



**Nigerian Breweries Plc**  
**RC: 613**

Unaudited Condensed Interim Financial Statements  
For the nine months ended 30 September, 2020

## Table of Contents

Condensed interim income statement.....	1
Condensed interim statement of other comprehensive income .....	3
Condensed interim statement of other comprehensive income .....	4
Condensed interim statement of financial position .....	5
Condensed interim statement of changes in equity.....	6
Condensed interim statement of cash flows.....	10
Notes to the condensed interim financial statements.....	11

**Nigerian Breweries Plc**  
*Condensed Interim Financial Statements*  
For the nine months ended 30 September, 2020

**Condensed interim income statement**

		<b>GROUP</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> September</b>	<b>30<sup>th</sup> September</b>	<b>30<sup>th</sup> September</b>	<b>30<sup>th</sup> September</b>
		<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
Notes		<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
	<b>Net Revenue</b>	<b>82,228,896</b>	<b>234,038,733</b>	<b>65,488,249</b>	<b>235,679,433</b>
	Cost of Sales	(51,422,855)	(144,091,276)	(40,966,165)	(139,506,441)
	<b>Gross Profit</b>	<b>30,806,041</b>	<b>89,947,457</b>	<b>24,522,084</b>	<b>96,172,992</b>
	Other Income	251,836	585,966	352,879	775,360
	Marketing and Distribution Expenses	(17,818,182)	(52,154,608)	(19,318,015)	(57,483,370)
	Administrative Expenses	(5,795,908)	(15,888,705)	(4,847,294)	(14,292,135)
	<b>Results from operating activities</b>	<b>7,443,787</b>	<b>22,490,110</b>	<b>709,654</b>	<b>25,172,847</b>
	Finance income	92,721	216,506	30,099	228,620
	Finance costs	(4,904,663)	(11,729,142)	(2,927,478)	(8,179,609)
	<b>Net Finance costs</b>	<b>(4,811,942)</b>	<b>(11,512,636)</b>	<b>(2,897,379)</b>	<b>(7,950,989)</b>
	Profit before tax	2,631,845	10,977,474	(2,187,725)	17,221,858
	Income tax expenses	(1,281,736)	(4,037,901)	1,144,652	(4,946,663)
	<b>Profit after tax</b>	<b>1,350,109</b>	<b>6,939,573</b>	<b>(1,043,073)</b>	<b>12,275,195</b>
	Profit for the year attributable to:				
	Owners of the Company	1,354,559	6,935,600	(1,044,317)	12,271,659
	Non-controlling interest	(4,450)	3,973	1,244	3,536
	<b>Profit for the period</b>	<b>1,350,109</b>	<b>6,939,573</b>	<b>(1,043,073)</b>	<b>12,275,195</b>
	Earnings per share				
	Basic Earnings per share (kobo)	(78)	89	(13)	153
	Diluted earnings per share (kobo)	(78)	89	(13)	153

The notes on pages 11 to 14 are an integral part of these interim financial statements

**Nigerian Breweries Plc**  
*Condensed Interim Financial Statements*  
For the nine months ended 30 September, 2020

**Condensed interim income statement**

		COMPANY			
		Quarter to date 30 <sup>th</sup> September 2020 ₦'000	Year to date 30 <sup>th</sup> September 2020 ₦'000	Quarter to date 30 <sup>th</sup> September 2019 ₦'000	Year to date 30 <sup>th</sup> September 2019 ₦'000
Notes					
	<b>Net Revenue</b>	<b>82,220,120</b>	<b>234,019,558</b>	<b>65,488,249</b>	<b>235,679,433</b>
	Cost of Sales	5 (51,422,855)	(144,091,276)	(40,966,165)	(139,506,441)
	<b>Gross Profit</b>	<b>30,797,265</b>	<b>89,928,282</b>	<b>24,522,084</b>	<b>96,172,992</b>
	Other Income	251,836	585,966	352,879	775,360
	Marketing and Distribution Expense	5 (17,818,182)	(52,154,608)	(19,318,015)	(57,483,370)
	Administrative Expenses	5 (5,731,448)	(15,713,514)	(4,846,044)	(14,288,135)
	<b>Results from operating activities</b>	<b>7,499,471</b>	<b>22,646,126</b>	<b>710,904</b>	<b>25,176,847</b>
	Finance income	6a 92,721	216,506	30,099	228,620
	Finance costs	6b (4,925,392)	(11,789,517)	(2,946,414)	(8,233,970)
	<b>Net Finance costs</b>	<b>(4,832,671)</b>	<b>(11,573,011)</b>	<b>(2,916,315)</b>	<b>(8,005,350)</b>
	Profit before tax	2,666,800	11,073,115	(2,205,411)	17,171,497
	Income tax expenses	7 (1,275,103)	(4,018,661)	1,150,712	(4,929,347)
	<b>Profit after tax</b>	<b>1,391,697</b>	<b>7,054,454</b>	<b>(1,054,699)</b>	<b>12,242,150</b>
	Profit for the year attributable to:				
	Owners of the Company	1,391,697	7,054,454	(1,054,699)	12,242,150
	Non-controlling interest	-	-	-	-
	<b>Profit for the period</b>	<b>1,391,697</b>	<b>7,054,454</b>	<b>(1,054,699)</b>	<b>12,242,150</b>
	Earnings per share				
	Basic Earnings per share (kobo)	17	88	(13)	153
	Diluted earnings per share (kobo)	17	88	(13)	153

The notes on pages 11 to 14 are an integral part of these interim financial statements

**Nigerian Breweries Plc**  
*Condensed Interim Financial Statements*  
*For the nine months ended 30 September, 2020*

**Condensed interim statement of other comprehensive income**

		<b>GROUP</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> September</b>	<b>30<sup>th</sup> September</b>	<b>30<sup>th</sup> September</b>	<b>30<sup>th</sup> September</b>
		<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
Notes		<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
	<b>Profit for the period</b>	<b>1,354,559</b>	<b>6,935,600</b>	<b>(1,044,317)</b>	<b>12,271,659</b>
	Other comprehensive income, net of tax				
	Total comprehensive income for the period	<b>1,354,559</b>	<b>6,935,600</b>	<b>(1,044,317)</b>	<b>12,271,659</b>
	<b>Total comprehensive income for the year attributable to:</b>				
	Owners of the Company	1,354,559	6,935,600	(1,044,317)	12,271,659
	Total comprehensive income for the period	<b>1,354,559</b>	<b>6,935,600</b>	<b>(1,044,317)</b>	<b>12,271,659</b>

The notes on pages 11 to 14 are an integral part of these interim financial statements

**Nigerian Breweries Plc**  
*Condensed Interim Financial Statements*  
*For the nine months ended 30 September, 2020*

**Condensed interim statement of other comprehensive income**

		COMPANY			
		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
		2020	2020	2019	2019
Notes		₦'000	₦'000	₦'000	₦'000
	<b>Profit for the period</b>	<b>1,391,697</b>	<b>7,054,454</b>	<b>(1,054,699)</b>	<b>12,242,150</b>
	Other comprehensive income, net of tax				
	Total comprehensive income for the period	<b>1,391,697</b>	<b>7,054,454</b>	<b>(1,054,699)</b>	<b>12,242,150</b>
	<b>Total comprehensive income for the year attributable to:</b>				
	Owners of the Company	1,391,697	7,054,454	(1,054,699)	12,242,150
	Total comprehensive income for the period	<b>1,391,697</b>	<b>7,054,454</b>	<b>(1,054,699)</b>	<b>12,242,150</b>

The notes on pages 11 to 14 are an integral part of these interim financial statements

**Nigerian Breweries Plc**  
Condensed Interim Financial Statements  
For the nine months ended 30 September, 2020

**Condensed interim statement of financial position**  
**As at 30 September 2020**

		30 <sup>th</sup> September 2020 Group ₦'000	30 <sup>th</sup> September 2020 Company ₦'000	31 <sup>st</sup> December 2019 Group ₦'000	31 <sup>st</sup> December 2019 Company ₦'000
<b>ASSETS</b>					
Property, plant and equipment	8	199,301,684	198,704,462	201,907,332	201,362,280
Intangible assets and goodwill		95,495,579	95,495,579	96,465,642	96,465,642
Right of Use Asset (ROUA)		43,166,459	43,166,459	11,073,782	10,992,267
Investments		150,000	929,625	150,000	929,625
Other receivables		844,232	844,232	651,781	651,781
<b>Non-current assets</b>		<b>338,957,954</b>	<b>339,140,357</b>	<b>310,248,537</b>	<b>310,401,595</b>
Inventories		42,906,709	42,827,998	38,520,328	38,492,789
Trade and other receivables		24,060,761	23,347,167	21,307,218	20,910,443
Prepayments		3,806,351	3,737,587	3,500,168	3,500,168
Deposit for imports		3,755,710	3,755,710	2,840,214	2,840,214
Cash and cash equivalents		53,742,392	53,695,875	6,361,057	6,358,606
<b>Current assets</b>		<b>128,271,923</b>	<b>127,364,337</b>	<b>72,528,985</b>	<b>72,102,220</b>
<b>Total assets</b>		<b>467,229,877</b>	<b>466,504,694</b>	<b>382,777,522</b>	<b>382,503,815</b>
<b>EQUITY</b>					
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		176,694	176,694	501,557	501,557
Retained earnings		84,242,644	84,273,330	89,382,366	89,294,198
<b>Equity attributable to owners of the company</b>	11	<b>162,188,145</b>	<b>162,218,831</b>	<b>167,652,730</b>	<b>167,564,562</b>
<b>Non-controlling interest</b>		<b>101,222</b>	<b>-</b>	<b>97,249</b>	<b>-</b>
<b>Total Equity</b>		<b>162,289,367</b>	<b>162,218,831</b>	<b>167,749,979</b>	<b>167,564,562</b>
<b>LIABILITIES</b>					
Loans and borrowings		41,300,540	41,300,540	38,893,313	38,893,313
Employee benefits		14,210,728	14,210,728	13,434,272	13,434,272
Deferred tax liabilities		18,472,253	18,472,253	23,171,027	23,171,027
<b>Non-current liabilities</b>		<b>73,983,521</b>	<b>73,983,521</b>	<b>75,498,612</b>	<b>75,498,612</b>
Loans and borrowings		6,420,657	6,420,657	16,826,218	16,826,218
Bank overdraft and Commercial Papers		85,818,392	85,818,392	-	-
Current tax liabilities		16,175,597	16,132,842	12,799,004	12,775,488
Dividend payable		11,511,553	11,511,553	5,742,085	5,742,085
Trade and other payables		111,030,790	110,418,898	102,782,561	102,717,787
Provisions		-	-	1,379,063	1,379,063
<b>Current liabilities</b>		<b>230,956,989</b>	<b>230,302,342</b>	<b>139,528,931</b>	<b>139,440,641</b>
<b>Total liabilities</b>		<b>304,940,510</b>	<b>304,285,863</b>	<b>215,027,543</b>	<b>214,939,253</b>
<b>Total equity and liabilities</b>		<b>467,229,877</b>	<b>466,504,694</b>	<b>382,777,522</b>	<b>382,503,815</b>

Approved by the Board of Directors on 29th October, 2020 and signed on its behalf by:



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



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

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	
Notes	N'000	N'000	N'000	N'000	N'000
Balance as at 1 <sup>st</sup> January 2020	3,998,451	73,770,356	501,557	89,382,366	167,653,729
Profit for the year	-	-	-	6,935,600	6,935,600
Other comprehensive income for the year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	6,935,600	6,935,600
Transaction with owners, recorded directly in equity					
<b>Contributions and distributions</b>					
Issue of ordinary shares					
Share based payment charge			93,881		
Share based payment recharge			(418,744)		(418,744)
Dividends				(12,075,322)	(12,075,322)
Unclaimed dividends written back	-	-	-	-	-
<b>Total contributions and distributions</b>	-	-	(324,863)	(12,075,322)	(12,400,185)
<b>Changes in ownership interest</b>					
<b>Total transactions with owners of the company</b>	-	-	(324,863)	(12,075,322)	(12,400,185)
<b>Balance as at 30<sup>th</sup> September, 2020</b>	<b>3,998,451</b>	<b>73,770,356</b>	<b>176,694</b>	<b>84,242,644</b>	<b>162,188,145</b>

The notes on pages 11 to 14 are an integral part of these interim financial statements



**Nigerian Breweries Plc**  
*Condensed Interim Financial Statements*  
For the nine months ended 30 September, 2020

**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 2020	3,998,451	73,770,356	501,557	89,294,198	167,564,562
Profit for the year	-	-	-	7,054,454	7,054,454
Other comprehensive income for the year	-	-	-	-	-
<b>Total Comprehensive income for the year</b>	-	-	-	7,054,454	7,054,454
Transaction with owners, recorded directly in equity	-	-	-	-	-
<b>Contributions and distributions</b>					
Issue of ordinary shares					
Share based payment charge			93,881		93,881
Share based payment recharge			(418,744)		(418,744)
Dividends				(12,075,322)	(12,075,322)
Unclaimed dividends written back					
<b>Total contributions and distributions</b>	-	-	(324,863)	(12,075,322)	(12,400,185)
<b>Changes in ownership interest</b>					
<b>Total transactions with owners of the company</b>	-	-	(324,863)	(12,075,322)	(12,400,185)
<b>Balance as at 30th September, 2020</b>	3,998,451	73,770,356	176,694	84,273,330	162,218,831

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 2019	3,998,451	73,770,356	750,534	88,216,674	166,736,015	92,437	166,828,452
Profit for the year	-	-	-	12,271,659	12,271,659	3,536	12,275,195
Other comprehensive income for the year	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	12,271,659	12,271,659	3,536	12,275,195
Transaction with owners, recorded directly in equity							
<b>Contributions and distributions</b>							
Issue of ordinary shares	-	-	-	-	-	-	-
Share based payment charge	-	-	186,043	-	186,043	-	186,043
Share based payment recharge	-	-	(406,675)	-	(406,675)	-	(406,675)
Dividends	-	-	-	(14,634,330)	(14,634,330)	-	(14,634,330)
Unclaimed dividends written back	-	-	-	-	-	-	-
<b>Total contributions and distributions</b>	-	-	(220,632)	(14,634,330)	(14,854,962)	-	(14,854,962)
<b>Changes in ownership interest</b>							
<b>Total transactions with owners of the company</b>	-	-	(220,632)	(14,634,330)	(14,854,962)	-	(14,854,962)
<b>Balance as at 30<sup>th</sup> September, 2019</b>	<b>3,998,451</b>	<b>73,770,356</b>	<b>529,902</b>	<b>85,854,003</b>	<b>164,152,712</b>	<b>95,973</b>	<b>164,248,685</b>

The notes on pages 11 to 14 are an integral part of these interim financial statements

**Nigerian Breweries Plc**  
*Condensed Interim Financial Statements*  
For the nine months ended 30 September, 2020

**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 2019	3,998,451	73,770,356	750,534	88,124,843	166,644,184
Profit for the year	-	-	-	12,242,150	12,242,150
Other comprehensive income for the year	-	-	-	-	-
<b>Total Comprehensive income for the year</b>	-	-	-	<b>12,242,150</b>	<b>12,242,150</b>
Transaction with owners, recorded directly in equity	-	-	-	-	-
<b>Contributions and distributions</b>					
Issue of ordinary shares	-	-	-	-	-
Share based payment charge	-	-	186,043	-	186,043
Share based payment recharge	-	-	(406,675)	-	(406,675)
Dividends	-	-	-	(14,634,330)	(14,634,330)
Unclaimed dividends written back	-	-	-	-	-
<b>Total contributions and distributions</b>	-	-	<b>(220,632)</b>	<b>(14,634,330)</b>	<b>(14,854,962)</b>
<b>Changes in ownership interest</b>					
<b>Total transactions with owners of the company</b>	-	-	<b>(220,632)</b>	<b>(14,634,330)</b>	<b>(14,854,962)</b>
<b>Balance as at 30th September, 2019</b>	<b>3,998,451</b>	<b>73,770,356</b>	<b>529,902</b>	<b>85,732,663</b>	<b>164,031,372</b>

The notes on pages 11 to 14 are an integral part of these interim financial statements

**Nigerian Breweries Plc**  
Condensed Interim Financial Statements  
For the nine months ended 30 September, 2020

**Condensed interim statement of cash flows**

	Group 2020 N'000	Company 2020 N'000	Group 2019 N'000	Company 2019 N'000
Profit for the year	6,939,573	7,054,454	12,275,195	12,242,150
Adjustments for:				
Depreciation	27,221,193	27,217,443	23,503,834	23,500,084
Amortization of intangible assets	1,069,793	1,069,793	996,220	996,220
Finance income	(216,506)	(216,506)	(228,620)	(228,620)
Interest expenses	8,770,946	8,831,321	5,638,373	5,692,734
Gratuity, employee benefit and share based payment charges	2,187,419	2,187,419	2,385,203	2,385,203
Other non-cash items	(1,000,911)	(1,082,426)	-	-
Loss on sale of property, plant and equipment	(2,779)	(2,779)	22,206	22,206
Income tax expense	4,035,976	4,018,660	4,946,663	4,929,347
	<b>49,004,704</b>	<b>49,077,379</b>	<b>49,539,074</b>	<b>49,539,324</b>
Changes in:				
Inventories	(4,386,381)	(4,335,209)	(9,089,217)	(9,089,217)
Trade and other receivables	(2,945,993)	(2,629,175)	5,359,779	5,359,779
Prepayments	(306,183)	(237,419)	(1,715,627)	(1,715,627)
Trade and other payables	15,552,958	15,005,840	(23,191,470)	(23,137,359)
Provisions	(1,379,063)	(1,379,063)	(183,915)	(183,915)
Changes in Lease Liability	-	-	79,651	79,651
Deposit for imports	(915,496)	(915,496)	(1,282,091)	(1,282,091)
<b>Cash generated from operating activities</b>	<b>54,624,546</b>	<b>54,586,857</b>	<b>19,516,184</b>	<b>19,570,545</b>
Income tax paid	(5,358,157)	(5,360,080)	(6,725,122)	(6,725,122)
Gratuity paid	(1,064,971)	(1,064,971)	(996,334)	(996,334)
Other long term employee benefits paid	(670,854)	(670,854)	(632,812)	(632,812)
VAT paid*	(11,063,504)	(11,063,504)	(10,164,175)	(10,164,175)
<b>Net cash from operating activities</b>	<b>36,467,060</b>	<b>36,427,448</b>	<b>997,741</b>	<b>1,052,102</b>
<b>Cash flows from investing activities</b>				
Finance income	216,506	216,506	228,620	228,620
Proceeds from sale of property, plant and equipment	9,241	9,241	19,015	19,015
Acquisition of property, plant and equipment	(21,618,315)	(21,562,394)	(23,381,193)	(23,381,193)
Acquisition of intangible assets	(99,731)	(99,731)	(384,164)	(384,164)
Acquisition of Subsidiary	-	-	(100,000)	(100,000)
<b>Net cash used in investing activities</b>	<b>(21,492,299)</b>	<b>(21,436,378)</b>	<b>(23,617,722)</b>	<b>(23,617,722)</b>
<b>Cash flows from financing activities</b>				
Proceeds from loans and borrowings	132,306,615	132,306,615	120,115,241	120,115,241
Repayment of loans and borrowings	(89,706,204)	(89,706,204)	(89,899,983)	(89,899,983)
Interest paid	(2,260,618)	(2,320,993)	(4,169,890)	(4,224,251)
Lease Liability paid	(1,627,365)	(1,627,365)	-	-
Deposit at registrars related to prior years unclaimed dividends	(124,730)	(124,730)	1,195,593	1,195,593
Dividends paid	(6,181,124)	(6,181,124)	(17,426,517)	(17,426,517)
<b>Net cash used in financing activities</b>	<b>32,406,574</b>	<b>32,346,199</b>	<b>9,814,444</b>	<b>9,760,083</b>
Net increase/(decrease) in cash and cash equivalents	<b>47,381,335</b>	<b>47,337,269</b>	<b>(12,805,537)</b>	<b>(12,805,537)</b>
Cash and cash equivalents as at 1 <sup>st</sup> January	6,361,057	6,358,606	14,793,266	14,792,088
<b>Cash and cash equivalents as at 30<sup>th</sup> September</b>	<b>53,742,392</b>	<b>53,695,875</b>	<b>1,987,729</b>	<b>1,986,551</b>
Represented by:				
Cash balance	53,742,392	53,695,875	1,987,729	1,986,551
	<b>53,742,392</b>	<b>53,695,875</b>	<b>1,987,729</b>	<b>1,986,551</b>

The notes on pages 11 to 14 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 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 56.13% 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 2020 comprise the Company and its subsidiaries.

The financial statements of Nigerian Breweries Plc as at and for the year ended 31st December 2019 are available on 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 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 2019.

**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 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 2019.

**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 2019.

**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 2020 N'000</b>	<b>Company 2020 N'000</b>	<b>Group 2019 N'000</b>	<b>Company 2019 N'000</b>
Raw materials and consumables	93,467,856	93,467,856	86,629,133	86,629,133
Advertising and sales expenses	16,042,816	16,042,816	21,308,289	21,308,289
Depreciation	27,221,193	27,217,443	23,503,834	23,500,084
Amortization	1,069,793	1,069,793	996,220	996,220
Employee benefits	29,577,039	29,577,039	29,233,360	29,233,360
Distribution	18,256,874	18,256,874	21,342,506	21,342,506
Repairs and Maintenance	9,634,190	9,634,190	13,042,448	13,042,448
Royalty and technical service fees	5,279,634	5,279,634	5,637,538	5,637,538
Others	11,585,194	11,413,752	9,588,618	9,588,368
<b>Total cost of sales, marketing &amp; distribution and administration expenses</b>	<b>212,134,589</b>	<b>211,959,397</b>	<b>211,281,946</b>	<b>211,277,946</b>

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

Net finance income and expenses for the nine-month period ended 30th September 2020 amounted to ₦11.7 billion (nine-month period ended 30th September 2019: ₦8 billion).

**a. Finance income**

Interest income for the nine-month period ended 30th September 2020 amounted to ₦217 million (nine-month period ended 30th September 2019: ₦229 million).

**b. Finance expense**

Interest expenses for the nine-month period ended 30th September 2020 amounted to ₦8.8 billion (nine-month ended 30th September 2019: ₦8.2 billion).

Other net finance expenses for the nine-month period ended 30th September 2020 amounted to ₦3 billion (nine-month ended 30th September 2019: ₦2.5 billion). The interest expenses on the net pension liability for the period ended 30th September 2020 amounted to ₦1.4 billion (nine-month period ended 30th September 2019: ₦1.8 billion).

**Notes to the condensed interim financial statements**

**8. INCOME TAX EXPENSES**

The Company's effective tax rate in respect of continuing operations for the nine-month period ended 30th September 2020 was 36.29 per cent (for the nine-month period ended 30th September 2019: 28.42 per cent).

**9. PROPERTY PLANT AND EQUIPMENT**

**Acquisitions**

During the nine-month period ended 30th September 2020 the Company acquired, plant and equipment with a cost of ₦21.6 billion (nine-month period ended 30th September 2019: ₦22.2 billion).

**Capital commitments**

As at 30th September 2020, the Company's capital expenditure commitments for property, plant and equipment amounted to ₦60 billion (30th September 2019: ₦30 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 2019.

**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 nine-month period ended 30th September

In shares

	<b>2020</b>	<b>2019</b>
1 <sup>st</sup> January		
Weighted average number of shares	7,996,902,051	7,996,902,051
Bonus issues	-	-
30 <sup>th</sup> September		
Weighted average number of shares	7,996,902,051	7,996,902,051

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

For the nine-month period ended 30th September

	<b>30<sup>th</sup> September 2020</b>	<b>30<sup>th</sup> September 2020</b>	<b>30<sup>th</sup> September 2019</b>	<b>30<sup>th</sup> September 2019</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
Loans and borrowings	6,420,657	6,420,657	40,007,626	40,007,626
Bank overdraft and Commercial Papers	85,818,392	85,818,392	32,805,007	32,805,007
Cash, cash equivalents and current	(53,742,392)	(53,695,875)	(1,987,729)	(1,986,551)
<b>(Net cash coverage position)/interest bearing debt position</b>	<b>38,496,657</b>	<b>38,543,174</b>	<b>70,824,904</b>	<b>70,826,082</b>

The company has no revolving credit facilities in any Nigerian banks to finance its working capital. The company only has BOI loans and Commercial papers as at 30th September, 2020 (2019: ₦40 billion).

**Notes to the condensed interim financial statements**

**13. CONTINGENCIES**

No material updates in comparison with 2019 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 2020 do not in substance deviate from the transactions as reflected in the financial statements as at and for the year 31st December 2019.

	Transaction value		Balance due (to)/from	
	Sept-20 ₦'000	Sept-19 ₦'000	Sept-20 ₦'000	Sept-19 ₦'000
Purchases - other related parties	(28,181,247)	(29,895,259)	(13,786,011)	(3,546,015)
Contract brewing services with:				
- Other related parties	(878,798)	(1,258,379)	(110,468)	(464,239)
<b>Technical Service fees &amp; royalties</b>				
- Parent	(868,307)	(847,505)	(573,955)	(-259,841)
- Other related parties	(4,411,327)	(4,790,000)	(2,742,111)	(1,358,881)
<b>Total Technical and Royalty</b>	(5,279,634)	(5,637,505)	(3,316,066)	(1,618,722)
Sales and others				
- Other related parties	454,769	317,407	-7,136,800	-2,030,604

**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 2020 that have not been adequately provided for or disclosed in these condensed interim financial statements.

**16. EVALUATION OF THE IMPACT OF CORONAVIRUS**

The Coronavirus (Covid-19) pandemic continues to impact our business and the economy. The Company's priority remains protecting the health, safety and welfare of employees, customers and partners. The Company regularly monitors and evaluates its financial position and performance in the light of the pandemic and would report thereon as may be appropriate. The Company has a strong Balance Sheet and the Board and Management will continue to focus on efforts to mitigate the impact of the pandemic on the business.