-	-	-	-
Total contributions and distributions	-	-	47,644	-	47,644	-	47,644
Changes in ownership interest							
Total transactions with owners of the company	-	-	47,644	-	47,644	-	47,644
Balance as at 31st March, 2020	3,998,451	73,770,356	549,201	94,886,644	191,449,418	98,523	173,303,175

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 2020	3,998,451	73,770,356	501,557	89,294,198	167,564,562
Profit for the period	-	-	-	5,536,536	5,536,536
Other comprehensive income for the period	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	5,536,536	5,536,536
Transaction with owners, recorded directly in equity					
<i>Contributions and distributions</i>					
Issue of ordinary shares	-	-	-	-	-
Share based payment charge	-	-	47,644	-	47,644
Share based payment recharge	-	-	-	-	-
Dividends	-	-	-	-	-
Unclaimed dividends written back	-	-	-	-	-
Total contributions and distributions	-	-	47,644	-	47,644
Changes in ownership interest					
Total transactions with owners of the company	-	-	47,644	-	47,644
Balance as at 31st March, 2020	3,998,451	73,770,356	549,201	94,830,734	173,148,742

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

Nigerian Breweries Plc
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Condensed interim statement of cash flows

	Group	Company	Group	Company
	2021	2021	2020	2020
Notes	₦'000	₦'000	₦'000	₦'000
Profit for the period	7,659,532	7,724,781	5,505,552	5,536,536
Adjustments for:				
Depreciation	9,479,586	9,433,120	8,540,985	8,518,322
Amortization of intangible assets	370,525	370,525	341,418	341,418
Finance income	(25,436)	(25,436)	(7,944)	(7,944)
Interest expenses	1,912,895	1,934,117	1,922,557	1,942,159
Gratuity, employee benefit and share based payment charges	451,669	451,669	697,846	697,846
Loss/(Gain) on sale of property, plant and equipment	(10,459)	(10,459)	(593)	(593)
Income tax expense	3,854,438	3,848,521	2,770,310	2,764,117
Other non-cash items	231,466	150,283	90,600	90,600
	23,924,217	23,877,121	19,860,731	19,882,461
Changes in:				
Inventories	(3,558,471)	(3,519,422)	(2,364,887)	(2,352,073)
Trade and other receivables	(12,142,724)	(12,038,899)	(7,289,249)	(7,171,327)
Prepayments	(671,296)	(589,710)	(8,622,151)	(8,622,151)
Trade and other payables	13,005,464	12,841,303	1,726,700	1,498,582
Provisions	(26,989)	(26,989)	-	-
Deposit for imports	1,687,697	1,687,697	1,121,019	1,121,019
	22,217,898	22,231,101	4,432,163	4,356,511
Cash generated from operating activities				
Income tax paid	-	-	-	-
Gratuity paid	(67,282)	(67,282)	(246,378)	(246,378)
Other long term employee benefits paid	-	-	(417,740)	(417,740)
VAT paid*	(7,387,908)	(7,387,908)	(4,935,142)	(4,935,142)
Net cash from operating activities	14,762,707	14,775,911	(1,167,097)	(1,242,749)
Cash flows from investing activities				
Finance income	25,436	25,436	7,944	7,944
Proceeds from sale of property, plant and equipment	17,078	17,078	2,194	2,194
Investment in Subsidiary	-	-	-	-
Acquisition of property, plant and equipment	(6,661,155)	(6,651,270)	(8,879,695)	(8,787,648)
Acquisition of intangible assets	22,014	22,014	(40,656)	(40,656)
Net cash used in investing activities	(6,596,627)	(6,586,743)	(8,910,213)	(8,818,166)
Cash flows from financing activities				
Proceeds from loans and borrowings	(18,480,783)	(18,480,783)	61,234,194	61,234,194
Repayment of loans and borrowings	-	-	(30,951,229)	(30,951,229)
Interest paid	(1,321,446)	(1,342,668)	(1,635,685)	(1,655,287)
Payment of Lease Liability	(296,165)	(296,165)	(351,058)	(351,058)
Dividends paid	(2,745)	(2,745)	-	-
Net cash used in financing activities	(20,101,139)	(20,122,361)	28,296,222	28,276,620
Net increase/(decrease) in cash and cash equivalents	(11,935,059)	(11,933,193)	18,218,912	18,215,705
Cash and cash equivalents at 1 st January	30,369,847	30,349,614	6,361,057	6,358,606
Cash and cash equivalents at 31st March	18,434,788	18,416,421	24,579,969	24,574,311
Represented by:				
Cash balance	18,434,788	18,416,422	24,579,969	24,574,311
	18,434,788	18,416,422	24,579,969	24,574,311

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, 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 approximately 56% 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 three-months period ended 31st March 2019 comprise the Company and its subsidiaries.

The financial statements of Nigerian Breweries Plc as at and for the year ended 31st December 2020 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 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 2020.

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 2020.

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 2020.

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 2021 ₦'000	Company 2021 ₦'000	Group 2020 ₦'000	Company 2020 ₦'000
Raw materials and consumables	46,532,752	46,532,752	30,210,050	30,210,050
Advertising and sales expenses	7,150,973	7,150,973	6,306,524	6,306,524
Depreciation	9,440,301	9,436,551	8,540,985	8,518,322
Amortization	370,525	370,525	341,418	341,418
Employee benefits	12,182,218	12,182,218	10,990,710	10,990,710
Distribution	4,502,334	4,502,334	6,032,662	6,032,662
Repairs and Maintenance	3,588,432	3,588,432	3,622,758	3,622,758
Royalty and technical service fees	2,433,423	2,433,423	1,832,817	1,832,817
Others	5,433,297	5,261,855	4,593,205	4,567,772
Total cost of sales, marketing & distribution and administration expenses	91,634,255	91,459,065	72,471,129	72,423,033

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

Net finance income and expenses for the three-month period ended 31st March 2021 amounted to ₦3 billion (Three-month period ended 31st March 2020: ₦2.7 billion).

a. Finance income

Interest income for the three-month period ended 31st March 2021 amounted to ₦25.4 million (Three-month period ended 31st March 2020: ₦7.9 million).

Notes to the condensed interim financial statements

b. Finance expense

Interest expenses for the three-month period ended 31st March 2021 amounted to ₦1.9 billion (three-month ended 31st March 2020 ₦1.9 billion expenses).

Other net finance expenses for the three-months period ended 31st March 2021 amounted to ₦685 Million (three-months ended 31st March 2020: ₦725 Million expenses).

The interest expenses on the net pension liability for the period ended 31st March 2021 amounted to ₦378 million (three-month period ended 31st March 2020: ₦473 million).

7. INCOME TAX EXPENSES

The Company's effective tax rate in respect of continuing operations for the three-months period ended 31st March 2021 was 32 per cent (for the three-months period ended 31st March 2020: 32.2 per cent).

8. PROPERTY PLANT AND EQUIPMENT

Acquisitions

During the three-months period ended 31st March 2021 the Company acquired, plant and equipment with a cost of ₦6.6 billion (three-month period ended 31st March 2020: ₦8.8 billion).

Capital commitments

As at 31st March 2021, the Company's capital expenditure commitments for property, plant and equipment amounted to ₦53.2 billion (31st March 2020: ₦68 billion).

9. 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 2020.

10. 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

	2021	2020
1 st January		
Weighted average number of shares	7,996,902,051	7,996,902,051
<hr/>		
31 st March		
Weighted average number of shares	7,996,902,051	7,996,902,051
<hr/>		

Notes to the condensed interim financial statements

11. NET CASH COVERAGE /INTEREST BEARING DEBT POSITION

	Group 31st March 2021 ₦'000	Company 31st March 2021 ₦'000	Group 31st December 2020 ₦'000	Company 31st December 2020 ₦'000
Loans and Borrowings	15,869,767	15,869,767	27,001,882	27,001,882
Commercial papers	21,443,447	21,443,447	51,058,530	51,058,530
Cash, cash equivalents and current	(18,434,788)	(18,416,422)	(24,579,969)	(24,574,311)
(Net cash coverage position)/Interest bearing debt position	18,878,426	18,896,792	53,480,443	53,486,101

The company has revolving credit facilities with five Nigerian banks to finance its working capital. The approved limit of the loan with each of the banks range from ₦6 billion to ₦15 billion (₦66 billion). ₦9 billion was utilized as at end of March 2021 (2020: Nil).

12. CONTINGENCIES

No material updates in comparison with 2020 year-end reporting were identified that need to be reported.

13. 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 2021 do not in substance deviate from the transactions as reflected in the financial statements as at and for the year 31st December 2020.

	Transaction value		Balance due (to)/from	
	March-21 ₦'000	March-20 ₦'000	March-21 ₦'000	March-20 ₦'000
Purchases - other related parties	(12,835,060)	(11,402,556)	(15,884,725)	(8,139,117)
Contract brewing services with:				
- Other related parties	(148,982)	(345,971)	318,610	(-396,088)
Technical Service fees & royalties				
- Parent	(347,266)	(290,545)	(723,776)	(290,545)
- Other related parties	(2,086,158)	(1,542,271)	(4,022,733)	(1,894,494)
Total Technical and Royalty	(2,433,242)	(1,832,816)	(4,746,509)	(2,185,039)
Sales and others				
- Other related parties	1,018,792	135,101	(10,122,850)	(3,782,702)

Notes to the condensed interim financial statements

14. 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 2021 that have not been adequately provided for or disclosed in these condensed interim financial statements.

15. EVALUATION OF THE IMPACT OF COVID-19

The impact of Coronavirus (Covid-19) pandemic on the economy and by implication, the Company continued during the period under review. Our priority remained protecting the health, safety and welfare of employees, customers and partners. We regularly monitored and evaluated the Company's financial position and performance in the light of the pandemic; our Balance Sheet remained strong. The focus of the Board and Management remained the mitigation of the impact of the pandemic on the business.