



Nigerian Breweries Plc
RC: 613

Unaudited Condensed Interim Financial Statements
For the Three Months Ended 31st March, 2022

Table of Contents

Condensed interim income statement.....	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
Unaudited Condensed Interim Financial Statements
For the Three Months Ended 31st March, 2022

Condensed interim income statement

	Notes	31st March 2022 Group ₦'000	31st March 2022 Company ₦'000	31st March 2021 Group ₦'000	31st March 2021 Company ₦'000
Net Revenue		137,771,644	137,746,648	105,675,764	105,661,870
Cost of Sales	5	<u>(75,318,946)</u>	<u>(75,318,946)</u>	<u>(66,004,762)</u>	<u>(66,004,762)</u>
Gross Profit		62,452,698	62,427,702	39,671,002	39,657,108
Other Income		859,347	859,347	368,027	368,027
Marketing and Distribution Expenses	5	<u>(32,136,698)</u>	<u>(32,136,698)</u>	<u>(19,803,914)</u>	<u>(19,803,914)</u>
Administrative Expenses	5	<u>(7,451,554)</u>	<u>(7,247,713)</u>	<u>(5,744,835)</u>	<u>(5,650,387)</u>
Results from operating activities		<u>23,723,793</u>	<u>23,902,638</u>	<u>14,490,280</u>	<u>14,570,834</u>
Finance income	6a	73,514	73,514	25,436	25,436
Net loss on foreign exchange transactions		(1,876,640)	(1,876,640)	(611,873)	(611,873)
Finance costs	6b	<u>(1,157,982)</u>	<u>(1,181,208)</u>	<u>(2,389,590)</u>	<u>(2,410,812)</u>
Net Finance costs		<u>(2,961,108)</u>	<u>(2,984,334)</u>	<u>(2,976,027)</u>	<u>(2,997,249)</u>
Profit before tax		20,762,685	20,918,304	11,514,253	11,573,585
Income tax expenses	7	<u>(7,149,092)</u>	<u>(7,143,961)</u>	<u>(3,854,721)</u>	<u>(3,848,804)</u>
Profit after tax		<u>13,613,593</u>	<u>13,774,343</u>	<u>7,659,532</u>	<u>7,724,781</u>
Profit for the year attributable to:					
Owners of the Company		13,611,764	13,774,343	7,658,055	7,724,781
Non-controlling interest		<u>1,829</u>	<u>-</u>	<u>1,477</u>	<u>-</u>
Profit for the period		<u>13,613,593</u>	<u>13,774,343</u>	<u>7,659,532</u>	<u>7,724,781</u>
Earnings per share					
Basic Earnings per share (kobo)		169	171	96	97
Diluted earnings per share (kobo)		169	171	96	97

Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the Three Months Ended 31st March, 2022

Condensed interim statement of other comprehensive income

	31st March 2022 Group Notes ₦'000	31st March 2022 Company ₦'000	31st March 2021 Group ₦'000	31st March 2021 Company ₦'000
Profit for the period	13,613,593	13,774,343	7,659,532	7,724,781
Other comprehensive income, net of tax				
Total comprehensive income for the period	13,613,593	13,774,343	7,659,532	7,724,781
Total comprehensive income for the quarter attributable to:				
Owners of the Company	13,611,764	13,774,343	7,658,055	7,724,781
Non-controlling interest	1,829		1,477	-
Total comprehensive income for the period	13,613,593	13,774,343	7,659,532	7,724,781

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, 2022

Condensed interim statement of financial position

As at:

	Notes	31st March 2022		31st December 2021	
		Group 2022 N'000	Company 2022 N'000	Group 2021 N'000	Company 2021 N'000
ASSETS					
Property, plant and equipment	8	273,107,674	271,607,926	257,216,814	255,630,534
Right-of-use assets		9,532,789	9,357,517	12,520,277	12,364,126
Intangible assets and goodwill		93,960,302	93,960,302	94,334,332	94,334,332
Investments		150,000	929,625	150,000	929,625
Other receivables		1,026,303	1,026,303	1,134,459	1,134,459
Non-current assets		<u>377,777,068</u>	<u>376,881,673</u>	<u>365,355,882</u>	<u>364,393,076</u>
Inventories		68,461,051	68,257,446	62,191,510	62,067,403
Trade and other receivables		36,515,838	34,561,762	26,500,516	24,714,756
Prepayments		4,015,143	4,015,143	2,852,868	2,852,868
Deposit for imports		11,554,507	11,554,507	11,891,422	11,891,422
Cash and cash equivalents		<u>23,046,498</u>	<u>23,037,377</u>	<u>16,730,029</u>	<u>16,720,040</u>
Current assets		<u>143,593,037</u>	<u>141,426,235</u>	<u>120,166,345</u>	<u>118,246,489</u>
Total assets		<u>521,370,105</u>	<u>518,307,908</u>	<u>485,522,227</u>	<u>482,639,565</u>
EQUITY					
Share capital		4,037,916	4,037,916	4,037,916	4,037,916
Share premium		77,499,797	77,499,797	77,499,797	77,499,797
Share based payment reserve		245,299	245,299	170,753	170,753
Retained earnings		104,082,819	104,581,324	90,094,911	90,430,837
Equity attributable to owners of the Company	11	<u>185,865,831</u>	<u>186,364,336</u>	<u>171,803,377</u>	<u>172,139,303</u>
Non-controlling interest		110,716	-	108,887	-
Total equity		<u>185,976,547</u>	<u>186,364,336</u>	<u>171,912,264</u>	<u>172,139,303</u>
LIABILITIES					
Loans and borrowings		3,540,562	3,540,562	6,831,273	6,831,273
Employee benefits		10,927,602	10,927,602	10,964,102	10,964,102
Deferred tax liabilities		22,808,354	22,808,354	23,281,997	23,281,997
Non-current liabilities		<u>37,276,518</u>	<u>37,276,518</u>	<u>41,077,372</u>	<u>41,077,372</u>
Loans and borrowings		43,302,159	43,302,159	24,542,067	24,542,067
Current tax liabilities		18,246,383	18,165,136	10,623,647	10,547,531
Dividend payable		9,742,946	9,742,946	10,437,847	10,437,847
Trade and other payables		226,314,541	222,945,802	226,418,019	223,384,434
Provisions		<u>511,011</u>	<u>511,011</u>	<u>511,011</u>	<u>511,011</u>
Current liabilities		<u>298,117,040</u>	<u>294,667,054</u>	<u>272,532,591</u>	<u>269,422,890</u>
Total liabilities		<u>335,393,558</u>	<u>331,943,572</u>	<u>313,609,963</u>	<u>310,500,262</u>
Total equity and liabilities		<u>521,370,105</u>	<u>518,307,908</u>	<u>485,522,227</u>	<u>482,639,565</u>

Approved by the Board of Directors on 22nd April, 2022 and signed on its behalf by:



Mr. Hans Essaadi*
Managing Director/CEO



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

*Mr. Essaadi has a waiver from the Financial Reporting Council of Nigeria ("FRCN") to sign the Financial Statements while processing his FRCN[001] 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	N'000	N'000	N'000	N'000	N'000	N'000	N'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 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							
Contributions and distributions							
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

Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the Three Months Ended 31st March, 2022

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 2022	4,037,916	77,499,797	170,753	90,430,837	172,139,303
Profit 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					
Contributions and distributions					
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

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	1,477	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	-	-	(3,855)	-	(3,855)
Total contributions and distributions					
Changes in ownership interest	-	-	(3,855)	-	(3,855)
Total transactions with owners of the company					
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

Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the Three Months Ended 31st March, 2022

Condensed interim statement of cash flows

	Group 2022 N'000	Company 2022 N'000	Group 2021 N'000	Company 2021 N'000
Notes				
Profit for the period	13,613,593	13,774,343	7,659,532	7,724,781
Adjustments for:				
Depreciation	8,878,484	8,791,528	9,479,586	9,433,120
Amortization of intangible assets	385,960	385,960	370,525	370,525
Finance income	(73,514)	(73,514)	(25,436)	(25,436)
Interest expenses	1,158,044	1,181,270	1,912,895	1,934,117
Gratuity, employee benefit and share based payment charges	670,749	670,749	451,669	451,669
Loss/(Gain) on sale of property, plant and equipment	(466,028)	(466,028)	(10,459)	(10,459)
Income tax expense	7,149,093	7,143,962	3,854,438	3,848,521
Other non-cash items	-	-	231,466	150,283
	31,316,381	31,408,270	23,924,217	23,877,121
Changes in:				
Inventories	(6,269,541)	(6,190,043)	(3,558,471)	(3,519,422)
Trade and other receivables	(9,907,166)	(9,738,850)	(12,142,724)	(12,038,899)
Prepayments	(1,162,275)	(1,162,275)	(671,296))	(589,710)
Trade and other payables	(25,536,357)	(25,871,511)	13,005,464	12,841,303
Provisions	-	-	(26,989)	(26,989)
Deposit for imports	336,915	336,915	1,687,697	1,687,697
Cash generated from operating activities	(11,222,043)	(11,217,494)	22,217,898	22,231,101
Income tax paid	-	-	-	-
Gratuity paid	(175,022)	(175,022)	(67,282)	(67,282)
Other long term employee benefits paid	(457,681)	(457,681)	-	-
VAT paid*	7,946,217	7,946,217	(7,387,908)	(7,387,908)
Net cash from operating activities	(3,908,529)	(3,903,980)	14,762,707	14,775,911
Cash flows from investing activities				
Finance income	73,514	73,514	25,436	25,436
Proceeds from sale of property, plant and equipment	17,771	17,771	17,078	17,078
Investment in Subsidiary	-	-	-	-
Acquisition of property, plant and equipment	(7,429,066)	(7,428,642)	(6,661,155)	(6,651,270)
	(152,584)	(133,463)		
Acquisition of intangible assets	(11,930)	(11,930)	22,014	22,014
Net cash used in investing activities	(7,502,295)	(7,482,750)	(6,596,627)	(6,586,743)
Cash flows from financing activities				
Proceeds from loans and borrowings	19,579,840	19,579,840	(18,480,783)	(18,480,783)
Repayment of loans and borrowings	(718,535)	(718,535)	-	-
Interest paid	(714,293)	(737,519)	(1,321,446)	(1,342,668)
Payment of Lease Liability	(100,962)	(100,962)	(296,165))	(296,165))
Dividends paid	(318,757)	(318,757)	(2,745)	(2,745)
Net cash used in financing activities	17,727,293	17,704,067	(20,101,139)	(20,122,361)
Net increase/(decrease) in cash and cash equivalents	6,316,469	6,317,337	(11,935,059)	(11,933,193)
Cash and cash equivalents at 1 st January	16,730,029	16,720,040	30,369,847	30,349,614
Cash and cash equivalents at 31st March	23,046,498	23,037,377	18,434,788	18,416,421
Represented by:				
Cash balance	23,046,498	23,037,377	18,434,788	18,416,421
	23,046,498	23,037,377	18,434,788	18,416,421

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 2022 comprise the Company and its subsidiaries financial position.

The financial statements of Nigerian Breweries Plc as at and for the year ended 31st December 2021 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 2021.

b. Functional and presentation currency

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

c. Use of estimates and judgements

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

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

Notes to the condensed interim financial statements

4. SIGNIFICANT ACCOUNTING POLICIES

a. General

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

b. Income tax

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

5. SEASONALITY

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

6. ANALYSIS OF EXPENSES BY NATURE

For the Three -month period ended 31st March

	Group 2022 ₦'000	Company 2022 ₦'000	Group 2021 ₦'000	Company 2021 ₦'000
Raw materials and consumables	54,608,530	54,608,530	46,532,752	46,532,752
Advertising and sales expenses	14,038,381	14,038,381	7,150,973	7,150,973
Depreciation	8,878,484	8,791,528	9,440,301	9,436,551
Amortization	385,960	385,960	370,525	370,525
Employee benefits	13,514,060	13,514,060	12,182,218	12,182,218
Distribution	11,466,382	11,466,382	4,502,334	4,502,334
Repairs and Maintenance	3,937,817	3,937,817	3,588,432	3,588,432
Royalty and technical service fees	3,436,723	3,436,723	2,433,423	2,433,423
Others	4,640,861	4,523,976	5,433,297	5,261,855
Total cost of sales, marketing & distribution and administration expenses	114,907,198	114,703,357	91,634,255	91,459,063

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

Net finance income and expenses for the three-month period ended 31st March 2022 amounted to ₦3 billion (Three-month period ended 31st March 2021: ₦3 billion).

a. Finance income

Interest income for the three-month period ended 31st March 2022 amounted to ₦73.5 million (Three-month period ended 31st March 2021: ₦25.4 million).

Notes to the condensed interim financial statements

b. Finance expense

Interest expenses for the three-month period ended 31st March 2022 amounted to ₦1 billion (three-month ended 31st March 2021: ₦1.9 billion expenses).

Other net finance expenses for the three-months period ended 31st March 2022 amounted to ₦1.8 Million (three-months ended 31st March 2021: ₦685 Million expenses).

The interest expenses on the net pension liability for the period ended 31st March 2022 amounted to ₦296 million (three-month period ended 31st March 2021: ₦378 million).

7. INCOME TAX EXPENSES

The Company's effective tax rate in respect of continuing operations for the three-months period ended 31st March 2022 was 34 per cent (for the three-months period ended 31st March 2021: 32 per cent).

8. PROPERTY PLANT AND EQUIPMENT

Acquisitions

During the three-months period ended 31st March 2022 the Company acquired, plant and equipment with a cost of ₦7.4 billion (three-month period ended 31st March 2021: ₦6.6 billion).

Capital commitments

As at 31st March 2022, the Company's capital expenditure commitments for property, plant and equipment amounted to ₦98 billion (31st March 2021: ₦53.2billion).

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 2021.

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

	2022	2021
1 st January		
Weighted average number of shares	8,042,944,463	7,996,902,051
<hr/>		
31 st March		
Weighted average number of shares	8,042,944,463	7,996,902,051
<hr/>		

Notes to the condensed interim financial statements

11. NET CASH COVERAGE /INTEREST BEARING DEBT POSITION

	Group 31st March 2022 ₦'000	Company 31st March 2022 ₦'000	Group 31st December 2021 ₦'000	Company 31st December 2021 ₦'000
Loans and Borrowings	43,302,159	43,302,159	24,542,067	24,542,067
Cash, cash equivalents and current	(23,046,498)	(23,037,377)	(16,730,029)	(16,720,040)
(Net cash coverage position)/Interest bearing debt position	20,255,661	20,264,782	7,812,038	7,822,027

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).

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 2022 do not, in substance deviate from the transactions as reflected in the financial statements as at and for the year 31st December 2021.

	Transaction value		Balance due (to)/from	
	March-22 ₦'000	March-21 ₦'000	March-22 ₦'000	March-21 ₦'000
Purchases - other related parties	(30,919,623)	(12,835,060)	(34,709,910)	(15,884,725)
Contract brewing services with:				
- Other related parties	-	(148,982)	245,413	318,610
Technical Service fees & royalties				
- Parent	(516,182)	(347,266)	(1,339,238)	(723,776)
- Other related parties	(2,920,541)	(2,086,158)	(7,061,926)	(4,022,733)
Total Technical and Royalty	(3,436,723)	(2,433,242)	(8,401,164)	(4,746,509)
Sales and others				
- Other related parties	864,691	1,018,792	(17,688,982)	(10,122,850)

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