Nigerian Breweries Plc
RC: 613

2023

ANNUAL REPORT & ACCOUNTS

Winning with Nigeria

ENJOY RESPONSIBLY. NOT FOR SALE TO PERSONS UNDER THE AGE OF 18

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VISION	**Wow Nigerians with our great brands, passionate people and world class performance.**
MISSION STATEMENT	**To be the leading beverage company in Nigeria, marketing high quality brands to deliver superior customer satisfaction in an environmentally friendly way.**
CORE VALUES	**Respect; Passion for Quality; Enjoyment and Performance.**

Company Profile

Nigerian Breweries Plc, the pioneer and largest brewing Company in Nigeria was incorporated in 1946 as "Nigerian Brewery Limited". In June 1949, the Company recorded a landmark when the first bottle of STAR lager beer rolled out of its Lagos Brewery bottling lines.

In 1957, the Company commissioned its second brewery in Aba and the name became "Nigerian Breweries Limited". This was followed by Kaduna Brewery in 1963 and Ibadan Brewery in 1982. Following the coming into effect of the 1990 Companies and Allied Matters Act (now replaced), the name of the company was changed to "Nigerian Breweries Plc" to reflect its public limited liability status.

In 1993, the Company acquired its fifth brewery in Enugu and in 2003, a sixth brewery ("Ama Brewery"), sited at Amaeke Ngwo in Enugu State was commissioned. Operations in the old Enugu Brewery were discontinued in 2004 following the completion of Ama Brewery. An ultra-modern malting plant was acquired in Aba in 2008.

In October 2011, the Company acquired majority equity interests in two companies, Sona Systems Associates Business Management Limited ("Sona Systems"), with two breweries in Ota and Kaduna (Kudenda), and Life Breweries Company Limited ("Life Breweries") with a brewery in Onitsha. Another malting plant (located in Kudenda Brewery) was acquired as part of the Sona Systems acquisition. Sona Systems and Life Breweries were merged with the Company in the middle of 2012. At the end of 2014, an enlarged Nigerian Breweries Plc emerged from a merger with Consolidated Breweries Plc. Three breweries at Imagbon (near Ijebu Ode), Awo-Omamma (near Owerri) and Makurdi were added to the existing eight breweries as a result of the merger. The Onitsha and Makurdi locations were subsequently developed into Distribution Centres.

Thus, from a humble beginning in 1946, the Company now has nine fully operational breweries from which its high quality products are produced and distributed to all parts of Nigeria, in addition to the two malting plants in Aba and Kaduna. It also has Sales Offices and Distribution Centres across the country.

Nigerian Breweries Plc has a rich portfolio of high quality brands: Star lager beer was launched in 1949, followed by Gulder lager beer in 1970. Maltina, the nourishing malt drink, was introduced in 1976, followed by Legend Extra Stout in 1992 and another malt drink, Amstel Malta in 1994. Heineken lager beer was re-launched into the Nigerian market in 1998. Fayrouz, a premium non-alcoholic soft drink, was launched in 2006 while Climax herbal energy drink was launched in 2010.

Following the acquisition of Sona Systems and Life Breweries in 2011, Goldberg lager, Malta Gold malt drink and Life Continental lager, were added to the brand portfolio. The Company increased its portfolio of brands in 2014 with the addition of two line extensions of the Star brand - Star Lite and Star Radler. Also in 2014, as a result of the merger with Consolidated Breweries Plc, "33" Export lager beer, Williams dark ale, Turbo King dark ale, More lager beer and a malt drink, Hi Malt, became part of the Company's product offering.

The Ace brand in the Ready-to-Drink (RtD) category was launched in 2015 while Tiger lager beer, an international premium brand was added to the portfolio of brands in 2018. In 2020, the Company further expanded its rich portfolio of brands with the launch of two variants of the Maltina brand, Maltina Pineapple and Maltina Vanilla. Other brands launched in 2020 were Amstel Malta Ultra, an extension of the Amstel Malta brand, Star Radler Red Fruits, a variant of the Star Radler brand, and Desperados, another international premium beer brand with a distinctive tequila flavour. In 2022, the Company launched the Zagg brand, a malt-infused energy drink brewed to perfection and in 2023, Goldberg Black, a refreshing lager with a kick of black and two line extensions of the Fayrouz brand, Pineapple and Apple & Watermelon, were added to the portfolio.

The Company has an export business which dates back to 1986. The current export destinations are the United Kingdom, The Netherlands, United States of America, Canada, the Middle East, Asia and other African countries.

As a major brewing company, Nigerian Breweries Plc encourages, and continues to play major roles in, the establishment of ancillary businesses. These include manufacturers of bottles, cans, crown corks, labels, cartons and plastic crates as well as service providers including those in the hospitality sector, distribution, transport, event management, advertising and marketing communication.

The Company was listed on the floor of The Nigerian Stock Exchange "NSE" (now Nigerian Exchange Limited – "NGX") in 1973. As at 31st December 2023, it had a market capitalisation of approximately ₦370 billion, making it one of the largest companies in Nigeria by market capitalisation. It has received several awards in the capital market including, The NSE President's Merit Award in the Brewery Sector, The NSE Quoted Company of the Year Award, The NSE CEO's Distinguished Award for Compliance and The NSE CEO's award as the Most Compliant Listed Company on The Nigerian Stock Exchange. Nigerian Breweries Plc has also been a recipient of awards for excellence in corporate governance matters including the Institute of Chartered Secretaries and Administrators' Award for Excellence in Corporate Governance (Corporate Category) and the Institute of Directors' Nigeria's Corporate Governance Award.

Nigerian Breweries is also a recipient of awards and recognitions in other areas of its operations including product quality, marketing excellence, productivity and innovation, health and safety, public relations, corporate social responsibility and sustainability.

Headquarters
Iganmu House
Abebe Village Road, Iganmu
P.O. Box 545, Lagos
Tel: (01) 2717400-20 Ext. 1804

Brewery/Malting Plant Locations

Lagos Brewery
Abebe Village Road, Iganmu
P.O. Box 86, Apapa-Lagos
Tel: (01) 2717400 Ext. 2734

Aba Brewery
Industry Road
P.O. Box 497, Aba
Tel: (01) 2717400 Ext. 3995

Kakuri Brewery
Industrial Layout, Kakuri
P.M.B. 2116, Kaduna
Tel: (01) 2717404 Ext. 4717

Ibadan Brewery
Ibadan/Ife Road
P.O. Box 12176, Ibadan
Tel: (01) 2717400 Ext. 5718

Ama Brewery
Amaeke Ngwo. 9th Mile Corner
P.M.B. 01781, Enugu
Tel: (01) 2717400 Ext. 7136

Ota Brewery
Km 38 Lagos/Abeokuta Expressway
Sango Ota
Tel: (01) 271400 Ext.86734

Kudenda Brewery/Malting Plant
1A, Kudenda Industrial Area
Plot A4-C2, P.O. Box 6010
Kaduna South
Tel: (01) 2717400 Ext. 87719

Awo-Omamma Brewery
Km 24, Owerri/Onitsha Road
Awo-Omamma, Imo State
Tel: (01) 2717400 Ext. 83711

Ijebu – Ode Brewery
Epe Road,
Imagbon Village, Ogun State
Tel: (01) 2717400 Ext. 84711

Aba Malting Plant
Ohuru Village, Ogbor Hill Industrial
Obingwa, Aba
Tel: (01) 2717400 Ext. 6499

Sales Offices and Distribution Centres

Lagos Sales Office
Headquarters Annex
Abebe Village Road, Iganmu
P.O. Box 86, Apapa, Lagos
Tel: (01) 2717400 Ext. 2816

Abuja Sales Office
Plot 413, Idu Industrial Layout
Abuja, FCT
Tel: (01) 271400 Ext. 6201

Enugu Sales Office
Old Enugu Brewery
9th Mile Corner
Nsude, Enugu
Tel : (01) 2717400 Ext. 6319

Ibadan Sales Office
KM 3, Ibadan-Ife Road
P.O. Box 813, Ibadan
Tel: (01) 2717400 Ext. 5801

Kaduna Sales Office
Industrial Layout, Kakuri
Kaduna
Tel: (01) 2717400 Ext. 4801

Aba Sales Office
Industry Road
P.O. Box 496, Aba
Tel: (01) 2717400 Ext. 3801

Benin Sales Office
1 Jalo Close, GRA
Benin City
Tel: (01) 2717400 Ext. 6504

Port Harcourt Sales Office
Plot 130, Woji Road
G.R.A Phase 2
Port Harcourt

Makurdi Distribution Centre
Km 5, Gboko Road
Makurdi, Benue State

Onitsha Distribution Centre
87/89 Port Harcourt Road
P.O. Box 5417, Onitsha
Tel: (01) 2717400 Ext. 88732

Directors *(showing changes in the Board since after the last Annual General Meeting)*:

i.	Mr. Sijbe "Siep" **Hiemstra** (Dutch)	-	Chairman *(Interim)*
ii.	Mr. Hans **Essaadi** (Dutch)	-	Managing Director/CEO
iii.	Mrs. Juliet **Anammah**	-	Independent Non-Executive
iv.	Mrs. Adeyinka O. **Aroyewun**	-	Independent Non-Executive
v.	Mrs. Ifueko M. Omoigui **Okauru**, *MFR*	-	Non-Executive
vi.	Mr. Roland **Pirmez** (Belgian)	-	Non-Executive
vii.	Mr. Ibrahim A. **Puri**	-	Non-Executive
viii.	Mr. Bernardus A. **Wessels Boer** (Dutch)	-	Finance Director
ix.	Mrs. Stella O. **Ojekwe-Onyejeli** *(appointed effective 1/1/2024)*	-	Independent Non-Executive
x.	Mr. Jaap A.A. **Overmars** (Dutch) *(appointed effective 25/10/2023)*	-	Non-Executive
xi.	Chief Kolawole **B. Jamodu**, *CFR (retired on 30/04/2023)*	-	Non-Executive
xii	Mrs. Yeliz **Yedikardesler** (Turkish) *(resigned on 06/10/2023)*	-	Non-Executive
xiii.	Mr. Asue **Ighodalo** *(resigned on 31/12/2023)*	-	Non-Executive
xiv.	Mrs. Ndidi O. **Nwuneli**, *MFR (tenure expired on 31/12/2023)*	-	Independent Non-Executive

Company Secretary: Uaboi G. Agbebaku, *Esq.*

Registered Office:
1, Abebe Village Road
Iganmu
P. O. Box 545, Lagos
Tel: (01) 2717400-20
www.nbplc.com

Registration No: RC: 613

Independent Auditor:
Deloitte & Touche
Civic Towers
Ozumba Mbadiwe Avenue
Victoria Island
Lagos
Tel: (01) 9041700
www.deloitte.com.ng

Registrars:
First Registrars and Investor Services Limited
Plot 2, Abebe Village Road
Iganmu
P.M.B. 12692
Marina, Lagos
Tel (01) 2701079; 2799880
www.firstregistrarsnigeria.com

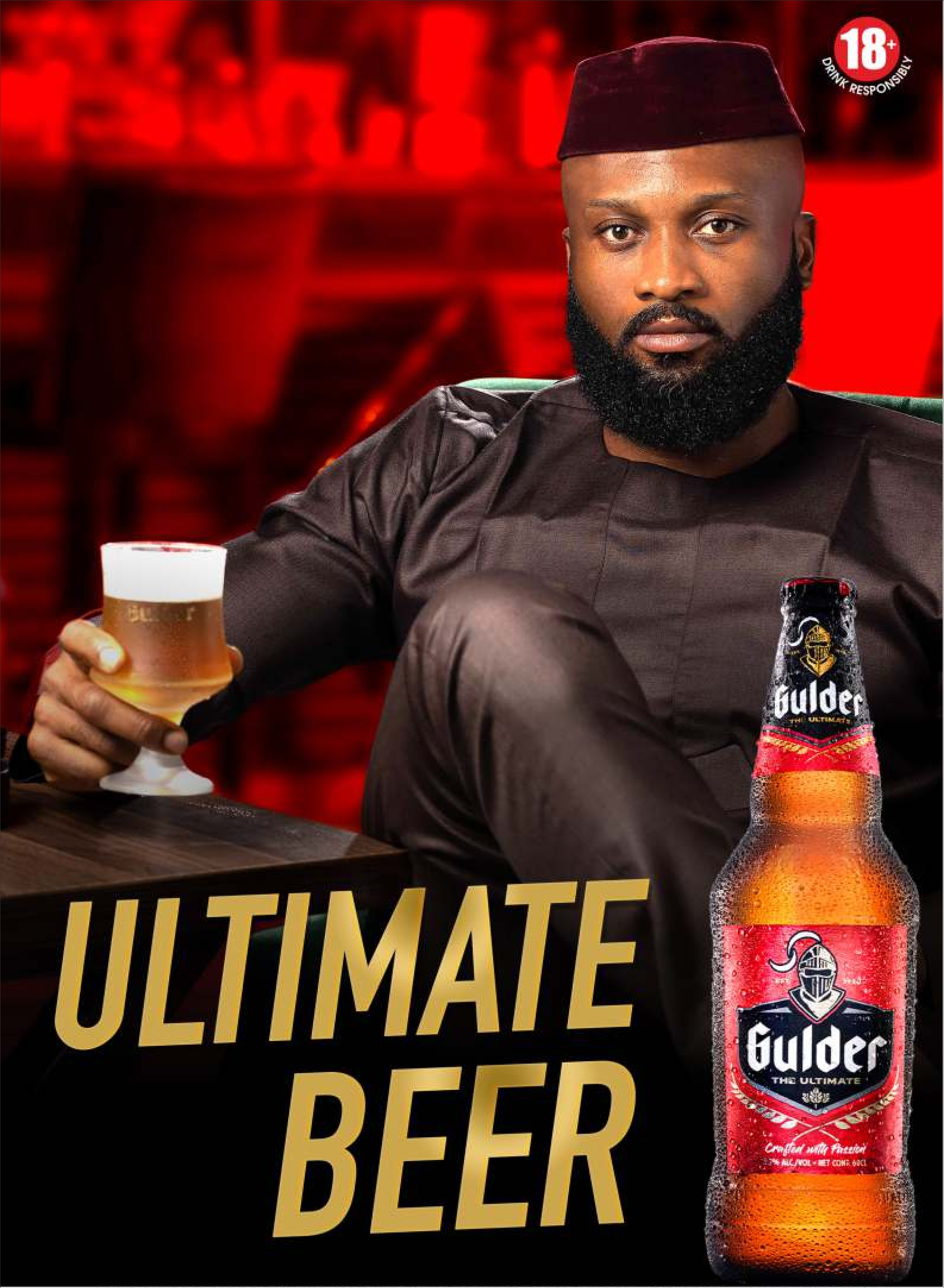
Company Results at a Glance

	2023	2022	% Change
In millions of Naira			
Net Revenue	599,509	550,478	8.9
Results from operating activities	44,499	52,555	(15.3)
(Loss)/Profit for the year	(105,769)	13,925	(859.6)
Declared dividend*	10,584	12,979	(18.5)
Share capital	5,138	5,138	0.0
Total equity	65,169	180,879	(64.0)
Data per 50 kobo share in Kobo			
Earnings	(1,275)	168	(858.9)
Declared dividend*	103	160	(35.6)
Net Assets	793	2,180	(63.6)
Dividend per 50 kobo share in respect of current year results only (in kobo)			
Interim dividend declared**	-	40	(100.0)
Final dividend proposed**	-	103	(100.0)
Stock Exchange Information			
Stock Exchange quotation in Naira per share	36	41	(12.2)
Number of shares listed	10,276,132	8,220,906	25.0
Market capitalisation in ₦: million	369,941	337,057	9.8
Number of employees	2,305	2,685	(14.2)
Ratios			
Declared dividend coverage			
(Earnings per share / declared dividends per share)	(12.38)	1.05	(1279.0)
Current assets/current liabilities	0.38	0.39	(2.6)
Interest coverage Interest coverage (Results from operating activities/interest expense)	1.22	6.21	(80.3)

NOTES:

* Declared dividend represents the final dividend per share proposed for the preceding year (which was 103 kobo) but declared in the current year.

**No interim dividend was declared in the 2023 financial year and no final dividend is proposed.



ENJOY RESPONSIBLY. NOT FOR SALE TO PERSONS UNDER THE AGE OF 18.

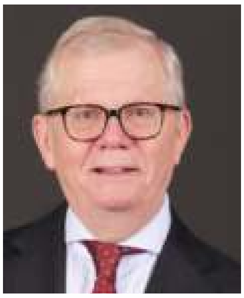
Board of Directors

Back Row:* (L-R): Uaboi G. Agbebaku, *Esq*.** (Company Secretary); **Mrs. Ifueko M. Omoigui Okauru**, ***MFR (Non-Executive); **Mr. Roland Pirmez** (Non-Executive); **Mrs. Adeyinka O. Aroyewun** (Independent Non-Executive); **Mr. Ibrahim A. Puri** (Non-Executive) and **Mr. Bernardus A. Wessels Boer** (Finance Director).

***Front Row:* (L-R): Mr. Jaap A.A. Overmars** (Non-Executive); **Mrs. Juliet Anammah** (Independent Non-Executive); **Mr. Sijbe "Siep" Hiemstra** (Interim Chairman); **Mr. Hans Essaadi** (Managing Director/CEO) and **Mrs. Stella O. Ojekwe-Onyejeli** (Independent Non-Executive).

Board of Directors' Profile

Mr. Sijbe "Siep" HIEMSTRA
Non-Executive Chairman *(Interim)*

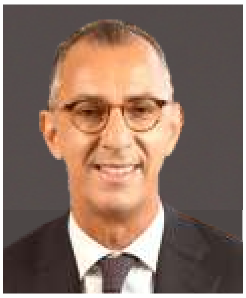


Mr. Hiemstra joined the Board of Directors effective the 1st of August 2011.

He served as the Heineken N.V. Regional President for Africa and Middle East between August 2011 and August 2015. He had also occupied the position of Regional President for the Asia Pacific Region of Heineken N.V. between 2005 and 2011. Mr. Hiemstra started his Heineken career in January 1978 and held commercial, general management and technical positions in different parts of Europe, Africa and Asia/Pacific. He retired as an Executive from the Heineken N.V. Group on 17th August 2015 but has remained with the group in other capacities.

Mr. Hiemstra served in the Board's Governance Committee during the year under review.

Mr. Hans ESSAADI
Managing Director/CEO



Mr. Hans Essaadi was appointed the Managing Director/CEO and a member of the Board of Directors effective the 31st of July 2021.

Mr. Essaadi joined the Heineken N.V. Group in 1991 as a Sales Representative. He subsequently took up increasingly senior roles within the group in Sales, Export and Marketing. He commenced his international career with Heineken Puerto Rico as the Country Manager, and thereafter became the General Manager, Brau Union International (the Heineken OpCo in Austria) before becoming the General Manager, Sirocco (the Heineken Joint Venture with the Emirates in Dubai). After his stint at Sirocco, he was appointed Managing Director, HEINEKEN Malaysia Berhad, a listed Company in Malaysia.

Prior to his current position in the Company, Mr. Essaadi was the Managing Director of Al Ahram Beverages, the HEINEKEN operating company in Egypt.

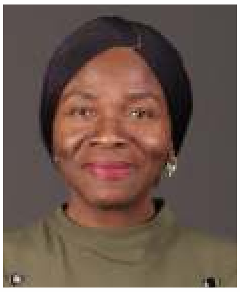
Mrs. Juliet ANAMMAH
Independent Non-Executive Director

Mrs. Juliet Anammah became a member of the Board of Directors effective 1st January 2022.

Mrs. Anammah has over 30 years of professional experience covering Consulting, Consumer Goods, Sales, Marketing, E- Commerce and Sustainability. She is the immediate past Chair Nigeria and Chief Group Sustainability Officer, Jumia, having previously held the role of Chief Executive Officer with Jumia. She had also served as the Managing Director, Accenture LLC in charge of the firm's Consumer Goods Practice, Retail and Transportation practice in West Africa. She serves on the boards of local and international organisations, including Flour Mills of Nigeria Plc.

She served in the Board's Governance Committee during the year under review.

Mrs. Adeyinka O. AROYEWUN
Independent Non-Executive Director



Mrs. Aroyewun joined the Board of Directors effective the 1st of January 2019.

Mrs. Aroyewun is a lawyer with over 35 years legal experience spanning various aspects of business and law. She is an internationally accredited mediator of the Centre for Effective Dispute Resolution (CEDR), UK; a member of the Chartered Institute of Arbitrators, UK; and an IMI Certified Mediator. She is the immediate past Director of the Lagos Multi-Door Courthouse. She is an experienced trainer in Alternative Dispute Resolution (ADR) techniques and was part of a team of certified trainers on the World Bank project for the expansion of ADR mechanisms and institutions in Nigeria.

Mrs. Aroyewun is a Fellow of the Institute of Management Consultants. She was a British Council-appointed consultant and mediation skills trainer, coach, assessor and mentor for a mediation skills training programme, and also consulted for the Justice for All Programme of the British Council on improving the efficiency and respect for human rights in traditional justice systems in Lagos State.

Mrs. Aroyewun sits on the Governing Council of the University of Lagos; Negotiation and Conflict Management Group College of Negotiation; the Edo State Multi-Door Courthouse; and the Oyo State Multi-Door Courthouse. She is on the panel of Neutrals of the Nigerian Communications Commission.

She served as a member of the Board's Risk Management and Ethics Committee during the year under review.

Mrs. Ifueko M. Omoigui OKAURU, *MFR*
Non-Executive Director

Mrs. Omoigui Okauru was appointed to the Board of Directors effective the 20th of February 2013.

Mrs. Omoigui Okauru has over three decades of work experience with proven leadership ability at board and executive management levels in both private and public sectors. She was the Executive Chairman of the Federal Inland Revenue Service (FIRS) which she led meritoriously for two consecutive terms. Mrs. Omoigui Okauru also served as member of the National Economic Management Team headed by the President of the Federal Republic of Nigeria. She is currently the Managing Partner of Compliance Professionals Plc, a consultancy company and also sits on the Boards of ReStraL Ltd, MTN Nigeria Communications Plc and PZ Cussons Nigeria Plc, which she chairs.

Mrs. Omoigui Okauru is a Commissioner of a non-partisan body, the Independent Commission for the Reform of International Corporate Taxation (ICRICT). She is also the immediate past Chairperson of the Board of Trustees of the Lagos State Employment Trust Fund. She served as a Member of the Technical Committee (representing the private sector) set up by the Federal Government of Nigeria to work on the details and implementation of the new Minimum Wage for Nigerian workers.

She is a member of the Board's Risk Management and Ethics Committee and a member of the Company's Statutory Audit Committee.

Mrs. Stella O. OJEKWE-ONYEJELI
Independent Non-Executive Director

Mrs. Ojekwe-Onyejeli was appointed as an Independent Non-Executive Director effective 1st January 2024. She has more than thirty years of experience in Enterprise Risk Management, Business Planning, Internal Audit, Analytical Skills, and Banking.

Mrs. Ojekwe-Onyejeli also serves as an Independent Non-Executive Director at Rand Merchant Bank, Saroafrica International Limited, First Pension Custodian Nigeria Limited, and Coronation Insurance Plc. She was formerly an Executive Director and Chief Operating Officer at the Nigeria Sovereign Investment Authority, and Director and Head of Operational Risk and Control at Barclays Bank.

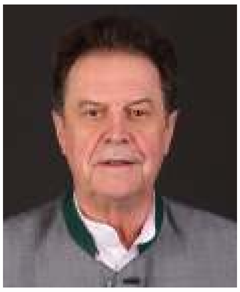
Mr. Jaap A.A. OVERMARS
Non-Executive Director

Mr. Overmars joined the Board as a Non-Executive Director effective 25th October 2023.

Mr. Overmars has over 21 years of accounting and reporting, commercial business control and finance operations management experience in the Fast-Moving Consumer Goods (FMCG) industry. He is the Senior Director (Africa/Middle East/ Eastern Europe region) of Heineken N.V. and is responsible for leading the finance strategies in the Region through delivering sustainable growth and value creation.

Prior to this role, he was the Senior Director Finance at HEINEKEN Mexico.

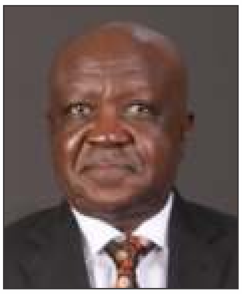
Mr. Roland PIRMEZ
Non-Executive Director



Mr. Pirmez joined the Board of Directors effective the 1st of September 2015 shortly after becoming the Heineken Regional President for Africa, Middle East and Eastern Europe. He started his Heineken career in 1995 and has held general management positions within the Heineken N.V. Group in Africa, Asia and Europe, including the position of the Regional President for Asia Pacific.

He is the Chairman of the Board's Risk Management and Ethics Committee.

Mr. Ibrahim A. PURI
Non-Executive Director

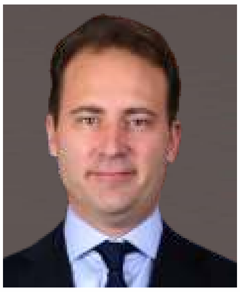


Mr. Puri was appointed as a Non-Executive Director and member of the Nigerian Breweries Plc Board effective August 1, 2022. Mr. Puri has over 30 years of cognate banking experience encompassing operations, marketing, retail, corporate banking, and human resource management.

Until July 2022, He was an Executive Director with United Bank for Africa Plc, responsible for the bank's operations in Northern Nigeria and prior to this, He managed Universal Trust Bank's business in Northern Nigeria for more than a decade.

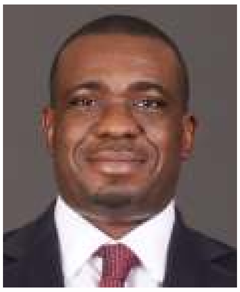
Mr. Puri served as a member of the Board's Risk Management and Ethics Committee during the year under review.

Mr. Bernardus A. WESSELS BOER
Finance Director



Mr. Wessels Boer was appointed the Finance Director and a member of the Board of Directors effective the 1st of September 2022. Prior to his appointment to the Board, he was the Finance Director of Al-Ahram Beverages, the HEINEKEN operating company in Egypt. He joined the HEINEKEN N.V. Group in 2004 and thereafter held senior management positions within the Group in finance, control, and accounting across operating companies in Europe and the Americas.

Uaboi G. AGBEBAKU, *Esq.*
Company Secretary



Mr. Agbebaku was appointed as Secretary to the Board of Directors and the Legal Adviser effective the 1st of January 2008. He joined the Company in January 2003 as the Legal Affairs Manager. Before then, he was in private practice with the law firm of David Garrick & Co.

He is a Fellow of the Institute of Chartered Secretaries & Administrators of Nigeria.

Mr. Agbebaku is also the Company's Legal Director.

Executive Committee

(L-R): Mr. Ayodele Lawal (Sales Director); **Mrs. Grace Omo-Lamai (**Human Resource Director); **Mr. Federico Agressi** (Supply Chain Director); **Mrs. Philomena Aneke** (Digital and Technology Director); **Mr. Hans Essaadi** (Managing Director/CEO); **Mrs. Sade Morgan** (Corporate Affairs Director); **Mr. Emmanuel O. Oriakhi** (Marketing Director); **Uaboi G. Agbebaku, *Esq.*** (Company Secretary/Legal Director)**;** **Mr. Bernardus A. Wessels Boer** (Finance Director).


"33" EXPORT
BIER BIERE
BIRRA BEER
INTERNATIONAL QUALITY LAGER BEER
PREMIUM LAGER BEER
TASTE THAT UNITES

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 78th Annual General Meeting of Nigerian Breweries Plc (the "**Company**") will be held in the **Shell Nigeria Hall, Muson Centre, 8/9 Marina, Onikan, Lagos State** on **Friday, 26th April 2024** at **10:00 a.m.** for the following purposes:

A. ORDINARY BUSINESS

1. To lay before the Meeting, the Financial Statements for the year ended 31st December 2023 and the Reports of the Directors, the Independent Auditor, and the Audit Committee thereon.

2. To elect/re-elect Directors:
   a) To elect the following two Directors who were appointed since the last Annual General Meeting:
      i. Mr. Jaap A.A. Overmars; and
      ii. Mrs. Stella O. Ojekwe-Onyejeli.
   b) To re-elect the following two Directors retiring by rotation:
      i. Mrs. Ifueko M. Omoigui Okauru; and
      ii. Mr. Roland Pirmez.

3. To authorise the Directors to fix the remuneration of the Independent Auditor.

4. To elect members of the Audit Committee.

5. To disclose the remuneration of the Managers of the Company.

B. SPECIAL BUSINESS

To consider and if thought fit, pass the following as ordinary resolutions of the Company:

6. "That the remuneration of the Directors for the year ending 31st December 2024 be and is hereby fixed at ₦152 million."

7. "That the general mandate given to the Company to enter into recurrent transactions with related parties for the Company's day-to-day operations, including amongst others the procurement of goods and services, on normal commercial terms be and is hereby renewed."

8. "That subject to obtaining the approval of the relevant regulatory authorities, the Directors of the Company be and are hereby authorised to raise capital of up to ₦600 billion (six hundred billion naira) by way of Rights Issue, through the issuance of ordinary shares, on such other terms and conditions and at such time, as the Directors may deem fit or determine."

9. "That shares not taken up by existing shareholders within the period stipulated under the Rights Issue may be offered to shareholders of the Company that have indicated interest in purchasing additional shares not taken up by the shareholders entitled to do so in the Rights Issue, on such terms and conditions as may be determined by the Directors, subject to complying with relevant regulatory requirements."

10. "That the share capital of the Company be increased by the exact number of ordinary shares which would be required upon determination of the terms of the Rights Issue and the Directors are hereby authorised to pass resolutions for such increase, as well as to allot the new ordinary shares upon completion of the Rights Issue."

To consider and if thought fit, pass the following as special resolutions of the Company:

11. "That the Directors of the Company be and are hereby authorised to apply any outstanding shareholder loan, trade payable or any other loan facility due to any person from the Company as may be agreed by the person and the Company, towards payment for any shares subscribed for by such person under the Rights Issue."

12. "That after the increase of the Company's share capital and allotment of the new ordinary shares in accordance with the resolutions above, the Memorandum of Association of the Company be amended as necessary to reflect the Company's new issued share capital."

To consider and if thought fit, pass the following as an ordinary resolution of the Company:

13. "That the Directors of the Company be and are hereby authorised to do all acts and things and to approve, sign and/or execute all documents, perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions; and that all actions previously taken by the Directors in that regard be and are hereby ratified."

Dated the 2nd day of April 2024.

By Order of the Board.

Uaboi G. Agbebaku, *Esq.*
Company Secretary & Legal Director
FRC/2013/PRO/NBA/002/00000001003

Iganmu House
Abebe Village Road
Iganmu, Lagos

NOTES:

(a) PROXIES

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend instead of him/her/it. A proxy for a Corporation may vote on a show of hands and on a Poll. A proxy need not be a member. A blank Proxy Form is attached to the Annual Report and Accounts. To be valid for the Annual General Meeting ("AGM"), a duly completed Proxy Form must be completed and received in the office of the Registrar, First Registrars and Investor Services Limited, No 2, Abebe Village Road, Iganmu, Lagos State or sent by e-mail to info@firstregistrarsnigeria.com or ebusiness@firstregistrarsnigeria.com not later than forty eight hours before the time of the meeting.

(b) ELECTION/RE-ELECTION OF DIRECTORS

The profile of all Directors including the Directors being proposed for election/re-election is contained in the Annual Report & Accounts.

(c) AUDIT COMMITTEE MEMBERS

In accordance with Section 404(6) of CAMA 2020, a Shareholder may nominate another Shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary, not later than twenty-one (21) days before the date of the AGM, any nomination not received prior to the meeting as stipulated is invalid.

(d) GENERAL MANDATE

In line with The Nigerian Exchange Limited ("NGX") Rules on Transactions with Related Parties, the Company is required to seek a renewal of the general mandate from Shareholders being item 7 on the agenda. Members had given the general mandate to the Company at prior AGMs to enable it to enter into related party transactions required for the Company's day-to-day operations.

(e) RIGHTS ISSUE

The Board has recommended the raising of capital by way of rights issue to enable the Company utilise the capital raised in paying off the Company's foreign denominated payables which have been exacerbated by the devaluation of the naira, as well as reducing the huge local debt burden on the Company. The huge debt burden, both foreign and local, continues to have negative impact on the Company's profitability and the Board strongly believes that drastically reducing the debt burden through the capital that will be raised via the rights issue will enable the Company return to the path of net profitability as soon as possible.

(f) CLOSURE OF REGISTER

The Register of Members and Transfer Books of the Company will be closed from Monday, 8th April 2024, to Friday, 12th April 2024 (both dates inclusive), for the purpose of preparing an up-to-date Register of Members.

(g) SHAREHOLDER'S RIGHT TO ASK QUESTIONS

A Shareholder has the right to ask questions prior to the AGM. Such questions should be submitted in writing to the Company Secretary not less than a week before the date of the AGM via the email address: mynbshares@heineken.com.

(h) ELECTRONIC VERSION OF THE ANNUAL REPORT AND ACCOUNTS

An electronic version (e-copy) of the 2023 Annual Report and Accounts is available online for viewing and download via the Company's website, www.nbplc.com/investor-relations/ or that of the Registrar, www.firstregistrarsnigera.com. A link to the e-copy of the document will also be sent to the registered email addresses/phone numbers of shareholders who have updated their records accordingly. Additionally, a shareholder can request for the e-copy via the email address: mynbshares@heineken.com.

(i) UNCLAIMED DIVIDEND

Some dividends have remained unclaimed. The affected Shareholders are advised to contact the Registrar, First Registrars and Investor Services Limited, No 2, Abebe Village Road, Iganmu, Lagos State or via the e-mail address, info@firstregistrarsnigeria.com or ebusiness@firstregistrarsnigeria.com to resolve any issue they may have with claiming the dividends.

(j) NO VOTING BY RELATED PARTIES

In line with the NGX Rules on Related Party Transactions, Heineken NV, the related party and ultimate majority shareholder of the Company, has undertaken to ensure that its proxies, representatives or associates shall abstain from voting at the AGM on the proposed resolutions for items 7 and 11 on the agenda.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GOLDBERG
PREMIUM LAGER BEER
BREWED FOR QUALITY ENJOYMENT
GOLDBERG
PREMIUM LAGER BEER
18+
ALC. 5.0% VOL.
GOLDBERG
NO SUGAR
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Chairman's Address

My dear Shareholders, distinguished ladies, and gentlemen, on behalf of the Board of Directors ("the Board"), it is my honour to warmly welcome you to the 78th Annual General Meeting ("AGM") of our great Company, Nigerian Breweries Plc ("NB") holding on 26th April 2024, and to present to you, my address and the 2023 Annual Report and Accounts.

Kindly permit me to start with a review of the 2023 operating environment, with its impact on our business during the year. I will thereafter briefly address our expectations for the current year, 2024.

2023 Business/Operating Environment

The global economy gravitated towards a gradual recovery from the cumulative biting effects of the Covid-19 pandemic, the 2022 Russian invasion of Ukraine and the cost-of-living crisis. While there was a deceleration of global inflation, economic growth generally remained quite slow and uneven.

In Nigeria however, it was a year of unprecedented challenges and uncertainties, one of the most turbulent in recent years. The year started with disruptions in economic activities and widespread hardship caused by the currency (Naira) redesign policy of the Central Bank of Nigeria ("CBN"). This led to a nationwide liquidity crisis with severe impact on social, economic, and productive activities and a contraction of many critical sectors of the economy, with the near collapse of the large informal sector that relies on cash transactions. This was coupled with the tension and uncertainties that pervaded the nation in the run up to the general elections of February 2023, again with impact on socio-economic activities.

In a bid to address some of the perennial macroeconomic volatilities in the country, the new administration that came in at the end of May 2023 introduced structural economic reforms via fiscal and monetary policies which included the removal of the subsidy on premium motor spirit (petrol) and the floating of the Naira to allow market forces determine the foreign exchange (Fx) rate. The subsidy removal resulted in about 300% increase in the pump price of the product with huge impact on the costs of transportation, energy, and other utilities as well as drastic reduction in the purchasing power of the citizenry. The floating of the Naira led to a massive devaluation of the currency by more than 200% in one year, with businesses struggling to access Fx for imports payment, huge spike in import costs and revaluation of Fx payables to overseas partners, the latter culminating in huge foreign exchange losses for many businesses.

There was a relative increase in local oil production output while the trade balance also doubled during the period. These were however not enough to cushion the impact of other macroeconomic indices that got worse in the year including the headline inflation rate that rose from 21.82% in January to 28.92% at the end of the year, with food inflation equally rising from 24.32% to 33.93% in that period. Cases of banditry, kidnapping, farmer-herder clashes, and other forms of insecurity remained unabated and were constraints to socio-economic activities across most parts of the country.

Despite the struggles in the real sectors of the economy, the equities market somehow recorded positive returns in the period. The market capitalisation of equities listed on the Nigerian Exchange Limited ("NGX"), grew from ₦28 trillion in 2022, to ₦41 trillion 2023. Our Company's market capitalisation equally increased from ₦337 billion in 2022 to ₦370 billion in 2023, thereby consolidating its position as one of the most capitalised companies on the NGX.

The Brewed Product Market in 2023
In addition to the aforementioned difficult economic issues of 2023, the brewed product market was initially confronted with a massive increase in excise duty rates and introduction of other taxes on alcoholic beverages and single use plastics. Following appeals and representations by the industry, the new Government suspended the implementation of the new rates and taxes.

Nevertheless, the brewed product market was severely impacted by the economic realities of 2023 which included huge input and operating costs and consumers' weak purchasing power. The market suffered a volume decline and the erosion of profitability leading to an unprecedented combined pre-tax loss of ₦266 billion amongst the main players. The revaluation of outstanding foreign debts and payables to overseas partners due to the devaluation of the naira was the main reason for the huge loss recorded.

In the tumultuous year that was 2023, we remained focused on our strategic initiatives of driving cost efficiency, market leadership through the rich portfolio of our strong brands, and agility in all areas of our operations.

Review of 2023 operations
Our journey to being the best-connected brewer continued unabated in the year thereby providing the required digital support and data driven insight to strengthen our route to consumer grip. This enables us to constantly engage with our customers through various platforms thereby meeting their needs and expectations in the most agile and proactive way. We continued the digitisation of our processes and other aspects of our operation for speed, efficiency, and sustainability.

Our consumer facing activities were sustained in 2023. In the malt, energy, soft drinks, and Ready-to-Drink (RTD) categories ***Zagg***, our malt-based energy drink continued the path of growth by becoming one of the top five brands in the broader energy drinks category. It also became the official energy drink for the country's male football team, the Super Eagles. ***Fayrouz*** was relaunched with an enchanting new packaging, with two new flavours, *Pineapple* and *Apple-Watermelon*. ***Maltina,*** the Nation's No 1 malt drink, ignited moments of happiness and kindness through community outreaches and remained the choice brand during the celebrations of Ramadan Iftar, Easter, Eid Durbar and Christmas. ***Amstel* Malta** remained a driver of high-quality consumer experiences and partnerships through relevant sponsorships in the entertainment industry including the 2023 *African Movie Viewers' Choice Awards*. We relaunched ***Hi-malt,*** another one of our high-quality malt drinks, to give our consumers a variety of great options in the malt category.

We drove the visibility of, and connection with, our premium lager brands by leveraging music, fashion, football, and food. ***Heineken®*** lager collaborated with Afrozones to host the first ever Nigerian leg of a series of pre-Grammy parties in honour of Nigerian rapper, Tobe Nwigwe, a Grammy Award nominee. The 2023 *Heineken® Lagos Fashion Week* coincided with the 150th year anniversary of HEINEKEN. The fashion week unleashed boundless potentials of creativity. The partnership with a local fashion outfit led to the creation of special edition custom print designs and merchandise with the theme ***'Style for the Chairman'***. Other activations by ***Heineken®*** *lager* included the 2022/2023 *UEFA Champions League* season at selected premium viewing centres and the watch party of the iconic ***Monaco GP Formula 1*** in Lagos. ***Tiger*** lager connected with its consumers through the *Tiger Street Food events* and the T*iger Uncaged Experience* that gave lucky consumers the opportunity to visit Singapore. For consumers of ***Legend Extra Stout,*** it was a year-long exciting taste and tell experience. The brand was also the headline sponsor of the *Felabration Week* alongside comedy shows and music concerts.

Our relentless support of indigenous art, culture and heritage was displayed through the sponsorship of the 2023 *Ojude Oba* and *Osun Osogbo* festivals by **Goldberg *Lager***. Innovation has been a hallmark of NB's success story in the more than seventy-seven years of our business. We brought another revolution to the alcohol beverage market, with the launch of ***Goldberg Black***, a dark lager with a unique caramel flavour. ***Life Continental*** lager provided unique opportunities for engaging directly with consumers and building brand loyalty by leveraging our strong national and regional assets through strategic sponsorships such as the *Hi Life Fest 2023* and the first feature-length film on the Igbo apprenticeship system *"Afamefuna".* We also relaunched ***More*** lager beer with a new enticing look and budding taste.

In the flavoured beer segment, ***Desperados*** offered unique and engaging experiences that tapped into new consumer interests and passions. It gave consumers a thrill of a lifetime with various activations and campaigns such as the *#MadeTobeDifferent, Rave Warri summer slam, Rave Independence Fest, Dance Club*.

Dear Shareholders, our people are the backbone of our Company's success over the years, and they have consistently demonstrated their strong and uncommon commitment to our business. Despite the rising *"Japa"* syndrome, we have been able to retain the bulk of our talents and keep everyone motivated. We remained focused on the development of skills, and other associated competencies through functional training of our workforce not only to stay resilient in a challenging environment as we have faced and are still facing, but also to foster a conducive, safe, and caring work culture/environment. We ensure that we leave room for feedback through our annual climate survey and the Speak Up programme thereby creating a culture of open and transparent communication. The 2023 climate survey results showed that we were the best in class across the HEINEKEN world. As a responsible and empathetic business, we took actions to alleviate the economic hardship on our employees during the year including financial palliatives and driving our work from home programme. We again took advantage of the HEINEKEN global exchange programme to expose and develop our local talents through international assignments in various Heineken operating companies across the globe. In the year under review, we had twenty (20) Nigerians on long-term assignment and eleven (11) on short-term assignments across the Heineken operating companies worldwide. The number of Nigerians on the exchange programme represents more than four times the number of expatriates in NB.

The Ama Brewery expansion project is now in the completion stage, helping us to increase the production capacity in that location. The expansion of Kudenda Brewery in Kaduna commenced during the year under reviewing, underlying our commitment to continuously upgrade our facilities as well as investing ahead of the curve. Sustainability remains at the heart of our business as we continue to raise the bar on our Brew a Better World (BaBW) agenda with all our nine Breweries now fully equipped with modern and functional waste-water treatment plants.

As part of the roll-out plan to achieve HEINEKEN's net-zero ambition, we signed a fifteen (15) year Solar Power Purchase Agreement with Daystar Power Energy Solutions, an integrated energy development company for the supply of renewable, affordable, and reliable energy to our Lagos Brewery and the Corporate Head Office. We also commenced work on the expansion of the Ibadan Brewery solar project which would lead to an increase in the supply of renewable energy from the present 4% to 20%. On our Olokemeji Reforestation Project, 237,289 trees have so far been planted, more than 10% ahead of the target with another 60,000 trees to be added in 2024. We continued to invest in our communities with the expansion of the annual Nigeria Breweries Plc/ITF Skills Empowerment Programme to 24 states of the federation and the Federal Capital Territory (FCT) in 2023, while investing ₦100 million in the empowerment of 1,000 youths and vulnerable women during the year.

Please see pages 48 to 49 of the Annual Report and Accounts for our full Corporate Social Responsibility and Sustainability Report.

We continue to strive for excellence and high quality in all areas of our operations. In recognition of these, our Company received various awards and commendations in 2023. The Nigeria Employers Consultative Association (NECA) adjudged us the *"Best Company in the Sectoral Awards for Alcoholic Beverages"* for our best-in-class practices in Corporate Performance, People Management, and Industrial Relations. We received the *Excellent Industrial Relations Award* from the Food, Beverages, & Tobacco Senior Staff Association (FOBTOB) while Ama Brewery received the Enugu Chapter of the Nigerian Institution of Safety Engineers' *Award of Safety Compliance.* An *Award of Excellence* was presented to us by the Kaduna Zonal office of the Standards Organisation of Nigeria (SON). For the unrelenting service to communities, the Kaduna Council of the Nigeria Union of Journalists honoured the Company for its annual skill acquisition and human empowerment programme.

The brands were not left out of the awards and recognitions. At the *Nigerian Marketing Awards*, **Maltina** won the award as the most outstanding malt brand in consumer engagement, **Zagg** was crowned the most innovative energy drink brand, **Life Continental Lager Beer** was recognised as the Best Alcoholic Brand of the Year, while **Nigeria Breweries Plc** was named the Marketing Company of The Year. ***Maltina***'s "Show Kindness, Share Happiness" campaign won the experiential marketing category at the *Advertisers' Association of Nigerian* (AAN) African Awards. **Amstel Malta** was recognised as the "Most Outstanding Malt Brand Supporting Women" at the *Women in Marketing and Communication* Conference/Award while at the *Brand Journalist Awards*, **Fayrouz** was voted the "Soft Drink of the Year".

2023 Company Performance

As earlier informed, the total market recorded volume decline in the year.

We were nevertheless able to deliver organic net revenue growth by a high-single-digit of 9% while maintaining our leadership position in the market due to a strong performance by the premium brands, led by ***Heineken®,*** efficiency measures and price adjustments. However, the margins contracted significantly as input price costs, mainly caused by inflation, commodity price and FX devaluation persistently rose faster than the price adjustments.

Our revenue grew from ₦551 billion in 2022 to ₦600 billion in 2023 while the operating profit declined by 15% from ₦53 billion in 2022 to ₦45 billion in 2023 due to higher input cost and one-off reorganisation cost, despite the strong and aggressive cost savings and other efficiency measures. However, the Company recorded a net loss of ₦106 billion during the year primarily due to the impact of the devaluation of the Naira which resulted in a Fx loss of ₦153 billion, and higher interest costs on loans and borrowings for capacity expansion.

Board of Directors

There have been changes in the composition of the Board since the last AGM. **Chief Kolawole B. Jamodu, *CFR***, retired from the Board after seventeen years of meritorious service. **Mr. Asue Ighodalo** replaced Chief Jamodu as the Non-Executive Chairman of the Board effective the 1st of May 2023 and subsequently resigned from the Board on 31st December 2023, to enable him offer himself for public service. The resignation of Mr. Ighodalo culminated in my appointment as the interim Chairman of the Board effective the 1st of January 2024 to steer the affairs of the Board pending the appointment of a substantive Chairman. **Mrs. Yeliz Yedikardesler** resigned from the Board as a Non-Executive Director on the 6th of October 2023 following her departure from the HEINEKEN Group while **Mrs. Ndidi O. Nwuneli, *MFR*** stepped down from the Board on 31st December 2023 after completing her nine-year tenure as an Independent Non-Executive Director. On your behalf, the Board appreciated Chief Jamodu, Mr. Ighodalo, Mrs. Yedikardesler and Mrs. Nwuneli for their immense contributions to the growth and success of the Board and Company during their respective tenures.

Mr. Jaap A.A. Overmars was appointed as a Non-Executive Director effective the 25th of October 2023 while **Mrs. Stella O. Ojekwe-Onyejeli** was appointed as an Independent Non-Executive Director effective the 1st of January 2024, to fill vacancies on the Board. Mr. Overmars and Mrs. Ojekwe-Onyejeli will be presented to Shareholders at the AGM for the approval of their appointments.

In line with the provisions of our Articles of Association, the two Directors due for retirement at the forthcoming AGM and who, being eligible, have offered themselves for re-election are **Mrs. Ifueko M. Omoigui-Okauru, *MFR***, and **Mr. Roland Pirmez.**

The profile of each Director can be found on pages 9 to 12 of the Annual Report and Accounts.

Recapitalisation Proposal

My dear Shareholders, as you would have seen from our results, despite our best efforts and diligent management which ensured that we ended the year with an operating profit of ₦45 billion, we ended the year with a net loss of ₦106 billion, driven mainly by the devaluation of the Naira and higher cost of funds. Our retained earnings were equally negatively impacted by the net loss. The Board was therefore unable to propose any dividend payment for the 2023 financial year, breaking from the age long tradition of consistent dividend payment.

The Board has explored different options with a view to improving the Company's financial position and thereby creating the platform to enable us return to profitability as soon as possible in line with the Board's commitment to creating long-term value for our Shareholders. The Board has resolved to propose to you for consideration and approval at the AGM, a recapitalisation scheme by way of rights issue. The objective is to raise fresh capital up to ₦600 billion that would be used to settle the outstanding Fx payables and part of the local bank facilities. The outcome would be the elimination of the naira devaluation risk/huge foreign exchange losses as well as the reduction of the huge interest burden on our Company. The Board is convinced that this is the best option at this point in time and therefore strongly recommends that you authorise the Board to undertake a capital restructuring by way of a rights issue so that all shareholders will have the opportunity to acquire more shares in the Company in proportion to their holding, at a price to be determined by the Board taking market conditions into consideration. The majority shareholder, Heineken N.V. has indicated its readiness to support the recapitalisation proposal and to take up and pay for its portion of the shares that would be allotted to it. This again shows the long-term commitment of Heineken N.V. to our Company even after more than 77 years. The Board counts on your support, as always, to enable us jointly take the necessary step that would lead us back to profitability in the not-too-distant future.

Looking Ahead: 2024

Operating Environment

The President has signed into law, the 2024 Appropriation Act which incorporates the year's budget of ₦28.7 trillion. The top priorities in the budget are defence and internal security, job creation, macroeconomic stability, improved investment environment, human capital development, poverty reduction, and social security. The budget is expected to be largely financed by new borrowings, proceeds from privatisation and drawdown on multilateral and bilateral loans secured for specific development projects.

It is anticipated that the various fiscal and monetary policies of the Government would translate to an improved economy in the course of the year. Some positive outlook for the year includes marginal GDP growth, moderation of the contraction in the oil refining sector with the full commencement of operations in the Dangote Refinery as well as resumption of production in the Port Harcourt Refinery, higher crude oil production output, and possible slow-down of the inflationary trend on the back of the recent hike in interest rates. The CBN has also committed to clearing the backlog of pending Fx payables and has resumed the sale of US Dollars to eligible Bureau de Change operators. In the short term however, the economic headwinds and socio-economic situation of the previous year have remained unabated. The first quarter of the year saw further devaluation of the Naira, with the currency falling to an all-time low of about ₦1,800/$ (before subsequently appreciating to about ₦1,300/$ at the end of the quarter), continuing rise in the inflation rate, low foreign portfolio Investors' confidence due to the delays experienced in repatriation of funds, increasing lending rates for businesses, high cost of food, insecurity, pervasive insecurity, protests and calls for strike actions by labour and other unions, amongst others.

Brewed Product Market

Consumers and businesses are expected to grapple with the turbulent economic climate for a while. Competition is expected to be more intense with profitability remaining a major concern.

While we cannot influence the external environment, we are committed to maintaining resilience in the face of adversity. The Board is confident that our Company remains in a good position to weather the storm. We will sustain a strong cost management culture and further optimise our operational footprint, keep winning in the market by leveraging our strong portfolio, exciting innovations, and route to consumer. We will keep our people engaged and motivated.

Distell Acquisition

Following your approval at the Extra-ordinary General meeting in December 2023, we have subsequently executed the transaction documents with Heineken Beverages (Holdings) Limited ("Heineken Beverages") of South Africa for the acquisition of an 80% equity stake in Distell Wines and Spirits Nigeria and the acquisition of 100% of Heineken Beverages' import business in Nigeria. The final part of the transaction is being completed at the South Africa end with the expectation that the transaction would be completed in full in the second quarter of this year. This is a strategic acquisition that is in furtherance of our beyond beer agenda and which would provide us with a complimentary multi-category portfolio and strengthen our market share in the wider beverages market. More importantly, it will help us to future-fit our business and enhance our long-term profitability through the addition of new products in the wines, spirits, and flavoured beverages categories.

Conclusion

My fellow Shareholders, on behalf of the Board, Management, and other employees, we once again express our gratitude for your support, immense understanding, and encouragement. We look forward to your abiding faith and confidence in the Board and Management of the Company especially in these trying times.

We cannot but salute **HEINEKEN N.V.**, and its associated companies for their significant contributions to our Company's operations over the years. Their support in good and difficult times not only signifies their belief in our business and the country in the longer term, but also serves as a testament to the strength and potential of our business.

We must convey genuine appreciation to our stakeholders, particularly our Transporters, Distributors, Customers, Consumers, Suppliers, Agencies, Professional Advisers, Government at all levels and our host communities, for their partnership and collaboration all through the years.

To my colleagues on the Board, the Management and Staff of our Company, I acknowledge and celebrate your constant hard work and sacrifice. The passion and dedication shown, assisted us in navigating through the turbulent year of 2023 against all odds.

Thank you and God bless you all.

Sijbe "Siep" HIEMSTRA
Chairman (Interim), Board of Directors.

ENJOY RESPONSIBLY. NOT FOR SALE TO PERSONS UNDER THE AGE OF 18.

Mr. Hans Essaadi
Managing Director/CEO

The Directors are pleased to present their annual report together with the audited financial statements of the Group and Company for the year ended 31st December 2023.

1. **Legal Status**
Nigerian Breweries Plc ("the Company"), a public company quoted on The Nigerian Exchange Limited ("The NGX"), was incorporated on the 16th of November 1946, under the name, Nigerian Brewery Limited. The name was changed on the 7th of January 1957, to Nigerian Breweries Limited and thereafter to Nigerian Breweries Plc in 1990. The Company is a subsidiary of Heineken N.V. of the Netherlands which beneficially, held approximately 56.69% interest in the equity of Nigerian Breweries Plc as at 31st December 2023.

2. **Principal Activities**
During the year under review, the principal activities of the Company remained brewing, marketing and selling of lager, stout, non-alcoholic malt drinks, and soft drinks.

3. **Progress Trust (CPFA) Limited**
Progress Trust (CPFA) Limited was incorporated by the Company and is a duly registered Closed Pension Fund Administrator. Its sole activity is the administration of the pension and the defined benefits (employer's contribution) gratuity scheme for employees and former employees of Nigerian Breweries Plc.

4. **The Nigerian Breweries-Felix Ohiwerei Education Trust Fund**
The Nigerian Breweries-Felix Ohiwerei Education Trust Fund was incorporated by the Company as a sponsored charitable Trust. The proceeds from its investments are disbursed solely for the promotion of education.

5. **Benue Bottling Company Limited**
Following the merger with Consolidated Breweries Plc, the enlarged Company acquired an 89.3% majority equity interest in Benue Bottling Company Limited (BBCL). The subsidiary, BBCL, was an entity with no business activity that held land, buildings, and some idle production assets. To align with the financial strategy of the Company, BBCL was liquidated in 2023.

6. **234 Stores Limited**
234 Stores Limited is a subsidiary of the Company established to explore opportunities in the route-to-market. Its financial position has been consolidated in these financial statements.

7. **Review of Operations**
The 2023 results were impacted by the significant shifts in the business landscape with substantial impact on businesses and livelihoods nationwide. These included the redesign of the naira notes which resulted in cash shortages that severely hampered social and economic activities nationwide set the tone for a turbulent year. High double-digit inflation rates (with food inflation at more than 30%), removal of subsidy on premium motor spirit (fuel), devaluation of the naira, and foreign exchange scarcity further exacerbated the already difficult environment for the populace and businesses.

A summary of the Company's results is shown below:

	2023	**2022**	
	₦'million	**₦'million**	**% Change**
Revenue	**599,509**	**550478**	9
Results from Operating Activities	**44,499**	**52,555**	(15)
(Loss)/Profit Before Taxation	**(144,689)**	**18,092**	(900)
Taxation	**38,920**	**(4,167)**	(1034)
(Loss)/Profit after Tax	**(105,769)**	**13,925**	(860)

8. Dividend

The Board did not recommend any dividend for the full year 2023.

9. Shareholding, Substantial Shareholders and Free Float Declaration

The issued and fully paid-up Share Capital of the Company as at 31st December 2023 was 10,276,132,378 Ordinary Shares of 50 kobo each. The Register of Members shows that three companies: Heineken Brouwerijen B.V. (38.32%), Distilled Trading International B.V. (15.63%) and Stanbic Nominees Nigeria Limited (11.40%) held more than 10% of the Company's issued share capital as at the said date. The remaining 34.65 % of the issued shares were held by other individuals and institutions, including Heineken International B.V. (2.74%), a member of the Heineken N.V. Group. Aside the aforementioned three companies, no other shareholder held more than 5% of the issued share capital of the Company as at 31st December 2023. Heineken Brouwerijen B.V. and Distilled Trading International B.V. are also part of the Heineken N.V. Group. The total beneficial interest held by Heineken N.V. Group in the Company's issued share capital as at the aforementioned date was 56.69%.

The Company complied with the free float requirement of The NGX for companies listed on the Main Board. The Company had a free float value of ₦156.75 billion as at 31st December 2023.The details of the Free Float are on page 140 of this Annual Report and Accounts.

10. Distributors

The Company delivers most of its products nationwide through an extensive network of key distributors, wholesalers, bulk breakers and major retail stores. The names of the major customers are listed on page 142 of this Annual Report and Accounts.

11. Board of Directors

The composition of the Board of Directors together with the changes therein since after the last Annual General Meeting ("AGM") is as shown on page 5 hereof. The Board is at present made up of eight (8) Non-Executive Directors (including the Chairman) and two (2) Executive Directors.

The changes in the Board since the last AGM are as follows: (i) Chief Kolawole B. Jamodu, CFR retired from the Board and as Chairman of the Board, on 30th April 2023; (ii) Mrs. Yeliz Yedikardesler resigned her appointment on the Board on 6th October 2023 following her leaving the Heineken N.V Group; (iii) Mrs. Ndidi O. Nwuneli, MFR stepped down from the Board as an Independent Non-Executive Director on 31st December 2023 following the completion of her nine years tenure; and (iv) Mr. Asue Ighodalo, who had replaced Chief Jamodu as the Chairman, resigned from the Board and as Chairman of the Board on 31st December 2023 to enable him offer himself for public service. The Board appreciates the aforementioned erstwhile Directors for their respective significant contributions to the Company during their individual tenure on the Board.

Following the aforesaid changes and to fill vacancies in the Board, Mr. Jaap A.A. Overmars and Mrs. Stella O. Ojekwe-Onyejeli were appointed as Non-Executive Director and Independent Non-Executive Director respectively effective 25th October 2023 and 1st January 2024 in that order, in line with Article 95 of our Articles of Association. Also, Mr. Sijbe "Siep" Hiemstra was appointed as the Board Chairman in an interim capacity effective 1st January 2024, to steer the affairs of the Board and oversee the process that will lead to the appointment of a substantive Chairman.

As required under Section 274 (2) of the Companies and Allied Matters Act, 2020 ("CAMA"), Mr. Overmars and Mrs. Ojekwe-Onyejeli will be presented to Shareholders at the forthcoming AGM for the approval of their appointments.

The Directors to retire by rotation at the forthcoming AGM in conformity with Article 90 of the Articles of Association, and who, being eligible, have offered themselves for re-election at the meeting are Mrs. Ifueko M. Omoigui Okauru, MFR and Mr. Roland Pirmez.

12. Record of Directors' Attendance

In line with the provisions of Section 284(2) of CAMA, the Record of Directors' Attendance at Board Meetings during the year under review will be available at the forthcoming AGM for inspection. The information is equally provided below under item 21(a).

13. Director's Interest in Shares

(a) Direct Holding

The direct interest of each person who was a Director at the end of the year, as well as each current Director, in the issued share capital of the Company and as recorded in the Register of Members and/or notified by the Directors for the purpose of Section 301 of CAMA and disclosed in accordance with Section 385 also of CAMA as well as the Listing Rules of The NGX, is as follows:

S/No	Name	As at 14th February 2024	As at 31st December 2023	As at 31st December 2022
i)	Mr. Sijbe "Siep" **Hiemstra**	Nil	Nil	Nil
ii)	Mr. Hans **Essaadi**	Nil	Nil	Nil
iii)	Mrs. Juliet **Anammah**	Nil	Nil	N/A*
iv)	Mrs. Adeyinka O. **Aroyewun**	52,108	52,108	52,108
v)	Mr. Asue **Ighodalo**	N/A*	Nil	Nil
vi)	Mrs. Ndidi O. **Nwuneli**, *MFR*	N/A*	Nil	Nil
vii)	Mrs. Stella O. **Ojekwe-Onyejeli**	29,086	N/A*	N/A*
viii)	Mrs. Ifueko M. Omoigui **Okauru,** *MFR*	44,990	44,990	44,990
ix)	Mr. Jaap A.A. **Overmars**	Nil	Nil	N/A*
x)	Mr. Roland **Pirmez**	Nil	Nil	Nil
xi)	Mr. Ibrahim A. **Puri**	Nil	Nil	Nil
xii)	Mr. Bernardus A. **Wessels Boer**	Nil	Nil	Nil

**N/A. – Not/no longer a Director as at that date.*

(b) Indirect Holding
Mr. Asue Ighodalo held 1,000,000 units of shares indirectly through Moehi Nigeria Limited. There was no other indirect shareholding by any other Director during the year under review.

14. Directors' Interest in Contracts
In accordance with Section 303 of CAMA, no Director notified the Company of any disclosable interest in contracts involving the Company. Nevertheless, the immediate past Chairman, Mr. Asue Ighodalo, who is a partner in the law firm of Banwo & Ighodalo, one of the law firms that renders legal services to the Company, consistently disclosed that relationship to the Board.

15. Agricultural/Raw Materials Improvements
Nigerian Breweries Plc continues to invest resources in the local development, improvement and commercialisation of its agricultural raw materials. Our collaboration with relevant local and international research institutes has been expanded to further assess and improve the performance and adaptability of selected registered local sorghum varieties and to develop new sorghum varieties with improved quality for the industry and increased yield for the farmers. To increase the positive impact of local sourcing of its agricultural raw materials, the Company has continuously expanded its sorghum cultivation and sourcing areas to new communities.

16. Property, Plant and Equipment
Information relating to changes in property, plant and equipment is given in Note 13 to the financial statements

17. Gifts and Donations
(a) In 2023, the Company made gifts and donations amounting to ₦123,761,722 (2022: ₦113,165,507) as follows:

Beneficiary/Project	Naira
Youth Entrepreneurship Support Programme - All regions	100,000,000
Annual Scholarship for Ijebu-Ode Community students	1,000,000
Umuezeani Community Scholarship/Bursary Scheme	4,000,000
Borehole Project at Ama Hillcrest School	4,875,125
Awo-Omamma Football Tourney	2,998,734
Donation of two refurbished vans to Imo State Traffic Management Agency	2,957,863
Purchase of equipment for Surulere Public Health Centre	7,930,000
	123,761,722

(b) In accordance with Section 43(2) of CAMA, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review.

18. Employees and Employment

(a) Employment of Physically-Challenged Persons

Nigerian Breweries Plc is an equal opportunity employer and does not discriminate on any grounds. Thus, we provide employment opportunities to physically challenged persons. However, this actually goes beyond the need to ensure that there is no discrimination against such persons, but driven by a deep conviction that even in disability, there could be immense ability. At present, we have eleven (11) physically challenged persons in our employment.

(b) Employee Involvement and Training

In today's competitive business landscape, human capability has been found to be a key factor for corporate success. The critical challenge towards continuous performance improvement remains the capability and speed of response to changes in the business environment through people development. Thus, a drive in the right direction for employees' development is imperative for sustainable superior company performance. In Nigerian Breweries Plc, we believe strongly that we must win with our people. We must not only enable employees to perform in their day-to-day jobs but must unlock their potentials and make it possible for them to unleash energy to achieve business goals.

Continuous training and upgrading of skills at all levels of the Company is therefore the key to achieving a meaningful competitive advantage and long-term business success. We provide our employees both operational and leadership training within and outside Nigeria to expose them to best practices and improve knowledge transfer at international level.

(c) Health, Safety and Welfare

The Company takes the health, safety and welfare of its employees very seriously, with a strong conviction that a healthy workforce will always be highly productive and will deliver superior performances at all times. Consequently, there are on-site clinics manned by qualified medical personnel in all our brewery locations that provide primary health care and some degree of secondary health care round the clock for employees at work. Furthermore, top health care providers have been carefully selected under a managed care scheme to look after the health care needs of employees and their dependants. We comply with relevant statutory provisions and regulations on health, safety and welfare matters as well as providing the education required to enable compliance by employees. As a good corporate citizen, we recognise the threat of HIV/AIDS in sub-Saharan Africa. Hence, as an extension of our medical policy, Nigerian Breweries Plc operates a comprehensive workplace HIV/AIDS programme spanning the continuum of policy to treatment.

19. Integrated (QFHSE) Policy Statement

Nigerian Breweries Plc is a responsible corporate citizen and operating company of Heineken N.V., with a mission to be the leading beverage company in Nigeria marketing high quality brands to deliver superior customer satisfaction in a safe and environmentally friendly way. The Board and Management, through an Integrated Management System that meets internationally recognised standard for Quality, Food Safety, Environment and Occupational Health and Safety are committed to:

- Producing and marketing high quality beverages that are safe for consumption, consistently meet customer requirements and deliver consumer satisfaction.
- Protecting the environment and preventing pollution in all areas of our environmental impact.
- Preventing injuries and ill health of all our employees and those affected by our operations through the elimination of hazards and reduction of occupational health and safety risks.
- Fulfilling all legal and other compliance obligations for the Integrated Management System.
- Continually improving our systems through regular consultations and participation of employees, improving employees' competencies and the use of Total Productive Management and other relevant tools to enhance performance.

20. Business Conduct

Our business is conducted with integrity and due regard to the legitimate interest of all stakeholders. As part of this, we have put in place relevant policies such as the Code of Business Conduct which provide amongst others for:

(a) Respect for Law

Nigerian Breweries Plc ensures that its existence and operations remain within the ambit of all applicable laws. Our employees are expected to comply with the laws and regulations of Nigeria.

(b) Business Integrity

We believe that corruption is evil in the business environment as it is in society, generally. We maintain appropriate anti-corruption policies and programmes in our business. Accordingly, Nigerian Breweries Plc does not give or receive, whether directly or indirectly, bribes or any other incentive to obtain improper advantages for business or financial gain.

(c) Corporate Social Responsibility
As an integral part of the Nigerian society playing varied roles as an employer, supplier, customer, partner, taxpayer, and competitor all at the same time, the Company impacts the society. Where possible, we aim to establish sustainable partnerships with our stakeholders within our policy guidelines on community involvement. A Corporate Social Responsibility and Sustainability Report detailing some of the ways we collaborated with our various stakeholders during the year under review is on page 48.

(d) Conflict of Interests
Nigerian Breweries Plc recognises and respects the right of its employees to engage in external activities so long as these activities do not impair, interfere, or conflict with the conscientious performance of their duties and do not involve damage to or misuse of the Company's name, trademarks, products, property, reputation, goodwill, confidential information or other resources.

When an employee is engaged in carrying out a task on behalf of the Company and that employee has a factual or potential private interest in the outcome of the task, that is contrary to the best interests of the Company or is substantial enough to affect the employee's unbiased judgment, the Company expects the employee to disclose this as appropriate. Failure to comply with this policy will have serious career consequences for the employee. Nigerian Breweries Plc maintains policies (for instance, on purchasing) that severely reduce the risk of harm to the Company due to a conflict of interest.

21. Corporate Governance
Nigerian Breweries Plc adopts a responsible attitude towards corporate governance. The Board continues to ensure that the Company complies with relevant corporate governance provisions and principles as well as adopt best corporate governance practices. The Board is committed to implementing the corporate governance principles and guidelines contained in the Nigerian Code of Corporate Governance], 2018 ("NCCG"), the Corporate Governance Guidelines, 2020 and the Companies and Allied Matters Act, 2020.

(a) The Board of Directors
The Board of Directors is currently made up of eight (8) Non-Executive Directors, including the Chairman, and two (2) Executive Directors. Three (3) of the Non-Executive Directors qualify as Independent Directors – see page 5. The Board has a formal guideline and process for the appointment of Directors.

The Board is inter alia, responsible for supervising the conduct of business by Management as well as the general course of affairs in the Company; assessing the Company's corporate strategy and general policy; the development of the Company's financial position, risk management systems and other systems; the Company's organisational structure; and the Company's social policy.

The Board has a formal schedule of meetings each year. During the year under review, the Board met eight (8) times both for the scheduled meetings and for other unscheduled special meetings. The record of attendance at those meetings by the Directors who were on the Board at the end of the year is set out below:

S/No.	Name	No. of Meetings Held	No. of Meetings Attended
i)	Mr. Sijbe "Siep" **Hiemstra**	8	7
ii)	Mr. Hans **Essaadi**	8	8
iii)	Mrs. Juliet **Anammah**	8	6
iv)	Mrs. Adeyinka O. **Aroyewun**	8	8
v)	Mr. Asue Ighodalo	8	8
vi)	Mrs. Ndidi O. **Nwuneli**, *MFR*	8	8
vii)	Mrs. Ifueko M. Omoigui **Okauru**, *MFR*	8	7
viii)	Mr. Jaap A.A. **Overmars**	*2	2
ix)	Mr. Roland **Pirmez**	8	6
x)	Mr. Ibrahim A. **Puri**	8	8
xi)	Mr. Bernardus A. **Wessels Boer**	8	8

**While a member of the Board.*

(b) Governance Committee

The responsibilities of the Committee include making recommendations to the Board on candidates for appointment as Directors based on the guidelines set by the Board as well as reviewing executive remuneration and determining specific remuneration packages for Directors. Also, the Committee is responsible for ensuring the development of corporate governance policies and procedures in the Company in accordance with national and international best practices.

The composition of the Governance Committee as well as the record of attendance at the Committee's meetings during the year in review were as follows:

S/No.	Name	Role	No. of Meetings Held	No. of Meetings Attended
i)	Mrs Ndidi O. **Nwuneli** *MFR*	Chair	4	4
ii)	Mrs. Juliet **Anammah**	Member	4	4
iii)	Mr. Sijbe "Siep" **Hiemstra**	Member	4	4
iv)	Mr. Asue **Ighodalo**	Member	*2	2

**While a member of the Governance Committee.*

(c) Risk Management and Ethics Committee

The Committee determines the risk management and ethics standards, policies, procedures, and processes of the Company (including the Code of Business Conduct) and is also responsible for assessing the adequacy and effectiveness of the Company's management of the risk and compliance function of the Company.

Members of the Executive Committee as well as the Head of Process & Control Improvement Department (responsible for internal audit), attend the meetings of the Committee that are dedicated to issues of Risk Management.

The composition of the Committee and the record of attendance at its meetings, during the year, were as follows:

S/No.	Name	Role	No. of Meetings Held	No. Attended
i)	Mr. Roland **Pirmez**	Chairman	4	4
ii)	Mrs. Adeyinka O. **Aroyewun**	Member	4	4
iii)	Mrs. Ifueko M. **Omoigui Okauru**, *MFR*	Member	4	4
iv)	Mr. Ibrahim A. **Puri**	Member	4	4

(d) Statutory Audit Committee

The Committee, as part of its functions, reviews the Company's overall control systems, financial reporting arrangements and standards of business conduct. Members of the Statutory Audit Committee have direct access to the Process & Control Improvement Department and the Independent Auditor. The statutory functions of the Committee are provided for in Section 404(7) of CAMA.

The Statutory Audit Committee was composed of three (3) Shareholders' representatives and two (2) Directors' representatives. However, Mrs. Yeliz Yedikardesler, a director representative, resigned from the Board effective 6th October 2023. See page 53 for membership of the Committee.

The record of attendance at the meetings by members of the Committee who served during the year under review is set out below:

S/No.	Name	Role	No. of Meetings Held	No. of Meetings Attended
i)	Chief Timothy A. **Adesiyan**	Chairman	6	6
ii)	Mazi Samuel C. **Mpamaugo**	Member	6	6
iii)	Mr. David O. **Oguntoye**	Member	6	6
iv)	Mrs. Ifueko M. **Omoigui Okauru**, *MFR*	Member	6	6
v)	Mrs. Yeliz **Yedikardesler**	Member	*4	4

**While a member of the Statutory Audit Committee.*

(e) Executive Committee

The Executive Committee ("ExCo") is the Management Team and is responsible for agreeing priorities, allocating resources, setting overall corporate targets, agreeing and monitoring divisional strategies and plans. It has responsibilities for superintending the affairs of the business on a day-to-day basis. It is chaired by the Managing Director/Chief Executive Officer of the Company. The record of attendance of the ExCo members who served during the year under review at the formal ExCo meetings is set out below:

S/No.	Name	Role	No. of Meetings Held	No. of Meetings Attended
i)	Mr. Hans **Essaadi**	Managing Director/CEO	21	20
ii)	Uaboi G. **Agbebaku**, *Esq.*	Company Secretary/Legal Director	21	20
iii)	Mr. Federico **Agressi**	Supply Chain Director	*11	11
iv)	Mrs. Philomena **Aneke**	Digital and Technology Director	21	21
v)	Mr. Martin **Kochl**	Supply Chain Director	**10	9
vi)	Mr. Ayodele **Lawal**	Sales Director	*15	14
vii)	Mrs. Sade **Morgan**	Corporate Affairs Director	21	20
viii)	Mrs. Grace **Omo-Lamai**	Human Resource Director	21	21
ix)	Mr. Emmanuel O. **Oriakhi**	Marketing Director	21	19
x)	Mr. Uche **Unigwe**	Sales Director	**6	5
xi)	Mr. Bernardus A. **Wessels Boer**	Finance Director	21	18

** After becoming a member of the ExCo*

*** While an ExCo member*

(f) 2023 Board and Corporate Governance Evaluation

As required under the Nigerian Code of Corporate Governance (NCCG), the Board engaged the firm of DCSL Corporate Services Limited ("DCSL") to undertake a Board Evaluation exercise for the year 2023. The firm also undertook a Corporate Governance audit of the Company as part of the exercise. A summary of DCSL's findings is contained on page 33 of this Annual Report and Accounts.

Based on the outcome of the Corporate Governance audit of the Company carried out by DCSL, the Board is satisfied with the high level of the Company's compliance with the requirements of the NCCG. The Board is committed to ensuring that the Company continues to be a reference point in corporate governance matters.

(g) Regulations for Dealing in Shares

In compliance with the Listing Rules of The NGX, Nigerian Breweries Plc has in place regulations to guide the Board and other employees when effecting transactions in the Company's shares and other securities. The Company's Regulations for Dealing in Shares and other Securities ("the Regulations") provide amongst others, the period when transactions are not allowed to be effected on the Company's shares and other 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 regularly notifies The NGX of its Closed Periods.

The Company made inquiries from all affected persons and is not aware of any non-conformity with the Listing Rules or the Regulations during the year under review.

(h) Complaints Management Policy

The Company's Complaints Management Policy ("the Policy") sets out the broad framework for handling shareholder complaints in a fair, impartial, efficient, and timely manner. The Policy, which is in line with the requirement of the Securities and Exchange Commission, can be accessed via the Company's website.

(i) Communications Policy

Nigerian Breweries Plc has in place a Communication Policy ("the Policy") in accordance with the requirements of the Securities and Exchange Commission. The Policy is available on the Company's website.

The Board recognises the need to communicate and disseminate information regarding the operations and management of the Company to all relevant stakeholders (including Shareholders, regulatory authorities, media, analysts and the general public).

(j) Diversity, Equity & Inclusion Policy

Our Ambition is to leverage diversity, promote equity, and embed inclusion to create business value in a fast-changing and complex environment, which positively impacts our customers and consumers and benefits the Company.

(k) Whistle Blowing Framework

The Company has a whistleblowing system in place called, "Speak Up". This provides an avenue for employees and third parties dealing with the Company to report concerns about any suspected misconduct which may arise from the violation of laws and regulations, the Company's Code of Business Conduct or the various policies, rules, standards and procedures under which the Company operates. The Speak Up system (which is a safe, secured and a confidential channel of communication) and an effective reporting system, contributes to an open and transparent work environment.

22. Independent Auditor

The firm of Deloitte & Touche served as the Independent Auditor during the year under review.

In accordance with Section 401(2) of CAMA, the firm has indicated its willingness to continue in office as the Independent Auditor to the Company.

Dated the 14th day of February 2024.

By Order of the Board.

Uaboi G. Agbebaku, Esq.
Company Secretary
FRC/2013/NBA/00000001003

Iganmu House
Abebe Village Road
Iganmu, Lagos, Nigeria


MALTINA
Share Happiness
Together,
Happiness Happens
MALTINA
Vanilla FLAVOUR
NON-ALCOHOLIC
MALT DRINK
MALTINA
classic
MULTI-VITAMIN ENRICHED
NON-ALCOHOLIC
MALT DRINK
MALTINA
pineapple FLAVOUR
NON-ALCOHOLIC
MALT DRINK

CORPORATE SERVICES LIMITED

6th February 2024

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE AUDIT OF NIGERIAN BREWERIES PLC FOR THE YEAR ENDED DECEMBER 31, 2023.

DCSL Corporate Services Limited (DCSL) was engaged by Nigerian Breweries Plc ("Nigerian Breweries", "the Company") to carry out a performance evaluation of the Board of Directors and Corporate Governance Audit for the year-ended December 31, 2023, in line with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), Securities and Exchange Commission, Corporate Governance Guidelines 2020 (SCCG) and Companies and Allied Matters Act 2020 (CAMA), as well as global best practices on Corporate Governance.

The appraisal entailed a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other ancillary documents made available to us and the administration of questionnaires to Directors.

To ascertain the extent of compliance with relevant corporate governance principles and appraise the performance of the Board, we benchmarked the Company's corporate governance structures, policies and processes against the above-mentioned Codes and regulations as well as global Best Practices and considered the following key seven corporate governance themes:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure

Following the review of the policies and processes in place in the Company, we confirm that the Board of Directors is committed to ensuring the implementation of best corporate governance practices and adherence to the principles enshrined in the NCCG and SCGG as well as globally accepted best practices. The Board is committed to ensuring observance of the highest ethical standards and transparency in the conduct of the Company's business. We also found from the Directors' Peer Assessment and Chairman's Leadership Assessment surveys administered on the individual Directors, that the Directors performed commendably against the set governance indicators and remained committed to sustaining the growth of the Company's business.

We have brought to the attention of the Board the few areas that require improvement and are satisfied that the Board has taken due notice of these.

Details of our key findings and recommendations are contained in our detailed Reports.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Directors: ~ Abel O. Ajayi (Chairman) ~ Bisi Adeyemi (Managing Director) ~ Adeniyi Obe ~ Dr Anino Emuwa ~ Obi A. Ogbechi ~ Mr. Lekan Belo

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Central Business District, Abuja, Nigeria

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info@dcsl.com.ng
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Tiger
18+
LIVE UNCAGED


EXPERIENCE GREAT
taste
NEW LOOK, NEW FLAVOUR
fayrouz
PREMIUM SPARKLING SOFT DRINK
Apple & Watermelon
FLAVOUR
fayrouz
Pineapple
FLAVOUR
fayrouz
PREMIUM SPARKLING SOFT DRINK
Apple & Watermelon
FLAVOUR
fayrouz
Yours Tastefully

Courtesy visit by the Nigerian Breweries Team to the Executive Governor of Abia State, Dr. Alex Oti (3rd right) in Aba, Abia State.

Presentation of the ₦6.5 Million grand prize to Ms. Adeola Adedunke Adefemi, winner of the 2023 Maltina Teacher of the Year (MTOTY) Competition by the immediate past Chairman of Nigerian Breweries Plc, Mr. Asue Ighodalo (2nd Left), supported by the Lagos State Commissioner for Basic & Secondary Education and representative of the Lagos State Governor, Mr. Jamiu Alli-Balogun (2nd Right), and the Honorable Minister of State for Education, Dr. Yusuf Sununu (1st Right) at the MTOTY grand finale held in Lagos.

Left-Right: Mr. Asue Ighodalo, immediate past Chairman of Nigerian Breweries (NB) Plc; Dr. Obafemi Hamzat, the Deputy Governor of Lagos State; Chief. Kola Jamodu CFR, former Chairman of NB Plc; Chief (Mrs.) Funmilayo Jamodu; and Mr. Hans Essaadi, Managing Director NB Plc at the send forth dinner for Chief Kola Jamodu.

Courtesy visit to the Minister of State for Education, Dr. Yusuf Sununu (Middle) to formally introduce the Maltina Teacher of the Year competition sponsored by the Nigerian Breweries- Felix Ohiwerei Education Trust Fund.

Reception of the Minister of Sports Development, Senator John Enoh (2nd right) at Nigerian Breweries headquarters by the Management Team led by the Managing Directors/CEO, Mr. Hans Essaadi (2nd left)

(L-R): Alhaji Jimoh Ogungbola of J.O. Ogunbola & Sons Ltd., 1st runner up; Mr. Hans Essaadi, Managing Director/CEO of NB Plc; Mrs. Christiana Odiaka of Chris Emua & Sons Ltd., National Champion; Mr. Chidi Ndupu of Chidi Ndupu Enterprises Ltd., 2nd runner up; and Mr. Ayodele Lawal, Sales Director of NB Plc, at the 2023 Distributors' Award.

Stakeholder engagement with the former Customs Comptroller, Anambra/Ebonyi/Enugu command, Mr. A.M Adegbite (3rd left), and former Deputy Comptroller, Mrs. F.O Ajayi (2nd right).

Reception of the Director General of Nigeria Employers Consultative Association (NECA), Mr. Adewale Smatt (2nd right) at the Nigerian Breweries Plc headquarters.

Interactive engagement with the immediate past Minister of State for Education, Hon. Goodluck Nanah Opiah (front-row middle) and officials of the Ministry to announce the commencement of the 2023 Maltina Teacher of the Year competition with members of the jury in attendance.

Corporate Affairs Director, Mrs. Sade Morgan (left) and Tax & Treasury Manager, Mr. Abiodun Yusuff (right), at an interactive session with the Chairman, Federal Inland Revenue Services (FIRS), Mr. Zacchaeus Adedeji (middle) in Lagos.

Donation of a 20Kva generator to Umuezeani Community, Ama Brewery host community in Enugu State.

Engagement session with the Commissioner for Energy and Mineral Resources, Oyo Sate, Barr. Temilolu N. Oluwaseun Ashamu (3rd left).

Cheque presentation to one of the winners of the 2023 Maltina Koranic (Ramadan) Recitation Quiz Competition in Kaduna.

The grand finale of the Ama Brewery Manager's football competition with Kanayo Uzuegbu, Commissioner of Police, (3rd left), Daniel Aneke (Ama Brewery Cup Football match center referee), Lieutenant Colonel Felix Elu, acting assistant Director Physical Training 82 Division Nigerian Army (3rd right), Mrs. Nkechi Emeruwa, Federal Road Safety Corp Unit Commander 9th Mile Corner, (2nd right), and Comrade Fabian Nwaigbo, Chairman of the Nigeria Labour Congress, Enugu State (1st right) in attendance.

Left-Right: Corporate Affairs Manager, Nigerian Breweries (NB) Plc, Mr. Tayo Adelaja; Medical Health Officer, Surulere Local Government Area (LGA), Dr. Oni Titilayo; Company Medical Adviser, NB Plc, Dr. Olatomi Bamigboje; Chairman, Surulere LGA, Mr. Sulaimon Bamidele Yusuf; and Council Treasurer, Surulere LGA, Mrs. Taiwo Danso at the presentation of medical equipment to the Akerele Primary Health Care Center, Surulere, Lagos.

Presentation of starter packs and certificates to beneficiaries of the NB Plc/ITF Skills Empowerment Programme at the graduation ceremony in Lagos.

A cross section of the Board at the 77th Annual General Meeting which was the last meeting chaired by Chief Kola Jamodu CFR (middle) before his retirement from the Board.

A cross section of Shareholders at the 77th Annual General Meeting of Nigerian Breweries Plc.

Board of Directors at the Extraordinary General Meeting of the Company held in December 2023 in Lagos for the acquisition of Distell Wines and Spirits Nigeria Limited.

Shareholders at the Company's Extraordinary General Meeting for the acquisition of Distell Wines and Spirits Nigeria Limited.

Representative of the Minister of Industry, Trade and Investment, Mr. John Opaluwa and Corporate Affairs Director, NB Plc, Mrs. Sade Morgan with other dignitaries and beneficiaries of the 2023 NB Plc/ITF Skills Empowerment Programme during the graduation ceremony in Abuja.

Left-Right: Head Teacher, Royal Family Academy, Mrs. Bunmi Ayeni; Strategic Plan Coordinator, Royal Family Academy, Ms. Bertha Nwaiwu; Corporate Affairs Director, Nigerian Breweries (NB) Plc, Mrs. Sade Morgan; Director, Royal Family Academy, Mrs. Mishelia Felicia; Head of Public, External and Government Affairs, NB Plc, Mr. Uzodinma Odenigbo, and Principal Royal Family Academy, Mrs. Adebola Oluboyi at the Presentation of computers to the Royal Family Academy, Abuja of the 2019 Maltina Teacher of the Year Winner.

Presentation of the Nigeria Employers' Consultative Association (NECA) Excellence Award in the Food and Beverage (Alcoholic Beverages) Sector by Mrs. Bunmi Osuntuyi, Secretary General, International Chamber of Commerce (3rd right) to representatives of Nigerian Breweries.


ACE
CONTAINS 14 HERBS AND FRUITS & SPICES
NO SHAKING!
ACE
BITTERS
ACE
BITTERS
DRINK RESPONSIBLY
NOT FOR SALE TO PERSONS UNDER THE AGE OF 18.
18+

Highlight of the spectacular Lagos Fashion week showcasing the Heineken at 150(years) campaign and graced by key stakeholders including the Lagos State Governor, Mr. Babajide Sanwo-Olu (left).

Big Weekend Xperience
Press conference in Lagos with artists to announce the Big Weekend Xperience, a platform for engaging and exciting consumers.


Goldberg sponsored the 2023 Ojude Oba festival in Ogun State.
Goldberg continues to celebrate and extol the culture and values of the South-West.

Amstel Malta was the official sponsor of the 9th edition of the African Magic Viewers Choice Award (AMVCA).

2023 Hi-Life Fest - NB Plc Team and the winner of the 2023 Hi-Life Fest, Umunnakwe Nwajiaku Casmir at the grand finale in Lagos.

Fayrouz New Look and Apple Watermelon launch.
The Marketing Director, Mr. Emmanuel Oriakhi (3rd left), and other Nigerian Breweries Plc officials at the launch.

The Gulder Ultimate Promo
Recognising and rewarding Customers for promoting the Gulder Brand.

Star Radler Movie In the Park
An excited Radler Consumer takes the spotlight at the 10th Edition of the Movie In the Park Experience at Muri Okunola Park, Lagos.

Desperados Music Concert sponsorship
Desperados Consumers having a fun time at the Concert.

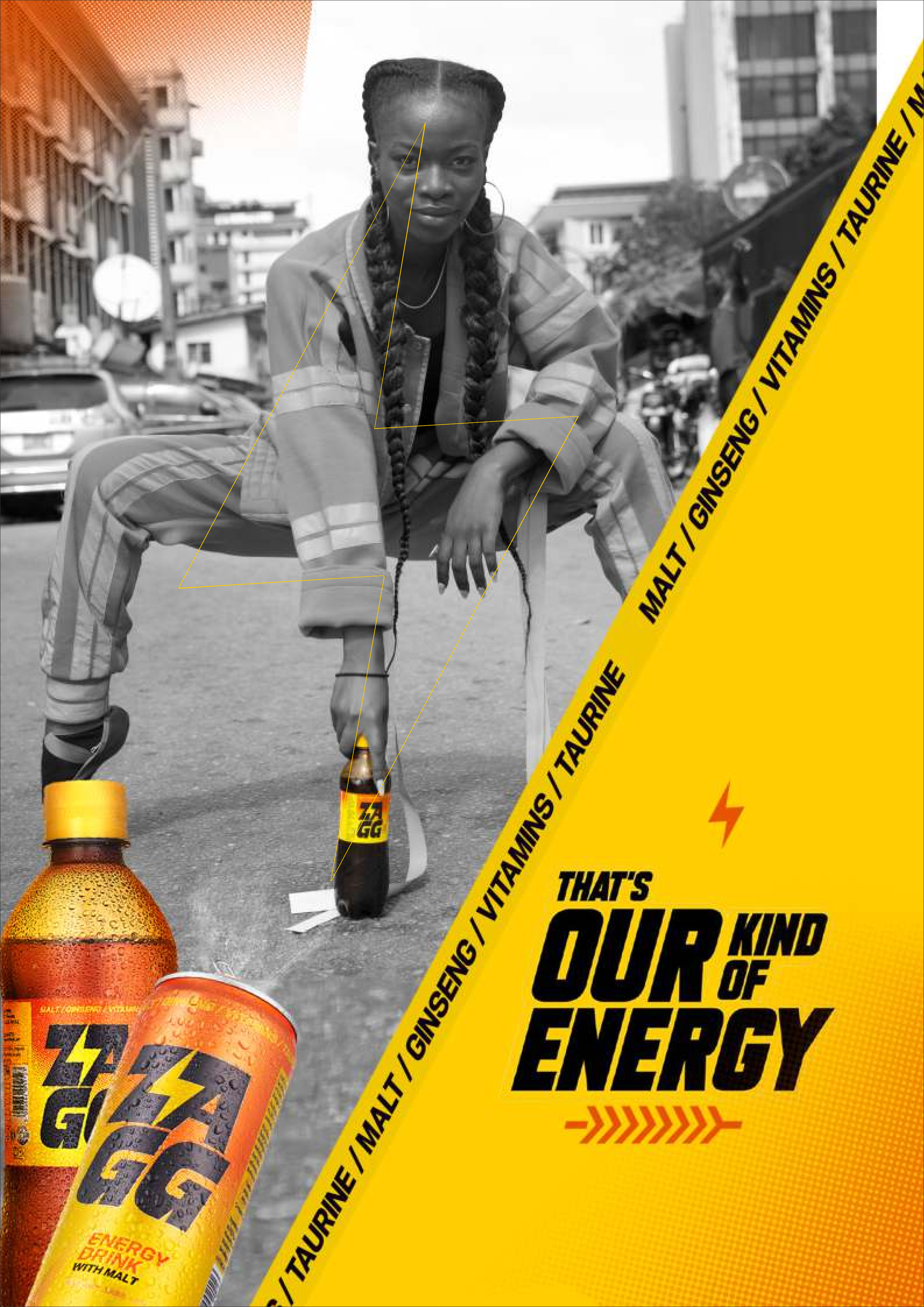
Maltina Christmas Funfair
Family moments at the Christmas funfair.

Goldberg Black Launch Party
NB Plc's Executive team at the Goldberg Black Launch Event in Lagos.

Legend Extra Stout Brand Ambassador unveiled at Eko Hotel & Suites
Left-Right: Talent Manager, Mr. Paul Okoye; Nollywood Actress, Ms. Iyabo Ojo; Portfolio Manager- Premium Brands, Mrs. Maria Shadeko, Legend Brand Ambassador, Wande Coal and Nollywood Actress, Mrs. Dakore Egbuson.

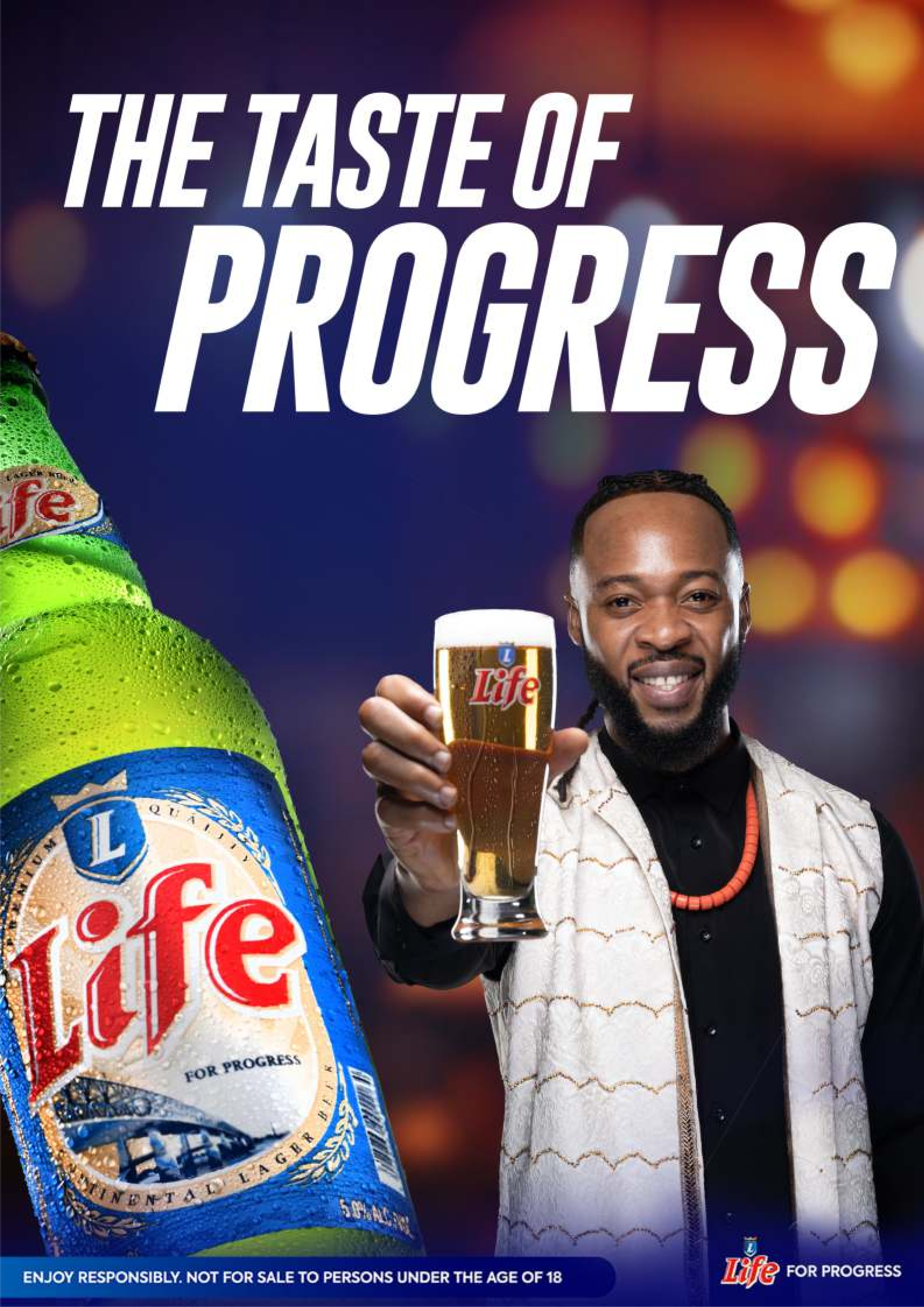
DISTELL

Nederburg
DROSTDY HO
MERLOT
BAIN'S
CAPE MOUNTAIN
WHISKY
SINGLE GRAIN
AMARULA
AMARULA
CREAM
WITH MARULA SPIRIT
700 ml
4th STREET
CHAMDOR
SCOTTISH
LEADER
UNTER'S
DRY



MALT / GINSENG / VITAMINS / TAURINE / MALT / GINSENG / VITAMINS / TAURINE
THAT'S
OUR KIND OF
ENERGY
ZAGG
ENERGY DRINK
WITH MALT


18+
DRINK RESPONSIBLY
LEGEND
EXTRA STOUT
LEGEND
EXTRA STOUT
PREMIUM QUALITY
Full Brewed
Wande Coal
BLACK
IS
DIAMOND


THE TASTE OF
PROGRESS
Life
PREMIUM QUALITY
L
Life
FOR PROGRESS
CONTINENTAL LAGER BEER
Life
ENJOY RESPONSIBLY. NOT FOR SALE TO PERSONS UNDER THE AGE OF 18
Life FOR PROGRESS

2023 Corporate Social Responsibility and Sustainability Report

Our 2023 Corporate Social Responsibility and Sustainability Report outlines our activities and interventions across the 3 main pillars of our long-term Sustainability agenda – Brew a Better World. These three main pillars - Environmental, Social and Responsible, further broken down into 9 ambition areas cover net zero carbon, circularity, watershed protection, inclusion and diversity, safety, community impact, addressing the harmful use of alcohol, promoting moderation, and providing non-alcoholic options for our consumers. Overall, they support the delivery of the United Nations Sustainable Development Goals and ensure that our operations continue to protect the environment, ensure a fair, inclusive and equitable world and make a positive contribution to society.

ENVIRONMENTAL

In keeping with our ambition of Net Zero carbon emissions in production by 2030 and in our full value chain by 2040, we sustained progress on our decarbonisation journey by executing strategic projects on renewable energy in 2023.

Key milestones include the commissioning of a 4 MWp hybrid solar PV plant installed with a 2MW/2MWh Battery Energy Storage System (BESS) in Ama Brewery in Q1, 2023.

In November, Nigerian Breweries Plc signed a 15-year solar power purchase agreement with Daystar Power Energy Solutions, an integrated energy development company to deliver customized hybrid solar power solutions that will cover 42% of the daytime electricity needs of our Lagos brewery and the Corporate Head Office.

Under the terms of the agreement, Daystar will install and operate a 4.2MWp solar plant with 2MWh battery storage system, positioning the installation as one of the largest solar and battery storage projects for an industrial manufacturer in Nigeria.

This hybrid solar solution will generate 5,249 MWh of electricity, reducing Lagos brewery dependence on diesel generators by displacing 31.4 million litres of diesel and an estimated 84,758 tons of CO_2 over the lifetime of the installation.

Contract signing ceremony for 15-year solar power purchase agreement between Nigerian Breweries Plc and Daystar Power Energy Solutions in November 2023, in Lagos.

Nigerian Breweries Plc continued its commitment to water stewardship with the commissioning of state-of-the-art Waste Water Treatment Plant ("WWTP") in Kudenda Brewery, while commissioning of the Awo-Omamma WWTP commenced in Q4, 2023 to achieve 100% of its production sites installed with functional waste water treatment facilities.

Additionally, on circularity, the company ended the year with zero-waste-to-landfill target achieved in 7 of its production locations – Awo-Omamma, Ijebu-Ode, Lagos, Ota, Aba, Kakuri and Kudenda, thereby maintaining our overall performance of 97.05% zero waste to landfill.

Furthermore, our collaboration with the Food and Beverage Recycling Alliance (FBRA), yielded notable results, supporting the recovery of 39,680 metric tonnes of plastic waste from the environment in 2023 – a 235% increase over the previous year. We sustained NB Recycles, our internal plastic drive that complements our efforts through FBRA, promotes employee engagement and encourages our employees to recycle.

Some Nigerian Breweries employees at the 2023 World Cleanup Day - Beach Cleanup Exercise in Partnership with FBRA

Field inspection visit of Olokomeji Forest Reserve by Nigerian Breweries Plc and the International Institute of Tropical Agriculture teams.

Our reforestation project in the Olokomeji Forest Reserve, in partnership with the International Institute for Tropical Agriculture (IITA) and the Ogun State Ministry of Forestry, demonstrated our dedication to balancing water used in water-stressed regions. With 152,055 trees planted in 2023, our total contribution reached 237,289 trees, making substantial strides toward our goal to plant 600,000 trees on 500 hectares of the forest reserve by 2031. In tandem, our commitment to responsible water use is reflected in a reduction in average water consumption from 3.68hl for every hectolitre of beer produced, to 3.53 hectoliter per every hectoliter of beer produced.

SOCIAL

The Company made progress on its journey to an inclusive, fair and equitable company and World by continuing with the Fair Wage Gap closure for Non-Employee Workers using the SMART Outsourcing principles. We achieved the 25% target for the year and also maintained 100% of our employees above fair wage.

Collaborating with the Industrial Training Fund (ITF), Nigerian Breweries Plc scaled up its vocational skills training for 1000 young Nigerians in 24 states and the FCT, investing N100 Million to promote entrepreneurship and financial independence in disadvantaged communities. With the broader scope of the programme in 2023, a 111% increase in beneficiary size was recorded over the previous year.

Additionally, through the Nigerian Breweries – Felix Ohiwerei Education Trust Fund, Nigerian Breweries Plc sustained its support for the development of the Nigerian educational sector by organising the 9th edition of our Maltina Teacher of the Year (MTOY) competition.

In total, we celebrated 30 state champions with the 2023 Winner emerging from Lagos State and we completed the construction of a block of classrooms and offices in Federal Government College, Jos as part of our commitment to the 2022 Maltina Teacher of the Year.

The Maltina Teacher of the Year initiative has so far recognised and rewarded a total of 241 teachers including 9 National Winners across Nigeria.

Barrister Bimbola Salu-Hundeyin, Secretary to the Lagos State Government; Comrade Akintoye Hassan, Lagos State Chairman, Nigeria Union of Teachers; Mr. Jamiu Alli-Balogun, Lagos State Commissioner for Basic and Secondary Education & representative of Lagos State Governor; Adeola Adefemi, MTOTY 2023 Winner and Lagos State Champion and Mr. Tolani Sule Akibu, Lagos State Commissioner for Tertiary Education in a group photograph.

RESPONSIBLE

Our commitment to preventing harmful alcohol use was further consolidated in the "Brew a Better World" framework in 2023 when we introduced Mission Nine-Zero, aimed at raising awareness on the dangers of drinking while pregnant and as such, discourage alcohol consumption among pregnant women.

Through this initiative executed in partnership with Health Stream Medicare and TLJ Impact Company, Nigerian Breweries Plc directly trained 220 health care workers (HCWs), 147 Traditional Birth Attendants (TBAs) and 304 Pregnant Women in 9 Primary health Centres on the dangers of alcohol consumption during pregnancy while indirectly reaching over 50,000 pregnant women in 67 local government areas across 3 geo-political zones with the most prevalent reports of alcohol consumption by pregnant women in Nigeria.

Launch of 'Mission Nine Zero', a social impact project raising awareness to discourage consumption of alcohol during pregnancy, in Lagos with the Managing Director of Nigerian Breweries Plc, Mr. Hans Essaadi, championing the cause.

In partnership with the Beer Sectoral Group (BSG) of the Manufacturers Association of Nigeria (MAN), Nigerian Breweries Plc also continued its advocacy on discouraging drink driving with the 'Don't Drink and Drive' Campaign of the Federal Road Safety Corps (FRSC). We organized rallies in two of the largest commercial motor parks in Lagos, Ojota Motor Park and Oshodi Motor Garage, where we educated commercial drivers on the dangers of alcohol abuse. We also sustained our donation of 7 breathalysers to the FRSC to support their drive to reduce incidents of drink driving amongst commercial drivers.

We sustained the use of non-contact breathalysers on all truck drivers operating from our premises to contribute to ensuring safety on the road and deter drivers from driving under the influence.

In summary, our 2023 report encapsulates a year of substantial progress, demonstrating our unwavering commitment to sustainability and social responsibility. Implementation of the aforementioned initiatives underscores our dedication to "Brew a Better World," one that resonates with our stakeholders and reflects our role as a responsible corporate organisation.

Beer Sectoral Group (BSG) at the launch of 2023 Don't Drink and Drive Campaign in Partnership with the FRSC.

Statement of Directors' Responsibilities

The Companies and Allied Matters Act requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act;
b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other regularities; and
c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS) and both the requirements of the Financial Reporting Council of Nigeria (amendment) Act 2023 and the Companies and Allied Matters Act, 2020.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Company's current liabilities exceeded its current assets by ₦359 billion (2022: ₦251 billion). The Directors believe this is not indicative of going concern issues as there are sufficient credit lines available to the Company to meet its working capital requirements on an ongoing basis for at least twelve months from the date of approval of the annual financial statements. There are no restrictions to the Company's ability to access the facilities. The financial statements have therefore been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future. The Directors have made this assessment based on the current financial position of the company, its projected cash flows, and other relevant factors.

Mr. Sijbe "Siep" Hiemstra*
Chairman (Interim)
Board of Directors

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

*Mr. Hiemstra has a waiver from the Financial Reporting Council ("FRCN") to sign the annual reports and accounts.

Certification of the Audited Financial Statements

Further to the provisions of section 405 of the Companies and Allied Matters Act, 2020, SEC and FRC Guidance on Management Report on Internal Control Over Financial Reporting, we the Managing Director/CEO and Finance Director of Nigerian Breweries Plc ("the Company") respectively hereby certify as follows:

a) That we have reviewed the Audited Financial Statements (AFS) of the Company for the year ended 31st December, 2023.

b) That the AFS represents the true and correct financial position of our Company as at the said date of 31st December, 2023.

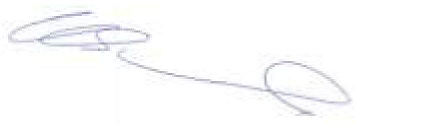
c) That the AFS does not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.

d) That the AFS fairly presents, in all material respects, the financial condition and results of operation of the company as of and for the year ended 31st December, 2023.

e) That we are responsible for establishing and maintaining internal controls and affirm that the company's internal controls were effective as of 31st December, 2023.

f) That all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, including mitigating controls have been disclosed to the Independent Auditor and the Audit Committee.

Signed



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

Mr. Bernardus A. Wessels Boer
Finance Director
FRC/2023/PRO/ANAN/001/417018

AMSTEL
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RICH TASTE
PRODUCED WITH HIGH QUALITY INGREDIENTS
AMSTEL
MALTA
Premium
MALT DRINK
- NO ALCOHOL -
AMSTEL
MALTA
ULTRA
NO ADDED SUGAR
Premium
MALT DRINK
- NO ALCOHOL -
BE YOUR BEST

Statutory Audit Committee's Report

TO: THE MEMBERS OF NIGERIAN BREWERIES PLC

In accordance with the provisions of section 404(7) of the Companies and Allied Matters Act, 2020, the Members of the Audit Committee of Nigerian Breweries Plc having carried out our statutory functions under the Act, hereby report that:

a) the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;

b) the scope and planning of both the external and internal audit for the year ended 31st December 2023 are satisfactory. The internal audit programmes reinforce the Company's internal control system; and

c) having reviewed the Independent Auditor's memorandum of recommendations on accounting procedures and internal controls, we are satisfied with management responses thereon.

Finally, we acknowledge the co-operation of the Board, Management and Staff in the conduct of our duties.
Members of the Statutory Audit Committee that served during the year under review are listed below:

1)	Chief Timothy A. **Adesiyan**	(Shareholders' Representative)	Chairman
2)	Mazi Samuel C. **Mpamaugo**	(Shareholders' Representative)	Member
3)	Mr. David O. **Oguntoye**	(Shareholders' Representative)	Member
4)	Mrs. Ifueko M. Omoigui **Okauru,** MFR	(Directors' Representative)	Member
5)	Mrs. Yeliz **Yedikardesler***	(Directors' Representative)	Member

*Following the resignation of Mrs. Yedikardesler as a Director in the Company, on 6th October 2023, she ceased to be a member of the Committee.

The Company Secretary served as the Secretary to the Committee.

Dated the 14th of February 2024.

Chief Timothy A. Adesiyan
Chairman Statutory Audit Committee
FRC/2013/IODN/00000003745

Back Row:
L-R: Mr. David O. Oguntoye; Mrs. Ifueko M. Omoigui Okauru, *MFR*; and Mazi Samuel C. Mpamaugo.
Front Row:
Chief Timothy A. Adesiyan.


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Independent Auditor's Report

To the Shareholders of Nigerian Breweries Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have audited the consolidated and separate financial statements of **Nigerian Breweries Plc** and its subsidiaries (the Group and Company) set out on pages 68 to 129, which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss, consolidated and separate statements of other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of material accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **Nigerian Breweries Plc** as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act and Financial Reporting Council of Nigeria Amendment Act, 2023.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated Financial Statements in Nigeria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter
Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Deloitte.

Key Audit Matter	How the matter was addressed in the audit
Returnable Packaging Materials	
Included in Trade and Other Payables as disclosed in Note 29 to the consolidated and separate financial statements is Deposit for Returnable Packaging Materials (RPMs) of about N28.6billion received as deposits from customers for breakable bottles and crates used to distribute products sold to them. The Company provides RPMs to its customers in which products are distributed for which in most instances the Company collects deposits. The deposit is in turn refunded to the customer upon returning of these packaging materials to the Company failing which the deposit is forfeited by the customer and released to the statement of profit or loss of the company. Judgement is required by the directors in assessing the carrying value of the outstanding customers' deposit liability for RPMs. Accordingly, for the purposes of our audit, we identified the assessment of outstanding customers' deposit liability for RPMs as a key audit matter. The assumptions with the most significant impact in the assessment of outstanding liability for returnable packaging were: • The market loss rate, which is subjective since it is based on the directors' experience and expectations in addition to lack of readily available market data. The market loss rates are estimated for bottle/crate sizes. • The cycle time of RPMs, i.e. the time it takes for RPM to be returned to the entity which is based on the directors' estimates as RPMs are not tagged and are interchangeable which makes the calculation of the RPMs cycle times to be subjective.	In evaluating the value of the outstanding deposit liability our procedures incorporated a combination of test of the company's controls relating to the estimation of the deposit liability and the following substantive procedures: • Assess management judgements applied in determining the relevant base month to perform annual re-assessment of market loss and testing reasonability of data inputs (mainly market loss rates and cycle times) applied by management, in comparison to the company's policy in respect of the returnable packaging material. • Re-compute market loss rate and perform a retrospective assessment of market loss rate to assess the reasonableness of the assumptions and ensure consistency in the judgements applied by management. • Reassess the adequacy of closing balance of deposit liability reported at period end. • Assess the adequacy of disclosures in the financial statements. The market loss rates used in the valuation were found to be appropriate. The rates used appeared to be reasonable in line with the supporting information provided. Overall, no material misstatement was noted.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled Nigerian Breweries Plc Annual Report and Accounts for the year ended 31December 2023, which includes the Directors' Report, the Audit Committee's Report, the Company Secretary's Report, the report of the External Consultants on the Performance of the Board of Directors, the Statement of Corporate Responsibility for Financial Statements, and other National Disclosures as required by the Financial Reporting Council of Nigeria which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and / or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
In accordance with the requirements of the Fifth Schedule of the Companies and Allied Matters Act, we expressly state that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Group has kept proper books of account, so far as appears from our examination of those books.

iii) The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Entity's internal control over financial reporting as of 31 December 2023. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an Assurance Report with no exception in our report dated 16 February 2024. That report is included on pages 64 to 67 of the financial statements.

Chigozie Okoro, FCA - FRC/2013/ICAN/00000004457
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
16 February, 2024

Assurance Report of Independent Auditor

To the Shareholders of Nigerian Breweries Plc

Assurance Report on management's assessment of controls over financial reporting

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of Nigerian Breweries Pie ("the Company") and its subsidiaries ("the Group") as of 31 December 2023, in accordance with the FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on criteria established in the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), and the SEC Guidance on Management Report on Internal Control Over Financial Reporting. Nigerian Breweries Pie's management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting including the accompanying Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the consolidated financial statements of the Group and our report dated 16 February 2024 expressed unmodified opinion.

Limited Assurance Conclusion
Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the Group did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on the SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Definition of internal control over financial reporting
Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations
Our procedures included the examination of historical evidence of the design and implementation of the Group's system of internal control over financial reporting for the year ended 31 December 2023. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our limited assurance report is subject to these inherent limitations.

Directors' and Management's Responsibilities
The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with the International Financial Reporting Standards {IFRS) and the ICFR framework.

Section 7 {2f) of the Financial Reporting Council of Nigeria {Amendment) Act 2023 further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's Responsibility and Approach

Our responsibility is to express a limited assurance opinion on the company's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE) 3000 revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the Group did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the Group established and maintained an effective system of internal control over financial reporting.

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances.

We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.

Chigozie Okoro, FCA - FRC/2013/ICAN/00000004457
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
16 February, 2024

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
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Consolidated and Separate Statements of Profit or Loss

	Notes	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Revenue	6	**599,643,031**	**599,508,761**	**550,637,994**	**550,477,627**
Cost of sales	9c	(387,032,572)	(387,032,454)	(337,310,437)	(337,310,437)
Gross profit		**212,610,459**	**212,476,307**	**213,327,557**	**213,167,190**
Other income	7	2,957,510	2,957,397	2,986,746	2,986,746
Selling and distribution expenses	9c	(142,492,958)	(142,492,958)	(135,829,790)	(135,829,790)
Administrative expenses	9c	(28,641,677)	(27,972,143)	(28,153,418)	(27,193,836)
Net release of expected credit loss on financial assets	9c	(469,923)	(469,923)	(575,074)	(575,074)
Profit from operating activities		**43,963,411**	**44,498,680**	**51,756,021**	**52,555,236**
Finance income	8(a)	513,239	513,239	349,192	349,192
Net loss on foreign exchange transactions		(153,332,605)	(153,332,605)	(26,342,415)	(26,342,415)
Finance costs	8(b)	(36,368,316)	(36,368,316)	(8,422,249)	(8,469,483)
Net finance costs		**(189,187,682)**	**(189,187,682)**	**(34,415,472)**	**(34,462,706)**
(Loss)/Profit before tax		**(145,224,271)**	**(144,689,002)**	**17,340,549**	**18,092,530**
Income tax expense	11(a)	38,916,714	38,919,780	(4,153,788)	(4,167,444)
(Loss)/Profit after tax		**(106,307,557)**	**(105,769,222)**	**13,186,761**	**13,925,086**
(Loss)/Profit for the year attributable to: Owners of the Company		(106,307,557)	(105,769,222)	13,182,211	13,925,086
Non-controlling interest		-	-	4,550	-
(Loss)/Profit for the year		**(106,307,557)**	**(105,769,222)**	**13,186,761**	**13,925,086**
(Loss)/Earnings per share					
Basic (loss)/earnings per share (kobo)	12(a)	(1,280)	(1,275)	158	168
Diluted (loss)/earnings per share (kobo)	12(b)	(1,280)	(1,275)	158	168

The notes on pages 68 to 128 are an integral part of these financial statements.

Consolidated and Separate Statements of Other Comprehensive Income

	Notes	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
(Loss)/Profit for the year		**(106,307,557)**	**(105,769,222)**	**13,186,761**	**13,925,086**
Items that will not be reclassified subsequently to profit or loss:					
Actuarial (loss) or gains	26(f)	(335,180)	(335,180)	55,571	55,571
Other comprehensive (loss)/income, net of tax		(335,180)	(335,180)	55,571	55,571
Total comprehensive (loss)/income for the year		**(106,642,737)**	**(106,104,402)**	**13,242,332**	**13,980,657**
Total comprehensive income for the year attributable to:					
Owners of the Company		**(106,642,737)**	**(106,104,402)**	**13,237,782**	**13,980,657**
Non-controlling interest		-	-	4,550	-
Total comprehensive (loss)/income for the year		**(106,642,737)**	**(106,104,402)**	**13,242,332**	**13,980,657**

The notes on pages 68 to 128 are an integral part of these financial statements.

Consolidated and Separate Statements of Financial Position

As at 31 December 2023

		31st December 2023		31st December 2022	
		Group	Company	Group	Company
ASSETS	**Notes**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Property, plant and equipment	13(a-b)	441,433,475	440,787,687	358,967,704	357,922,963
Right-of-use assets	14(a)	8,945,331	8,929,494	9,901,779	9,828,656
Intangible assets and goodwill	15	91,913,959	91,913,959	93,425,102	93,425,102
Investments	16	150,000	250,000	150,000	929,625
Deferred tax Asset	28	23,710,466	23,710,466	-	-
Other receivables	17	2,152,592	2,152,592	2,022,169	2,022,169
Non-current assets		**568,305,823**	**567,744,198**	**464,466,754**	**464,128,515**
Inventories	19	122,035,547	121,872,794	83,517,310	83,344,213
Trade and other receivables	20	46,788,739	49,075,068	40,709,753	42,837,156
Prepayments	18	2,970,328	2,970,328	1,958,201	1,958,201
Deposit for imports	21	16,206,296	16,206,296	6,898,323	6,898,323
Cash and cash equivalents	22	39,566,373	39,458,309	22,180,841	22,151,846
Assets held for sale	13(g)	-	-	157,500	-
Current assets		**227,567,283**	**229,582,795**	**155,421,928**	**157,189,739**
Total assets		**795,873,106**	**797,326,993**	**619,888,682**	**621,318,254**
EQUITY					
Share capital	23	5,138,066	5,138,066	5,138,066	5,138,066
Share premium		82,943,935	82,943,935	82,943,935	82,943,935
Share based payment reserve		1,469,827	1,469,827	944,383	944,383
Retained earnings		(26,267,451)	(24,383,216)	90,773,894	91,852,695
Equity attributable to owners of the Company		**63,284,377**	**65,168,612**	**179,800,278**	**180,879,079**
Non-controlling interest		**-**	**-**	**113,437**	**-**
Total equity		**63,284,377**	**65,168,612**	**179,913,715**	**180,879,079**
LIABILITIES					
Loans and borrowings.	25(a)	136,283,827	136,283,827	2,425,875	2,425,875
Lease liabilities.	14(c)	1,684	1,684	14,622	14,622
Employee benefits	26	11,837,931	11,837,931	11,422,347	11,422,347
Deferred tax liabilities	28	-	-	18,407,463	18,407,463
Non-current liabilities		**148,123,442**	**148,123,442**	**32,270,307**	**32,270,307**
Loans and borrowings	25 (a)	205,318,151	205,318,151	119,824,926	119,824,926
Lease liabilities	14(c)	29,561	29,561	17,313	17,313
Current tax liabilities	11(c)	6,716,463	6,713,397	13,002,683	13,002,683
Dividend payable	24(b)	14,621,974	14,621,974	9,007,012	9,007,012
Trade and other payables	29(a)	355,288,752	354,861,470	264,089,648	264,553,856
Provisions	31	2,490,386	2,490,386	1,763,078	1,763,078
Current liabilities		**584,465,287**	**584,034,939**	**407,704,660**	**408,168,868**
Total liabilities		**732,588,729**	**732,158,381**	**439,974,967**	**440,439,175**
Total equity and liabilities		**795,873,106**	**797,326,993**	**619,888,682**	**621,318,254**

Approved by the Board of Directors on the 14th of February 2024 and signed on its behalf by:

Mr. Sijbe "Siep" HIEMSTRA
(Chairman (Interim))*

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

Mr. Bernardus A. Wessels Boer
(Finance Director)
FRC/2023/PRO/ANAN/001/417018

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

The notes on pages 68 to 128 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Group	Notes	Share Capital ₦'000	Share Premium ₦'000	Share Based Payment Reserve ₦'000	Retained Earnings ₦'000	Total ₦'000	Non-Controlling Interest ₦'000	Total Equity ₦'000
Balance at 1st January 2022		**4,037,916**	**77,499,797**	**170,753**	**90,094,911**	**171,803,377**	**108,887**	**171,912,264**
Profit for the year		-	-	-	13,182,211	13,182,211	4,550	13,186,761
Other comprehensive loss for the year		-	-	-	55,571	55,571	-	55,571
Total comprehensive income for the year		-	-	-	13,237,782	13,237,782	4,550	13,242,332
Transaction with owners, recorded directly in equity								
Contributions and distributions								
Issue of ordinary shares		1,100,150	5,444,138	-	-	6,544,288	-	6,544,288
Share based payment charge	27	-	-	1,307,194	-	1,307,194	-	1,307,194
Share based payment recharge		-	-	(533,564)	-	(533,564)	-	(533,564)
Dividends	24(a)	-	-	-	(12,979,360)	(12,979,360)	-	(12,979,360)
Unclaimed dividends written back	24(b)	-	-	-	420,561	420,561	-	420,561
Total contributions and distributions		**1,100,150**	**5,444,138**	**773,630**	**(12,558,799)**	**(5,240,881)**	**-**	**(5,240,881)**
Changes in ownership interest								
Total transactions with owners of the Company		**1,100,150**	**5,444,138**	**773,630**	**678,983**	**7,996,901**	**4,550**	**8,001,451**
Balance at 31st December, 2022		**5,138,066**	**82,943,935**	**944,383**	**90,773,894**	**179,800,278**	**113,437**	**179,913,715**
Balance at 1st January 2023		**5,138,066**	**82,943,935**	**944,383**	**90,773,894**	**179,800,278**	**113,437**	**179,913,715**
Profit for the year		-	-	-	(106,307,557)	(106,307,557)	-	(106,307,557)
Other comprehensive income for the year		-	-	-	(335,180)	(335,180)	-	(335,180)
Total Comprehensive income for the year		**-**	**-**	**-**	**(106,642,737)**	**(106,642,737)**	**-**	**(106,642,737)**
Transaction with owners, recorded directly in equity								
Contributions and distributions								
Issue of ordinary shares		-	-	-	-	-	-	-
Share based payment charge	27	-	-	663,641	-	663,641	-	663,641
Share based payment recharge		-	-	(138,197)	-	(138,197)	-	(138,197)
Dividends	24(a)	-	-	-	(10,584,416)	(10,584,416)	-	(10,584,416)
Unclaimed dividends written back	24(b)	-	-	-	452,907	452,907	-	452,907
Total contributions and distributions		**-**	**-**	**525,444**	**(10,131,509)**	**(9,606,065)**	**-**	**(9,606,065)**
Disposal of subsidiary*					(267,099)	(267,099)	(113,437)	(380,536)
Total transactions with owners of the Company		**-**	**-**	**525,444**	**(116,774,246)**	**(116,248,802)**	**-**	**(116,248,802)**
Balance at 31st December, 2023		**5,138,066**	**82,943,935**	**1,469,827**	**(26,267,451)**	**63,284,377**	**-**	**63,284,377**

The notes on pages 68 to 128 are an integral part of these financial statements.

*Disposal of subsidiary relates to the derecognition of Benue bottling company limited, the NCI and its related retained earning previously recognised.

Company

	Notes	Share Capital ₦'000	Share Premium ₦'000	Share Based Payment Reserve ₦'000	Retained Earnings ₦'000	Total Equity ₦'000
Balance at 1st January 2022		**4,037,916**	**77,499,797**	**170,753**	**90,430,837**	**172,139,303**
Profit for the year		-	-	-	13,925,086	13,925,086
Other comprehensive loss for the year		-	-	-	55,571	55,571
Total comprehensive income for the year		-	-	-	**13,980,657**	**13,980,657**
Transaction with owners, recorded directly in equity						
Contributions and distributions						
Issue of Ordinary shares		1,100,150	5,444,138	-	-	6,544,288
Share based payment charge	27	-	-	1,307,194	-	1,307,194
Share based payment recharge		-	-	(533,564)	-	(533,564)
Dividends	24(a)	-	-	-	(12,979,360)	(12,979,360)
Unclaimed dividends written back	24(b)	-	-	-	420,561	420,561
Total contributions and distributions		**1,100,150**	**5,444,138**	**773,630**	**(12,558,799)**	**(5,240,881)**
Changes in ownership interest						
Total transactions with owners of the Company		**72,537**	**6,471,751**	**39,905**	**9,810,929**	**8,739,776**
Balance at 31st December, 2022		**4,110,453**	**83,971,548**	**210,658**	**100,241,766**	**180,879,079**
Balance at 1st January 2023		**5,138,066**	**82,943,935**	**944,383**	**91,852,695**	**180,879,079**
Profit for the year		-	-	-	(105,769,222)	(105,769,222)
Other comprehensive income for the year		-	-	-	(335,180)	(335,180)
Total Comprehensive income for the year		-	-	-	**(106,104,402)**	**(106,104,402)**
Transaction with owners, recorded directly in equity						
Contributions and distributions						
Issue of ordinary shares		-	-	-	-	-
Share based payment charge	27	-	-	663,641	-	663,641
Share based payment recharge		-	-	(138,197)	-	(138,197)
Dividends	24(a)	-	-	-	(10,584,416)	(10,584,416)
Unclaimed dividends written back	24(b)	-	-	-	452,907	452,907
Total contributions and distributions		**-**	**-**	**525,444**	**(10,131,509)**	**(9,606,065)**
Total transactions with owners of the Company		**-**	**-**	**525,444**	**(116,235,911)**	**(115,710,467)**
Balance at 31st December, 2023		**5,138,066**	**82,943,935**	**1,469,827**	**(24,383,216)**	**65,168,612**

The notes on pages 68 to 128 are an integral part of these financial statements.

Consolidated and Separate Statement of Cash flows

	Notes	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
(Loss)/Profit for the year		(106,307,557)	(105,769,222)	13,186,761	13,925,086
Adjustments for:					
Depreciation		46,392,351	45,896,122	38,033,326	37,516,197
Amortisation of intangible assets	15	1,639,085	1,639,085	1,567,363	1,567,363
Finance income	8(a)	(513,239)	(513,239)	(349,192)	(349,192)
Interest expenses	8(c)	36,368,316	36,368,316	8,422,249	8,469,483
Loss /(Gain) on foreign exchange transactions		5,557,480	5,557,480	(122,480)	(122,480)
Employee benefit charge	26(c)	1,003,447	1,003,447	1,661,588	1,661,588
Share based payment charge	27	663,641	663,641	1,307,194	1,307,194
Gain on sale of property, plant and equipment	9(a)	(117,157)	(117,044)	(692,924)	(692,924)
Gain on sale of subsidiaries / JVs / Associates	9(f)	(329,547)	(329,547)	-	-
Changes in provisions	31	727,308	727,308	1,252,067	1,252,067
Income tax expense	11(a)	(38,916,714)	(38,919,780)	4,153,788	4,167,444
Other non-cash item from disposal of subsidiary	9(f)	(380,536)	-	-	-
		(54,213,122)	**(53,793,433)**	**68,419,740**	**68,701,826**
Changes in:					
Inventories		(38,518,237)	(38,528,581)	(21,325,800)	(21,276,810)
Trade and other receivables	20(b)	(6,209,409)	(6,368,335)	(15,096,947)	(19,010,110)
Prepayments		(1,012,127)	(1,012,127)	894,667	894,667
Trade and other payables	29(b)	80,354,300	80,142,435	21,853,544	25,351,337
Deposit for imports	21(b)	(9,307,973)	(9,307,973)	4,993,099	4,993,099
Cash (utilised by)/generated from operating activities		**(28,906,568)**	**(28,868,014)**	**59,738,303**	**59,654,009**
Income tax paid	11(c)	(9,322,347)	(9,322,347)	(6,675,437)	(6,612,977)
Gratuity paid	26(a)	(1,087,994)	(1,087,994)	(930,560)	(930,560)
Other long term employee benefits paid	26(b)	(1,301,776)	(1,301,776)	(1,379,880)	(1,379,880)
Share Based Payment	27	(138,197)	(138,197)	(533,564)	(533,564)
VAT paid*		(33,908,828)	(33,908,828)	(27,690,633)	(27,690,633)
Net cash (utilised by)/generated from operating activities		**(74,665,710)**	**(74,627,156)**	**22,528,229**	**22,506,395**
Cash flows from investing activities					
Finance income	8	513,239	513,239	349,192	349,192
Proceeds from sale of property, plant and equipment		312,036	151,735	434,826	434,826
Acquisition of property, plant and equipment	13(e)	(98,741,992)	(98,741,992)	(97,860,954)	(97,860,530)
Acquisition of right-of-use asset	14(b)	(401,009)	(358,331)	(1,523,596)	(1,473,958)
Acquisition of intangible assets	15	(127,942)	(127,942)	(658,133)	(658,133)
Net cash used in investing activities		**(98,445,668)**	**(98,563,291)**	**(99,258,665)**	**(99,208,603)**
Cash flows from financing activities					
Repayment of loans and borrowings	25(a)	(336,487,094)	(336,487,094)	(66,782,300)	(66,782,300)
Proceeds from loans and borrowings	25(a)	533,946,588	533,946,588	161,047,971	161,047,971
Repayment of lease liabilities	14(c)	(16,480)	(16,480)	(113,540)	(113,540)
Interest paid	8(c)	(18,777,537)	(18,777,537)	(4,648,017)	(4,695,251)
Cash received from Registrars	24(b)	1,551,321	1,551,321	141,441	141,441
Dividends paid	24(b)	(6,067,868)	(6,067,868)	(7,586,787)	(7,586,787)
Net cash from financing activities		**174,148,930**	**174,148,930**	**82,058,768**	**82,011,534**
Net increase in cash and cash equivalents		**1,037,552**	**958,483**	**5,328,332**	**5,309,326**
Effect of foreign exchange rate changes on cash and cash equivalent		16,347,980	16,347,980	122,480	122,480
Cash and cash equivalents at 1st January		22,180,841	22,151,846	16,730,029	16,720,040
Cash and cash equivalents at 31st December	22	**39,566,373**	**39,458,309**	**22,180,841**	**22,151,846**

The notes on pages 68 to 128 are an integral part of these 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 Consolidated and Separate Financial Statements

1. Reporting entity

Nigerian Breweries Plc (the 'Company'), 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 the 7th January 1957, to Nigerian Breweries Limited and thereafter to Nigerian Breweries Plc in 1990 when the Companies and Allied Matters Act (now repealed) of that year came into effect. The Company is a subsidiary of Heineken N.V. of the Netherlands, the latter having approximately 57% interest in the equity of Nigerian Breweries Plc. The address of the Company's registered office is 1 Abebe Village Road, Iganmu, Lagos. The Company is primarily involved in the brewing, marketing and selling of lager, stout, non-alcoholic drinks and soft drinks.

As a consequence of the merger with Consolidated Breweries Plc in 2014, the Group comprises of the Company and its 89.3% majority equity interest in Benue Bottling Company Limited (BBCL). The subsidiary, BBCL, was an entity with no business activities that held land, buildings and some idle production assets. The company has now been liquidated.

234 Stores Limited is also a subsidiary of the Company which was incorporated on 7th November 2018 to explore opportunities in the route-to-market. The subsidiary became fully operational in 2020 and its financial position has been consolidated in these financial statements.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements were authorised for issue by the Board of Directors on 14th February 2024, and will presented at the Annual General Meeting of Shareholders on 26th April 2024.

(a) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Liabilities for equity-settled share-based payment arrangements – stated at fair value
- Defined benefit obligations – stated at present value of the obligation
  The methods used to measure fair values are discussed further in note 4

(b) Functional and presentation currency

These financial statements are presented in Naira, which is the Group/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 the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Where relevant, the information is added to the notes
The following notes contain the most significant estimates and judgements:
Note 26 - Measurement of defined benefits obligations: key actuarial assumptions
Note 29 - Returnable Packaging material
Note 32 - Contingent liabilities

(d) Measurement of fair values

A number of the Group/Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Significant valuation issues are reported to the Audit Committee.
When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In some cases, if the inputs used to measure the fair value of an asset or a liability is categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group/Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in Financial Instruments – Financial risk management and fair values (note 30).

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements:

(a) Basis of consolidation

(i) Business combinations

The Company measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Company elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

The Company has applied IFRS 3 on business combinations involving entities under common control.

(ii) Acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders; therefore no goodwill is recognised as a result of such transactions.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are modified where necessary to align them with the policies adopted by the Company. Separate disclosure is made for non-controlling interest.

(iv) Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Structured entities

Structured entities are entities in which the Company is involved and which are designed so that their activities are not governed by way of voting rights. The Company either holds an interest, or does not hold an interest but is a sponsor. The Company considers itself a sponsor of a structured entity when it facilities the establishment of that structured entity. In assessing whether the Company has power over such entities in which it has an interest, the Company considers factors such as the purpose and design of the investee; its practical ability to direct the relevant activities of the investee; the nature of its relationship with the investee; and the size of its exposure to the variability of returns of the investee.

For additional disclosures on the Company's involvement in unconsolidated structured entities, see notes 16 and 36.

(vi) **Loss of control**

On the loss of control, the Company derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or at cost less impairment losses depending on the level of influence retained.

(b) **Foreign currency transactions**

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined.
Foreign currency differences arising on translation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(c) **Financial instruments**

(i) **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss or deferred and amortised over the period of the transaction, in specific cases.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
  Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income:
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss.

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and the Company may irrevocably designate a debt investment that meets the amortised cost or criteria as measured at fair value through the statement of profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

Derecognition
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derocognition. Gains or losses on derecognition of financial assets are recognized as finance income/cost.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand; cash balances with banks and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group/Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

(ii) Financial liabilities
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through the statement of profit or loss.

The Company derecognizes a financial liability when it has lapsed, when an existing financial liability is replaced by another from the same lender on substantially different terms.

Financial guarantee contract liabilities
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at fair value through profit or loss and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

(iii) Share capital
The Company has only one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve. The use of the share premium account is governed by S.145(4) of CAMA. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.
Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised as profit or loss in the statement of profit or loss. De-recognition of assets is performed at time of disposal.

(ii) Subsequent costs

Subsequent expenditure is capitalised only it is probable that the future economic benefits associated with the expenditure will flow to the Group/Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Depreciation is not charged until the assets are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold land	-	Lease period
Buildings	-	15 to 40 years
Plant and Machinery	-	5 to 30 years
Motor Vehicles	-	5 years
Furniture and Equipment	-	3 to 5 years
Returnable Packaging Materials	-	7 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group/Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

(e) Right-of-use assets

(a) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (lower than two million four hundred and fifty thousand Naira). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease or incremental borrowing rate where rate cannot be readily determined.
The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

(f) Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For measurement of goodwill at initial recognition, see Note 3a(I).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses, see Note 3i (ii). In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. Goodwill is not amortised but tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(ii) Other Intangible assets

Other intangible assets that are acquired by the Group/Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.
The Group/Company's intangible assets with finite useful lives comprise acquired software and a distribution network acquired as part of a business combination. The acquired distribution network provides the Company with opportunities for increased market penetration.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific Intangible asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation of Intangible assets other than goodwill

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Goodwill is not amortised. The estimated useful life for the current and comparative period is as follows:

Computer software - 3 to 7 years
Distribution network - 15 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication a the end of a reporting period that the asset may be impaired.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The basis of costing is as follows:

Raw materials, non-returnable packaging materials-purchase cost on a weighted average basis including spare parts and purchased finished goods transportation and clearing costs.
Brewed finished products and products-in-process - weighted average cost of direct materials, labour costs and a proportion of production overheads based on normal operating capacity.

Inventory-in-transit -purchase cost incurred to date.
Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion and selling expenses.

(i) Returnable packaging materials

Returnable packaging materials (RPM) may be classified as property, plant and equipment or inventory. The classification mainly depends on whether ownership is transferred and if the company has the legal or constructive obligation to buy back the materials.

The assumptions to classify as PP&E were is that the Company have it included on our customer contracts, the ownership of the RPM is not transferred to the customer and the Company has a legal or constructive obligation to buy back, hence concluding that the RPM is treated as PP&E.

The recognition of deposit liabilities for RPM items occurs when the company becomes obligated, either contractually or constructively, to refund cash to the customer or issue a credit note upon the return of the RPM item. The initial measurement of the deposit liability is based on the nominal amount expected to be refunded to the customer upon return of the RPM item, without any discounting applied.

Subsequent measurement of the RPM deposit liability involves accounting for market loss on a monthly basis using reliable Supply Chain measurements spanning at least 12 months. This ensures a robust estimation of market loss, with adjustments made to account for seasonality. In some instances, adjustments may be made using the average of the 12-month rolling percentage to address negative market loss.

Once sufficient reliable data is available and the market loss percentage is deemed reasonable, the deposit liability is released monthly to reflect the estimated market loss based on the monthly sales volume. Additionally, the company assess the reasonableness of the deposit liability at least annually, particularly during peak seasons when circulation time is measured. This assessment is conducted in collaboration with the Supply Chain department to ensure reliability. Depending on local circumstances, a threshold may be applied before the release is recorded to account for estimation uncertainty.

(j) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets which continue to be measured in accordance with the Group/Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(k) Impairment

(i) Financial assets

A financial asset subsequently measured at amortised cost, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group/Company on terms that the Group/Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Definition of default

The Group/Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more that 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off-policy

The Group/Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial asset written off may still be subject to enforcement activities under the Group's/Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The Group/Company has adopted the provision matrix expected credit loss, see Note 30.

In assessing collective impairment the Group/Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group/Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

To determine fair value the company adopts level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

(l) Employee benefits

(i) Defined contribution plan

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Group/Company pays fixed contributions into a separate entity. The Group/Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the provisions of the Pension Reform Act 2014, the Group/Company has instituted a defined contribution pension scheme for its permanent staff. Staff contributions to the scheme are funded through payroll deductions while the Group/Company's contribution is recognised in profit or loss as employee benefit expense in the periods during which services are rendered by employees.

Employees (non-management and management respectively) contribute 7% and 8% of their Basic salary, Transport and Housing Allowances to the Fund on a monthly basis. The Group/Company's contribution is 12% and 10% of each employee's Basic salary, Transport & Housing Allowances for non-management and management employees respectively.

(ii) Gratuity

The Group/Company currently operates two gratuity schemes, a defined benefit scheme and a defined contribution scheme:

(a) Defined benefit gratuity scheme

The Company has a defined benefit gratuity scheme for certain employees. The

Company's net obligation in respect of defined benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine its present value. In determining the liability for employee benefits under the defined benefit scheme, consideration is given to future increases in salary rates and the Company's experience with staff turnover.

The recognised liability is determined by an independent actuarial valuation every year using the projected unit credit method. Actuarial gains and losses arising from differences between the actual and expected outcome in the valuation of the obligation are recognised fully in Other Comprehensive Income. The effect of any curtailment is recognised in full in the profit or loss immediately the curtailment occurs. The discount rate is the yield on Federal Government of Nigeria issued bonds that have maturity dates approximating the terms of the Company's obligation. Although the scheme is not funded, the Company ensures that adequate arrangements are in place to meet its obligations under the scheme.

Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructing cost or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit cost is split into three categories:

- Service cost, which includes current service cost, past services cost and gain and losses on curtailments and settlements;
- Net interest expense or income; and
- Remeasurements.

The Group/Company recognise service cost within profit or loss as cost of sales and administration expenses (see note 25a

Net interest expense or income is recognised within finance costs (see note 25a).
The retirement benefit obligation recognised in the consolidated statement of financial position represents the deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(b) Defined contribution gratuity scheme

The Company has a defined contribution scheme for certain employees which is funded through fixed contributions made by the Company over the service life of the employees and charged accordingly as employee benefit expense in profit or loss. The funds are managed and administered by Progress Trust (CPFA) Limited. Progress Trust (CPFA) Limited is a duly registered closed Pension Fund Administrator whose sole activity is the administration of the pension and gratuity (defined benefit contribution) schemes for employees and former employees of the Company. Nigerian Breweries Plc has no recourse to the funds, which is managed in accordance with the Pension Reform Act of 2014 and regulated by the Pension Commission.

(c) Post-retirement medical benefit scheme

The Company has a post-employment medical benefits scheme for its pensioners and employees, including their spouses.

The recognised liability is determined by an independent actuarial valuation every year using the projected unit credit method. Actuarial gains and losses arising from differences between the actual and expected outcome in the valuation of the obligation are recognised fully in Other Comprehensive Income. The effect of any curtailment is recognised in full in the profit or loss immediately the curtailment occurs. The discount rate is the yield on Federal Government of Nigeria issued bonds that have maturity dates approximating the terms of the Company's obligation. Although the scheme is not funded, the Company ensures that adequate arrangements are in place to meet its obligations under the scheme.

(iii) Other long-term employee benefits

The Company's other long-term employee benefits represents Long Service Awards scheme instituted for all permanent employees and post-employment medical benefit for pensioners and employees on the defined benefit gratuity scheme including their spouses. The Company's obligations in respect of these schemes are the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximating the term of the Company's obligation. The calculation is performed using the Projected Unit Credit method. Any actuarial gains and losses are recognised in profit or loss.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(v) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(vi) Share-based payment transactions

Share-based payment arrangements in which the Company receives goods or services and has no obligation to settle the share-based payment transaction are accounted for as equity-settled share-based payment transactions. All other share based payment arrangements are accounted for as cash settled. As from 1st January 2006 Heineken N.V, the parent Company, established a share based payment plan for key management personnel, including certain senior management of Nigerian Breweries Plc. The grant date fair value of the share rights granted is recognised as personnel expenses with a corresponding increase in equity (Share-based payment reserve) as a capital contribution from Heineken N.V, over the period that the employees become unconditionally entitled to the share rights.

A recharge arrangement exists between Heineken N.V and Nigerian Breweries Plc whereby vested shares delivered to employees' by Heineken N.V are recharged to Nigerian Breweries Plc. The recharge transaction is recognised as an intercompany liability with a corresponding adjustment in equity (Share-based payment reserve) for the capital contribution recognised in respect of the share-based payment.

At each reporting date, the estimate of the number of share rights that are expected to vest is revised for internal performance conditions. The impact of the revision of original estimates (only applicable for internal performance conditions), if any, is recognised in profit or loss, with a corresponding adjustment to equity. The fair value of the share plan is measured at grant date taking into account the terms and conditions of the plan.

(m) Provisions and contingent liabilities

Provisions

A provision is recognised if, as a result of a past event, the Group/Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as Provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a Provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for restructuring is recognised when the Group/Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position.

If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

(n) Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of value added tax, excise duties, sales returns, trade discounts and volume rebates. Revenue is recognised by identifying the contract with the customer, identifying the performance obligations in the contract, determining the transaction price and when we the performance obligation is satisfied. The Company main performance obligation is to ensure the products are dispatched to the Customer upon acceptance of the dispatch order from the customer. The revenue is recognised at the moment the respective product is dispatched in accordance with the Company's performance obligation.

The Company fulfills the transfer of ownership at time of dispatch. Customers are able to collect the goods or choose to be delivered where the Company arranges transportation. If the latter is chosen, the transportation costs are included in the price and not charged separately. The Company does not retain the risks of the products such as physical damage, returns in case the product is not sold by the customer and payment only after the customer sells the product. In case the performance obligation of delivery is not fulfilled, the Company intermediates the compensation of the customer via deduction of the fee of the supplier of the transportation. These costs are not absorbed by the Company, but directly deducted from the transporters. Hence, transfer of control of the goods remains at time of dispatch.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised. As the customers have a right to return goods under specific conditions agreed on contract, an estimation of probable returns is recognised as the sales are recognised, based on historic ratios, management information and the return clause included in the customer' contracts.

(o) Other Income

Income other than sale of goods is recognised as 'Other Income' when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

(p) Finance income and finance costs

Finance income comprises interest income on funds invested, changes in the fair value of financial assets at fair value through profit or loss. Finance income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on employee benefits and changes in the fair value of financial assets at fair value through profit or loss except finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the related assets, are recognised in profit or loss using the effective interest method.

Net Loss on Foreign Exchange Transactions is disclosed separately than finance income and finance costs on the statement of Profit or Loss, due to materiality in line with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) and they do not relate to the borrowings of the company.

(q) Income and deferred tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in profit or loss account except to the extent that it relates to a transaction that is recognised directly in equity. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. This assessment requires management to make judgments and estimates regarding the expected timing and amount of future taxable profits, taking into consideration historical performance, future business plans, and economic conditions. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

(i) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
(ii) differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.
(iii) temporary differences arising on the initial recognition of goodwill.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest maybe due. The assessment relies on estimates and assumptions and may involve a series of judgements about future event. New information may become available that causes the company to adjust its judgements regarding the adequacy of existing tax liabilities; such changes to the tax liabilities will impact tax expenses in the period that such a determination is made.

(r) **Earnings per share (EPS)**

The Group/Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(s) Segment reporting

An operating segment is a distinguishable component of the Group/Company that earns revenue and incurs expenditure from providing related products or services (business segment), or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.
The Group/Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Group/Company's internal reporting structure.

All operating segments' operating results are reviewed regularly by the Executive Committee, which is considered to be the chief operating decision maker for the Group/Company to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Where applicable, segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. As the Company do not operate on different business segments, segmentation is not presented.

The Company has one segment report as none of the assets are generating individual cash flows, there is no separate market for outputs and all management decision is done as a whole, as well as, allocation of resources.

(t) Loans and borrowings

"Loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Loans and borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Loans obtained at below market rate are treated as governments grants, if the Company has reasonable assurance that will comply to the conditions attached and grants will be received. These loans are recorded at fair value at inception and the benefits, if any, are included in deferred income."
Loans and borrowings, for which the Group/Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date, are classified as non-current liabilities.

(u) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, equity-settled share-based payments and other non-cash items have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while finance income is included in investing activities.

(v) Dividends

Dividends are recognised as liability in the period they are declared and approved.
Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with Section 432 of CAMA are written back to retained earnings.

(w) Cost of Goods Sold

The cost of goods sold (COGS) represents the direct expenses incurred to produce the goods sold by the company during a given period. This includes the cost of materials, labour, and other direct expenses associated with the production of the goods.

The company uses the weighted average cost method to calculate the cost of goods sold. Under this method, the cost of goods sold is determined by taking the weighted average of all the costs associated with the inventory items available for sale during the accounting period.

The direct expenses associated with the cost of goods sold will be recorded in the accounting period in which they are incurred. This includes the cost of raw materials, direct labour, and other direct expenses related to the production of the goods sold.

(x) Investment

Investments are initially recognized at fair value, which is the price that would be received to sell the investment in an orderly transaction between market participants. The transaction costs related to the acquisition of the investment are expensed.

Investments are subsequently measured at cost, unless there is objective evidence of impairment, in which case the carrying amount is reduced to its recoverable amount, and the impairment loss is recognised in profit and loss. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Investments are assessed for impairment on a regular basis. If there is objective evidence of impairment, the carrying amount of the investment is reduced, and the impairment loss is recognized in profit or loss. The impairment loss is calculated as the difference between the carrying amount of the investment and its recoverable amount.

When an investment is disposed of, the difference between the carrying amount and the proceeds from disposal is recognized in profit or loss. Gains and losses on disposal are recognized in profit or loss."

4.a Determination of fair values

A number of the Group/Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. See note 30 (g) for basis of determination of fair value for financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

Trade receivables are short term in nature, sold on arms lengths terms and therefore fair value is determined to be the transaction price.

(ii) Share-based payment transactions

The fair value of the share-based payment plan is measured at the grant date taking into account the terms and conditions of the plan.

(iii) Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4.b. Fair value as a result of business combinations

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on the quoted market prices for similar items when available and depreciated replacement cost based on independent valuation when appropriate.

(ii) Intangible assets

The fair value of the distribution network acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of other intangible assets are based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

5.a. New and amended IFRS Accounting Standards that are effective for the current year

(i). IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. The above does not have a significant impact on the Group and company financial statement.

(ii). Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement Making Materiality Judgements— Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The directors of the group and company has assessed and concluded that the application of the above amendments does not have a significant impact on the Group and company financial statement.

(iii). Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The directors of the group and company has assessed and concluded that the application of the above amendments does not have a significant impact on the Group and company financial statement.

(iv). Amendments to IAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules

The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum to up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The directors of the group and company has assessed and concluded that the application of the above amendments does not have a significant impact on the Group and company financial statement.

(v). Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. The directors of the group and company has assessed and concluded that the application of the above amendments does not have a significant impact on the Group and company financial statement.

5.b. New and revised IFRS Accounting Standards in issue but not yet effective

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1 Classification of Liabilities as Current or Non-current
Amendments to IAS 1 Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements
Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

(i). Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods should such transactions arise.

(ii). Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

(iii). Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent).

Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024.

Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

(iv). Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

(v). Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

6. Revenue

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Nigeria	599,307,563	599,173,293	550,427,416	550,267,049
Export	335,468	335,468	210,578	210,578
Revenue	**599,643,031**	**599,508,761**	**550,637,994**	**550,477,627**

Customers are able to collect the goods or choose to be delivered where the Company arranges transportation. If the latter is chosen, the transportation costs are included in the price and not charged separately, and they are presented here as part of the Revenue. The costs incurred on Transportation of goods to customers is disclosed on the note 9(c). For more details on performance obligation, transfer of control and revenue recognition, please refer to Note 3 (n).

6.1. Operating Segment

a General Overview

Refer to the accounting policy on note 3('s)

b Operating performance

Nigeria is the Group/Company's primary geographical segment as over 99% of the Group/Company's sales are made in Nigeria. Additionally, all of the Group/Company's sales comprise of brewed products with similar risks and returns. Accordingly, no further business or geographical segment information is reported.

c Information about major customers

No single customer either within or outside Nigeria contributed up to 10% of the revenue for the year. Therefore information on major customers is not presented.

7. Other income

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Sale of scrap	1,970,205	1,970,205	1,412,285	1,412,285
Management services	223,485	223,485	64,209	64,209
Gain on disposal of property, plant and equipment	117,157	117,044	284,438	284,438
Gain on right-of-use derecognition	-	-	408,486	408,486
Gain on sale of subsidiaries / JVs / Associates (Note 9f)	329,547	329,547	-	-
Income from insurance claims	317,116	317,116	817,328	817,328
	2,957,510	**2,957,397**	**2,986,746**	**2,986,746**

8. Finance income and finance costs

(a) Finance income represents interest income earned on bank deposits.

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Interest income on bank deposits	513,239	513,239	349,192	349,192

(b) Finance cost represents charges during the year as shown below.

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Interest expense on loans and borrowings	35,064,664	35,064,664	7,184,298	7,231,532
Unwinding of discount on employee benefits	1,301,639	1,301,639	1,188,819	1,188,819
Interest expense on lease liabilities	2,013	2,013	49,132	49,132
Finance cost	**36,368,316**	**36,368,316**	**8,422,249**	**8,469,483**

(c) Interest expense in the statement of cash flows

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Finance cost per income statement	**36,368,316**	**36,368,316**	**8,422,249**	**8,469,483**
Unwinding of discount on employee benefits	(1,301,639)	(1,301,639)	(1,188,819)	(1,188,819)
Interest expense on Lease Liabilities	(2,013)	(2,013)	(49,132)	(49,132)
Interest accrual	(16,287,127)	(16,287,127)	(2,536,281)	(2,536,281)
Interest paid per statement of cash flows	**18,777,537**	**18,777,537**	**4,648,017**	**4,695,251**

9. (Loss)/Profit before taxation

(a) (Loss)/Profit before taxation is stated after charging / (crediting):

	Notes	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Depreciation of property, plant and equipment	13	45,034,894	44,638,629	36,774,613	36,390,150
Depreciation of right-of-use asset	13	1,357,457	1,257,493	1,258,713	1,126,047
Amortisation of intangible assets	14	1,639,085	1,639,085	1,567,363	1,567,363
Auditors' remuneration*		118,875	113,500	80,542	70,589
Personnel expenses	10	55,495,825	55,372,648	51,338,482	51,083,811
Directors' remuneration	9(b)	947,449	947,449	684,906	684,906
Gain on disposal of property, plant and equipment		(117,157)	(117,044)	(284,438)	(284,438)
Gain on right-of-use derecognition		-	-	(408,486)	(408,486)
Royalty and technical assistance fees	9(c)	12,948,390	12,948,390	12,407,887	12,407,887

* Apart from the statutory fee, Deloitte received ₦95 million (2022: ₦82.9 million) for the audit of group reporting and ₦25.6 million for Business consultation on the acquisition of Distell wine and spirit Nigeria limited. In 2022, ₦5 million for quarterly certification of National Office for Technology Acquisition and Promotion (NOTAP) related payments.

(b) Remuneration, excluding certain benefits of Directors of the Company, who discharged their duties mainly in Nigeria, is as follows:

	Company 2023 ₦'000	Company 2022 ₦'000
Fees:		
Chairman (Non-Executive)	6,500	6,500
Other Non-Executive Directors	39,600	40,400
	46,100	46,900
Other emoluments:		
Chairman (Non-executive)	14,100	14,111
Other Non-executives Directors	99,116	90,679
	113,216	104,790
Remuneration as Executive Directors	788,132	533,216
	947,449	**684,906**

The emolument (excluding pension contributions) of the highest paid Director was ₦486,019,342.32 (2022: ₦319,781,240.28).

Other allowances, reimbursable expenses/payments for the Non-Executive Directors were: ₦37.1 million in 2023 (2022: ₦18.3 million).

(b) The number of other Directors (excluding the Chairman and highest paid Director) who received emoluments excluding pension were within the following ranges:

	Group 2023 Number	Company 2023 Number	Group 2022 Number	Company 2022 Number
₦4,000,001 - ₦30,000,000	7	7	8	8
₦30,000,001 and above	3	3	3	3
	10	**10**	**11**	**11**

(c) Analysis of expenses by nature

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Raw materials and consumables	286,061,312	286,061,312	246,722,480	246,722,480
Advertising and sales promotion	51,324,455	51,324,455	57,068,804	57,068,804
Depreciation of property, plant and equipment	45,034,894	44,638,629	36,774,613	36,390,150
Depreciation of right-of-use asset	1,357,457	1,257,493	1,258,713	1,126,047
Amortisation of intangible assets	1,639,085	1,639,085	1,567,363	1,567,363
Employee benefits (see note 10)	55,495,825	55,372,648	51,338,482	51,083,811
Transportation	64,947,086	64,947,086	56,348,879	56,348,879
Repairs and maintenance	19,518,908	19,518,908	16,925,649	16,925,649
Royalty and technical service fees	12,948,390	12,948,390	12,407,887	12,407,887
Variable lease expenses	522,450	522,450	1,117	1,117
Release of expected credit loss on financial assets	469,923	469,923	575,074	575,074
Others*	19,317,345	19,267,099	20,879,658	20,691,876
Total cost of sales, marketing & distribution and administration expenses	**558,637,130**	**557,967,478**	**501,868,719**	**500,909,137**
Cost of sales	387,032,572	387,032,454	337,310,437	337,310,437
Selling and distribution expenses**	142,492,958	142,492,958	135,829,790	135,829,790
Administrative expenses	28,641,677	27,972,143	28,153,418	27,193,836
Net release of expected credit loss on financial assets	469,923	469,923	575,074	575,074
Total cost of sales, marketing & distribution and administration expenses	**558,637,130**	**557,967,478**	**501,868,719**	**500,909,137**

* Others includes a number of expenses by nature like third party contractors, utilities (water, electricity, telecom, etc), consultants, office expenses, donation amongst others.

**Included in Selling and Distribution is transportation with a balance of ₦65b (2022: ₦56b) which represents payment to transporters for delivery of products.

(d) Depreciation in statement of cash flows	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Depreciation of property, plant and equipment	45,034,894	44,638,629	36,774,613	36,390,150
Depreciation of right-of-use asset	1,357,457	1,257,493	1,258,713	1,126,047
Depreciation per statement of cash flows	**46,392,351**	**45,896,122**	**38,033,326**	**37,516,197**

(e) Gains on sale in statement of cash flows	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Gain on disposal of property, plant and equipment	(117,157)	(117,044)	(284,438)	(284,438)
Gain on right-of-use derecognition	-	-	(408,486)	(408,486)
Gains on sale per statement of cash flows	**(117,157)**	**(117,044)**	**(692,924)**	**(692,924)**

(f) Disposal of subsidiaries & net of cash acquire	Group 2023 ₦'000	Company 2023 ₦'000
Proceed from Disposal of subsidiaries	1,009,172	1,009,172
Investments	(679,625)	(679,625)
Gain on sale of subsidiaries / JVs / Associates	**329,547**	**329,547**
Other non-cash from disposal of subsidiary non-controlling interest (NCI)	(113,437)	-
Previous Profit Recognized in Equity	(267,099)	-
Disposal of subsidiaries & net of cash acquire	(380,536)	-

10. Personnel expenses

(a) Staff costs including the provision for gratuity liabilities and other long term employee benefits:

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Salaries, wages and allowance	42,375,546	42,252,369	36,760,927	36,506,256
Pension and gratuity	5,973,779	5,973,779	6,316,297	6,316,297
Expenses/(release) related to defined benefit plans	101,559	101,559	88,138	88,138
Training, recruitment and canteen expenses	2,006,159	2,006,159	2,149,426	2,149,426
Share based payments expense/(release)	520,158	520,158	1,307,194	1,307,194
Medical expenses	1,040,697	1,040,697	1,056,172	1,056,172
Other personnel expenses*	3,477,927	3,477,927	3,660,328	3,660,328
	55,495,825	**55,372,648**	**51,338,482**	**51,083,811**

* Other personnel expenses relates to transportation benefits, cars, uniforms, relocation, etc.

(a) The number of persons employed as at 31st December are:

	Group/Company 2023 Number	Group/Company 2022 Number
Production	1,228	1,479
Distribution	220	252
Commercial	531	610
General administration	326	344
	2,305	**2,685**

(b) Number of employees of the Company as at 31st December, whose duties were wholly or mainly discharged in Nigeria, received annual remuneration (excluding pension contributions and certain benefits) in the following ranges:

	Group/Company 2023 Number	Group/Company 2022 Number
N500,000 and below	-	-
N500,001 - N600,000	1	-
N600,001 - N700,000	-	-
N700,001 - N800,000	2	1
N800,001 - N900,000	12	2
N900,001 - N1,000,000	-	1
N1,000,001 - N1,100,000	-	14
N1100,001 - N1,200,000	-	-
N1,200,001 - N1,300,000	-	37
N1,300,001 - N1,400,000	-	1
N1,400,001 - N1,500,000	-	8
N1,500,001 - N1,600,000	-	1
N1,600,001 - N1,700,000	-	-
N1,700,001 - N1,800,000	-	-
N1,800,001 - N1,900,000	-	-
N1,900,001 - N2,000,000	-	-
N2,000,001 - N2,250,000	-	4
N2,250,001 - N2,500,000	2	3
N2,500,001 - N2,750,000	2	7
N2,750,001 - N3,000,000	-	21
N3,000,001 - N3,500,000	28	79
N3,500,001 - N4,000,000	14	90
N4,000,001 - N5,000,000	164	143
N5,000,001 - N6,000,000	189	346
N6,000,001 - N8,000,000	584	751
N8,000,001 - N10,000,000	513	428
N10,000,001 - N15,000,000	360	364
N15,000,001 - N20,000,000	196	171
N20,000,001 - N30,000,000	147	116
N30,000,001 and above	91	97
	2,305	**2,685**

11. Taxation

(a) Income tax expense

The tax charge for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes, and comprises:

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Current tax expense				
Income tax	-	-	7,520,806	7,534,462
Tertiary education tax	-	-	1,533,667	1,533,667
Minimum Tax	3,036,127	3,033,061	-	-
	3,036,127	**3,033,061**	**9,054,473**	**9,068,129**
Deferred tax expense				
Origination and reversal of temporary differences (Note 28)	(41,952,841)	(41,952,841)	(4,900,685)	(4,900,685)
	(38,916,714)	**(38,919,780)**	**4,153,788**	**4,167,444**

(b) Reconciliation of effective tax rate

	%	Group 2023 ₦'000	%	Company 2023 ₦'000	%	Group 2022 ₦'000	%	Company 2022 ₦'000
(Loss)/Profit before income tax		**(145,224,271)**		**(144,689,002)**		**17,340,549**		**18,092,530**
Income tax using the statutory tax rate	32.9	(47,744,305)	33.0	(47,744,305)	31.2	5,414,103	30.0	5,427,759
Minimum Tax	(2.1)	3,036,127	(2.0)	3,033,061	-	-	-	-
Impact of tertiary education tax	0.0	-	0.0	-	8.8	1,533,667	8.5	1,533,667
Effect of tax incentives and exempted income	(0.0)	(37,355)	0.0	(37,355)	(5.3)	(913,719)	5.1	(913,719)
Non-deductible expenses	(2.9)	4,270,362	(3.0)	4,270,362	(0.8)	(132,758)	(0.7)	(132,758)
Effect of derecognition of deferred tax on ROUA*	(0.0	-	0.0	-	(14.9)	(2,585,081)	(14.3)	(2,585,081)
Other items**	(1.1)	1,558,457	(1.0)	1,558,457	4.8	837,576	4.6	837,576
	26.8	**(38,916,714)**	**27.0**	**(38,919,780)**	**24.0**	**4,153,788**	**23.0**	**4,167,444**

*Right Of Use Asset
*'*Other items relate mainly to additional deferred tax asset on Returnable Packaging Material (RPM) and Police Trust Fund Tax.

(c) **Movement in current tax liability**

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Balance at 1st January	13,002,683	13,002,683	10,623,647	10,547,531
Payments during the year	(9,322,347)	(9,322,347)	(6,675,437)	(6,612,977)
Charge for the year	3,036,127	3,033,061	9,054,473	9,068,129
Balance at 31st December	**6,716,463**	**6,713,397**	**13,002,683**	**13,002,683**

12. Earnings per share

(a) Basic earnings per share

Basic (loss)/earnings per share of (1,275) kobo (2022: 168 kobo), for Group is (1,280) kobo (2022: 158) is based on the (loss)/profit attributable to ordinary shareholders of ₦ (105,769,222,000), (2022: ₦13,925,086,000), for Group is ₦(106,307,557,000 (2022: ₦13,186,761,000), and on the 8,298,839,837 ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue (2022: 8,298,839,837):

	Group 2023	Company 2023	Group 2022	Company 2022
Weighted average number of ordinary shares				
Issued ordinary shares at 1st January	8,298,839,837	8,298,839,837	8,042,944,463	8,042,944,463
Scrip and Bonus issues*	-	-	255,895,374	255,895,374
Weighted average number of ordinary shares at 31st December	**8,298,839,837**	**8,298,839,837**	**8,298,839,837**	**8,298,839,837**

*On 22nd April 2022, the Company issued 145,074,002 ordinary shares to shareholders as a scrip dividends and issued on the 8th of December 2022 2,055,226,478 ordinary shares as a bonus.

(b) Diluted earnings per share

Diluted earnings per share of (1,275) kobo (2022: 168 kobo), for Group is (1,280) kobo (2022: 158) is based on the (loss)/profit attributable to ordinary shareholders of ₦(105,769,222,000), (2022: ₦13,925,086,000), for Group is ₦(106,307,557,000 (2022: ₦13,186,761,000), and on the 8,298,839,837 ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue (2022: 8,298,839,837 after adjustment for the effects of all dilutive potential ordinary shares:

	Group 2023	Company 2023	Group 2022	Company 2022
Weighted average number of ordinary shares				
Issued ordinary shares at 1st January	8,298,839,837	8,298,839,837	8,042,944,463	8,042,944,463
Scrip and bonus issues	-	-	255,895,374	255,895,374
Weighted average number of ordinary shares at 31st December	**8,298,839,837**	**8,298,839,837**	**8,298,839,837**	**8,298,839,837**

(c) Dividend declared per share

Dividend declared per share of 0 kobo (2022: 160 kobo) is based on total declared dividend of ₦0 (2022: ₦12,979,360,640) and on 10,276,132,378 ordinary shares of 50 kobo each, being the ordinary shares in issue (2022: 10,276,132,378).

13. Property, plant and equipment

(a) The movement on these accounts during the year 2023 and 2022 was as follows:

Group	Freehold Land ₦'000	Buildings ₦'000	Plant and Machinery ₦'000	Motor Vehicles ₦'000	Furniture and Equipment ₦'000	Returning Packaging materials ₦'000	Capital Work-in-Progress ₦'000	Total ₦'000
Cost								
Balance at								
1st January 2022	**3,891,117**	**72,988,598**	**210,683,984**	**31,839,287**	**38,391,512**	**149,704,233**	**51,075,862**	**558,574,593**
Reclassification (Note 13 f)	(2,341,041)	(8,868)	(3,331,062)	(1,161,416)	80,666	133,953	-	(6,627,768)
Additions		4,588,676	8,258,130	3,648,038	9,285,015	30,810,558	82,242,974	138,833,391
Disposals		(424,767)	(3,139,039)	(4,158,396)	(1,089,554)			(8,811,756)
Transfered to Asset held for sale		(245,428)	-					(245,428)
Transfers from capital work-in-progress*		2,346,776	8,784,716	502,800	3,749,912	1,473,424	(16,857,628)	-
Balance at 31st December 2022	**1,550,076**	**79,244,987**	**221,256,729**	**30,670,313**	**50,417,551**	**182,122,168**	**116,461,208**	**681,723,032**
1st January 2023	1,550,076	79,244,987	221,256,729	30,670,313	50,417,551	182,122,168	116,461,208	681,723,032
Additions	439,503	1,016,772	16,374,537	759,895	4,452,296	25,603,201	78,891,840	127,538,044
Disposals	-	(59,621)	(2,833,590)	(1,894,161)	(318,262)	-	-	(5,105,634)
Transfers from capital work-in-progress*	-	1,457,011	51,598,423	483,717	4,943,440	2,019,976	(60,502,567)	-
Balance at 31st December 2023	**1,989,579**	**81,659,149**	**286,396,099**	**30,019,764**	**59,495,025**	**209,745,345**	**134,850,481**	**804,155,442**
Accumulated Depreciation and impairment								
Balance at 1st January 2022	**2,341,041**	**31,278,234**	**122,441,912**	**21,888,283**	**24,382,919**	**99,025,390**		**301,357,779**
Reclassification (Note 13 f)	(2,341,041)	(8,868)	(3,331,059)	(1,161,417)	80,660	133,957		(6,627,768)
Depreciation for the year		2,715,868	10,820,168	3,587,918	5,310,810	14,339,849		36,774,613
Disposals		(424,603)	(3,135,697)	(4,012,468)	(1,088,600)			(8,661,368)
Transferred to Asset held for sale		(87,928)						(87,928)
Balance at 31st December 2022	**-**	**33,472,703**	**126,795,324**	**20,302,316**	**28,685,789**	**113,499,196**	**-**	**322,755,328**
Balance at 1st January 2023	-	33,472,703	126,795,324	20,302,316	28,685,789	113,499,196	-	322,755,328
Depreciation for the year	-	2,988,057	13,173,122	3,817,036	7,652,116	17,404,563	-	45,034,894
Disposals	-	(59,621)	(2,833,588)	(1,859,472)	(315,574)	-	-	(5,068,255)
Balance at 31st December 2023	**-**	**36,401,139**	**137,134,858**	**22,259,880**	**36,022,331**	**130,903,759**	**-**	**362,721,967**
Carrying amount								
At 31st December 2023	**1,989,579**	**45,258,010**	**149,261,241**	**7,759,884**	**23,472,694**	**78,841,586**	**134,850,481**	**441,433,475**
At 31st December 2022	**1,550,076**	**45,772,284**	**94,461,405**	**10,367,997**	**21,731,762**	**68,622,972**	**116,461,208**	**358,967,704**

(b) The movement on these accounts during the year 2023 and 2022 was as follows:

Company	Freehold Land ₦'000	Buildings ₦'000	Plant and Machinery ₦'000	Motor Vehicles ₦'000	Furniture and Equipment ₦'000	Returning Packaging materials ₦'000	Capital Work-in-Progress ₦'000	Total ₦'000
Cost								
Balance at								
1st Januar y 2022	3,891,117	72,215,275	210,443,934	31,578,991	37,829,837	149,704,234	50,865,376	556,528,764
Reclassification (Note 13 f)	(2,341,041)	(8,868)	(3,331,062)	(1,161,416)	80,666	133,953		(6,627,768)
Additions	-	4,603,767	8,258,130	3,648,038	9,284,591	30,810,558	82,227,883	138,832,967
Disposals	-	(424,767)	(3,139,039)	(4,158,396)	(1,089,554)			(8,811,756)
Transfers from capital work-in-progress*	-	2,280,935	8,747,032	502,800	3,667,218	1,473,423	(16,671,408)	-
Balance at 31st December 2022	**1,550,076**	**78,666,342**	**220,978,995**	**30,410,017**	**49,772,758**	**182,122,168**	**116,421,851**	**679,922,207**
1st January 2023	1,550,076	78,666,342	220,978,995	30,410,017	49,772,758	182,122,168	116,421,851	679,922,207
Additions	439,503	1,016,772	16,374,537	759,895	4,452,296	25,603,201	78,891,840	127,538,044
Disposals	-	(59,621)	(2,833,590)	(1,894,161)	(315,574)	-	-	(5,102,946)
Transfers from capital work-in-progress*	-	1,457,011	51,598,423	483,717	4,915,373	2,019,976	(60,474,500)	-
Balance at 31st December 2023	**1,989,579**	**81,080,504**	**286,118,365**	**29,759,468**	**58,824,853**	**209,745,345**	**134,839,191**	**802,357,305**
Accumulated Depreciation and impairment								
1st January 2022	2,341,041	31,102,368	122,334,613	21,813,567	24,281,250	99,025,391	-	300,898,230
Reclassification (Note 13 f)	(2,341,041)	(8,868)	(3,331,059)	(1,161,417)	80,660	133,957		(6,627,768)
Depreciation for the year	-	2,549,505	10,780,356	3,535,860	5,184,581	14,339,848	-	36,390,150
Disposals	-	(424,603)	(3,135,697)	(4,012,468)	(1,088,600)	-	-	(8,661,368)
Balance at 31st December 2022	**-**	**33,218,402**	**126,648,213**	**20,175,542**	**28,457,891**	**113,499,196**	**-**	**321,999,244**
1st January 2023	-	33,218,402	126,648,213	20,175,542	28,457,891	113,499,196	-	321,999,244
Depreciation for the year	-	2,828,995	13,127,714	3,764,977	7,512,380	17,404,563	-	44,638,629
Disposals	-	(59,621)	(2,833,588)	(1,859,472)	(315,574)	-	-	(5,068,255)
Balance at 31st December 2023	**-**	**35,987,776**	**136,942,339**	**22,081,047**	**35,654,697**	**130,903,759**	**-**	**361,569,618**
Carrying amount								
At 31st December 2023	**1,989,579**	**45,092,728**	**149,176,026**	**7,678,421**	**23,170,156**	**78,841,586**	**134,839,191**	**440,787,687**
At 31st December 2022	**1,550,076**	**45,447,940**	**94,330,782**	**10,234,475**	**21,314,867**	**68,622,972**	**116,421,851**	**357,922,963**

(c) Capital Work-in-Progress

Closing balance of Capital Work-in-Progress is analysed as follows:

	Company 2023 ₦'000	Company 2022 ₦'000
Plant and Machinery	114,400,699	103,081,657
Buildings	12,247,203	3,165,469
Others	8,191,289	10,174,725
	134,839,191	**116,421,851**

(d) Capital commitments

Capital expenditure commitments at the year-end authorised by the Board of Directors comprise:

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Approved and contracted	25,689,312	25,689,312	47,624,671	47,624,671
Approved but not contracted	50,198,111	50,198,111	74,652,379	74,652,379
	75,887,423	**75,887,423**	**122,277,050**	**122,277,050**

(e) **Additions in statement of cash flows**

Additions per note 14 a – c	127,538,044	127,538,044	138,833,391	138,832,967
property plant and equipment in transit*	(28,796,052)	(28,796,052)	(40,972,437)	(40,972,437)
Acquisition of property plant and equipment per statement of cash flows	**98,741,992**	**98,741,992**	**97,860,954**	**97,860,530**

*Property plant and equipment in transit relates to purchase which the Company has control but not yet available for use. These are mainly related to FOB purchases in which the goods have already being shipped, the risk and rewards have been transferred to the Company, but are still in transit, which would be funded through working capital.

(f) Reclassification of opening balances

This relates to compensating differences in cost and depreciation arising from reconciliation done during the year to align general ledger and property, plant and equipment register. This has nil effect on the carrying amount of property, plant and equipment.

(g) The assets held for sale in 2022 comprises land and buildings in Benue Bottling Company, which has now been sold off and company liquidated.

(h) Borrowing costs of ₦4.1 capitalized during the financial period are included in the cost of the respective assets, and the weighted average borrowing cost rate used for capitalization is 13 percent.

14. Leases

(a) Right-of-use assets

Group

	Leasehold Land ₦'000	Buildings ₦'000	Plant and Machinery ₦'000	Motor Vehicles ₦'000	Total ₦'000
Cost					
Balance at					
1st January 2022	8,837,042	1,994,068	99,996	4,425,225	15,356,331
Additions	225,100	1,298,496	-		1,523,596
Derecognition	(254,519)	(251,719)	-	(4,425,225)	(4,931,463)
Balance at 31st December 2022	**8,807,623**	**3,040,845**	**99,996**	**-**	**11,948,464**
1st January 2023	**8,807,623**	**3,040,845**	**99,996**	**-**	**11,948,464**
Additions	92,315	308,694	-	-	401,009
Derecognition	(22,500)	(865,862)	-	-	(888,362)
Balance at 31st December 2023	**8,877,438**	**2,483,677**	**99,996**	**-**	**11,461,111**
Accumulated Depreciation and impairment					
Balance at 1st January 2022	712,019	592,762	50,778	1,480,495	2,836,054
Depreciation for the year	233,466	948,412	15,486	61,349	1,258,713
Derecognition	(254,519)	(251,719)	-	(1,541,844)	(2,048,082)
Balance at 31st December 2022	**690,966**	**1,289,455**	**66,264**	**-**	**2,046,685**
1st January 2023	**690,966**	**1,289,455**	**66,264**	**-**	**2,046,685**
Depreciation for the year	254,499	1,087,472	15,486	-	1,357,457
Derecognition	(22,500)	(865,862)	-	-	(888,362)
Balance at 31st December 2023	**922,965**	**1,511,065**	**81,750**	**-**	**2,515,780**
Carrying amount					
At 31st December 2023	**7,954,473**	**972,612**	**18,246**	**-**	**8,945,331**
At 31st December 2022	**8,116,657**	**1,751,390**	**33,732**	**-**	**9,901,779**

(a) Right-of-use assets

Company	**Leasehold Land ₦'000**	**Buildings ₦'000**	**Plant and Machinery ₦'000**	**Motor Vehicles ₦'000**	**Total ₦'000**
Gross Book Value					
Balance at					
1st January 2022	8,809,921	1,848,429	99,996	4,425,225	15,183,571
Additions	225,100	1,248,858	-	-	1,473,958
Derecognition	(254,519)	(251,719)	-	(4,425,225)	(4,931,463)
Balance at 31st December 2022	**8,780,502**	**2,845,568**	**99,996**	**-**	**11,726,066**
1st January 2023	**8,780,502**	**2,845,568**	**99,996**	**-**	**11,726,066**
Additions	92,315	266,016	-	-	358,331
Derecognition*	(22,500)	(865,862)	-	-	(888,362)
Balance at 31st December 2023	**8,850,317**	**2,245,722**	**99,996**	**-**	**11,196,035**
Accumulated Depreciation and impairment					
Balance at 1st January 2022	684,898	603,274	50,778	1,480,495	2,819,445
Depreciation for the year	233,466	815,746	15,486	61,349	1,126,047
Derecognition	(254,519)	(251,719)	-	(1,541,844)	(2,048,082)
Balance at 1st January 2022	**663,845**	**1,167,301**	**66,264**	**-**	**1,897,410**
1st January 2023	**663,845**	**1,167,301**	**66,264**	**-**	**1,897,410**
Depreciation for the year	254,499	987,508	15,486	-	1,257,493
Derecognition	(22,500)	(865,862)	-	-	(888,362)
Balance at 31st December 2023	**895,844**	**1,288,947**	**81,750**	**-**	**2,266,541**
Carrying amount					
At 31st December 2023	**7,954,473**	**956,775**	**18,246**	**-**	**8,929,494**
At 31st December 2022	**8,116,657**	**1,678,267**	**33,732**	**-**	**9,828,656**

(b) Additions in statement of cash flows

	Group 2023 ₦'000	**Company 2023 ₦'000**	**Group 2022 ₦'000**	**Company 2022 ₦'000**
Additions per note 13 a – c	401,009	358,331	1,523,596	1,473,958
Acquisition of right-of-use asset per statement of cash flows	**401,009**	**358,331**	**1,523,596**	**1,473,958**

*In 2022, the company has re-negotiated the terms of the contracts with one of its transportation suppliers that were previously classified as a lease. The change in the terms of the contracts resulted in the assessment of Lease under IFRS 16 no longer be classified as lease, hence the company has de-recognised the Right of Use Asset and corresponding Lease Liability related to these contracts which resulted in a net impact of ₦408 million in 2022.

(c) Lease liabilities

Movement in lease liabilities:

	2023 ₦'000	2022 ₦'000
Balance at 1st January	31,935	3,388,210
Repayment	(16,480)	(113,540)
Interest	15,790	49,132
Lease derecognition	-	(3,291,867)
31st December	31,245	31,935
Presented as:		
Non-current	1,684	14,622
Current	29,561	17,313
31st December	**31,245**	**31,935**

On repayment of lease liabilities, it includes the full contractual amount paid to the suppliers, which includes both principal and interest, as disclosed on the statement of cash flows.

15. Intangible assets and goodwill

(a) The movement on these accounts during the year 2023 and 2022 was as follows:

Group/ Company

	Goodwill ₦'000	Software ₦'000	Distribution Network ₦'000	Work-in-Progress ₦'000	Total ₦'000
Cost					
Balance at 1st January 2022	**84,722,719**	**4,166,191**	**17,381,436**	-	106,270,346
Additions	-	656,486	-	1,647	658,133
Transfers from capital work in progress	-	1,647	-	(1,647)	-
Balance at 31st December 2022	**84,722,719**	**4,824,324**	**17,381,436**	**-**	**106,928,479**
Additions	-	127,942	-	-	127,942
Transfers from capital work in progress	-	-	-	-	-
Balance at 31st December 2023	**84,722,719**	**4,952,266**	**17,381,436**	**-**	**107,056,421**
Accumulated amortisation					
Balance at 1st January 2022	-	2,899,565	9,036,449	-	11,936,014
Amortisation for the year	-	408,583	1,158,780	-	1,567,363
Balance at 31st December 2022	-	3,308,148	10,195,229	-	13,503,377
Amortisation for the year	-	480,305	1,158,780	-	1,639,085
Balance at 31st December 2023	**-**	**3,788,453**	**11,354,009**	**-**	**15,142,462**
Carrying amount					
At 31st December 2023	**84,722,719**	**1,163,813**	**6,027,427**	**-**	**91,913,959**
At 31st December 2022	**84,722,719**	**1,516,176**	**7,186,207**	**-**	**93,425,102**

(b) The amortisation charge of all intangible assets is included in administrative expenses in the statement of profit or loss.

(c) Effective 31st December 2014, Nigerian Breweries Plc acquired all the shares of Consolidated Breweries Plc through an effected Scheme of Merger. The goodwill arising from this transaction represents synergies that can be derived from increased economies of scale, deepened brand portfolio, access to new markets and enhanced operating and administrative efficiencies.

Effective 17th October 2011, Nigerian Breweries Plc acquired Sona Systems Associates Business Management Limited and Life Breweries Company Limited from Heineken International B.V.. The goodwill arises from numerous synergies that can be harnessed from the breweries acquired to maximise value for the Company's shareholders and other stakeholders.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

To determine fair value the Company adopts level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU"). The Company has one CGU as the assets are not generating independent cash flows and there is no separate market for the output.

For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes

The useful life of Goodwill at the reporting date is assessed to be indefinite with no impairment losses.

16. Investments

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Progress Trust (CPFA)	150,000	150,000	150,000	150,000
Benue Bottling Company Limited	-	-	-	679,625
234 Stores Limited	-	100,000	-	100,000
Investments	**150,000**	**250,000**	**150,000**	**929,625**

(a) Progress Trust (CPFA)

Investment of ₦150 million represents the cost of the Group/Company's 100% equity investment in Progress Trust (CPFA) Limited, incorporated in Nigeria. Progress Trust (CPFA) Limited is an unconsolidated structured entity licensed by the National Pension Commission to conduct the business of a closed pension fund administrator and manages the pension and gratuity funds of employees and former employees of Nigerian Breweries. The activities of Progress Trust (CPFA) Limited are regulated by the National Pension Commission (Pencom) rather than by voting rights and the funds are managed in accordance with the Pencom guidelines. The benefits arising from the activities of Progress Trust (CPFA) Limited accrue principally to members of the pension and gratuity schemes and the Group/Company has no exposure to variable returns arising from its involvement.

The Group/Company's residual interest in Progress Trust (CPFA) Limited is immaterial. The funds and assets of both the pension and defined contribution gratuity scheme are held by an Independent Licensed Pension Fund Custodian in line with the Pension Reform Act, 2014. As a result of the above, Progress Trust (CPFA) Limited has not been consolidated.

The Company supports the sourcing of resources to Progress Trust (CPFA) Limited at cost and intends to continue to provide support into the future.

(b) Benue Bottling Company Limited

Through the effected merger with Consolidated Breweries on 31st December 2014 the Company obtained an 89.3% shareholding in Benue Bottling Company Limited, an entity with no business activities. The company was liquidated in 2023 and investment is now Nil as at 31st December 2023. (2022: ₦679.6 million) The Investment of ₦679.6 million represents the Company's historical cost of the 89.3% share in the equity of Benue Bottling Company Limited.

(c) 234 Stores Limited

234 Stores Limited is a subsidiary of the Company established to explore opportunities in the route-to-market. Its financial position has been consolidated in these financial statements.

17 Other receivables

Non-current other receivables of ₦2 billion (2022: ₦2 billion) represent the long-term portion of car grants, and loans granted to the Company's employees, which are secured by the employees' retirement benefit obligations.

18 Prepayments

Prepayments of ₦3 billion (2022: ₦2 billion) refer mainly to insurance expenses, prepaid excise and short term rentals.

19. Inventories

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Raw materials	32,396,808	32,396,808	22,433,847	22,433,847
Products in process	7,559,736	7,559,736	5,984,573	5,984,573
Finished products	6,277,362	6,114,609	9,465,263	9,292,166
Non-returnable packaging materials	24,700,978	24,700,978	20,718,777	20,718,777
Spare parts	14,911,251	14,911,251	14,401,839	14,401,839
Goods-in-transit	41,453,305	41,453,305	14,624,075	14,624,075
Provision for write down on stock	(5,263,893)	(5,263,893)	(4,111,064)	(4,111,064)
	122,035,547	**121,872,794**	**83,517,310**	**83,344,213**

The company policy is to age spares based on the last consumption date on the assumption that there is a risk of obsolescence items that have remained unused for more than 2 years. A 10% provision rate is made for spares unused between 2-3 years and 20% thereafter for every additional year. Included in cost of sales is an expense of ₦1.0 billion (2022: ₦1.2 billion) in respect of write-downs of slow moving inventory (spares) to net realisable value, and has been reduced by ₦0.3 billion (2022: ₦0.5 billion) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of increased activities. for the rest inventory it is the company policy to provide for materials that are close to it expiry date or items we have discontinued use.

20. Trade and other receivables

(a)

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Trade receivables	26,376,589	26,295,483	20,224,565	20,224,565
Advances	1,017,618	1,017,618	2,959,262	2,959,262
Other receivables	14,220,155	14,219,878	13,509,589	15,636,992
Due from related parties (Note 33a)	5,174,377	7,542,089	4,016,337	4,016,337
	49,788,739	**49,075,068**	**40,709,753**	**42,837,156**

Advances mainly relate to advance to suppliers for the supply of packaging and raw materials.

Other receivables mainly relate to employee and payroll advances, and the reclassification of payables debit balances.

The Company/group's exposure to credit risks and expected credit losses related to trade and other receivables is disclosed in Note 30 (a).

(b) Reconciliation of changes in trade and other receivables included in consolidated statement of cash flows:

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Movement in trade and other receivables (Note 20a)	(6,078,986)	(6,237,912)	(14,209,237)	(18,122,400)
Movement in other receivables	(130,423)	(130,423)	(887,710)	(887,710)
Changes in trade and other receivables per statement of cash flows	**(6,209,409)**	**(6,368,335)**	**(15,096,947)**	**(19,010,110)**

21. Deposit for imports

(a) Deposits for imports of ₦16.2 billion (2022: ₦6.9 billion) represent naira deposits for foreign currencies purchased for funding of letters of credit and forwards, as well as futures. All related to imported raw materials, spare parts, and machinery.

(b) Reconciliation of changes in trade and other receivables included in consolidated statement of cash flows:

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Movement in deposit for imports (Note 21a)	(9,307,973)	(9,307,973)	4,993,099	4,993,099
	(9,307,973)	**(9,307,973)**	**4,993,099**	**4,993,099**

22. Cash and cash equivalents

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Bank balances	38,706,914	38,598,850	21,399,190	21,370,195
Call deposits	854,785	854,785	777,797	777,797
Cash in hand	4,674	4,674	3,854	3,854
Cash and cash equivalents	**39,566,373**	**39,458,309**	**22,180,841**	**22,151,846**
Cash and cash equivalents in the statement of cash flows	**39,566,373**	**39,458,309**	**22,180,841**	**22,151,846**

23. Share capital

(a) Authorised ordinary shares of 50k each

In number of shares

	Company 2023	Company 2022
At 1st January	10,276,132,378	10,000,000,000
At 31st December	10,276,132,378	10,276,132,378

Issued and fully paid ordinary shares of 50k each

In number of shares		
At 1st January	10,276,132,378	8,075,831,900
Share issuance	-	2,200,300,478
At 31st December	**10,276,132,378**	**10,276,132,378**

In Naira	₦'000	₦'000
At 1st January	5,138,066	4,037,916
Share issuance	-	1,100,150
Share value in Naira	**5,138,066**	**5,138,066**

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

24. Dividends

(a) Declared dividends

The following dividends were declared and paid by the Company during the year:

	Company 2023 ₦'000	Company 2022 ₦'000
0 kobo interim dividend declared (2022: 40 kobo)	-	3,288,362
120 kobo per qualifying ordinary share in 2022 (2022: 120 kobo)	10,584,416	9,690,998
	10,584,416	**12,979,360**

After the respective reporting dates, the following dividends were proposed by the Directors. The dividends have not been provided for and there are no income tax consequences.

	Company 2023 ₦'000	Company 2022 ₦'000
0 kobo per qualifying ordinary share (2022: 103 kobo)	-	10,584,416

(b) Dividend payable

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
At 1st January	9,007,012	9,007,012	10,437,847	10,437,847
Declared dividend (note 23 (a))	10,584,416	10,584,416	12,979,360	12,979,360
Payments (cash)	(4,516,547)	(4,516,547)	(7,445,346)	(7,445,346)
Payments (scrip issue)	-	-	(6,544,288)	(6,544,288)
Unclaimed dividend transferred to retained earnings	(452,907)	(452,907)	(420,561)	(420,561)
At 31st December	**14,621,974**	**14,621,974**	**9,007,012**	**9,007,012**

(i) Unclaimed dividend transferred to general reserve represents dividend which have remained unclaimed for over twelve (12) years and are therefore no longer recoverable or actionable by the shareholders in accordance with Section 432 of CAMA.

(ii) As at 31st December 2023, ₦1.1 billion (2022: ₦1.2 billion) of the total dividend payable is held with the Company's registrar, First Registrars and Investor Services Limited. The remaining dividend payable of ₦13.5 billion (2022: ₦7.8 billion) includes ₦8 billion (2022: ₦3 billion) due to foreign shareholders. The total remaining balance of ₦5.5 billion represents unclaimed dividends, which have been returned to the Company by the Registrar over the years.

		Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
(iii)	Cash paid to registrar	(6,067,868)	(6,067,868)	(7,586,787)	(7,586,787)
	Cash received from registrar	1,551,321	1,551,321	141,441	141,441
	Payments (Cash)	(4,516,547)	(4,516,547)	(7,445,346)	(7,445,346)

25. Loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost. The borrowings are unsecured. For more information about the Company's exposure to interest rate, foreign currency and liquidity risks, see Note 30.

(a)	1 January 2023 ₦'000	Proceeds ₦'000	Repayment ₦'000	FX Impact ₦'000	31 December 2023 ₦'000
Bank loans	118,182,346	360,526,241	(225,033,016)	-	253,675,571
Loans from Government	4,068,455	-	(1,316,695)	-	2,751,760
Commercial Paper	-	110,137,383	(110,137,383)	-	-
Inter-company Loan	-	63,282,964	-	21,891,683	85,174,647
Total	122,250,801	533,946,588	(336,487,094)	21,891,683	341,601,978
Non-current	**2,425,875**				**136,283,827**
Current	**119,824,926**				**205,318,151**
	122,250,801				**341,601,978**

	1 January 2022 ₦'000	Proceeds ₦'000	Repayment ₦'000	31 December 2022 ₦'000
Bank loans	22,174,700	161,047,971	(65,040,325)	118,182,346
Loans from Government	5,810,430	-	(1,741,975)	4,068,455
Commercial Paper	-	-	-	-
Total	27,985,130	161,047,971	(66,782,300)	122,250,801
Non-current	**4,097,694**			**2,425,875**
Current	**23,887,436**			**119,824,926**
	27,985,130			**122,250,801**

(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) at the rate of NIBOR plus two percent with a tenor of one year. This is yet to be utilised at the reporting date.

(c) The Bank of Industry (BoI), a Government Parastatal, provides mid to long-term financing for establishment, expansion or diversification of large, medium and small projects which may be new or existing. The Company obtained capital and working capital finance from the BoI in 2019. The loan has been recognised at fair value in line with the provisions of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance). Included in Bank Loan obtained/(repaid) during the year is related deferred income amounting to ₦0.2 billion (2022:₦0.5 billion), ₦0.3 million has been released to income statement in 2023 (2022: ₦0.4b), and no new capitalisation in 2023 (2022: Nil) in accordance to the Company's accounting policies on Note 3(s).

26 Employee benefits

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Recognised liability for defined benefit obligation (Note 26 a)	7,138,803	7,138,803	6,748,615	6,748,615
Recognised liability for other long-term employee benefits (Note 26 b)	4,699,128	4,699,128	4,673,732	4,673,732
Total employee benefit liabilities	**11,837,931**	**11,837,931**	**11,422,347**	**11,422,347**

(a) **Movement in the present value of the defined benefit obligation**

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Defined benefit obligations at 1st January	6,748,614	6,748,614	6,867,415	6,867,415
Benefits paid by the plan	(1,087,994)	(1,087,994)	(930,560)	(930,560)
Current service costs and interest (see below)	977,915	977,915	893,481	893,481
Actuarial gains recognised in other comprehensive income (see note (f))	500,268	500,268	(81,721)	(81,721)
Defined benefit obligations at 31st December	**7,138,803**	**7,138,803**	**6,748,615**	**6,748,615**

In 2011, the Company introduced a post-employment medical benefit for pensioners and employees on the defined benefit gratuity scheme including their spouses. The liability for this scheme in the current year amounted to ₦3.2 billion (2022: ₦2.8 billion). Defined benefit expense recognised in income statement for defined benefit obligation, is stated below:

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Current service costs	101,559	101,559	88,138	88,138
Interest on obligation	876,356	876,356	805,343	805,343
	977,915	**977,915**	**893,481**	**893,481**

(b) Movement in other long-term employee benefits

The movement on the long service awards benefit plan liability during the year was as follows:

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Obligation at 1st January	4,673,733	4,673,733	4,096,686	4,096,686
Charge for the year	1,327,171	1,327,171	1,956,926	1,956,926
Payments	(1,301,776)	(1,301,776)	(1,379,880)	(1,379,880)
Obligation at 31st December	**4,699,128**	**4,699,128**	**4,673,732**	**4,673,732**

Defined benefit expense/ (income) recognised in the statement of profit or loss for long service awards obligation.

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Current and past service costs	354,128	354,128	350,246	350,246
Interest on obligation	425,283	425,283	383,476	383,476
Actuarial losses/(gains)	547,760	547,760	1,223,204	1,223,204
	1,327,171	**1,327,171**	**1,956,926**	**1,956,926**

This movement does not include share based payment which is included in the statement of changes in equity

(c) Adjustments for the employee benefit in cash flows

	Group ₦'000	Company ₦'000	Group ₦'000	Company ₦'000
Current service costs 26(a)	101,559	101,559	88,138	88,138
Current and past service costs 26(b)	354,128	354,128	350,246	350,246
Actuarial losses/(gains) 26(b)	547,760	547,760	1,223,204	1,223,204
Obligation at 31st December	**1,003,447**	**1,003,447**	**1,661,588**	**1,661,588**

(d) Pension payable

The balance on the pension payable account, included in trade and other payables, represents the amount due to the Pension Fund Administrators which is yet to be remitted at the year end. The movement on this account during the year was as follows:

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Obligation at 1st January	498,147	498,147	444,789	444,789
Charge for the year	2,689,811	2,689,811	2,625,291	2,625,291
Payments	(2,551,062)	(2,551,062)	(2,571,933)	(2,571,933)
Obligation at 31st December	**636,896**	**636,896**	**498,147**	**498,147**

(e) **The movement on the defined contribution plan obligation during the year was as follows:**

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Obligation at 1st January	(98,042)	(98,042)	285,882	285,882
Charge for the year	3,253,046	3,253,046	3,329,955	3,329,955
Payments	(3,151,618)	(3,151,618)	(3,713,879)	(3,713,879)
Obligation at 31st December	**3,386**	**3,386**	**(98,042)**	**(98,042)**

The obligation represents the amount yet to be remitted at the year end to the defined benefit contribution plan and has been included in non-trade and accrued expenses (note 29 a).

(a) The employee benefits related expense are recognized in the following line items in the profit or loss:
(b)

	Cost of sales		Marketing		Administrative expenses		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Defined benefit	47,681	38,794	34,637	29,295	19,241	20,049	101,559	88,138
Pension expense	1,262,842	1,155,532	917,366	872,576	509,602	597,182	2,689,810	2,625,290
Defined contribution plan	1,527,277	1,465,694	1,109,458	1,106,787	616,310	757,474	3,253,045	3,329,955
Long service awards	623,095	861,349	452,635	650,429	251,441	445,147	1,327,171	1,956,925
	3,460,895	**3,521,369**	**2,514,096**	**2,659,087**	**1,396,594**	**1,819,852**	**7,371,585**	**8,000,308**

(f) Actuarial gains and losses on defined benefit obligation are recognised in other comprehensive income. The movement on the cu mulative amount included in retained earnings as at the year-end was as follows:

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Cumulative amount at 1st January	**3,013,358**	**3,013,358**	**3,068,929**	**3,068,929**
Gain recognised during the year	500,268	500,268	(81,721)	(81,721)
Deferred tax	(165,088)	(165,088)	26,150	26,150
Recognised during the year net of tax	335,180	335,180	(55,571)	(55,571)
Amount accumulated in retained earnings at 31st December	**3,348,538**	**3,348,538**	**3,013,358**	**3,013,358**

The Company recognised ₦500 million (2022 ₦82 million loss) of actuarial gains in other comprehensive income during the period in respect of its defined benefit obligations. These gains and losses primarily relate to the changes in observed salary increases, chan ges in benefits payments and the change in discount rate. The actuarial gains and losses recognised during the year are analysed as follows:

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Financial assumption – gains	(394,534)	(394,534)	(636,731)	(636,731)
Experience Assumption – losses	894,802	894,802	555,010	555,010
Recognised during the year	**500,268**	**500,268**	**(81,721)**	**(81,721)**

(g) Actuarial assumptions

The calculation was carried out by PWC (Omobolanle Adekoya, FRC/2013/004/00000002010), as of 31st December 2023
Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Discount rate (p.a.)	14.3%	14.3%	14.3%	14.3%
Average pay increase (p.a.)	5.0%	5.0%	5.0%	5.0%
Average rate of inflation (p.a.)	8.0%	8.0%	8.0%	8.0%
Weighted average duration of the plan (years)	4.46	4.46	4.98	4.98
Average medical rate of inflation	5.0%	5.0%	5.0%	5.0%

These assumptions depict management's estimate of the likely future experience of the Company.

Due to unavailability of published reliable demographic data in Nigeria, the demographic assumptions regarding future mortality are based on the rates published jointly by the Institute and Faculty of Actuaries in the UK as follows:

Mortality in service

Sample age	2023 Number of deaths in year out of 10,000 lives	2022 Number of deaths in year out of 10,000 lives
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

(g) Actuarial assumptions

Mortality in retirement

Sample age	Expectation of Life (Completed years) Management	Non-Management	PA 90
50	29	28	27
55	24	24	22
60	20	20	19
65	17	16	15
70	13	13	12
75	10	9	9
80	6	6	7

Withdrawals/Turnover

It is assumed that all the employees covered by the defined end of service benefit scheme would retire at age 60 (2022: age 60).

(h) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

		Long Service Awards ₦'000	Unfunded Retirement Benefit ₦'000	Post employment medical benefit ₦'000
Discount rate	+0.25%	(42,886)	(45,586)	(54,889)
	-0.25%	43,757	48,790	56,886
	+0.50%	(84,922)	(91,265)	(107,872)
	-0.50%	88,412	97,549	115,868
Salary increase	+0.25%	39,820	-	-
	-0.25%	(39,176)	-	-
	+0.50%	80,301	-	-
	-0.50%	(77,717)	-	-
Benefit Inflation rate	+0.25%	5,104	47,187	62,815
	-0.25%	(5,029)	(43,988)	(60,671)
	+0.50%	10,288	94,335	127,872
	-0.50%	(9,981)	(88,070)	(119,289)
Mortality experience	+1	-	(104,465)	(38,432)
	-1	-	104,099	38,154
Pre-retirement	+1	(249,009)		(15,559)
	-1	230,182		12,006

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

27 Share-based payment

Since the 1st of January 2006 Heineken N.V, the parent Company, established a share-based payment plan for key management personnel, including certain senior management of Nigerian Breweries Plc. The grant date fair value of the share rights granted is recognised as personnel expenses with a corresponding increase in equity (equity-settled) as a capital contribution from Heineken N.V, over the period that the employees become unconditionally entitled to the share rights. All equity settled share-based payment transactions are accounted for in the share based payment reserve account.

A recharge arrangement exists between Heineken N.V and Nigerian Breweries Plc whereby vested shares delivered to employees by Heineken N.V are recharged to Nigerian Breweries Plc. The recharge transaction is recognised as an intercompany liability with a corresponding adjustment in the share-based payment reserve for the capital contribution recognised in respect of the share-based payment.

All rights are to be settled by delivery of shares. The terms and conditions relating to the grants of the rights are as follows:

Grant date/employees entitled	**Number***	**Based on share price (Euro)**	**Vesting conditions**	**Contractual life of rights**
Share rights granted to key management personnel in 2021	7,255	91.42	Continued service, 100% internal performance conditions	3 years
Share rights granted to key management personnel in 2022	6,824	98.86	Continued service, 100% internal performance conditions	3 years
Share rights granted to key management personnel in 2023	6,079	87.03	Continued service, 100% internal performance conditions	3 years

* The number of shares is based on target performance.

The number and weighted average share price per share is as follows:

	Weighted average share price (Euro) 2023	Number of share rights 2023	Weighted average share price (Euro) 2022	Number of share rights 2022
Outstanding at 1st January	-	35,049		27,991
Granted during the year	87.03	8,955	98.86	6,824
Vested during the year	86.58	(10,233)	86.58	(4,867)
Forfeited during the year		(2,541)		-
Performance adjustment		(8,231)		6,142
Transfer in		3,326		3,012
Transfer out		(6,329)		(4,053)
Outstanding as at 31st December		19,996		35,049

Employee expenses	**2023 ₦'000**	**2022 ₦'000**
Share rights granted in 2020	(365,455)	142,858
Share rights granted in 2021	693,013	459,742
Share rights granted in 2022	229,096	543,362
Share rights granted in 2023	106,987	161,232
Total expense/(income)recognised as employee costs	**663,641**	**1,307,194**

28. Deferred tax liabilities

Deferred tax assets and liabilities are attributable to the following:

Group/ Company	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	-	-	(36,657,108)	(27,382,960)	(36,657,108)	(27,382,960)
Intangible assets	-	-	(3,601,124)	(3,639,511)	(3,601,124)	(3,639,511)
Right-of-use assets	-	-	(37,680)	(11,865)	(37,680)	(11,865)
Inventories	1,150,900	1,034,850	-	-	1,150,900	1,034,850
Employee benefits	4,852,979	4,408,009	-	-	4,852,979	4,408,009
Unrealized exchange differences	34,844,917	5,696,925			34,844,917	5,696,925
Lease liability	10,311	10,379			10,311	10,379
Loss and capital allowance carry-forward	20,651,242	-	-	-	20,651,242	-
Other items	2,496,029	1,476,710	823,707	-	2,496,029	1,476,710
Net tax assets/(liabilities)	**64,006,378**	**12,626,873**	**(39,472,205)**	**(31,034,336)**	**23,710,466**	**(18,407,463)**

Movement in temporary differences during the year

	Balance 1st Jan 2022	Profit or loss and OCI	Balance 31st Dec 2022	Profit or loss and OCI	Balance 31st Dec. 2023
	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	(25,048,621)	(2,334,339)	(27,382,960)	9,274,148	(36,657,108)
Intangible assets	(3,580,506)	(59,005)	(3,639,511)	(38,387)	(3,601,124)
Right-of-use assets	-	(11,865)	(11,865)	25,815	(37,680)
Inventories	832,461	202,389	1,034,850	(116,050)	1,150,900
Employee benefits	3,729,412	678,597	4,408,009	(444,970)	4,852,979
Unrealized exchange differences	527,873	5,169,052	5,696,925	(29,147,992)	34,844,917
Lease liability		10,379	10,379	68	10,311
Loss and capital allowance carry-forward		-	-	(20,651,242)	20,651,242
Other items	257,384	1,219,326	1,476,710	(1,019,319)	2,496,029
Net tax assets/(liabilities)	**(23,281,997)**	**4,874,534**	**(18,407,463)**	**(42,117,929)**	**23,710,466**

The net movement during the year ended 31st December 2023, includes a debit amount of ₦165 Million (2022: ₦26 billion) recorded in other comprehensive income as deferred tax on employee benefits.

The deferred tax assets has been recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. Management carried out an assessment which required judgments and estimates regarding the expected timing and amount of future taxable profits, taking into consideration historical performance, future business plans, and economic conditions. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

29. Trade and other payables

(a)

	Group 2023	Company 2023	Group 2022	Company 2022
	₦'000	₦'000	₦'000	₦'000
Trade payables	77,841,328	77,515,355	67,573,401	68,119,938
Deposit for RPM*	28,569,133	28,569,133	31,082,051	31,082,051
Non-trade payables and accrued expenses	82,787,814	82,686,505	71,365,119	71,282,790
Amount due to related parties	166,090,477	166,090,477	94,069,077	94,069,077
	355,288,752	**354,861,470**	**264,089,648**	**264,553,856**

* Returnable Packaging Material

The Company has the contractual obligation to take back the materials from the market. A deposit value is generally charged upon sale of the finished product, which is reimbursed when the empty returnable packaging material is returned. The company apply judgement to assess the carrying value of the outstanding customer's deposit liability. The most significant assumptions are on market loss rate, which is estimated based on measurements on a monthly basis, market possession and circulation times of the returnable packaging material. The measurements and estimates are monitored on a monthly basis and the deposit liability assessment is done annually.

(b) Reconciliation of changes in trade and other payables included in the statement of cash flows:

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Movement in trade and other payables	91,199,104	90,307,614	37,671,629	41,169,422
Accrued additions to property plant and equipment	(28,796,052)	(28,796,052)	(40,972,437)	(40,972,437)
Interest accrual	(16,287,127)	(16,287,127)	(2,536,281)	(2,536,281)
Disposal of subsidiary	329,547	1,009,172	-	-
VAT paid	33,908,828	33,908,828	27,690,633	27,690,633
Changes in trade and other payables per statement of cash flows	**80,354,300**	**80,142,435**	**21,853,544**	**25,351,337**

The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 29(b).

30. Financial instruments - financial risk management and fair values

The Company has exposure to the following risks:

• Credit risk
• Liquidity risk
• Market risk
• Interest rate risk
• Operational risk
• Capital management

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk Management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities. The Committee is assisted in its oversight role by the Process and Control Improvement ("P&CI") Department which performs the internal audit and internal control functions in the Company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly by the Risk Management Committee to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal Audit undertakes both regular and ad hoc reviews of compliance with established controls and procedures, the results of which are reported to Senior Management of the Company at Assurance meetings.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other related parties. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Notes	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Other receivables (non-current)	17	2,152,592	2,152,592	2,022,169	2,022,169
Trade and other receivables	20	46,788,739	46,075,068	40,709,753	42,837,156
		48,941,331	**51,227,660**	**42,731,922**	**44,859,325**
Cash and bank	22	39,566,373	39,458,309	22,180,841	22,151,846
		88,507,704	**90,685,969**	**64,912,763**	**67,011,171**

Trade and other receivables

Management has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Under the credit policies all customers requiring credit over a certain amount are reviewed and new customers analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's credit assessment process includes specified cash deposits by new customers. Credit limits are established for qualifying customers and these limits are reviewed regularly by the Credit Committee. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

The Credit Committee reviews each customer's credit limit in line with the customers' performance in the preceding quarter and perceived risk factor assigned to the customer.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a key distributor or retail distributor, geographic location, and existence of previous financial difficulties. Trade and other receivables relate mainly to the Company's wholesale customers. Customers with no trading activities for a period of up to one year are placed on a dormant customer list, and future sales are made on a prepayment basis only with approval of management.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures and customers with outstanding amounts but have not placed orders/trade for a prolonged period of time (usually one year).

The maximum exposure to credit risk for trade and other receivables at the reporting date by type of counter party was:

The aging of trade receivables for the company and its expected loss (ECL) rates at the reporting date was:

	As at 31 December 2023			As at 31 December 2022		
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
	Exposure	Expected Credit Loss	Net Exposure	Exposure	Expected Credit Loss	Net Exposure
Trade receivables	31,099,315	(4,803,832)	26,295,483	24,619,731	(4,395,166)	20,224,565
Other receivables (non-current)	2,152,592	-	2,152,592	2,022,169	-	2,022,169
Due from related parties	7,542,089	-	7,542,089	4,016,337	-	4,016,337
Advances	1,017,618	-	1,017,618	2,959,262	-	2,959,262
Other receivables	14,483,687	(263,809)	14,219,878	15,785,544	(148,552)	15,636,992
Cash and bank	39,458,309	-	39,458,309	22,151,846	-	22,151,846
Total Credit risk	**95,753,610**	**(5,067,641)**	**90,685,969**	**71,554,889**	**(4,543,718)**	**67,011,171**

Expected credit losses

The Company applies the IFRS 9 simplified approach for trade receivables, simplification allows a loss allowance to be recognised based on lifetime expected loss and does not require you to determine if there has been a significant increase in credit risk. However, it should be noted that the requirement to assess the impact on expected future credit losses of economic scenarios are still required under the simplified approach.

In other to determine the loss rates the single loss rate approach which determines loss as the ratio of all unpaid invoices per period to total invoice issued for the period has been adopted.

The steps used in determining the loss rates include:

Step 1. Determine the default trigger.
Management has determined default trigger as receivables that have remained unpaid after aging receivables into the following buckets (0-15 days, 16-30 days, 31-60 days, 61-90 days, 91-180 days, 181- 365 days, Over 365 days)

Step 2. Obtain monthly historical receivables settlement data, using the different aging buckets identified above. Data should be from March 2011 to the reporting, example, December 2023.

Step 3. Compute the repayment pattern by determining what portion of the total receivables issued is repaid in each aging bucket. Do this by expressing the receivables in each bucket over the total receivables issued for that month..

Step 4. Compute the monthly loss rate by applying the formula:
open/unpaid receivables
(Total receivables - receivables in 0-15 days bucket*)
* Receivables within the 0-15 days bucket are assumed to be current hence the exclusion in determining loss rates."

Step 5. Determine a single loss rate by taking an average of all the monthly loss rates

Step 6. Determine optimistic and downturn repayment patterns by applying the repayment pattern for the least loss rate as optimistic and applying the repayment pattern for the most lost rate as downturn. The base repayment pattern represents the repayment pattern for the average loss rate.

Step 7
Using the determined repayment patterns, apportion the single loss rate into buckets using the formula;
Base Loss rate per bucket = Base loss rate
(1-cumulative repayment)"
Where;
Base loss rate per bucket = the Loss rate for each of the buckets (0-15 days, 16-30 days etc.) Base loss rate = the single loss rate determined from the average of all monthly loss rates
Cumulative repayment = the total percentage repaid so far counting from the earliest bucket.

ECL model being used resulted the following based on historical data of invoices from March 2010 to December 2022. Assessment seeks to evaluate how efficient is the customer payment of invoices

	Base	Optimistic	Downturn
Scenario Weights_Modelled	8.45%	89.44%	2.11%

IFRS 9 specifies that ECLs should include a forward - looking element which translates into an allowance for changes in macroeconomic conditions and forecasts when estimating lifetime ECLs. It is important to understand the effect of forecasted changes in the macroeconomic environment on ECLs, so that an appropriate level of provisions can be raised.

The most acceptable way of allowing for macroeconomic conditions is to build a regression model that aims to explain and predict the impact of macroeconomic indicators on default rates. Such regression models are usually built on a history of default rates and macroeconomic variables covering at least one economic cycle, but preferable more. Management made use of historical Nigerian macroeconomic indicators. Quarterly average loss rates were relied on as the dependent variable.

The time series data extended from March 2010 to December 2023.

i. ECONOMIC GROWTH

Management builds internal estimates in relation to expected economic growth and activities taking into consideration local context and global impacts in the economy.

ii. GOVERNMENT POLICIES:

Management builds internal estimates in relation to CBN and other governmental bodies that impacts interest rates, FX availability and liquidity, exchange rate, federal reserves, policies that supports economic activities, amongst others."

iii. INFLATION:

Management build internal estimates on inflation rates and impact on specific industry.

Considering the above outlook for the future, it was decided to moderate the ecl provision as follows:

	Base	Optimistic	Downturn
Scenario Weights Judgment	9.00%	80.00%	11.00%

The aging of trade receivables for the company and its expected loss (ECL) rates at the reporting date was:

	Base	***Optimistic***	***Downturn***
Scenario Weights_Modelled	7.75%	90.85%	1.41%
Scenario Weights Judgment	9%	80%	11%
Selected Weights	9.00%	80.00%	11.00%

Age Band	**Outstanding Receivables**	**Loss Rates**			**ECL**			**Weighted Average ECL**
		Base	**Optimistic**	**Downturn**	**Base**	**Optimistic**	**Downturn**	
0-15	18,610,705	0.08%	0.00%	4.95%	14,189	-	920,943	102,581
16-30	653,010	0.27%	0.00%	51.31%	1,749	-	335,048	37,013
31-60	2,078,128	1.55%	0.00%	71.41%	32,241	-	1,483,990	166,141
61-90	469,601	9.47%	0.00%	89.14%	44,481	-	418,616	50,051
91-180	544,761	16.37%	0.00%	92.11%	89,179	-	501,781	63,222
181-365	1,576,551	26.95%	0.00%	93.77%	424,862	-	1,478,375	200,859
>365		100.00%	100.00%	95.55%	7,166,559	7,166,559	6,847,443	7,131,456
Expected post 365 days Recover	7,166,559	-0.82%	-51.31%	-0.08%	(58,513)	(3,677,031)	(5,439)	(2,947,491)
	31,099,315							**4,803,832**

The aging of trade receivables for the company and its expected loss (ECL) rates at 31st December 2022 was:

Scenario Weights Judgment					Base	Optimistic	Downturn	
					14%	75%	11%	

Age Band	Outstanding Receivables	Loss Rates			ECL			Weighted Average ECL
		Base	Optimistic	Downturn	Base	Optimistic	Downturn	
0-15	13,460,775	0.07%	0.00%	4.18%	9,919	-	562,040	63,213
16-30	1,457,659	0.25%	0.00%	47.32%	3,591	-	689,791	76,380
31-60	1,908,502	1.45%	0.00%	69.02%	27,698	-	1,317,263	148,777
61-90	530,082	9.64%	0.00%	89.88%	51,092	-	476,448	59,562
91-180	680,017	17.67%	0.00%	94.25%	120,142	-	640,917	87,321
181-365	556,722	31.12%	0.00%	96.34%	173,261	-	536,340	83,254
>365		100.00%	100.00%	98.85%	6,025,974	6,025,974	5,956,791	6,018,364
Expected post 365 days Recover	6,025,974	-0.34%	-47.32%	-0.02%	(20,452)	(2,851,602)	(1,268)	(2,141,705)
	24,619,731							**4,395,166**

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	2023 ₦'000	2022 ₦'000
Balance at 1st January	(4,543,718)	(4,031,649)
Trade receivables (recovered)/written-off	(54,000)	63,005
Lifetime expected credit loss	(469,923)	(575,074)
Balance at 31st December	**(5,067,641)**	**(4,543,718)**

No interest is charged on outstanding trade receivables. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses.

The Group/Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

Cash and bank

The Group/Company held cash and bank of ₦37.7 billion as at 31st December 2023 (2022: ₦22.2 billion), which represents its maximum credit exposure on these assets. The Company mitigates its credit risk exposure of its bank balances by selecting reputable banks with good credit ratings and a history of strong financial performance.

Credit quality of cash and cash equivalents

Credit ratings	2023 ₦'000	2022 ₦'000
AAA	3,468,593	694,705
AA+	2,300,474	
AA	147,735	-
A+	11,343,038	1,378,357
A-	7,871,754	3,270,091
BBB	401,910	463,170
B	-	7,005,122
B-	13,924,805	9,340,401
	39,458,309	**22,151,846**

AAA - A financial institution with the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA - A financial institution of good condition and strong capacity to meet its obligations with expectations of very low default risk. It indicates very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A + (plus) or – (minus) may be added to a rating. A plus added to a rating indicates that the rating may be raised. A minus means that the rating may be lowered. When no plus or minus is added to the rating, this means that the rating is unlikely to change. A positive or negative added to a rating is therefore a reflection of the rating outlook.

A - A financial institution of good financial condition and strong capacity to meet its obligations as and when they fall due. Adverse changes in the environment (macro-economic, political, and regulatory) will result in a medium increase in risk attributable to an exposure to this financial institution. However, financial condition and ability to meets its obligations as and when they fall due should remain largely unchanged.

BBB - A financial institution of satisfactory financial condition and adequate financial capacity to meet its obligations as and when they fall due. It may have one major weakness which, if addressed, should not impair its ability to meets obligations as and when they fall due. Adverse changes in the environment (macro-economic, political and regulatory) will result in a medium increase in risk attributable to an exposure to this financial institution.

BB - ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments.

B - A financial institution where a material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

All other financial assets are not rated.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a clear focus on ensuring sufficient access to capital to finance growth and to refinance maturing debt obligations. As part of the liquidity management process, the Company has various credit arrangements with some banks which can be utilised to meet its liquidity requirements.

Typically, the credit terms with customers are more favourable compared to payment terms to its vendors in order to help provide sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Group	Carrying amount ₦'000	Contractual cash flows ₦'000	12 months or less ₦'000	>12 months ₦'000
Non-derivative financial liabilities 31st December 2023				
Loans	341,601,978	421,729,942	230,889,931	190,840,011
Lease liabilities	31,245	19,227	16,481	2,746
Dividend payable	14,621,974	14,621,974	14,621,974	-
Trade and other payables	355,288,752	355,288,752	355,288,752	-
	711,543,949	**791,659,895**	**600,817,138**	**190,842,757**

Company	Carrying amount ₦'000	Contractual cash flows ₦'000	12 months or less ₦'000	>12 months ₦'000
Non-derivative financial liabilities 31st December 2023				
Loans	341,601,978	421,729,942	230,889,931	190,840,011
Lease liabilities	31,245	19,227	16,481	2,746
Dividend payable	14,621,974	14,621,974	14,621,974	-
Trade and other payables	354,861,470	354,861,470	354,861,470	-
	711,116,667	**791,232,613**	**600,389,856**	**190,842,757**

Group	Carrying amount ₦'000	Contractual cash flows ₦'000	12 months or less ₦'000	>12 months ₦'000
Non-derivative financial liabilities 31st December 2022				
Loans	122,250,800	127,043,364	124,132,122	2,911,242
Lease liabilities	31,935	37,199	17,149	20,050
Dividend payable	9,007,012	9,007,012	9,007,012	-
Trade and other payables	264,089,648	264,089,648	264,089,648	-
	395,379,395	**400,177,223**	**397,245,931**	**2,931,292**

Company	Carrying amount ₦'000	Contractual cash flows ₦'000	12 months or less ₦'000	>12 months ₦'000
Non-derivative financial liabilities 31st December 2022				
Loans	122,250,799	127,043,364	124,132,122	2,911,242
Lease liabilities	31,935	37,199	17,149	20,050
Dividend payable	9,007,012	9,007,012	9,007,012	-
Trade and other payables	264,553,856	264,553,856	264,553,856	-
	395,843,602	**400,641,431**	**397,710,139**	**2,931,292**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The Company has contingent liabilities in respect of guarantees provided to certain bankers relating to loans obtained by the staff from the banks amounted to ₦3.4 billion (2022: ₦4.2 billion), which represents its maximum liquidity exposure. The guarantee provided by the Company is backed by the employees' gratuity.

The company has access to unutilized credit facilities more than ₦600 billion, which can be drawn on a need basis.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company manages market risks by keeping costs low through various cost optimisation programs. Moreover, market developments are monitored and discussed regularly, and mitigating actions are taken where necessary.

Currency risk

The Company is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Company, which is the Naira. The currencies in which these transactions are primarily denominated are Euro (EUR), US Dollars (USD) and Pounds Sterling (GBP). The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

Exposure to currency risk

The Company's transactional exposure to British Pounds (GBP), US Dollar (USD) and Euro (EUR) is as follows:

	31st December 2023			**31st December 2022**		
In thousands	**EUR**	**GBP**	**USD**	**EUR**	**GBP**	**USD**
Financial asset						
Group receivables	6,180	44	2,294	1,540	-	788
Cash and cash equivalent	218	242	13,957	702	139	1,183
Deposit for imports	11,633	522	3,319	-	-	27,227
				-		-
Financial liability				-		-
Group payables	(119,604)	(16)	(179)	(137,272)	-	(148)
Trade Payables	(632)	-	(67)	(4,114)	(1)	1,011
Inter company Loan	(83,865)	-	-	-	-	-
Bank Loan*	(19,369)	-	-	(97,736)	-	-
Net exposure	**(205,439)**	**792**	**19,324**	**(236,881)**	**138**	**30,061**

*As from 2023, we now include in the currency exposure risk schedule, the bank loan (tradeline for import activity).

	Increase/(decrease) in profit or loss ₦'000
31st December 2023	
EUR (5 percent weakening of the Naira)	(10,812,579)
GBP (5 percent weakening of the Naira)	47,949
USD (5 percent weakening of the Naira)	920,103
31st December 2022	
EUR (5 percent weakening of the Naira)	(3,427,218)
GBP (5 percent weakening of the Naira)	3,829
USD (5 percent weakening of the Naira)	693,835

A strengthening of the Naira against the above currencies at 31st December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The following significant exchange rates were applied:

	Average rate		Reporting date spot rate	
	2023	**2022**	**2023**	**2022**
	₦	**₦**	**₦**	**₦**
Euro	705.84	484.87	1052.63	480.77
British Pounds	813.76	564.06	1210.84	572.33
US Dollar	652.46	410.01	952.29	424.61

(d) Interest rate risk profile

In managing interest rate risk, the Company aims to reduce the impact of short-term fluctuations on earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit. The Company opts for a mix of fixed and variable interest rates in its financing operations, combined with the use of other financial instruments. Currently, The Company's interest rate position is more weighted towards floating than fixed. Financial instruments used during the period include commercial papers.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	Carrying amount			
	Group 2023 ₦'000	**Company 2023 ₦'000**	**Group 2022 ₦'000**	**Company 2022 ₦'000**
Fixed rate instruments				
Loans	341,601,978	341,601,978	122,250,799	122,250,799
Financial liabilities	**341,601,978**	**341,601,978**	**122,250,799**	**122,250,799**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the end of the reporting period would not affect profit or loss.

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management and the executive committee. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- documentation of processes, controls and procedures
- periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified by the risk management committee
- training and professional development of employees
- appropriate segregation of duties, including the independent authorisation of transactions
- monitoring of compliance with regulatory and other legal requirements
- requirements for reporting of operational losses and proposed remedial action
- development of contingency plans for various actions
- reconciliation and monitoring of transactions
- development, communication and monitoring of ethical and acceptable business practices
- risk mitigation, including insurance when this is effective.
- monitoring of business process performance and development and implementation of improvement mechanisms thereof

Compliance with the Company's standards, established procedures and controls is supported by periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with management to which they relate, with summaries submitted to the Audit Committee and senior management of the Company at Assurance Meetings.

(f) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. Management also monitors the level of dividends to all shareholders.

The Company monitors capital using adjusted debt to equity ratio. At the end of the reporting period, adjusted net debt to capital ratio was as follows:

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Total liabilities	732,588,729	732,158,381	439,974,967	440,439,175
Less: cash and bank	(39,566,373)	(39,458,309)	(22,180,841)	(22,151,846)
Adjusted net debt	693,022,356	692,700,072	417,794,126	418,287,329
Total equity	63,284,377	65,168,612	179,800,278	180,879,079
Adjusted debt to capital ratio	10.95	10.63	2.32	2.31

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

(g) Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, versus the carrying amounts are shown in the statement of financial position, are as follows:

Group	Note	2023 Carrying amount ₦'000	2023 Fair value amount ₦'000	2022 Carrying amount ₦'000	2022 Fair value amount ₦'000
Assets carried at amortised cost					
Other receivables (non-current)	17	2,152,592	2,152,592	2,022,169	2,022,169
Trade and other receivables	20	46,788,739	46,788,739	40,709,753	40,709,753
Cash and cash equivalents	22	39,566,373	39,566,373	22,180,841	22,180,841
		88,507,704	**88,507,704**	**64,912,763**	**64,912,763**
Liabilities carried at amortised cost					
Loans and borrowings	25	341,601,978	341,601,978	122,250,800	122,250,800
Lease liability	14(c)	31,245	-	31,935	-
Dividend payable	24b	14,621,974	14,621,974	9,007,012	9,007,012
Trade and other payables	29	355,288,752	355,288,752	264,089,648	264,089,648
		711,543,949	**711,512,704**	**395,379,395**	**395,347,460**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Company	Note	2023 Carrying amount ₦'000	2023 Fair value amount ₦'000	2022 Carrying amount ₦'000	2022 Fair value amount ₦'000
Assets carried at amortised cost					
Other receivables (non-current)	16	2,152,592	2,152,592	2,022,169	2,022,169
Trade and other receivables	19	49,075,068	49,075,068	42,837,156	42,837,156
Cash and cash equivalents	21	39,458,309	39,458,309	22,151,846	22,151,846
		90,685,969	**90,685,969**	**67,011,171**	**67,011,171**
Liabilities carried at amortised cost					
Loans and borrowings	24	341,601,978	341,601,978	122,250,800	122,250,800
Dividend payable	23b	14,621,974	14,621,974	9,007,012	9,007,012
Trade and other payables	28	354,861,470	354,681,470	264,553,856	264,553,856
		711,085,422	**711,085,422**	**395,811,668**	**395,811,668**

Trade and other receivables, bank overdrafts dividend payables and trade and other payables are the Group/Company's short-term financial instruments. Accordingly, management believes that their fair values are not expected to be materially different from their carrying values.

The discounted cash flow valuation technique has been used to determine the fair value of the unsecured bank loans and other long term receivables. The valuation model considers the present value of expected cash flows discounted using market related interest rates.

The future cash flows are based on contractual amounts and considers the probability of occurrence of the cash flow. There are no significant unobservable inputs. The fair values were determined on

the same basis in prior year and there have been no transfers between levels during the year.

31. Provision

The Company has provision related to claims and penalties assessed as probable:

	2023 ₦'000	2022 ₦'000
As at 1st January	1,763,078	511,011
Additions	6,842,045	-
Payments	(5,209,976)	
Release of Provision	(904,761)	
Reclassification to accruals	-	1,252,067
As at 31st December	**2,490,386**	**1,763,078**

32. Contingencies

(a) Guarantees and contingent liabilities

Contingent liabilities in respect of guarantees provided to certain banks in respect of loans obtained by the staff from the banks amounted to ₦3.3 billion (2022: ₦4.16 billion). This guarantee is backed by employees' gratuity. Accordingly, management believes that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Contingent liabilities in respect of guarantees provided to the Nigerian Customs in respect of customs duty on behalf of the Company amounted to ₦6.2 billion (2022: ₦6.6 billion) which represents its maximum liquidity exposure.

(b) Pending litigation and claims

There are certain lawsuits and claims pending against the Company in various courts of law which are being handled by external legal counsels. The contingent liabilities in respect of pending litigation and claims amounted to ₦3.2 billion (2022: ₦2.5 billion) as at 31st December 2023. In the opinion of the Directors and based on independent legal advice, the risk of loss is lower than 50%, thus no provision has been made in these financial statements.

(c) Financial commitments

The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the state of affairs of the Company, have been taken into consideration in the preparation of these financial statements.

In the normal course of the business, the company uses letter of credit to import materials. The total value of open letters of credit as at 31st December was ₦71.3 billion (2022: ₦58.7billion)

33. Related parties

(a) Parent and ultimate controlling entity

Related parties include the parent Company, Heineken N.V. and Heineken group entities. Directors, their close family members and any employee who is able to exert significant influence on the operating policies of the Company are considered as related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

As at the year ended 31st December 2023 Heineken Brouwerijen B.V., Distilled Trading International B.V. and Heineken International B.V. owned 38.32% and 15.63%, and 2.74% respectively of the issued share capital of Nigerian Breweries Plc. The ultimate holding company is Heineken N.V.

The Company has transactions with its parent, and other related parties who are related to the Company only by virtue of being members of the Heineken Group. The total amounts due to related parties by the nature of the transaction are shown below:

	Transaction value		Balance due (to)/from	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Purchases - other related parties	(161,810,075)	(90,666,234)	(106,118,838)	(52,380,293)
Contract brewing services with:				
- Other related parties	-	-	-	568,567
Technical Service fees & royalties:				
- Parent	(2,694,477)	(2,276,803)	(7,908,558)	(3,099,860)
- Other related parties	(10,259,199)	(10,125,797)	(36,575,039)	(14,834,178)
Total technical and royalty fees	**(12,953,676)**	**(12,402,600)**	**(44,483,597)**	**(17,934,038)**
Sales and others				
- Other related parties	6,978,365	3,532,572	(7,945,953)	(20,306,976)
Inter-Company Loan and interest	(88,278,514)	-	(88,278,514)	-

All outstanding balances with these related parties are to be settled in cash within twelve months of the reporting date. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2022: Nil). This assessment is undertaken each financial year. Included in the Other related parties is a loan amount to ₦0 (2022: ₦1 billion) from BBCL.

(b) Key management personnel compensation

In addition to their salaries, the Company also provides non-cash benefits to Directors and executive officers, and contributes to a post-employment defined benefit plan on their behalf. In accordance with the terms of the plan, Directors and executive officers retire at age 60 and are, including their spouses, entitled to receive post- employment benefits.

Executive officers also participate in the Heineken Group share-based payment plan (see note 26) and the Company's long service awards scheme. This programme awards a certain sum of cash benefit which accrues to the recipient on graduated periods of uninterrupted service. Key management personnel compensation comprised:

	2023 ₦'000	2022 ₦'000
Executive Committee / Management Team	1,725,824	1,508,534
Other managers	1,659,307	1,432,619
Short-term employee benefits	3,385,131	2,941,153
Long-term employee benefits:		
Post-employment benefits	190,595	175,373
Share based payments	52,172	82,036
	3,627,898	3,198,562

(c) The Nigerian Breweries-Felix Ohiwerei Education Trust Fund

The Nigerian Breweries-Felix Ohiwerei Education Trust Fund (The Trust Fund) is an unconsolidated sponsored structured entity incorporated by Nigerian Breweries Plc in November 1994 as a charitable Trust for the advancement of education at all levels in Nigeria. The Company made a capital grant of ₦100 million to The Trust Fund in 1994 which The Trust Fund has continued to invest in quoted shares and fixed deposits. The capital grant was recognised as an expense by the Company in the year it was made. The proceeds from the investments are disbursed solely for the promotion of education in Nigeria. The Company is not exposed to variability of returns from its involvement in The Trust Fund. According to the constitution of The Trust Fund, the Company has no residual interest in The Trust Fund on its dissolution. As a result of the above, The Trust Fund has not been consolidated.

The Company provides managerial support to The Trust Fund at no cost and intends to continue to provide the support into the future. During the year, the Company paid for certain expenses of The Trust Fund for which it was reimbursed at cost.

As at year end The Trust Fund held 28,752,100 (2022: 28,752,100) number of shares in the Company.

34. Subsequent events

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Group as at 31st December 2023 that have not been adequately provided for or disclosed in the financial statements, However the company has received approval from the shareholders to acquire controlling shares in Distell wines and spirits Nigeria Limited.

35. Going concern

The Company's current liabilities exceeded its current assets by ₦354 billion (2022: ₦251 billion).The Directors believe this is not indicative of going concern issues as there are sufficient credit lines available to the company to meet its working capital requirements on an ongoing basis for at least twelve months from the date of approval of the annual financial statements. There are no restrictions to the Company's ability to access the facilities. The financial statements have therefore been prepared on a going concern basis, which assumes that the company will continue its operations for the foreseeable future. The Directors have made this assessment based on the current financial position of the company, its projected cash flows, and other relevant factors.

35. Condensed financial data of consolidated entities

Condensed statement of financial position

	Group ₦'000	Elimination entries ₦'000	Nigerian Breweries ₦'000	Subsidiaries (234 Sores/BBC) ₦'000
ASSETS				
Property, plant and equipment	441,433,475	-	440,787,687	645,788
Right-of-use assets	8,945,331	-	8,929,494	15,837
Intangible assets and goodwill	91,913,959	-	91,913,959	-
Investments	150,000	(100,000)	250,000	-
Other receivables	2,152,592	-	2,152,592	-
Deferred tax Asset	23,710,466	-	23,710,466	-
Non-current assets	**568,305,823**	**(100,000)**	**567,744,198**	**661,625**
Inventories	122,035,547	-	121,872,794	162,753
Trade and other receivables	46,788,739	(2,367,712)	49,075,068	81,383
Prepayments	2,970,328	-	2,970,328	-
Deposit for imports	16,206,296	-	16,206,296	-
Cash and cash equivalents	39,566,373	-	39,458,309	108,064
Assets held for sale	-	-	-	-
Current assets	**227,567,283**	**(2,367,712)**	**229,582,795**	**352,200**
Total assets	**795,873,106**	**(2,467,712)**	**797,326,993**	**1,013,825**
EQUITY				
Share capital	5,138,066	(100,000)	5,138,066	100,000
Share premium	82,943,935	-	82,943,935	-
Share based payment reserve	1,469,827	-	1,469,827	-
Retained earnings	(26,267,451)	-	(24,383,216)	(1,884,235)
Equity attributable to owners of the Company	**63,284,377**	**(100,000)**	**65,168,612**	**(1,784,235)**
Non-controlling interest	-	-	-	-
Total equity	**63,284,377**	**(100,000)**	**65,168,612**	**(1,784,235)**
LIABILITIES				
Loans and borrowings	136,283,827	-	136,283,827	-
Lease liabilities	1,684	-	1,684	-
Employee benefits	11,837,931	-	11,837,931	-
Deferred tax liabilities	-	-	-	-
Non-current liabilities	**148,123,442**	**-**	**148,123,442**	**-**
Loans and Borrowings	205,318,151	-	205,318,151	-
Lease liabilities	29,561	-	29,561	-
Current tax liabilities	6,716,463	-	6,713,397	3,066
Dividend payable	14,621,974	-	14,621,974	-
Trade and other payables	355,288,752	(2,367,712)	354,861,470	2,794,994
Provisions	2,490,386	-	2,490,386	-
Current liabilities	**584,465,287**	**(2,367,712)**	**584,034,939**	**2,798,060**
Total liabilities	**732,588,729**	**(2,367,712)**	**732,158,381**	**2,798,060**
Total equity and liabilities	**795,873,106**	**(2,467,712)**	**797,326,993**	**1,013,825**

Condensed statement of profit or loss

	Group ₦'000	Elimination entries ₦'000	Nigerian Breweries ₦'000	Subsidiaries (234 Stores/BBC) ₦'000
Net Revenue	**599,643,031**	**-**	**599,508,761**	**613,294**
Cost of sales	(387,032,572)	479,024	(387,032,454)	(479,142)
Gross profit	**212,610,459**	**479,024**	**212,476,307**	**134,152**
Other income	2,957,510	-	2,957,397	113
Marketing and distribution expenses	(142,492,958)	-	(142,492,958)	-
Administrative expenses	(28,641,677)	-	(27,972,143)	(669,534)
Net release of expected credit loss on financial assets	(469,923)	-	(469,923)	-
Profit/(loss) from operating activities	**43,963,411**	**479,024**	**44,498,680**	**(535,269)**
Finance income	513,239	-	513,239	-
Net loss on foreign exchange transactions	(153,332,605)	-	(153,332,605)	-
Finance costs	(36,368,316)	-	(36,368,316)	-
Net finance (costs)/income	**(189,187,682)**	**-**	**(189,187,682)**	**-**
Profit/(loss) before tax	**(145,224,271)**	**479,024**	**(144,689,002)**	**(535,269)**
Income tax expense	38,916,714	-	38,919,780	(3,066)
Profit/(loss) after tax	**(106,307,557)**	**479,024**	**(105,769,222)**	**(538,335)**
Profit for the year attributable to:				
Owners of the Company	(106,307,557)	-	(105,769,222)	(538,335)
Non-controlling interest	-	-	-	-
Profit for the year	**(106,307,557)**	**-**	**(105,769,222)**	**(538,335)**

Condensed statement of other comprehensive income

	Group ₦'000	Elimination entries ₦'000	Nigerian Breweries ₦'000	Subsidiaries (234 Sores/BBC) ₦'000
Profit/(loss) for the year	(106,307,557)	**-**	(105,769,222)	(538,335)
Actuarial gains	(335,180)	**-**	(335,180)	
Total comprehensive income/(loss) for the year	**(106,642,737)**	**-**	**(106,104,402)**	**(538,335)**
Total comprehensive income for the year attributable to:				
Owners of the Company	(106,642,737)	**-**	(106,104,402)	(538,335)
Non-controlling interest	-	**-**	-	-
Total comprehensive income/(loss) for the year	**(106,642,737)**	**-**	**(106,104,402)**	**(538,335)**

36. Condensed financial data of consolidated entities

Condensed statement of cash flows

	Group ₦'000	Elimination entries ₦'000	Nigerian Breweries ₦'000	Subsidiaries (234 Stores/ BBC) ₦'000
Cash flows from operating activities				
Net profit/(loss)	**(106,307,557)**	**-**	**(105,769,222)**	**(538,335)**
Adjustments for:				
Depreciation and impairment loss	45,034,894	-	44,638,629	396,265
Depreciation of right-of-use asset	1,357,457	-	1,257,493	99,964
Amortisation of intangible assets	1,639,085	-	1,639,085	-
Finance income	(513,239)	-	(513,239)	-
Finance expenses	36,368,316	-	36,368,316	-
Gain/ (Loss) on foreign exchange transactions	5,557,480	-	5,557,480	-
Employee benefit charge	1,003,447	-	1,003,447	-
Share based payment charge	663,641	-	663,641	(113)
Gain on sale of property, plant and equipment	(117,157)		(117,044)	
Gain on sale of subsidiaries / JVs / Associates	(329,547)	-	(329,547)	-
Other non-cash items from disposal of subsidiary	(380,536)		-	(380,536)
Income tax expense	(38,916,714)	-	(38,919,780)	3,066
Change in inventories	(38,518,237)	-	(38,528,581)	10,344
Change in trade and other receivables	(6,209,409)	737,200	(6,368,335)	(578,274)
Change in prepayments	(1,012,127)	-	(1,012,127)	-
Change in trade and other payables	80,024,753	(737,200)	79,133,263	1,628,690
Provisions	727,308	-	727,308	-
Change in deposit for imports	(9,307,973)	-	(9,307,973)	-
Cash generated from operating activities	**(28,906,568)**	**-**	**(28,868,014)**	**(38,554)**
Income tax paid	(9,322,347)	-	(9,322,347)	-
Gratuity paid	(1,087,994)	-	(1,087,994)	-
Other long term employee benefits paid	(1,301,776)	-	(1,301,776)	-
Share based payment	(138,197)	-	(138,197)	-
VAT paid	(33,908,828)	-	(33,908,828)	-
Net cash from operating activities	**(74,665,710)**	**-**	**(74,627,156)**	**(38,554)**
Cash flow from investing activities				
Finance income	513,239	-	513,239	-
Proceeds from sale of property plant and equipment	312,036	-	151,735	160,301
Acquisition of property plant and equipment	(98,741,992)	-	(98,741,992)	-
Acquisition of right-of-use asset	(401,009)	-	(358,331)	(42,678)
Acquisition of intangible assets	(127,942)	-	(127,942)	-
Net cash (used)/from investing activities	**(98,445,668)**	**-**	**(98,563,291)**	**117,623**
Proceeds of loans and borrowings	533,946,588	-	533,946,588	-
Repayment of loans and borrowings	(336,487,094)	-	(336,487,094)	-
Repayment of lease liabilities	(16,480)	-	(16,480)	-
Interest paid	(18,777,537)	-	(18,777,537)	-
Change in deposit at registrars related unclaimed dividends	1,551,321	-	1,551,321	-
Dividends paid	(6,067,868)	-	(6,067,868)	-
Net cash used in financing activities	**174,148,930**	**-**	**174,148,930**	**-**
Net increase in cash and cash equivalents	1,037,552	-	958,483	79,069
Effect of foreign exchange rate changes on cash and cash equivalent	16,347,980	-	16,347,980	-
Cash and cash equivalents at 1st January	22,180,841	-	22,151,846	28,995
Cash and cash equivalents at 31st December	**39,566,373**	**-**	**39,458,309**	**108,064**

18+
DRINK RESPONSIBLY
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THE KING'S REWARD

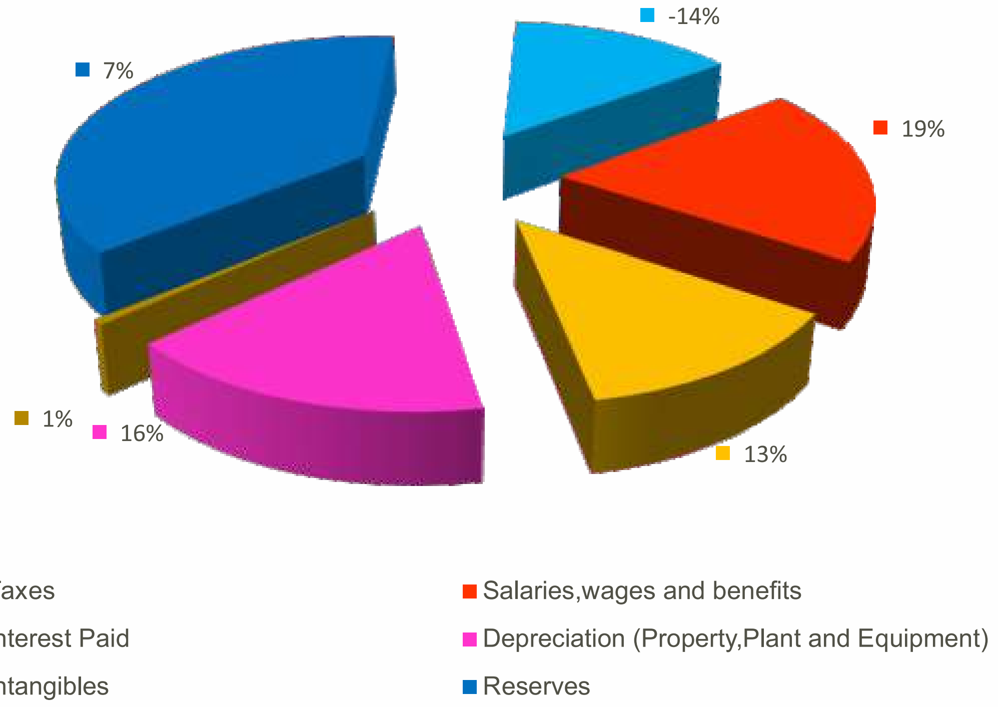
Value Added Statement

	Group 2023 ₦'000	%	Group 2022 ₦'000	%	Company 2023 ₦'000	%	Company 2022 ₦'000	%
Revenue	599,643,031		550,637,994		599,508,761		550,477,627	
Bought in materials and services								
- Imported	(161,810,075)		(90,666,234)		(161,810,075)		(90,666,234)	
- Local	(488,585,240)		(351,761,085)		(488,534,994)		(351,318,632)	
	(50,752,284)		**108,210,675**		**(50,836,308)**		**108,492,761**	
Other income	2,957,510		2,986,746		2,957,397		2,986,746	
Finance income	513,239		349,192		513,239		349,192	
Value added by operating activities	**(47,281,535)**	**100**	**111,546,613**	**100**	**(47,365,672)**	**100**	**111,828,699**	**100**
Distribution of value added								
To Government as:								
Taxes	(38,916,714)	82	3,732,755	4	(38,919,780)	82	3,746,411	9
To Employees:								
Salaries, wages, fringe and end of service benefits	55,495,825	(117)	51,083,811	46	55,372,648	(117)	51,083,811	37
To Providers of Finance:								
- Finance cost (interest expenses)	36,368,316	(77)	8,422,249	8	36,368,316	(77)	8,469,483	9
Retained in the Business								
To maintain and replace;								
-Property, plant and equipment	46,392,351	(98)	38,033,326	34	45,896,122	(97)	37,516,197	31
- Intangible assets	1,639,085	(3)	1,567,363	1	1,639,085	(3)	1,567,363	1
Deferred tax charge/(credit) for the year	(41,952,841)	89	(4,900,685)	(5)	(41,952,841)	89	(4,900,685)	3
To (offset)/augment reserves	(106,307,557)	224	13,607,794	12	(105,769,222)	223	14,346,119	10
Value added	**(47,281,535)**	**100**	**111,546,613**	**100**	**(47,365,672)**	**100**	**111,828,699**	**100**
Dividends to shareholders from reserves	**10,584,416**		**12,979,360**		**10,584,416**		**12,979,360**	

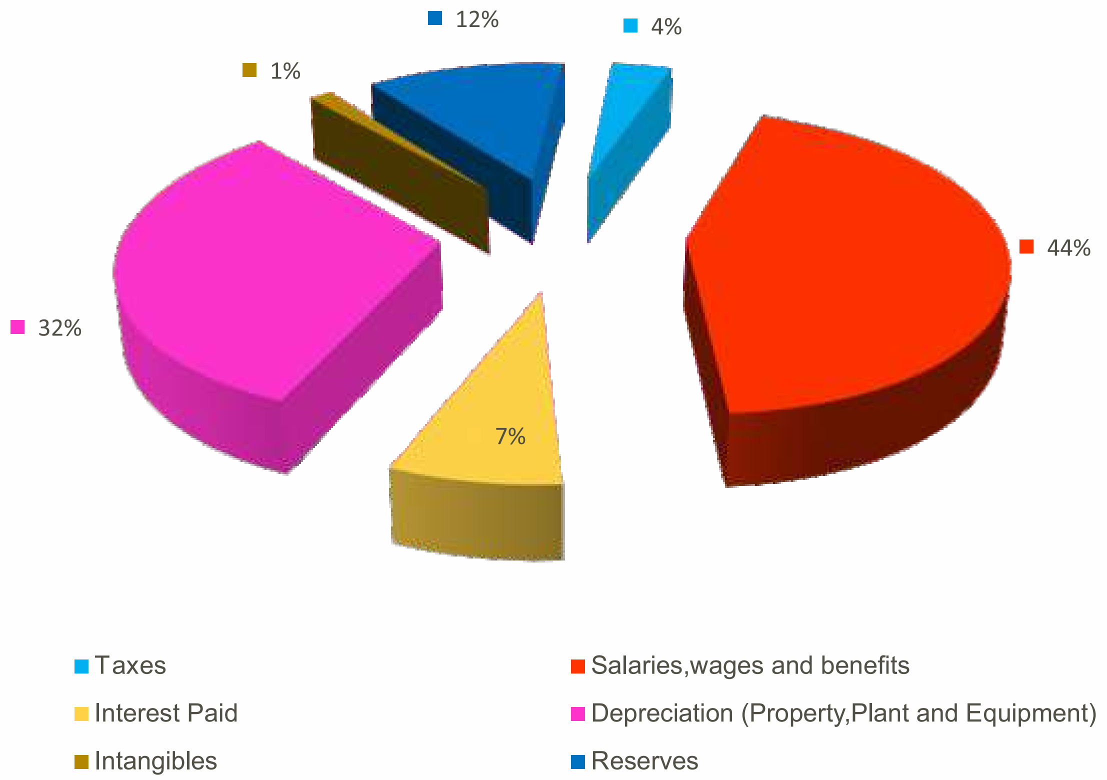
Value added represents the additional wealth which the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between government, employees, providers of capital and that retained for future creation of more wealth.

Value Added Statement (Cont'd)

2023 DISTRIBUTION OF VALUE ADDED



2022 DISTRIBUTION OF VALUE ADDED



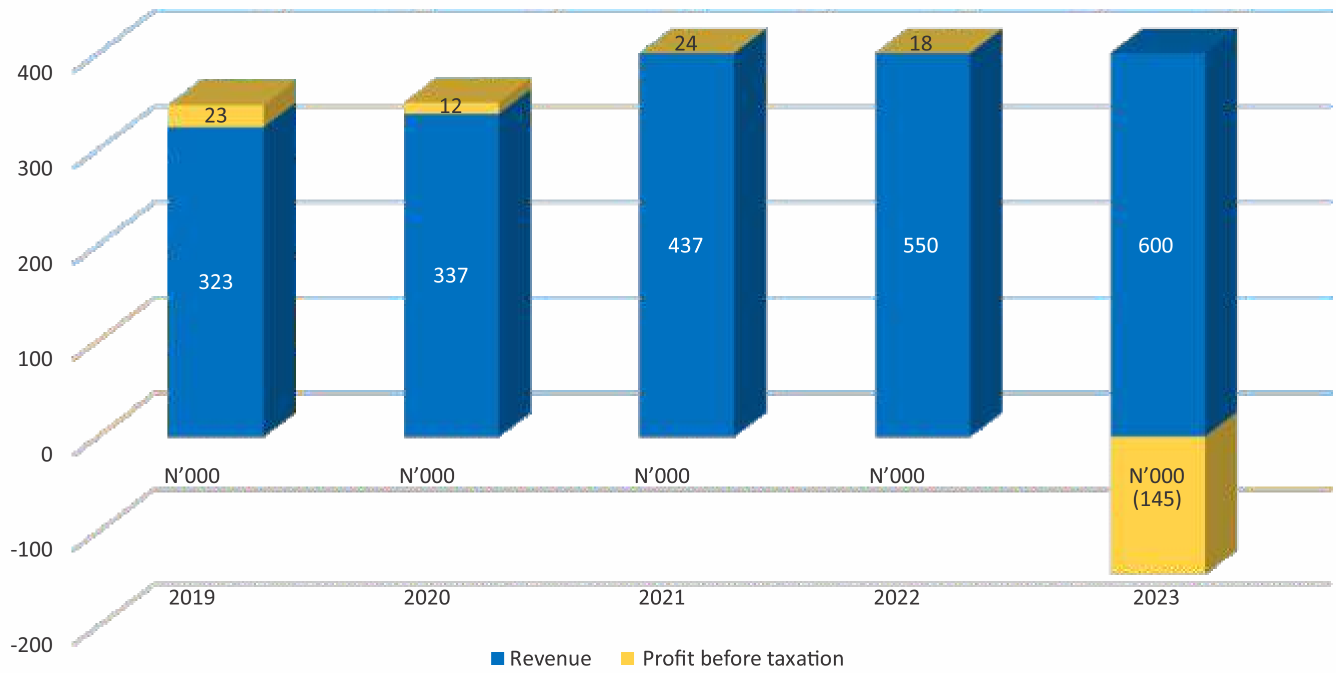
(c) Company Five-Year Financial Summary

Group	2023 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000
Statement of comprehensive income					
Revenue	**599,508,761**	**550,477,627**	**437,195,534**	**337,006,267**	**323,002,120**
Results from operating activities	44,498,680	52,555,236	41,811,987	29,817,785	35,254,672
Profit before taxation	(144,689,002)	18,092,530	23,929,796	11,707,745	23,327,090
Profit for the year	(105,769,222)	13,925,086	12,927,163	7,525,621	16,104,763
Comprehensive income for the year	(106,104,402)	13,980,657	16,011,468	6,882,441	19,209,057
Ratios					
Earnings per share (kobo)	(1,275)	168	161	94	201
Share price at year end (Naira)	36	41	50	56	59
Declared dividend per share (kobo)	103	160	109	176	233
Dividend coverage (times)	(12.38)	1.05	1.48	0.52	0.86
Net assets per share (kobo)	785	2,180	2,140	2,015	2,095
Statement of financial position					
Employment of Funds					
Property, plant and equipment	440,787,687	357,922,963	255,630,534	212,369,121	201,362,280
Right-of-use assets	8,929,494	9,828,656	12,364,126	42,834,781	10,992,267
Intangible assets	91,913,959	93,425,102	94,334,332	95,272,318	96,465,642
Investments	250,000	929,625	929,625	929,625	929,625
Other receivables	2,152,592	2,022,169	1,134,459	911,375	651,781
Deferred tax asset	23,710,466	-	-	-	-
Net current liabilities	(354,452,144)	(250,979,129)	(148,442,822)	(84,667,388)	(67,338,421)
Loans and borrowings	(136,283,827)	(2,425,875)	(6,831,273)	(39,636,707)	(38,893,313)
Lease Liability	(1,684)	(14,622)	(2,733,579)	(32,288,385)	-
Employee benefits	(11,837,931)	(11,422,347)	(10,964,102)	(16,719,748)	(13,434,272)
Deferred tax liabilities	-	(18,407,463)	(23,281,997)	(17,854,115)	(23,171,027)
Net assets	**65,168,612**	**180,879,079**	**172,139,303**	**161,150,877**	**167,564,562**
Funds Employed					
Share capital	5,138,066	5,138,066	4,037,916	3,998,451	3,998,451
Share premium	82,943,935	82,943,935	77,499,797	73,770,356	73,770,356
Share based payment reserve	1,469,827	944,383	170,753	214,506	501,557
Retained earnings	(24,383,216)	91,852,695	90,430,837	83,167,564	89,294,198
	65,168,612	**180,879,079**	**172,139,303**	**161,150,877**	**167,564,562**

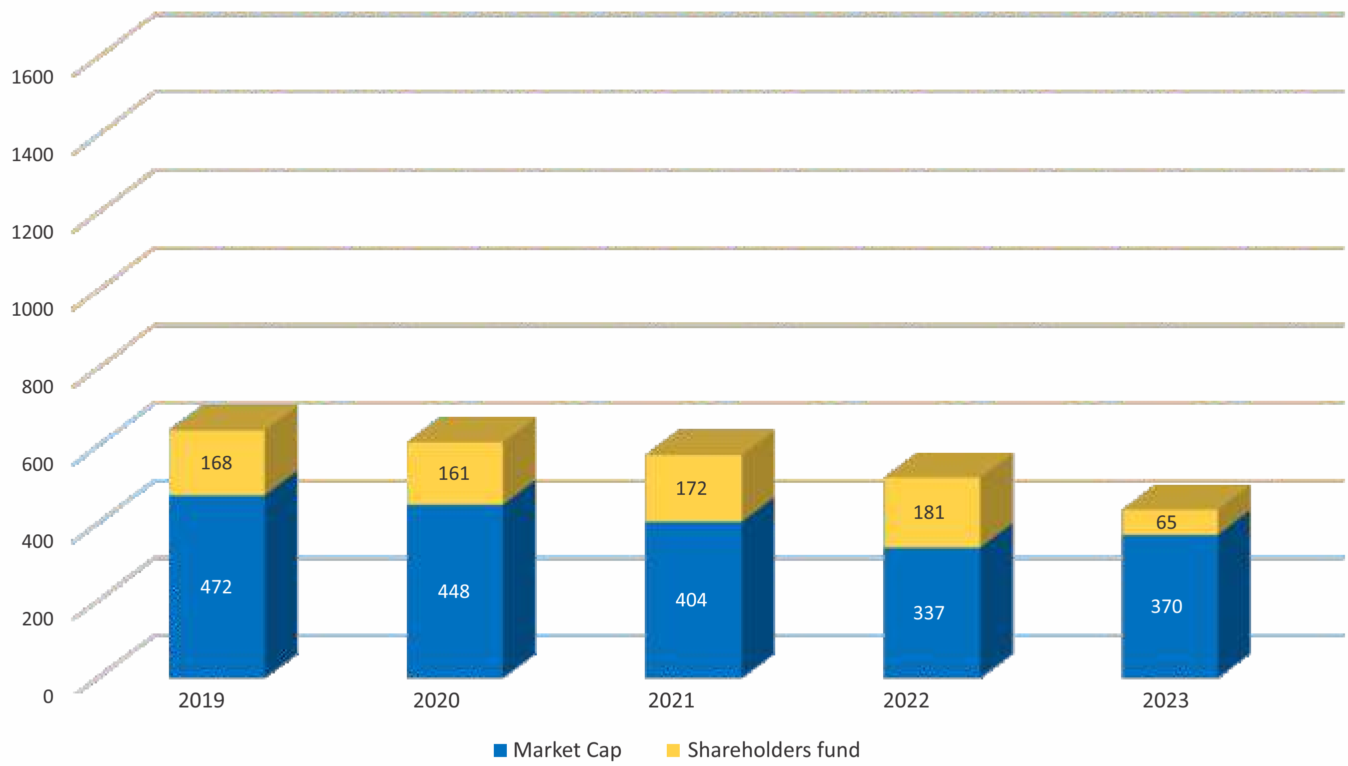
The financial information presented above reflects historical summaries based on International Financial Reporting Standards.

(d) Performance Indicators

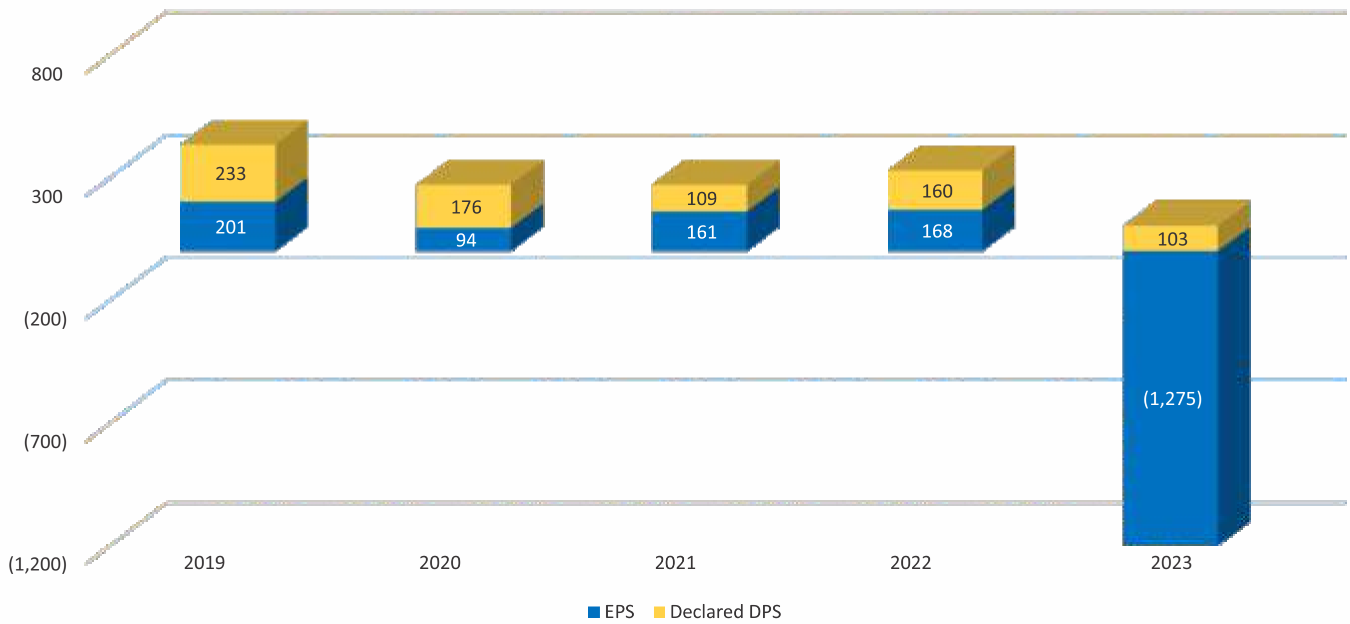
TURNOVER VS PROFIT BEFORE TAXATION (BILLION NAIRA)



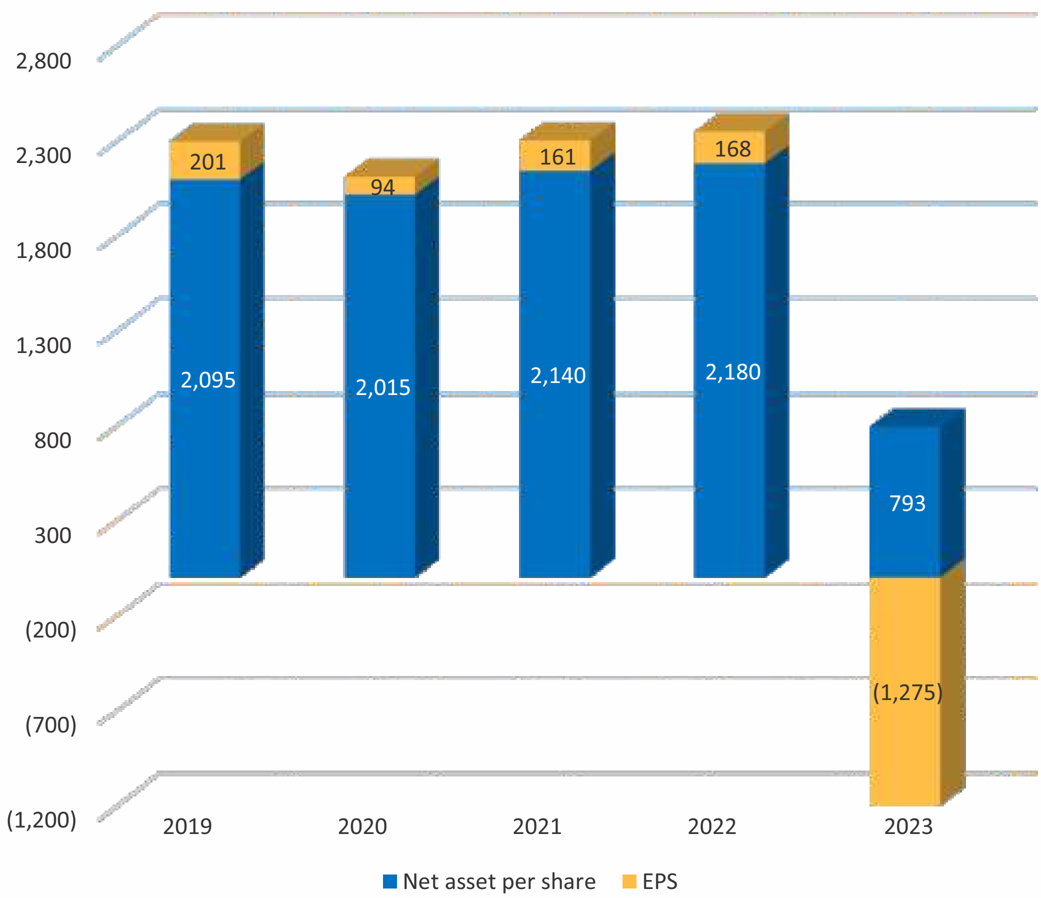
MARKET CAPITALISATION VS SHAREHOLDERS' FUND (BILLION NAIRA)



EARNINGS PER SHARE VS DECLARED DIVIDEND PER SHARE (KOBO)



NET ASSET PER SHARE VS EARNINGS PER SHARE (KOBO)



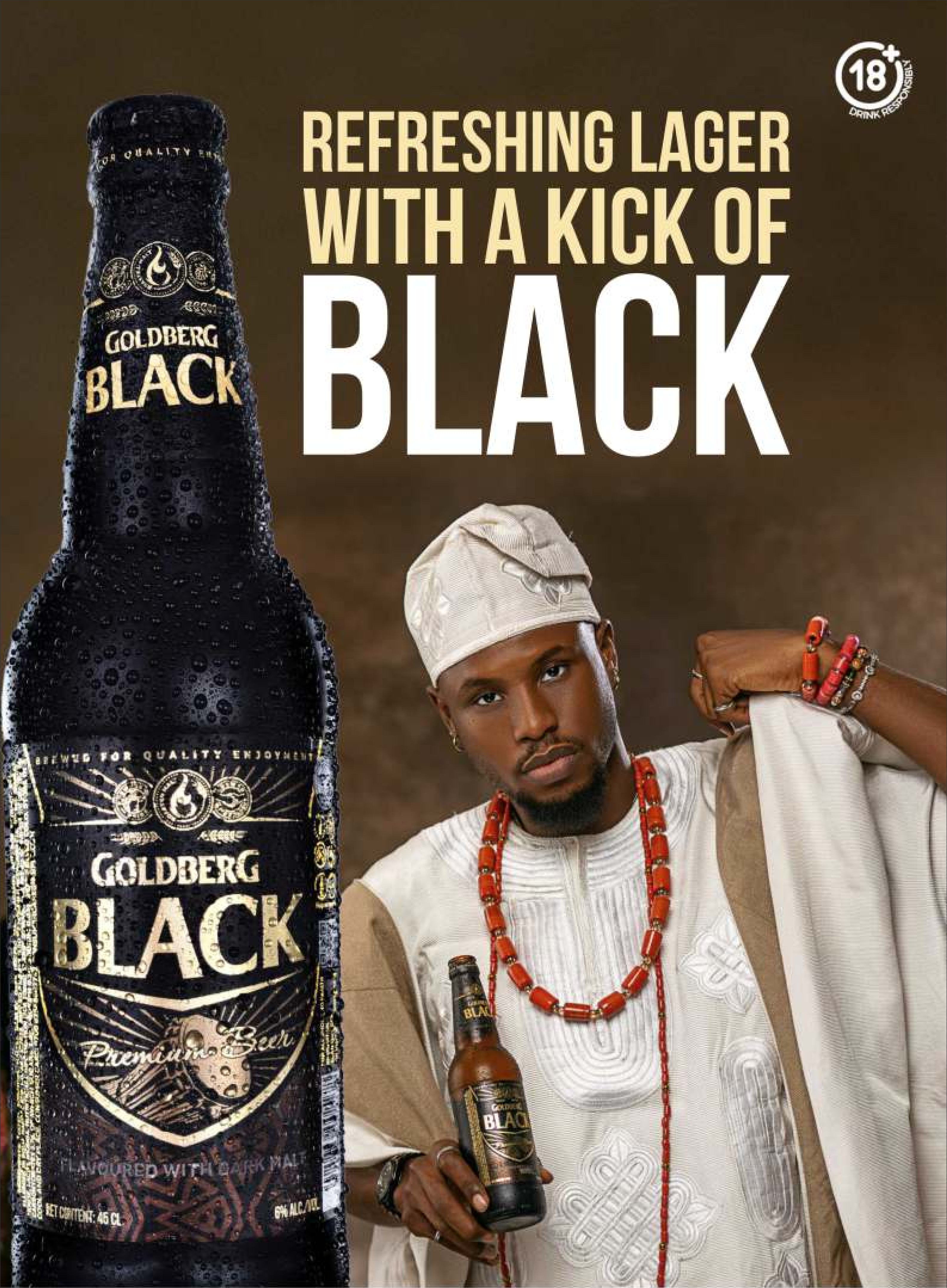
Company Five-Year Financial Summary

Group	2023 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000
Statement of comprehensive income					
Revenue	**599,508,761**	**550,477,627**	**437,195,534**	**337,006,267**	**323,002,120**
Results from operating activities	44,498,680	52,555,236	41,811,987	29,817,785	35,254,672
Profit before taxation	(144,689,002)	18,092,530	23,929,796	11,707,745	23,327,090
Profit for the year	(105,769,222)	13,925,086	12,927,163	7,525,621	16,104,763
Comprehensive income for the year	(106,104,402)	13,980,657	16,011,468	6,882,441	19,209,057
Ratios					
Earnings per share (kobo)	(1,275)	168	161	94	201
Share price at year end (Naira)	36	41	50	56	59
Declared dividend per share (kobo)	103	160	109	176	233
Dividend coverage (times)	(12.38)	1.05	1.48	0.52	0.86
Net assets per share (kobo)	785	2,180	2,140	2,015	2,095
Statement of financial position					
Employment of Funds					
Property, plant and equipment	440,787,687	357,922,963	255,630,534	212,369,121	201,362,280
Right-of-use assets	8,929,494	9,828,656	12,364,126	42,834,781	10,992,267
Intangible assets	91,913,959	93,425,102	94,334,332	95,272,318	96,465,642
Investments	250,000	929,625	929,625	929,625	929,625
Other receivables	2,152,592	2,022,169	1,134,459	911,375	651,781
Deferred tax asset	23,710,466	-	-	-	-
Net current liabilities	(354,452,144)	(250,979,129)	(148,442,822)	(84,667,388)	(67,338,421)
Loans and borrowings	(136,283,827)	(2,425,875)	(6,831,273)	(39,636,707)	(38,893,313)
Lease Liability	(1,684)	(14,622)	(2,733,579)	(32,288,385)	-
Employee benefits	(11,837,931)	(11,422,347)	(10,964,102)	(16,719,748)	(13,434,272)
Deferred tax liabilities	-	(18,407,463)	(23,281,997)	(17,854,115)	(23,171,027)
Net assets	**65,168,612**	**180,879,079**	**172,139,303**	**161,150,877**	**167,564,562**
Funds Employed					
Share capital	5,138,066	5,138,066	4,037,916	3,998,451	3,998,451
Share premium	82,943,935	82,943,935	77,499,797	73,770,356	73,770,356
Share based payment reserve	1,469,827	944,383	170,753	214,506	501,557
Retained earnings	(24,383,216)	91,852,695	90,430,837	83,167,564	89,294,198
	65,168,612	**180,879,079**	**172,139,303**	**161,150,877**	**167,564,562**

The financial information presented above reflects historical summaries based on International Financial Reporting Standards.

Group Five-Year Financial Summary

	2023 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000
Statement of comprehensive income					
Revenue	**599,643,031**	**550,637,994**	**437,285,189**	**337,046,213**	**323,007,470**
Results from operating activities	43,963,411	51,756,021	41,494,274	29,605,001	35,205,600
Profit before taxation	(145,224,271)	17,340,549	23,701,140	11,576,545	23,351,754
Profit for the year	(106,307,557)	13,186,761	12,671,959	7,368,369	16,105,912
Comprehensive income for the year	(106,642,737)	13,242,332	15,756,264	6,725,189	19,210,206
Ratios					
Earnings per share (kobo)	(1,275)	168	161	92	201
Share price at year end (Naira)	36	41	50	56	59
Declared dividend per share (kobo)	103	160	109	176	233
Dividend coverage (times)	(12.38)	1.05	1.48	0.53	0.86
Net assets per share (kobo)	763	2,168	2,137	2,016	2,098
Statement of financial position					
Employment of Funds					
Property, plant and equipment	441,433,475	358,967,704	257,216,814	213,412,133	201,907,332
Right-of-use assets	8,945,331	9,901,779	12,520,277	42,915,964	11,073,782
Intangible assets	91,913,959	93,425,102	94,334,332	95,272,318	96,465,642
Investments	150,000	150,000	150,000	150,000	150,000
Other receivables	2,152,592	2,022,169	1,134,459	911,375	651,781
Deferred tax asset	23,710,466	-	-	-	-
Net current liabilities	(356,898,004)	(252,282,732)	(149,632,667)	(84,983,793)	(66,999,946)
Loans and borrowings	(136,283,827)	(2,425,875)	(6,831,273)	(39,636,707)	(38,893,313)
Lease Liability	(1,684)	(14,622)	(2,733,579)	(32,288,385)	-
Employee benefits	(11,837,931)	(11,422,347)	(10,964,102)	(16,719,748)	(13,434,272)
Deferred tax liabilities	-	(18,407,463)	(23,281,997)	(17,854,115)	(23,171,027)
Net assets	**63,284,377**	**179,913,715**	**171,912,264**	**161,179,042**	**167,749,979**
Funds Employed					
Share capital	5,138,066	5,138,066	4,037,916	3,998,451	3,998,451
Share premium	82,943,935	82,943,935	77,499,797	73,770,356	73,770,356
Share based payment reserve	1,469,827	944,383	170,753	214,506	501,557
Retained earnings	(26,267,451)	90,773,894	90,094,911	83,093,100	89,382,366
Non-Controlling Interest	-	113,437	108,887	102,629	97,249
	63,284,377	**179,913,715**	**171,912,264**	**161,179,042**	**167,749,979**



ENJOY RESPONSIBLY. NOT FOR SALE TO PERSONS UNDER THE AGE OF 18.

(a) Substantial Interest in Shares:

According to the Register of Members, the following shareholders held more than 5% of the issued share capital of the Company on 31st December 2023.

Shareholder	Number of Shares	Percentage
Heineken Brouwerijen B.V.*	3,937,890,521	38.32
Distilled Trading International B.V.*	1,606,123,477	15.63
Stanbic Nominees Nigeria Limited	1,171,300,862	11.40
Total	**6,715,314,860**	**65.35**

*Heineken Brouwerijen B.V. and Distilled Trading International B.V. are part of the Heineken N.V. Group.

(b) Statistical Analysis of Shareholding

(i) The issued and fully paid-up Share Capital of the Company as at 31st December 2023 was 10,276,132,378 Ordinary Shares of 50 kobo each. According to the Register of Members, the same three companies listed in paragraph (a) above, held more than 10% of the Issued Share Capital as at the said date. The remaining 3,560,817,518 shares (representing 34.65 %) were held by other individuals and institutions including Heineken International B.V., also a part of the Heineken N.V. Group with 282,015,082 shares (representing 2.74%). The total number of shares held by the Heineken N.V. Group in the Company was 5,826,029,080 shares representing 56.69%.

(ii) The Registrars advised that the range of shareholding as at 31st December 2023, was as follows:

Range			No. of Holders	Holders %	Units	Units %
1	-	1000	39,272	34.78	15,614,082	0.15
1001	-	5000	36,024	31.91	85,537,844	0.83
5001	-	10000	10,415	9.22	75,493,192	0.73
10001	-	50000	17,956	15.90	410,983,268	4.00
50001	-	100000	5,879	5.21	415,059,888	4.04
100001	-	500000	2,892	2.56	544,862,619	5.30
500001	-	1000000	222	0.20	156,677,782	1.52
1000001	-	5000000	191	0.17	361,294,835	3.52
5000001	-	10000000	11	0.01	75,914,310	0.74
10000001	-	50000000	22	0.02	507,077,816	4.93
50000001	-	100000000	6	0.01	429,970,655	4.18
100000001	-	10276132376	11	0.01	7,197,646,087	70.04
			112,901	**100**	**10,276,132,378**	**100**

(c) Share Capital History

Date	Authorised (₦)		Issued and Fully Paid (₦)		Consideration
	Increase	*Cumulative*	*Increase*	*Cumulative*	
January 1976	-	8,000,000	-	6,100,000	Cash
June 1976	1,150,000	9,150,000	3,050,000	9,150,000	Scrip/Bonus (1:2)
February 1977	9,150,000	18,300,000	9,150,000	18,300,000	Scrip/Bonus (1:1)
February 1978	3,660,000	21,960,000	3,660,000	21,960,000	Scrip/Bonus (1:5)
July 1979	7,320,000	29,280,000	7,320,000	29,280,000	Scrip/Bonus (1:3)
June 1980	7,320,000	36,600,000	7,320,000	36,600,000	Scrip/Bonus (1:4)
June 1981	9,150,000	45,750,000	9,150,000	45,750,000	Scrip/Bonus (1:4)
June 1983	11,437,750	57,187,000	11,437,500	57,187,500	Scrip/Bonus (1:4)
June 1986	28,593,750	85,781,250	28,593,750	85,781,250	Scrip/Bonus (1:2)
June 1990	28,593,750	114,375,000	28,593,750	114,375,000	Scrip/Bonus (1:3)
June 1993	114,375,000	228,750,000	114,375,000	228,750,000	Scrip/Bonus (1:1)
June 1995	228,750,000	457,500,000	228,750,000	457,500,000	Scrip/Bonus (1:1)
June 1999	305,000,000	762,500,000	305,000,000	762,500,000	Scrip/Bonus (2:3)
June 2000	737,500,000	1,500,000,000	182,225,000	944,725,000	Conversion
December 2001	-	-	570,000	945,295,000	Conversion
June 2002	500,000,000	2,000,000,000	945,294,827	1,890,589,827	Scrip/Bonus (1:1)
June 2000	-	-	12,000	1,890,601,827	Conversion
June 2001	-	-	39,000	1,890,640,827	Conversion
June 2004	2,000,000,000	4,000,000,000	1,890,640,827	3,781,281,170	Scrip/Bonus (1:1)
May 2012	-	4,000,000,000	71,046	3,781,352,216	Merger
December 2014	-	4,000,000,000	183,198,228	3,964,550,444	Merger
June 2017	1,000,000,000	5,000,000,000	33,990,582	3,998,451,026	Scrip Dividend
June 2021	-	5,000,000,000	39,464,924	4,037,915,950	Scrip Dividend
June 2022	-	5,000,000,000	72,537,001	4,110,452,950	Scrip Dividend
December 2022	138,066,189	5,138,066,189	1,027,613,239	5,138,066,189	Scrip/Bonus (1:4)

(d) Scrip/Bonus shares

Date Issued	**Ratio**
19 June 1976	One for two
26 February 1977	One for one
25 February 1978	One for five
11 July 1979	One for three
28 June 1980	One for four
19 June 1981	One for four
29 June 1983	One for four
25 June 1986	One for two
27 June 1990	One for three
30 June 1993	One for one
28 June 1995	One for one
30 June 1999	Two for three
27 June 2002	One for one
30 June 2004	One for one
8 December 2022	One for four

(e) Shareholding Pattern and Free Float Declaration

	31st December 2023		31st December 2022	
Share Price (Naira)	**36**		**41**	
	Units	*% (issued share capital)*	*Units*	*% (issued share capital)*
Issued Share capital	**10,276,132,378**	**100.00**	**8,220,905,900**	**100.00**
Substantial Shareholdings (5% and above)*				
Heineken Brouwerijen B.V.	3,937,890,521	38.32	3,150,312,417	38.32
Distilled Trading International B.V.	1,606,123,477	15.63	1,284,898,782	15.63
Total Substantial Shareholdings	**5,544,013,998**	**53.95**	**4,435,211,199**	**53.95**
Directors' Shareholding (direct and indirect, excluding directors with substantial interest				
Mr. Asue Ighodalo (Indirect)**	1,000,000	0.01	0	0.00
Mrs. Ifueko M. Omoigui Okauru, *MFR* (Direct)	44,990	0.00	35,992	0.00
Mrs. Adeyinka O. Aroyewun (Direct)	52,108	0.00	41,687	0.00
Total Directors' Shareholdings	**2,271,435**	**0.02**	**993,149**	**0.01**
Other Influential Shareholdings				
Heineken International B.V.	282,015,082	2.74	225,612,066	2.74
The Nigerian Breweries-Felix Ohiwerei Education Trust Fund	22,897,404	0.22	23,001,680	0.28
Progress Trust (CPFA) Limited	4,132,295	0.04	3,305,837	0.04
Government and Institutional shareholdings	67,626,199	0.66	54,114,620	0.66
Total Other Influential Shareholdings	**376,670,980**	**3.67**	**306,034,203**	**3.72**
Free Float in Units and Percentage	**4,353,175,965**	**42.36**	**3,478,667,349**	**42.32**
Free Float in Value (in Naira)	**156,714,334,740**		**142,625,361,309**	

*While Stanbic Nominees Nigeria Limited held 11.40% of the Company's shares as at 31st December 2023, these shares are held on behalf of various shareholders. Consequently, the shares are considered as free floats and available for trading on the floor of The Exchange.

**Mr. Asue Ighodalo held the shares indirectly through Moehi Nigeria Limited. A notification of the purchase of the shares was sent to the Nigerian Exchange Limited on 9th June 2023.

(f) Dividend Overview

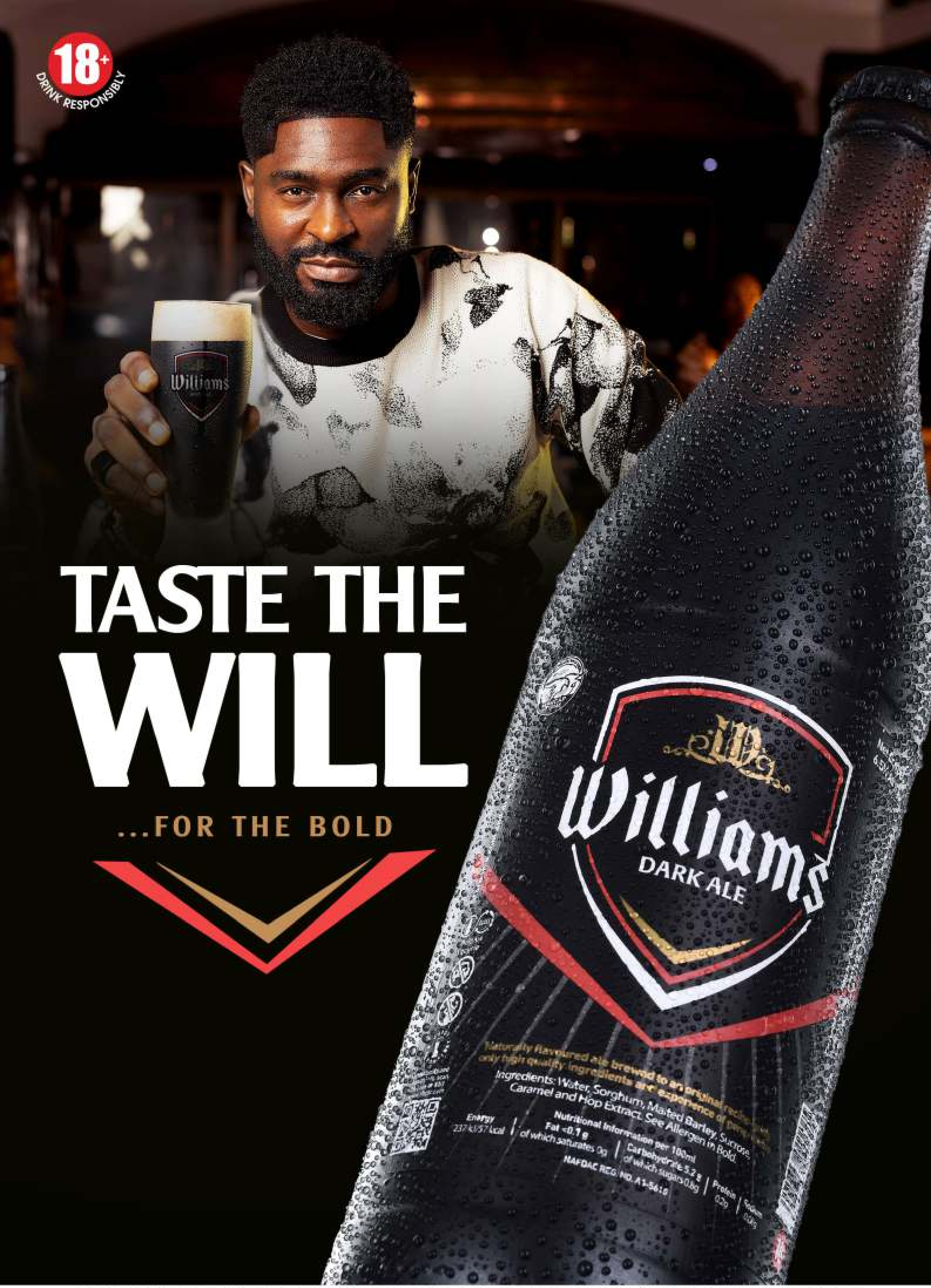
Members are hereby informed that Nigerian Breweries Plc declared the following dividends in the last twelve years:

Financial	Dividend No.	Profit after Taxation (₦'000)	Dividend (₦'000)	Dividend per Share (kobo)	Date approved
2011	97	38,408,846	22,687,687	300	16th May, 2012
2012	98	38,042,714	22,668,113	300	15th May, 2013
2013	99	43,080,349	34,032,170	450	14th May, 2014
2014	100 (Interim)		9,453,381	125	22nd October, 2014
2014	101	42,520,253	27,751,853	350	13th May, 2015
2015	102 (Interim)		9,514,921	120	21st October, 2015
2015	103	38,059,684	28,544,763	360	11th May, 2016
2016	104 (Interim)		7,929,101	100	26th October, 2016
2016	105	28,396,777	20,457,080	258	3rd May, 2017
2017	106 (Interim)		7,996,902	100	25th October, 2017
2017	107	33,009,292	25,030,303	313	20th April, 2018
2018	108 (Interim)		4,798,141	60	25th October, 2018
2019	109	19,401,169	14,603,028	243	17th May, 2019
2019	110 (Interim)		3,998,451	50	25th October, 2019
2020	111	16,104,763	12,075,322	151	23rd June, 2020
2020	112 (Interim)		1,999,226	25	29th October, 2020
2021	113	7,517,088	5,517,862	69	22nd April, 2021
2021	114 (Interim)		3,230,333	40	29th October, 2021
2022	115	12,927,163	9,690,998	120	22nd April, 2022
2022	116 (Interim)		3,230,333	40	26th October, 2022
2023	117	13,925,086	10,584,416	103	26th April, 2023

(g). Unclaimed Dividend Warrants and Share Certificates.

We hereby notify our numerous shareholders that some dividends arising from the list above have remained unclaimed as per our records. Also, a number of share certificates have been returned to us as unclaimed because the addresses on them could not be traced or the Shareholders did not collect them from the Post Office in good time. The affected shareholders are hereby requested to contact the Registrar, First Registrars and Investor Services Limited, Plot 2 Abebe Village Road, Iganmu, P.M.B. 12693, Marina, Lagos, Nigeria.

1. A.B.B Kofar Marke General
2. A.O Amuta & Sons Trading Co. Ltd.
3. A.S. Yakubu & Sons (Nig.) Ltd.
4. Abikka Trading Co. Ltd.
5. Adeleke Mary Oluwafunmilayo Venture
6. Amanchuks Ventures Co. (Nig.) Ltd.
7. Anaebo Global Services Ltd.
8. Anason Associates (Nig.) Ltd.
9. Ashade Joseph
10. Auscatec Merchants Ltd.
11. Austino Enterprises
12. Aust-Verly And Sons (Nig.) Ltd.
13. Ayankola Fatimo & Sons (Nig.) Ltd.
14. Bolaji Karounwi
15. Bufa Investment Co. Ltd.
16. Bumzer Classic Multi Ventures Ltd.
17. C.N. Anyoha And Sons Ltd.
18. Cele O Que Enterprises (Nig.) Ltd.
19. Chibidon Authentic Prize Ventures
20. Chibros Multi Resources Ltd.
21. Chidi Ndupu Enterprise Ltd.
22. Chidi Ndupu Enterprises Ltd.
23. Chidi Ndupu Enterprises Ltd.
24. Chrisemua And Sons (Nig.) Ltd.
25. Chuks & UC Nwaubani Investment Ltd.
26. Chukwudi & Sons Ltd.
27. Chukwuemeka Osuigwe Ltd.
28. De Chimax Enterprises (Nig.) Ltd.
29. Eja Golden Motel Limited
30. Ejike Okolie
31. Elma-Paul Logistics Ltd.
32. Enoba and Sons Enterprises
33. Ensik Global Ventures
34. Ese And Ehis Ventures Ltd.
35. Etigwam (Nig.) Ltd.
36. Fidelity Structures Ltd.
37. Fortunes Renaissance Enterprises
38. Franklouse (Nig.) Ltd.
39. Funky Stores (Nig.) Ltd.
40. G.A.Dike And Sons Ltd.
41. Ginika Store
42. God's Love International Services &
43. Hotels De James (Nig.) Ltd.
44. Ifejiofor and Sons
45. Ifekwesi Ventures Ltd.
46. Ifeoma Chukwuka (Nig.) Ltd.
47. Innovation Era (Nig.) Ltd.
48. Isimemene Okoh Business Venture
49. J. C. Moghalu & Sons (Nig.) Ltd.
50. J. Jocac Co. (Nig.) Ltd.
51. J. Ogungbola & Sons Ltd.
52. J.O. Azubogu & Co. (Nig.) Ltd.
53. Jb Ent
54. Jekok (Nig.) Ltd.
55. Joacson Multi Concept Ltd.
56. K.C. Investment (Nig.) Ltd.
57. Kele Geo & Sons Ltd.
58. Ken Maduakor Group Ltd.
59. Lexican Investments Ltd.
60. LittleSpring Universal Concepts
61. M.O. Nkala (Nig.) Ltd.
62. Macden Communications Ltd
63. Magulf Global Enterprises
64. Makt Biz Ents Ltd.
65. Malexchilo Global Ltd.
66. Marcellinus And Brothers Elite Ltd.
67. MCM Ltd.
68. MGBVentures Enterprises
69. Modafe Global Resources (Nig.) Ltd.
70. Modupe Folarin (Nig.) Ltd.
71. Momoreoluwa (Nig.) Ltd.
72. Moses & Kossy (Nig.) Enterprise
73. Muname Food and Beverage Ltd.
74. Nathan Ofoma And Sons Ltd.
75. O-Fage Ent (Nig.) Ltd.
76. Oficon (Nig.) Ltd.
77. Olat Multi Mega Business (Nig.) Ltd
78. Omotayo Stores
79. Onike Stores Ltd.
80 P.N. Dibor And Co. Ltd.
81 Paddymann (Nig.) Ltd.
82 Patrick Telford And Co. Ltd.
83 Pauline-Chimex (Nig.) Ltd.
84. R N Okeke & Sons
85. R.A.Olaiya Ltd.
86 Rayd Global Solution Ltd.
87. Redemption Resources International
88 Retail Supermarkets (Nig.) Ltd.
89 Rommy & Bros
90 Senna Atlantic Ltd.
91 Sical Global Ideal Investment Ltd.
92. Skyward Resources Ltd.
93 Steve Imafidon & Sons Ltd.
94. Sufaye Investments Ltd.
95. Sundry Markets Ltd.
96. Tasho (Nig.) Ltd.
97. Thames Aghedo Enterprises Ltd.
98. Thompson Global Links Ltd.
99. Timercy Heritage Ltd.
100. Tina U and Associate Ltd.


18+
DRINK RESPONSIBLY
Williams
TASTE THE
WILL
...FOR THE BOLD
Williams
DARK ALE
Ingredients: Water, Sorghum, Malted Barley, Sucrose, Caramel and Hop Extract. See Allergen in Bold.

E-DIVIDEND FORM

To:

The Registrar
First Registrars and Investor Services Limited
2, Abebe Village Road, Iganmu
P.M.B. 12692
Lagos, Nigeria.

Only Clearing Banks are acceptable

I/We hereby request that from now on, all dividend warrant(s) due to me/us from my/our holding(s) in **NIGERIAN BREWERIES Plc**, be paid directly to my/our Bank named below.

Shareholder's Full Name:

Surname first

Shareholder's Address:

Shareholder's E-mail:

Shareholder's GSM Number:

Single Shareholder's Signature:

Joint Shareholders'/Company Signatures:

(1)

(2)

Company Seal:

Name of Bank:

Branch Address of Bank:

Bank Account No.

Bank Sort Code:

Bank Authorised Signatures & Stamp:

(1)

Please include Page No.

(2)

Please include Page No.

Proxy Form

Nigerian Breweries Plc
RC: 613

78TH ANNUAL GENERAL MEETING to be held in the Shell Nigeria Hall, Muson Centre, 8/9 Marina, Onikan, Lagos State on **Friday, 26th April** at **10:00 a.m.**

I/WE*……………………………………………………………………
(*Name of Shareholder*)

of ……………………………………………………………………
……………………………………………………………………
being a member/ members of NIGERIAN BREWERIES Plc hereby appoint

……………………………………………………………………

or failing him/her, the Chairman of the Meeting, as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on **Friday, 26th April 2024**.

Dated this …………………… day of …………………………… , 2024.

Shareholder's signature ……………………………………………

**Delete as necessary.*

Notes:

i. *A member who is unable to attend the Annual General Meeting is allowed by law to vote by proxy and this Proxy Form has been prepared to enable such shareholder to exercise the right to vote despite not being physically present at the meeting.*

ii. *Please sign this Proxy Form and post or deliver it to the address overleaf or send it via e-mail to info@firstregistrarsnigeria.com or ebusiness@firstregistrarsnigeria.com or mynbshares@heineken.com not later than **10.00 a.m.** on the **24th of April, 2024.***

iii. *If executed by a Corporation, the form must be sealed with the Common Seal or under the hand of an officer or attorney duly authorised.*

iv. *The proxy must produce the Admission Card issued by the Registrar to obtain entry to the meeting.*

No. of Shares	

	Resolutions	For	Against	Abstain
1.1	To approve the appointment of Mrs Stella O. Ojekwe-Onyejeli as a Director.			
1.2	To approve the appointment of Mr. Jaap A.A. Overmars as a Director.			
1.3	To re-elect Mrs. Ifueko M. Omoigui Okauru as a Director.			
1.4	To re-elect Mr. Roland Pirmez as a Director.			
2	To authorise the Directors to fix the remuneration of the Independent Auditor.			
3	To elect members of the Audit Committee.			
4	To fix the remuneration of the Directors at ₦152 million.			
5	To renew the general mandate for related party transactions.			
6	To authorise the Directors to raise up to ₦600 billion via a rights issue.			
7	To approve the offer of shares not taken up by some shareholders to other shareholders who are ready to take up additional shares.			
8	To approve increase in the Company's share capital and to authorise Directors to allot new shares for the purpose of the rights issue.			
9	To authorise the Directors to apply loans and/or payables due to a party for payment for shares subscribed by the party under the rights issue.			
10	To approve the amendment of the Memorandum of Association to capture the new share capital post increase.			
11	To authorise the Directors to take any further action required to give effects to above resolutions.			

Please indicate with an "x" in the appropriate box how you wish your votes to be cast on the resolutions referred to above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

SECOND FOLD HERE

Please affix
postage stamp

FIRST FOLD HERE

First Registrars and Investor Services Limited
2, Abebe Village Road
Iganmu
P.M.B. 12692
Marina, Lagos

THIRD FOLD HERE AND INSERT


18+
Drink Responsibly
DESPERADOS
DESPERADOS
ORIGINAL
BEER
GO FOR THE
UNUSUAL
GO DESPERADOS


18+
Drink Responsibly
GOOD TIMES
STAR
Cold Filtered
LAGER BEER
STAR
PREMIUM QUALITY
STAR
Shine Shine Bobo
Cold Filtered
LAGER BEER

www.nbplc.com