INTERBREW PLC

23.04.2020

LEFKOSIA, CYPRUS

ANNOUNCEMENT

Re: Interbrew Plc - Approval and publication of the Annual Financial Report for the financial year ended 31 December 2019

The Board of Directors of Interbrew Plc (the "Company") has today approved the Annual Financial Report of the Company for the financial year that ended on 31 December 2019, which was prepared in accordance with the applicable provisions of the Transparency Requirements (Securities Admitted to Trading on a Regulated Market) Laws of 2007 as amended, of the Republic of Cyprus. The Annual Financial Report includes the final, audited financial statements of the Group (consolidated) and of the Company (separate) for 2019, the Management Report and the Independent Auditors' Report.

The Annual Financial Report is hereby attached. Further, it will be uploaded on the Company's website (www.interbrewplc.com) from where it may be accessed and printed, and will be published and made available according to the applicable Transparency legislation and stock exchange rules.

The Board of Directors further decided that the Annual General Meeting of the Shareholders of the Company will take place at 11:00 am local time, on the 22 June, 2020, at the registered office of the Company at 1 Lampousas street, 1095, Nicosia, Cyprus. The shareholders will be notified pursuant to the applicable company legislation provisions.

Interbrew Plc contact:

Denis Khrenov – Chief Executive Officer
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NAP Regulatory Compliance Services Ltd
Regulatory Compliance Officer for the Company

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CC: Cyprus Securities and Exchange Commission

Interbrew Plc

Annual Report and
Consolidated Financial Statements
for the year ended 31 December 2019

INTERBREW PLC

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INTERBREW PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors

Denis Khrenov – Chairman of the Board, Director and Chief Executive Officer ("CEO")
Alexander Balakhnov - Director and Chief Legal Officer and member of Nominations and Remuneration Committee ("CLO")
Dmytro Shpakov - Director
Inter Jura CY (Directors) Limited – Director and member of Nominations and Remuneration Committee
Inter Jura CY (Management) Limited – Director
Costas Melanides – Independent, non-executive Director and member of the Audit Committee
Marios Chrysanthou – Independent, non-executive Director and Chairman of the Audit Committee
Yuliia Ponomarenko - Director and Chief Financial Officer ("CFO") (Appointed on 28 February 2019)
Yevhenii Vizhul – Director and Chief Financial Officer ("CFO") (Resigned on 28 February 2019)
Olga Romanova – Director (appointed 12 December 2019)

Company Secretary

Inter Jura CY (Services) Limited
1 Lampousa Street
CY-1095 Nicosia
Cyprus

Registered office

1 Lampousa Street
CY-1095 Nicosia
Cyprus

Registration number: HE277915

INTERBREW PLC

STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS AND OTHER RESPONSIBLE OFFICERS OF THE COMPANY FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 9 sub-sections (3 (c) and (7) of the Transparency Requirements (Securities for Trading on Regulated Markets) Law of 2007 as amended (the "Law") we, the members of the Board of Directors and the other responsible persons for the consolidated financial statements of Interbrew Plc (the "Company") for the year ended 31 December 2019, confirm that, to the best of our knowledge:

a) the Annual Consolidated Financial Statements which are presented on pages 21 to 58:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and in accordance with the provisions of Section 9, sub-section (4) of the Law, and

(ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of Interbrew Plc and the undertakings included in the consolidated accounts as a whole, and

(b) the Consolidated Management Report provides a fair view of the developments and the performance of the business as well as the financial position of the Company and the undertakings included in the consolidated accounts as a whole, together with a description of the main risks and uncertainties that they face.

Members of the Board of Directors

Name and surname	Signature
Alexander Balakhnov - Director and Chief Legal Officer and member of Nominations and Remuneration Committee ("CLO")	
Inter Jura CY (Directors) Limited – Director and member of Nomination and Remuneration Committee	
Inter Jura CY (Management) Limited – Director	
Denis Khrenov – Chairman of the Board, Director and Chief Executive Officer ("CEO")	
Dmytro Shpakov – Director	
Costas Melanides – Independent, non-executive Director and member of the Audit Committee	
Olga Romanova - Director	
Marios Chrysanthou – Independent, non- executive Director and Chairman of the Audit Committee	
Yuliia Ponomarenko – Director and Chief Financial Officer ("CFO")	

23 April 2020

CONSOLIDATED MANAGEMENT REPORT

1. The Board of Directors presents its consolidated management report together with the audited consolidated financial statements of Interbrew Plc (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2019. During 2019, the Company changed its name from "Sun Interbrew Plc" to "Interbrew Plc".

Principal activities and departure from the going concern basis

2. On 23 March 2018, the Group disposed its ownership interests in its significant subsidiaries in Russia and Ukraine to a related party. Following this date, the Group engaged only to investment holding activities. The Consolidated Financial Statements were prepared on a non-going concern basis since management considers the option and feasibility to cease activities. For more information refer to Note 2.

During the year, the following changes to the group structure took place:

On 14 January of 2019, the Group liquidated SUN INTERBREW FINANCE LLC.

Following the disposal transaction and dividend distribution from subsidiary with direct shareholding in the Russian Subsidiary, the management initiated the process for the liquidation of its remaining subsidiary companies.

Review of developments, position and performance of the Group's business

3. The loss of the Group for the year ended 31 December 2019 was EUR 3,086 thousand (2018: EUR 519,590 thousand profit). The significant differentiation in the year-to-year results was caused by the disposal of the Group's significant subsidiaries on 23 March 2018 which resulted to a gain on disposal of EUR 564,487 thousand (Note 23) and hence, during 2019, the Group did not have any income but rather administrative expenses and financial costs.

Other Comprehensive Income for the year ended 31 December 2019 was EUR Nil (2018: EUR 267,400 thousand). The overall positive impact on 2018 resulted from the disposal of the significant subsidiaries of the Group where the accumulated loss previously recognised in the consolidated financial statements was recycled back in other comprehensive income for the year ended December 2018. In 2018 this effect was recycled from Other Comprehensive Income and the Group recognises all its gains and losses in the Income Statement after relinquishing control over its previous subsidiaries in 2018.

On 31 December 2019 the total assets of the Group were EUR 855,445 thousand (2018: EUR 856,261 thousand) and the net assets were EUR 792,208 thousand (2018: EUR 795,443 thousand).

The Group did not carry out any research and development activities during 2019.

Principal Risks and Uncertainties

4. The principal risks and uncertainties faced by the Group were associated with the respective businesses principally involved in the manufacturing, distribution, marketing and sale of Beer in Russia and Ukraine up until March 2018 when the Group's operating subsidiaries were disposed.

The risks and uncertainties faced by the Group following the disposal of its operating subsidiaries are disclosed in Notes 2, 20 and 22.

<u>Coronavirus:</u> The Group, pursuant to a relevant Circular of its regulatory authority Cyprus Securities & Exchange Commission asking from issuers to assess the potential financial impact that a possible spread of Coronavirus may have on their business/operations and make a relevant announcement, released an announcement in March 2020, informing the investing public the following:

"In March 2018, the Group disposed its ownership interests in its significant, operating subsidiaries in Russia and Ukraine. Following this, and up-to-date, the Company Group engaged only in investment holding activities. The Company does not foresee any material financial impact to its business from a possible spread of Coronavirus."

On the date of the approval of the Annual Financial Report 2019, this position remains the same.

Use of financial instruments by the Group

5. The Group is exposed to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The detailed analysis of the Group's exposure to financial risks as at the reporting date are disclosed in Note 20 of the consolidated financial statements.

Future developments of the Group

6. The management of the Group currently considers the option and feasibility to cease the activities of the Group and distribute the cash held by the Group to its shareholders (possibly through a liquidation of the Company and its subsidiaries) and to seek a delisting of the shares/GDRs of the Group from the Luxembourg Stock Exchange.

Results

7. The Group's results for the year are set out on page 21 of the consolidated financial statements.

Dividends

The Board of Directors has not made decision for the payment of dividend. The Board of Directors may at a later stage consider the payment of interim dividends out of retained earnings, in accordance with the relevant provisions of the Companies Laws and the Articles of Association of the Company.

Share capital

8. The authorised share capital which amounts to GBP 1,552,786 is divided into 125,278,614 class A shares of GBP 0.01 each and 30,000,000 class B shares of GBP 0.01 each.

9. The current number of issued shares is 116,628,930 including A class shares (non-voting) of 88,832,710 and B class shares (voting) of 27,796,220. The titles issued by the Company and their ISIN number are as follows:

	ISIN
144A Class A GDR	US86677C1045
Regulation S EURO Class A GDR	US86677C4015
Regulation S Class A GDR	US86677C3025
144A Class B GDR	US86677C2035
Regulation S Class B GDR	US86677C7083
Class A share	GB0057139940
Class B share	GB0049659120

10. The shares/GDRs are listed on the Luxembourg Stock Exchange.

11. The special rights, restrictions and provisions applicable to the Class A shares are as follows:

- The dividends on the Class A shares in any year shall be paid in an amount not less than and in equal priority to the dividend payable to the holders of Class B shares.
- On winding up of the Company, the surplus assets available for distribution shall be distributed proportionately among the holders of the Class A shares and the holders of Class B shares according to the amounts of their respective holdings of such shares in the Company.

- The holders of the Class A shares have a right to receive notice of and to attend any shareholder meeting of the Company, but do not have a right to vote at shareholders' meetings, other than at class meetings of the holders of Class A shares, which are necessary in respect of certain matters affecting the rights of the holders of Class A shares.

12. Class B shares have no restrictions on voting rights.

13. There was not a change in shareholders structure in 2019.

14. As at 31 December 2019 the Group, which is effectively owned by Anheuser-Busch InBev, had the following shareholders' structure:

		Quantities			
#	**Name**	**A**	**B**	**Total**	**%**
1	Anheuser-Busch InBev N.V.	1	-	1	0.0000
2	InBev Belgium N.V.	1	-	1	0.0000
3	Brandbrew S.A.	1	-	1	0.0000
4	Interbrew International B.V.	-	1	1	0.0000
5	Worldoor Limited	73,014,377	12,285,318	85,299,695	73.1377
6	Hancock Venture Partners Inc.	30,545	30,545	61,090	0.0524
7	Bank of New York (Nominees) Limited - London	745,384	-	745,384	0.6391
8	Bank of New York (Nominees) Limited - New York	15,042,401	15,480,356	30,522,757	26.1708
		88,832,710	**27,796,220**	**116,628,930**	**100.0000**

The above shareholding remained unchanged as of five days before the date of approval of this Annual Financial Report.

The shareholders' structure as at 31 December 2018 was as follows:

		Quantities			
#	**Name**	**A**	**B**	**Total**	**%**
1	Anheuser-Busch InBev N.V.	1	-	1	0.0000
2	InBev Belgium N.V.	1	-	1	0.0000
3	Brandbrew S.A.	1	-	1	0.0000
4	Interbrew International B.V.	-	1	1	0.0000
5	Worldoor Limited	73,014,377	12,285,318	85,299,695	73.1377
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		88,832,710	**27,796,220**	**116,628,930**	**100.0000**

15. It is noted that for a valid transfer of shares to take place, the name of the transferee must be entered in the register of members in respect thereof.

Related party transactions

16. Related parties represent entities under common control and/or ownership.

The transactions of the Company with related parties are stated under note 21 of the Consolidated Financial Statements.

Board of Directors

17. The members of the Board of Directors for the year ended 31 December 2019 and at the date of this Report are shown on page 2. All of them were members of the Board throughout the year 2019, except Mrs. Yuliia Ponomarenko and Mrs. Olga Romanova who were appointed as Directors on 28 February 2019 and 12 December 2019 respectively. Mr Yevhenii Vizhul who was an appointed Director as at 1 January 2019, resigned on 28 February 2019 and was replaced by Mrs. Yuliia Ponomarenko. There were no other significant changes in the composition, distribution of responsibilities or compensation of the Board of Directors.

18. There is no requirement in the Company's Articles of Association for retirement of Directors by rotation, and all the Directors remain in office.

Directors' interests in the Company's share capital

19. Directors have no material direct or indirect shareholding in the Company's share capital or share options (including their spouse, children and companies in which they hold directly or indirectly at least 20% of the shares with voting rights in a general meeting) both at the end of the financial year and 5 days before the date the consolidated financial statements are approved by the board of Directors.

Branches

20. The Group did not operate through any branches during the year.

Events after the subsequent to the reporting date

21. Other than as disclosed in Note 24 to the consolidated financial statements, there were no material events subsequent to the reporting date, which have a bearing on the understanding of the consolidated financial statements.

Independent Auditors

22. The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. A resolution for their re-appointment for the financial year 2020 and for giving authority to the Board of Directors to fix their remuneration will be proposed at the next Annual General Meeting.

Statement on Corporate governance pursuant to Section 151 of the Cyprus Companies Law, Cap. 113. regarding the contents of the Annual Financial Report (the "Companies Law") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Transparency Law")

Paragraphs a(i) – (iii) of Section 151(2) of the Companies Law

The Group complies with the provisions of the Corporate Governance Charter, adopted by the Board of Directors at the meeting of the Board of Directors held on 12 August 2012, which is available to the public on the Company's website: www.interbrewplc.com. The Company's corporate governance charter has been adopted but has not yet been implemented.

The Group's Corporate Governance Charter is generally based on the "Ten Principles of Corporate Governance" of the Luxembourg Stock Exchange. The Articles of Association of the Company further provide for the powers, duties and procedures of the Directors, and are also available on the Group's website, as cited above. For the purposes of effective compliance with the provisions of the Cyprus Auditors Law of 2017, which stipulate that listed companies should have an Audit Committee for the purposes of, between others, the monitoring of the financial reporting process, and the statutory audit of the annual and consolidated financial statements, the Company strengthened its Board in 2017 with two independent, non-executive Directors. Currently, the Audit Committee comprises of two directors, where all of its members are independent, the Chairman has competence in accounting and auditing, and the committee members as a whole have competence relevant to the sector in which the Group is operating.

Paragraph a(iv) of Section 151(2) of the Companies Law – description of the main features of the issuers' internal control and risk management systems in relation to the composition, preparation and drafting of the periodic information of Part II of the Transparency Law

The periodic information referred to in Part II of the Transparency Law, comprises of the annual financial report and the half-yearly financial report. Issuers whose titles are admitted to trading on a regulated market are obliged to prepare and disclose such information in accordance with the provisions and the time schedules stipulated in Part II of the Transparency Law. Moreover, and as stipulated in Part II of the Transparency Law, the financial reports of the Group are prepared based on the applicable International Accounting Standards, the Transparency Law, as well as the provisions of the Companies Law, Cap. 113 in order to provide a true and fair view of the financial affairs of the Group.

The Secretary, the professional advisers of the Group along with the Board of Directors, through the use of adequate control procedures and risk management, ensure the lawful drafting, preparation, compilation and publication of the required periodic information.

The Compliance Officers of the Group in relation to the obligations of the Transparency Law, advise on the timely publication of the necessary periodic information, and that this information includes the information required by the Transparency Law. This information must be disclosed in accordance with the manner and time schedules set out in the Transparency Law. Finally, it should be noted that, pursuant to the Law, the Annual Financial Reports of the Group and of the Company are audited by the External Auditors of the Company, PricewaterhouseCoopers Limited. Cyprus("PwC"), in accordance with the provisions of the Companies Law and the applicable International Accounting Standards.

Statement on Corporate governance pursuant to Section 151 of the Cyprus Companies Law, Cap. 113. regarding the contents of the Annual Financial Report (the "Companies Law") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Transparency Law") (continued)

<u>Paragraph a(v) of Section 151(2) of the Companies Law</u>

See paragraphs 9 to 15 above under "Share Capital", including the information regarding special rights attributed to classes of shares.

According to Regulation 76 of the Articles of Association of the Company, the minimum number of directors shall be two and the maximum number shall be fifteen. Directors are appointed either by the general meeting of shareholders or by the board of directors. Pursuant to Regulations 98 – 101 of the Articles of Association of the Company, the Company at a general meeting may appoint any person to be a director and to determine the period for which such person is to hold office. Further, the Company may, by ordinary resolution of which special notice has been given in accordance with Section 136 of the Cypriot Companies Law, remove any director before the expiration of his period of office.

In accordance with the provisions of the Cyprus Companies Law, the Company may, by special resolution, amend its Articles of Association. A special resolution may be approved by a majority of not less than three quarters of the shareholders present in person or by proxy who are entitled to vote at a general meeting, for which a suitable notification of at least twenty-one days has been given, determining the intention to propose the resolution as a special resolution.

<u>Paragraph a(vi) of Section 151(2) of the Companies Law</u>

Composition of the Board

For the Composition of the Board of Directors, refer to page 2 and paragraph 17 above. The Board of Directors consists of both executive and non-executive Directors.

Competences of the Board

The powers and duties of the Directors are stated in Regulations 83 – 96 of the Articles of Association of the Company and the Corporate Governance Charter.

According to the above, the Board is vested with the broadest powers to perform all acts necessary or useful for accomplishing the Company's/Group's purposes. All powers not expressly reserved by Companies law to the general meeting of shareholders fall in the competencies of the Board.

The Board provides effective support for and control of the activities of the executive management of the Group.

The Board of Directors, subject to approval by the Company's shareholders, can cause the issue or buy-back of Company's shares. The issue of any new shares is further subject to the provisions of the Company's Articles of Association, the prevailing Companies law and the principle of fair treatment to all existing shareholders.

Functioning of the Board

The Board meets upon call by the Chairman. A meeting of the Board must be convened if any director so requires.
Any director may act at any meeting of the Board by appointing any person (other than a person disqualified by Companies law from being a director of a company) as an alternate director to attend and vote in its place. A quorum of the Board may be fixed by the directors, and unless so fixed at any other number, shall be four. Decisions are taken by the affirmative votes of a majority of the votes cast.

Statement on Corporate governance pursuant to Section 151 of the Cyprus Companies Law, Cap. 113. regarding the contents of the Annual Financial Report (the "Companies Law") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Transparency Law") (continued)

Paragraph a(vi) of Section 151(2) of the Companies Law (continued)

Conflicts of Interest

The rules governing the handling of conflict of interests are set out in the Articles of Association.

Chairmanship

The Board chooses from among its members a Chairman and/or deputy chairman and/or vice-chairman. The Board also chooses a secretary who need not be a director who will be responsible for keeping the minutes of the meetings of the Board and of the shareholders.

The Chairman, or in his absence the deputy chairman, or in his absence, the vice-chairman, presides at all meetings of shareholders and of the Board, but in his absence the Board will appoint another director as chairman pro tempore by vote of the majority of directors present at such meeting.

Existence and nature of the internal control and risk management system

The Board has overall responsibility for the Group's internal control systems and for monitoring their effectiveness. The Group's senior management (including, among others the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Chief Legal Officer ("CLO")) are responsible for the implementation and maintenance of the internal control systems which are subject to periodic review. The Board monitors the ongoing process by which critical risks to the business are identified, evaluated and managed. Management is responsible for reviewing and monitoring the financial risks to the Group and for considering the risks in the Group's businesses. Similarly, management also monitors risks associated with information technology, human resource management and regulatory compliance.

Evaluation of the Board

The Board regularly carries out an evaluation of its performance and its relationship with the Senior Management of the Group.

Senior Management

The Board of Directors has delegated the daily management of the Group to the Chief Executive Officer ("CEO"), who is assisted by a Chief Financial Officer ("CFO") and a Chief Legal Officer ("CLO").

Remuneration policy for Board Members and Senior Managers

The total amount of remuneration granted directly or indirectly by the Group to the members of its Board and to the CEO, CFO and CLO is fully described in Note 21 to the consolidated financial statements of the Group.

Compensation of Senior Management is determined by the Board after consultation of the Remuneration Committee. The members of the Board receive Director fees. The non-executive Directors' fees are determined by the Annual General Meeting of shareholders upon a recommendation from the Nomination and Remuneration Committee.

Statement on Corporate governance pursuant to Section 151 of the Cyprus Companies Law, Cap. 113. regarding the contents of the Annual Financial Report (the "Companies Law") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Transparency Law") (continued)

Paragraph a(vi) of Section 151(2) of the Companies Law (continued)

Remuneration policy for Board Members and Senior Managers (continued)

Variable and non-variable components of the remuneration and links between remuneration and performance are reviewed by the Nomination and Remuneration Committee. The variable element of remuneration for the Senior Management is determined by the Board of Directors. Performance plans are based on success criteria which are agreed by the Board of Directors. The plans are reviewed during the year; the remuneration is based on the achievement of these performance criteria. The remuneration of the Board of Directors and key management is described in Note 21 of the consolidated financial statements.

Contracts with Directors and related parties

Other than the transactions and the balances with related parties referred to in Note 21 of the consolidated financial statements, there were no other significant contracts with the Group, or its subsidiaries at 31 December 2019 in which the Directors or their related persons had a material interest. Related parties include the spouse, minor children and companies in which Directors hold directly or indirectly at least 20% of the voting rights in a general meeting.

Delegation of Directors' powers to committees

The Directors have the power to delegate any of their powers to committees consisting of such directors or other persons as they think fit.

In order to carry out its work more effectively the Board has appointed a nomination and remuneration committee (the "Nomination and Remuneration Committee") and an audit committee (the "Audit Committee").

These committees handle business within their respective areas of responsibilities and present recommendations and reports on which the Board may base its decisions and actions. All members of the Board have the same responsibility for all decisions taken irrespective of whether the issue in question has been reviewed by such a committee or not.

The composition, operation and internal regulation of the Audit Committee and the Nomination and Remuneration Committee of the Board of Directors is analysed below.

General rules regarding both committees

A quorum shall be two committee members present or represented by alternate committee members. All decisions by the committees require a simple majority of votes. In case of ballot the Chairman of the committee has a casting vote.

Each committee regularly evaluates its own composition, organization and effectiveness as a collective body and makes recommendations to the Board for any necessary adjustments in its internal regulations and, where necessary, take appropriate steps to improve its performance.

The committees of the Board should perform their tasks within the framework of the regulations that they have been given and ensure that they report regularly on their activity and on the results of their work to the Board.

Statement on Corporate governance pursuant to Section 151 of the Cyprus Companies Law, Cap. 113. regarding the contents of the Annual Financial Report (the "Companies Law") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Transparency Law") (continued)

Paragraph a(vi) of Section 151(2) of the Companies Law (continued)

General rules regarding both committees (continued)

Each committee of the Board may seek expert assistance in obtaining the necessary information for the proper fulfilment of their duties. The Group should provide each committee with the financial resources it needs for this purpose.

(a) Regulations for the Nominations and Remuneration Committee

(i) Role

The Responsibility of the Nominations and Remuneration Committee includes issues regarding appointment and remuneration of directors and appointment and salaries, pension plans, bonus programs and other employments terms of the CEO, CFO, CLO and other senior management. The Nominations and Remuneration Committee shall in particular:

- submit proposals to the Board regarding the appointment and remuneration of directors and Senior Management and ensure that its proposals are in accordance with the remuneration policy adopted by the Group;
- discuss with the CEO the performance of the other members of Senior Management at least once a year based on evaluation criteria clearly defined. The CEO should not be present at the discussion of his own evaluation;
- ensure that the remuneration of non-executive directors is proportional to their responsibilities and the time devoted to their functions;
- assisting the Board in the selection of directors. It considers all proposals submitted by the shareholders, the Board or the Senior Management recommending suitable candidates to the Board and assisting the Board in making, for every position to be filled an evaluation of the existing and required skills, knowledge and experience required for the position. On the basis of this evaluation the Nomination and Remuneration Committee will assist the Board in drawing up a description of the role together with the skills, knowledge and experience required.

(ii) Composition

In 2019, the Nominations and Remuneration Committee was composed of two directors, one executive and one non-executive director. The non-executive director chairs the Committee.

(iii) Working rules

The Nominations and Remuneration Committee should meet as often as it considers necessary, but at least once a year. After each meeting of the Nominations and Remuneration Committee, its chairman should make a report to the Board. The chairman of the Nominations and Remuneration Committee ensures that minutes of meetings are prepared.

STATEMENT ON CORPORATE GOVERNANCE PURSUANT TO SECTION 151 OF THE CYPRUS COMPANIES LAW, CAP. 113. REGARDING THE CONTENTS OF THE ANNUAL FINANCIAL REPORT (THE "COMPANIES LAW") AND OF THE LAW PROVIDING FOR TRANSPARENCY REQUIREMENTS (SECURITIES ADMITTED TO TRADING ON A REGULATED MARKET) OF 2007 AS AMENDED (THE "TRANSPARENCY LAW") (CONTINUED)

Paragraph a(vi) of Section 151(2) of the Companies Law (continued)

(b) Regulations for the Audit Committee

(i) **Role**

The Audit Committee exercises the duties and responsibilities provided for in Section 78(5) of the Cypriot Auditors Act of 2017. These include the following:

- inform the Board of Directors of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what the role of the audit committee was in that process;
- monitor the financial reporting process and submit recommendations or proposals to ensure its integrity;
- monitor the effectiveness of the undertaking's internal quality control and risk management systems and, where applicable, its internal audit, regarding the financial reporting of the Group, without breaching its independence;
- monitor the statutory audit of the annual consolidated financial statements, in particular, its performance, taking into account any findings and conclusions by the competent authority.
- review and monitor the independence of the statutory auditors or the audit firms and in particular the appropriateness of the provision of non-audit services to the Group; and
- be responsible for the selection of statutory auditors and recommends the statutory auditors to be appointed

(ii) **Composition**

23. In 2019, the Audit Committee was composed of two independent, non-executive directors and one of them chairs the Committee. The members of the Audit Committee as a whole have competence relevant to the operations of the Group. Additionally, the chairman has competence in accounting and auditing.

(iii) **Working rules**

24. Towards the exercise of its duties and responsibilities, the Audit Committee, between others, is briefed by the external auditors of the Company in relation to the audit program, monitors the audit process, and in special meetings prior to the presentation of the annual and half-yearly accounts of the Group and the Company to the full Board of Directors, considers the content of the drafts, taking into account the views of the external auditors in relation to the annual, audited accounts. The Audit Committee informs the Board accordingly on the results of the statutory audit. The chairman of the Audit Committee ensures that minutes of meetings are prepared.

Paragraph a(vii) of Section 151(2) of the Companies Law

25. The Company does not employ a special policy in relation to diversity of the Board of Directors. The Company considers that the current composition of the Board of Directors includes diversity in relation to age, gender, educational and professional background of its members.

By Order of the Board

Denis Khrenov
Chief Executive Officer
23 April 2020

Independent Auditor's Report

To the Members of Interbrew Plc

Report on the Audit of the Consolidated financial statements

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements of Interbrew Plc (the "Company") and its subsidiaries (together the "Group") give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the consolidated financial statements which are presented in pages 21 to 58 and comprise:

- the consolidated statement of financial position as at 31 December 2019;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the consolidated financial statements is International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Qualified Opinion

During the audit of the consolidated financial statements for the year ended 31 December 2018, the predecessor auditors reported that the Group did not provide them with the preliminary results of a tax assessment issued in May 2019 on the Group's subsidiary JSC SUN InBev Russia for the years 2015-2017. During 2018 this subsidiary was disposed of by the Group. The audit opinion of the predecessor auditors was qualified on the basis that they were unable to determine whether any adjustments might have been necessary to the amount of the net assets disposed of by the Group as at 23 March 2018 of EUR 33,875 thousand (disclosed in Note 23), the gain on disposal of subsidiaries of EUR 564,487 thousand (disclosed in Note 23) and loss for the year of subsidiaries amounting to EUR 38,224 thousand (disclosed in Note 5). Our opinion on the current year's consolidated financial statements is also qualified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

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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 Consolidated Financial Statements* section of our report.

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

Emphasis of Matter

We draw attention to Note 2 to these consolidated financial statements, which refers to the intention of the management to cease activities and describes that these consolidated financial statements have been prepared on a non-going concern basis. Our opinion is not modified in respect of this matter.

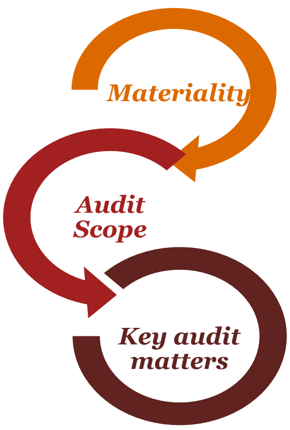
Independence

We remained independent of the Group throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.



Materiality

Overall group materiality: €7.697.000, which represents 0,9% of total assets.

Audit scope

We conducted full scope audit procedures covering the significant component and the consolidation process.

Key Audit Matters

Except for the matter described in the Basis for Qualified Opinion section of our report, we have determined that there are no key audit matters to communicate in our report.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	€7.697.000
How we determined it	0,9% of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark, because in our view, it is the benchmark against which the performance of the Group is most commonly measured by the users and is a generally accepted benchmark. We chose 0,9% which is within the range of acceptable quantitative materiality threshold in auditing standards.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €385.000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

How we tailored our group audit scope
Interbrew Plc is the parent of a group of companies. The financial information of this Group is included in the consolidated financial statements of Interbrew Plc.

Considering our ultimate responsibility for the opinion on the Group’s consolidated financial statements we are responsible for the direction, supervision and performance of the group audit. In this context, we tailored the scope of our audit and determined the nature and extent of the audit procedures for the components of the Group to ensure that we perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the significance and/or risk profile of the group entities or activities, the accounting processes and controls, and the industry in which the Group operates.

The Group’s operating subsidiaries were fully disposed in 2018. For financial reporting purposes, the Group is structured into 4 reporting units, comprising the Company and subsidiary entities of the Company all of which represent financially insignificant components apart from the Company.

In establishing the overall approach to the group audit, we determined the scope of work that needed to be performed for each reporting unit and whether this would be performed by us, as the group engagement team, or component auditors, operating under our instructions. Accordingly, out of the Group's 4 reporting units, we performed an audit of the complete financial information of 1 reporting unit, which was selected due to its size and risk characteristics. For the remaining reporting units of the Group, no specified procedures over specific financial statement lines was deemed necessary to be performed as they are all under liquidation and hold no assets as at the reporting date.

By performing the procedures above at components, combined with the additional procedures at group level, we have obtained sufficient and appropriate audit evidence regarding the consolidated financial information of the Group as a whole to provide a basis for our audit opinion on the consolidated financial statements.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Except for the matter described in the Basis for Qualified opinion section of our report, we have determined that there are no key audit matters to communicate in our report.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Consolidated Management Report, including the Corporate Governance Statement and the Statement by the Members of the Board of Directors and Other Responsible Officers of the Company for the Preparation of the Consolidated Financial Statements, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibilities of the Board of Directors and those charged with governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of 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 Group'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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Group in 2010 by the Board of Directors for the audit of the consolidated financial statements for the years ended 31 December 2010 until 31 December 2015. In 2020, we were reappointed as auditors of the Group for the audit of the consolidated financial statements for the year ended 31 December 2019.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Group, which we issued on 23 April 2020 in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Group and which have not been disclosed in the consolidated financial statements or the consolidated management report.

Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the consolidated management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements.

- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the consolidated management report. We have nothing to report in this respect.

- In our opinion, based on the work undertaken in the course of our audit, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the consolidated management report, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap, 113, and is consistent with the consolidated financial statements.

- In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.

- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.

Other Matters

This report, including the opinion, has been prepared for and only for the Group's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Yiangos Kaponides

Comparative figures

The consolidated financial statements of Interbrew Plc (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2018, were audited by another auditor who expressed a modified opinion on those statements on 23 May 2019.

Yiangos Kaponides
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

City House, 6 Karaiskakis Street
CY-3032 Limassol, Cyprus

23 April 2020

INTERBREW PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019
All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

	Notes	2019	2018
General and administrative expenses	7	(153)	(222)
Other operating income	8	–	253
Results from operating activities		**(153)**	**31**
Finance income	9	2,252	310
Finance costs	9	(5,152)	(7,013)
Net finance costs		**(2,900)**	**(6,703)**
Loss before income tax		**(3,053)**	**(6,672)**
Income tax expense	10	(33)	(1)
Loss for the year from continuing operations		**(3,086)**	**(6,673)**
Discontinued operations			
Profit for the year from discontinued operations	5	–	**526,263**
(Loss) / Profit for the year		**(3,086)**	**519,590**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences in translating foreign operations:			
Exchange differences arising during the year		–	3,989
Reclassification adjustments relating to foreign operations disposed of in the year		–	263,411
Other comprehensive income for the year		**–**	**267,400**
Total comprehensive income for the year		**–**	**786,990**
(Loss)/Profit for the year attributable to:			
Owners of the Company		(3,086)	521,409
Non-controlling interests		–	(1,819)
(Loss)/Profit for the year		**(3,086)**	**519,590**
Total comprehensive income for the year attributable to:			
Owners of the Company		–	788,809
Non-controlling interests		–	(1,819)
Total comprehensive income for the year		–	**786,990**
Loss per share			
Basic and diluted loss per share (EUR per share) from continuing operations	17	(0.03)	(0.06)
Basic and diluted loss per share (EUR per share) from continuing and discontinued operations	17	(0.03)	4.47

The accounting policies and notes on pages 25 through 58 are an integral part of these consolidated financial statements.

INTERBREW PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019
All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

	Notes	31 December 2019	31 December 2018
Assets			
Non-current assets			
Investments at fair value through other comprehensive income		–	147
Total non-current assets		**–**	**147**
Current assets			
Current income tax assets		42	148
Other receivables	14	103	–
Cash and cash equivalents	15	855,300	855,966
Total current assets		**855,445**	**856,114**
Total assets		**855,445**	**856,261**
Capital and reserves and liabilities			
Capital and reserves			
Share capital	16	1,809	1,809
Share premium		459,105	459,105
Retained earnings		331,294	334,529
Total capital		**792,208**	**795,443**
Current liabilities			
Loans and borrowings	18	63,200	60,699
Trade and other payables	19	37	119
Current income tax liabilities		–	–
Total current liabilities		**63,237**	**60,818**
Total liabilities		**63,237**	**60,818**
Total equity and liabilities		**855,445**	**856,261**

These consolidated financial statements were approved by the Board of Directors on 23 April 2020 and were signed on its behalf by:

Denis Khrenov – Chairman of the Board, Director and Chief Executive Officer ("CEO") ____________

Yuliia Ponomarenko – Director and Chief Financial Officer ("CFO") ____________

The accounting policies and notes on pages 25 through 58 are an integral part of these consolidated financial statements

INTERBREW PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019
All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

	Attributable to equity holders of the Company						
	Share capital	**Share premium**	**Retained earnings**	**Translation reserve**	**Total**	**Non-controlling interests**	**Total**
Balance at 1 January 2018	**1,809**	**459,105**	**(186,880)**	**(267,400)**	**6,634**	**(426)**	**6,208**
Profit for the year	–	–	521,409	–	**521,409**	(1,819)	**519,590**
Exchange differences on translation on foreign operations:							
Exchange differences arising during the year	–	–	–	3,989	**3,989**	–	**3,989**
Reclassification adjustments relating to foreign operations disposed of in the year	–	–	–	263,411	**263,411**	–	**263,411**
Total comprehensive (loss)/income for the period	–	–	**521,409**	**267,400**	**788,809**	(1,819)	**786,990**
Disposal of subsidiaries - derecognition of non-controlling interest	–	–	–	–	–	**2,245**	**2,245**
Balance at 31 December 2018	**1,809**	**459,105**	**334,529**	–	**795,443**	–	**795,443**
Balance at 1 January 2019	**1,809**	**459,105**	**334,529**	–	**795,443**	–	**795,443**
Loss for the year	–	–	(3,086)	–	**(3,086)**	–	**(3,086)**
Total comprehensive loss for the year	–	–	**(3,086)**	–	**(3,086)**	–	**(3,086)**
Derecognition of investment in subsidiary	–	–	(149)	–	(149)	–	(149)
Balance at 31 December 2019	**1,809**	**459,105**	**331,294**	–	**792,208**	–	**792,208**

(1) Share premium is not available for distribution in the form of dividend.
(2) Share premium includes an amount of EUR 99,615 thousand which relates to issuance of shares of subsidiaries during a reorganization of the Group before the redomiciliation of the Company to Cyprus.

The accounting policies and notes on pages 25 through 58 are an integral part of these consolidated financial statements

INTERBREW PLC
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2019
All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

	Notes	2019	2018
Cash flows from operating activities			
(Loss) / Profit for the year		**(3,086)**	**519,590**
Adjustments for:			
Gain on disposal	23	–	(564,487)
Depreciation and amortization		–	12,863
Reversal of impairment		–	(6,665)
Impairment losses on property, plant and equipment		–	2,375
Impairment losses on intangible assets		–	11,145
(Gain)/loss on disposal of property, plant and equipment		–	(209)
Interest expense, net of interest income		3,276	8,418
Unrealized foreign exchange (gain)/loss		1,163	1,058
Income tax expense / (benefit)		33	(1,615)
Other non-cash items		-	(266)
Cash from/(used in) operating activities before changes in working capital and provisions		**1,386**	**(17,261)**
Change in inventories		–	(5,337)
Change in prepayments for current assets		–	(348)
Change in trade and other receivables		–	6,212
Change in trade and other payables		(82)	(23,299)
Cash flows from/(used in) operations before income tax and interest paid		**1,304**	**(40,033)**
Interest paid		(2,654)	(501)
Income taxes paid		(33)	(13,787)
Net cash used in operating activities		**(1,383)**	**(54,321)**
Cash flows from investing activities			
Interest received		713	1,058
Proceeds from sale of property, plant and equipment		–	297
Net cash flow on disposal of subsidiary	23	–	861,824
Acquisition of property, plant and equipment		–	(6,807)
Proceeds from the sale of intangible assets		–	13
Net cash generated by investing activities		**713**	**856,385**
Cash flows from financing activities			
Proceeds from borrowings		–	65,504
Repayment of borrowings		–	(194,823)
Other financing costs		(1)	287
Net cash used in financing activities		**(1)**	**(129,032)**
Net (decrease) / increase in cash and cash equivalents		**(671)**	**673,032**
Cash and cash equivalents at the beginning of the year		**795,267**	**124,366**
Effects of exchange rate changes on the balance of cash held in foreign currencies		(2,496)	(2,581)
Cash and cash equivalents at the end of the year		**792,100**	**795,267**

The accounting policies and notes on pages 25 through 58 are an integral part of these consolidated financial

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

1. BACKGROUND

Organisation and operations

SUN Interbrew Plc (the "Company") was redomiciled in Cyprus in December 2010, as a public limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The Company's registered office is 1 Lampousa Street, 1095 Nicosia, Cyprus. Before December 2010, the Company was registered under the name "SUN Interbrew Limited'' and was incorporated in Jersey, the Channel Islands. During 2019 the Company was renamed as "INTERBREW PlC''. The Company and its subsidiaries are collectively referred as the "Group". The Group is headed by Anheuser-Busch Inbev (the "Shareholder Group", "ABI").

The Company's interests in its subsidiaries, all of which are unlisted, were as follows:

Name	Country of incorporation	Principal activities	% interest held 2019	% interest held 2018
Breweries CIS Ltd	Cyprus	Dormant	100%	100%
SUN Interbrew Finance LLC	Russia	Dormant	–	100%
Abberton Consultants Ltd	Cyprus	Dormant	100%	100%
Devize Investments Ltd	Cyprus	Dormant	100%	100%

Principal activities

The principal activities of the Company, which are unchanged from last year, are to act as a holding and investments company for specific businesses belonging to the controlling shareholder of the Company. The Group's operations were primary located in the Russian Federation and secondarily in Ukraine. As disclosed in Note 5 in 2018 the Board of Directors of the Company approved the sale of its operating subsidiaries to a related party and the sale transaction was executed in March 2018. From that date onwards, the Group engages primarily to investment holding of financial assets. The consolidated financial statements were prepared on a non-going concern basis because of management's intention to cease activities. For more information, refer to Note 2 below.

As at 31 December 2019 and 2018 99.16% of the Company's preference shares (Class A) and 100% of the ordinary shares (Class B) were effectively owned by Anheuser-Busch InBev, incorporated in Belgium which is the Company's ultimate parent company and ultimate controlling party (the "Parent"). The Company's immediate parent company is Worldoor Limited, incorporated in Cyprus (the "Immediate Parent"). The Company is listed on the Luxembourg Stock Exchange and has also a global depositary receipts program that is listed on the Luxembourg Stock Exchange.

The Company through a number of holding companies, incorporated in Cyprus, Netherlands and Germany, had controlling interests in the legal entities registered in Russia and Ukraine, which owned 5 breweries and 2 malt plants in the Russian Federation and 3 breweries in Ukraine till the 31 of March 2018. The Board of Directors of the Company approved the sale of its operating subsidiaries to a related party and the sale transaction was executed in March 2018.

1. BACKGROUND (CONTINUED)

The Group manufactured, marketed and distributed beers till the 31 of March 2018. The Group's operations were primary located in the Russian Federation and secondarily in Ukraine. The part of the Group's funding generated by cash from its normal operating activities. Additionally, and when necessary, the Group uses additional sources of support from its Shareholder' group companies. Thus, the Group is economically dependent on its Shareholder. Additionally, the activities of the Group are closely related to the requirements of the Shareholder Group.

2. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), the requirements of the Cyprus Companies Law, Cap.113. and the Cyprus Transparency Requirements (Securities for Trading on Regulated Markets) Law of 2007 as amended. The consolidated financial statements have been prepared on a non-going concern basis for the current and prior year for the reasons explained below. There is no specific guidance in IFRS in respect to the preparation of consolidated financial statements on a non-going concern basis of accounting. Management has applied the guidance of IAS 1 "Presentation of Financial statements", the Framework of the preparation and presentation of the financial statements, IAS 10 "Events after the Reporting Period" and IAS 8 "Accounting policies" changes in accounting estimates and errors in developing the appropriate accounting policies for the specific facts and circumstance of the Group. Based on the above, management has assessed that the accounting policies for its assets, liabilities and profit or loss items are appropriate in the context of the non-going concern basis of accounting and there is no significant impact than those of going – concern basis of accounting.

As of the date of the authorization of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2019 and are relevant to the Company's operations have been adopted by the EU through the endorsement procedure established by the European Commission"

(b) Departure from Going concern basis

In August 2017, the ultimate parent company, Anheuser-Busch Inbev ("AB InBev"), issued a press release announcing a non-binding agreement with Anadolu Efes, the leading brewer in Turkey, regarding a 50:50 merger of AB InBev's and Anadolu Efes' existing Russia and Ukraine businesses. This announcement followed AB InBev's acquisition of a 24% stake in Anadolu Efes as part of the AB InBev's combination with SABMiller, which was completed in October 2016. The merge transaction remained conditional on the completion of satisfactory due diligence and was subject to regulatory approvals in Russia, Ukraine and other regulatory authorities.

The combination of the companies' operations in Russia and Ukraine would strengthen the competitive position of both AB InBev's and Anadolu Efes' brands in these markets, with the potential for further growth. The combined business' ambitions will be as to lead on the Russian and Ukrainian markets, with a diverse portfolio of brands and a broader range of beers for consumers. During 2018, the merge transaction was approved by the regulatory authorities and the relevant Framework agreement was concluded and signed by AB InBev Group and Anadolu Efes. As a part of the merger process between AB InBev Group and Anadolu Efes in Russia and Ukraine, the Company disposed its ownership interests in Russia' and Ukraine' operating subsidiaries.

Despite the Group`s initial intention to continue to explore investment opportunities for acquiring or transferring new operating subsidiaries to the Group, the Shareholder Group management decided to explore alternative options. On 9 November 2018, the Shareholder Group appointed legal counsels to advise on the steps required to delist and ultimately liquidate the Company. As a part of this process, a number of the Group`s subsidiaries have been liquidated or are in the process of liquidation. Along with the companies, which were already liquidated, this includes Breweries (CIS) Limited, Devize

2. BASIS OF PREPARATION (CONTINUED)

Investments Limited and Abberton Consultants Limited. The management of the Group currently considers the option and feasibility to cease the activities of the Group and distribute the cash held by the Group to its shareholders (possible through a liquidation of the Company) and to seek a delisting of the shares/GDRs of the Group from the Luxemburg Stock Exchange.

Accordingly, the Group is not a going concern and the consolidated financial statements have been prepared on a non - going concern basis. The consolidated financial statements have been prepared in accordance with IFRSs as adopted by the EU and do not include any provision for the future costs of the liquidations of the Group except to the extent that such costs were committed at the reporting date; while there were no onerous contractual commitments as at the reporting date since the transfer of businesses was effective through the disposal of shares that owned the businesses. In management`s opinion, the use of this basis result in the most relevant and reliable financial information which reflect the circumstances existing at the end of the reporting period.

(c) Basis of measurement

The consolidated financial statements are prepared on the historical cost basis.

(d) Functional and presentation currency

The Company's functional currency is the Euro. Items included in the Group's financial statements are measured using the currency of the primary economic environment in which each entity operates.All financial information is presented in thousands of Euro unless stated otherwise and has been rounded to the nearest thousand.

(e) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about judgments in applying accounting policies as well as estimates and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements and have a significant risk of resulting in material adjustment to the carrying amounts of the assets within the next financial year are included in the following notes:

Note 20 – Financial instruments and risk management, estimation of expected credit loss.

3. APPLICATION OF NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS

In the current year, the Group has applied several amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2019. All new amendments have been endorsed by the European Union, and their application had no significant effect on the Group's financial statements.

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

3. APPLICATION OF NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS (CONTINUED)

- *IFRS 16 Leases*
- *Prepayment Features with Negative Compensation – Amendments to IFRS 9*
- *Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28*
- *Annual Improvements to IFRS Standards 2015 – 2017 Cycle*
- *Plan Amendment, Curtailment or Settlement – Amendments to IAS 19*
- *Interpretation 23 Uncertainty over Income Tax Treatments.*
- *Amendments to IFRS 9 ''Prepayment Features with Negative* Compensation''

All the amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by all Group's entities unless otherwise stated.

(a) Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and their subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Transactions with non-controlling interests

Acquisitions and disposals of non-controlling interests that do not result in loss of control are accounted for as transactions with owners in their capacity as owners and, therefore, no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net identifiable assets of the subsidiary.

For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Business combinations

The acquisition method of accounting is used to account for the acquisition of subsidiaries other than those acquired from parties under common control. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and the fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill" or a "bargain purchase") is recognised in profit or loss, after management reassesses whether it identified all the assets acquired and all the liabilities and contingent liabilities assumed and reviews the appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including the fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs related to the acquisition of and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt and all other transaction costs associated with the acquisition are expensed. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Company. Non-controlling interest forms a separate component of the Group's equity.

Subsidiaries held for sale and disposal of investments in subsidiaries

IAS 27 requires that if a subsidiary that had previously been consolidated is now being held for sale, the parent must continue to consolidate such a subsidiary until it is actually disposed of. It is not excluded from consolidation and should be reported as an asset held for sale under IFRS 5.

The partial disposal of an investment in a subsidiary while control is retained is accounted for as an equity transaction with owners, and the gain or loss on the disposal is not recognized in consolidated statement of profit or loss. The partial disposal of an investment in a subsidiary that results in loss triggers re-measurement of the residual holding to fair value. Any difference between the fair value and the carrying amount is a gain or loss on the disposal, recognized in profit or loss. Assets and liabilities sold are deconsolidated from the consolidated statement of financial position.

Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and a) represents a separate major line of business or geographical area of operations; or b) is part of a co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or c) is a subsidiary acquired exclusively with a view to resale.

Profit or loss amounts of discontinued operations are separately presented and the comparative figures for prior periods are also re-presented, so that the disclosures in Note 5 relate to all operations that have been discontinued by the end of the reporting period for the latest period presented. Cashflows attributable to discontinued operations are also presented in Note 5.

(c) Foreign currency

Foreign entities

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising in retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments which are recognised in other comprehensive loss/income.

The assets and liabilities of foreign entities, including goodwill and fair value adjustments arising on acquisition, are translated to EUR at the exchange rates at the reporting date. The income and expenses of foreign entities are translated to EUR at exchange rates at the dates of the transactions.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency differences are recognised in other comprehensive income/loss and presented in the foreign currency translation reserve in equity. However, if the entity is a non-whollyowned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign entity is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign entity is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign entity while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign entity while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign entity is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign entity and are recognised in other comprehensive income/loss, and presented in the translation reserve in equity.

The results and financial position of all the group entities that have a functional currency different from presentation currency are translated to presentation currency as follows:

- assets and liabilities for each statement of financial position presented (i.e. including comparatives) shall be translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income or separate income statement presented (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions or at the average exchange rate for the period; and
- all resulting exchange differences shall be recognized in other comprehensive income/loss.

The information about the rates used to translate the financial information of the subsidiaries is provided in Note 5.

(d) Financial instruments

Classification and measurement

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of the financial asset. Debt financial instruments are subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL"). The classification is based on two criteria: the objective of the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The classification and measurement of the Group's financial assets is as follows:

• *Debt instruments at amortized cost:* comprise investments in debt securities where the contractual cash flows are solely payments of principal and interest and the company's business model is to collect contractual cash flows. Interest income, foreign exchange gains and losses and any impairment charges for such instruments are recognized in profit or loss.

Financial assets - Recognition and derecognition

All financial assets are recognized when the entity becomes a party to the contractual provisions of the instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/(losses)" together with foreign exchange gains and losses.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/(losses)" together with foreign exchange gains and losses.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a currently legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demand deposits with maturity of three months or less from the date of acquisition and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. In the consolidated statement of financial position, are shown within borrowings in current liabilities. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Impairment of financial assets

The amount of expected credit losses is updated at each reporting date to reflect changes in the credit risk which have occurred since the initial recognition of the respective financial instruments.

The lifetime of expected credit losses represents the expected credit losses that will arise as a result of all possible default events over the expected life of a financial instrument.

For all financial instruments that are subject to impairment under IFRS 9, the Company applies general approach – three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 20, Credit risk section for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in Note 20, Credit risk section.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulties and there is no real prospect of recovery (liquidation, bankruptcy).

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

An impairment loss on 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 effective interest rate. Impairment losses are recognised in profit or loss during the period and are recorded in an allowance account, which reduces the amount of receivables. Interest income calculated using the effective interest method continues to be recognised with respect to impaired assets. If the impairment loss decreases as a result of any event occurring after its recognition, the amount of the decrease is reversed through profit or loss.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that 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.
The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other gains/losses – net.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. 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 based on the cost of an asset less its residual value. Depreciation for self-constructing and purchased assets starts when the assets are ready for use. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

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

• buildings	20 to 33 years
• plant and equipment	5 to 15 years
• transportation and office equipment	3 to 5 years
• packaging materials	2 to 10 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

(f) Non-current assets classified as held for sale

Non-current assets are classified in the consolidated statement of financial position as 'non-current assets held for sale' if their carrying amount will be recovered principally through a sale transaction (including loss of control of a subsidiary holding the assets) within twelve months after the sign off date. Assets are reclassified when all of the following conditions are met: (a) the assets are available for immediate sale in their present condition; (b) the Group's management approved and initiated an active programme to locate a buyer; (c) the assets are actively marketed for sale at a reasonable price; (d) the sale is expected within one year; and (e) it is unlikely that significant changes to the plan to sell will be made or that the plan will be withdrawn. Although the Group was not able to complete the sale of the assets within one year due to deteriorating market conditions that were beyond of the Group's control, it continues to actively market the assets at a price that is reasonable, given the change in market circumstances, and therefore the extension of the period required to complete the sale does not preclude the assets from being classified as held for sale.

Non-current assets classified as held for sale in the current period's consolidated statement of financial position are not reclassified or re-presented in the comparative consolidated statement of financial position to reflect the classification at the end of the current period.

Non-current assets are assets that include amounts expected to be recovered or collected more than twelve months after the reporting period. If reclassification is required, both the current and non-current portions of an asset are reclassified. Held for sale non-current assets are measured at the lower of their carrying amount and fair value less costs to sell. Held for sale property, plant and equipment are not depreciated or amortised.

A disposal group is defined as a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred. The Group includes goodwill if the group is a cash-generating unit to which goodwill has been allocated or if it is an operation within such a cash-generating unit.

(g) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination.

Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Brands and Trademarks

Brands and trademarks which are acquired by the Group are shown at historical cost, have indefinite useful life and are not amortized but tested for impairment annually, because the Group has plans to produce and sell those brands for an indefinite period of time. Expenditure on internally generated brands is recognised in the consolidated statement of comprehensive income as an expense as incurred.

(iii) Software under development

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure, which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programmes are charged to the profit or loss of the year in which they were incurred.

(iv) Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(v) Subsequent expenditure

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

(vi) Amortisation

Amortisation is calculated over the useful economic life of the intangible asset less any residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

- Software and other intangibles 3-5 years

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing inventories to their existing location and condition (ready and available for sale). In case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.
Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets 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 lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU 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 post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. 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 or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans, including Russia and Ukraine's State pension fund, are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(ii) Short-term 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 or profit-sharing plans if the Group 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.

(k) Provisions

Provisions are recognized when (i) the Group has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Costs relating to the ongoing activities of the company are not provided for. The provision includes the benefit commitments in connection with early retirement and redundancy schemes.

A provision for disputes and litigation is recognized when it is more likely than not that the Group will be required to make future payments as a result of past events, such items may include but are not limited to, several claims, suits and actions both initiated by third parties and initiated by the Group relating to antitrust laws, violations of distribution and license agreements, environmental matters, employment related disputes, claims from tax authorities, and alcohol industry litigation matters.

(l) Revenue

Sale of goods

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when performance obligations are satisfied, meaning when the Group transfers control of a product to a customer.

Specifically, revenue recognition follows the following five-step approach:

- Identification of the contracts with a customer
- Identification of the performance obligations in the contracts
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contracts
- Revenue recognition when performance obligations are satisfied

Revenue from the sale of goods is measured at the amount that reflects the best estimate of the consideration expected to receive in exchange for those goods. Contracts can include significant variable elements, such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses and penalties. Such trade incentives are treated as variable consideration. If the consideration includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to the customer.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Variable consideration is only included in the transaction price if it is highly probable that the amount of revenue recognized would not be subject to significant future reversals when the uncertainty is resolved.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit - impaired financial assets – Stage 3 the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(m) Finance income and costs

Finance income comprises interest income on funds invested. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired.

(n) Current and deferred income 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 items recognised directly in equity or in other comprehensive income. In this case, tax is also recognised in equity or other comprehensive income, respectively.

Current tax is the expected tax payable or receivable on the taxable income or expense for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income, and any adjustment to tax payable in respect of previous years.

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:

- temporary differences on 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;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the 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 assets and liabilities, 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In accordance with the tax legislation of the Russian Federation and Ukraine, tax losses and current tax assets of a company in the Group may not be set off against taxable profits and current tax liabilities of other Group companies. In addition, the tax base is determined separately for each of the Group's main activities and, therefore, tax losses and taxable profits related to different activities cannot be offset.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Earnings per share

The Group 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 Class A and B shareholders of the Company by the weighted average number of Class A and B shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding, adjusted for own shares held, for the effects of any dilutive potential shares, which comprise convertible notes and share options granted to employees.

(p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by Anheuser-Busch InBev's One Europe Zone President (the "Zone President") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The President is considered to be the Chief Operating Decision Maker in accordance with IFRS 8 Operating Segments.

Segment results that are reported to the Zone President include items directly attributable to a segment.

For more information on segmental reporting, see note 6.

(q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried 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, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.
Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(r) Trade and other payables

Trade and other payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

5. DISCONTINUED OPERATIONS

On 8 March 2018 the Board of Directors of the Company approved the sale of its direct and indirect ownership interests in operating subsidiaries in Russia (JSC SUN InBev Russia) and Ukraine (PJSC SUN InBev Ukraine) to AB INBEV WESTERN EUROPEAN HOLDING B.V a fellow subsidiary under common control. The divestment decision was made following the Parent company's decision to merge the ABI Group's operations in Russia and Ukraine with Anadolu Efes.

On 22 March 2018 AB INBEV WESTERN EUROPEAN HOLDING B.V and EFES BREWERIES INTERNATIONAL N.V. entered into a Framework Agreement (the "Framework Agreement"), pursuant to which the parties indicated their intention to contribute their respective businesses principally involved in the manufacturing, distribution, marketing and sale of beer in Russia and Ukraine, into a new entity named AB InBev Efes B.V. incorporated in Netherlands.

On 23 March 2018, the Company entered into a sale agreement with AB INBEV WESTERN EUROPEAN HOLDING B.V, for the sale of its subsidiaries SUN InBev Russia and Bevmar Gmbh (direct and indirect interest in the operating subsidiary in Russia) for the consideration of EUR 824,407 thousand. It also sold to the same related party the indirectly held ownership interest in its subsidiary in Ukraine for the consideration of EUR 39,611 thousand. Accordingly, the Company effectively ceased to own its operating subsidiaries in 2018.

The following exchange rates have been applied:

	3 month Average rate 2018	Disposal date rate 2018
RUB for EUR 1	69.96	70.56
UAH for EUR 1	33.56	32.70

a) Analysis of losses for the year from discontinued operations

'000 Euro	RU	UA	Inter-segment	Total
	Year ended 31/12/2018			
Revenue	65,994	20,242	396	86,632
Cost of sales	(56,806)	(13,228)	(392)	(70,426)
Gross profit	9,188	7,014	4	16,206
Selling, marketing and distribution expenses	(26,233)	(6,321)	(4)	(32, 558)
General and administrative expenses	(5,030)	(1,795)	–	(6,825)
Other income (losses), net	132	92	–	224
Non-recurring impairment losses	(11,145)	–	–	(11,145)
Results from operating activities	(33,088)	(1,010)	–	(34,098)
Finance income	360	714	–	1,074
Finance costs	(5,778)	(1,038)	–	(6,816)
Loss before income tax	(38,506)	(1,334)	–	(39,840)
Income tax credit	179	1,437	–	1,616
Loss for the year	**(38,327)**	**103**	–	**(38,224)**
Gain on disposal of operation including cumulative exchange gain (Note 23)				**564,487**
Attributable income tax expense				–
Profit for the year from discontinued operations				**526,263**
Profit/(loss) for the year from discontinued operations attributable to:				
Owner of the Company				528,082
Non-controlling interests				(1,819)
				526,263

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

5. DISCONTINUED OPERATIONS (CONTINUED)

b) Cash flows from discontinued operations

'000 Euro	Year ended 31/12/18 RU	UA	Total
Net cash inflows from operating activities	15,950	(6,138)	9,812
Net cash inflows investing activities	(3,129)	(3,531)	(6,660)
Net cash outflows from financing activities	(71,474)	2,086	(69,388)
Net cash outflows	**(58,653)**	**(7,583)**	**(66,236)**

6. OPERATING SEGMENTS

The Group's two reportable segments – breweries in the Russian Federation and breweries in Ukraine – were discontinued in 2018. The segment information reported below includes the investment activities of the Group which include the holding of cash and cash equivalents held in ABI cash pool (Note 15). The Group's reportable segment does not include any amounts relating to the Group's discontinued operations.

Segment assets **For the year ended 31 December**	**2019**	**2018**
Investing activities	855,300	855,966
	855,300	**855,966**

7. GENERAL AND ADMINISTRATIVE EXPENSES

For the year ended 31 December

'000 EUR	2019	2018
Auditor`s remuneration for the statutory audit of annual financial statements	(25)	(117)
Consulting fees	(36)	(71)
Directors remuneration	(23)	(14)
Compliance services	(15)	(20)
Other expenses	(54)	–
	(153)	**(222)**

Fixed administrative costs include tax, legal, audit fees and non-audit fees charged by statutory audit firm and financial services.

The number of employees as at 31 December 2019 for continued operations was NIL. The average number of employees for the period up to the date of disposal of operating subsidiaries in 2018 was 2,060.

Other expenses include an amount of EUR19 thousands in relation to fees paid to the Company's statutory audit firm for tax consultancy services.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

8. OTHER OPERATING INCOME

'000 EUR	**2019**	**2018**
Other gains	-	253
Other operating income	**-**	**253**

9. FINANCE INCOME AND FINANCE COSTS

For the year ended 31 December

'000 EUR	**2019**	**2018**
Financial assets at amortised cost:		
Interest income on bank deposits	713	685
Total interest income calculated using effective interest rate method for financial assets at amortised cost	**713**	**685**
Net foreign exchange gain	1,539	–
Total finance income	**2,252**	**685**
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss:		
Interest expense	(3,989)	(3,720)
Other	–	(1)
Total interest and finance charges	**(3,989)**	**(3,721)**
Net foreign exchange loss	(1,163)	(3,667)
Total finance costs	**(5,152)**	**(3,721)**
Net finance costs recognised in profit or loss	**(2,900)**	**(6,703)**

10. INCOME TAX EXPENSE

Income taxes are based on taxable income and the varying tax rates applicable in Netherlands and Cyprus.

The statutory income tax rate applicable to the Cyprus companies is 12.5% (2018: 12.5%)

FOR THE YEAR ENDED 31 DECEMBER

'000 Euro	**2019**	**2018**
Current tax	(33)	(1)
	(33)	**(1)**

11. PROPERTY, PLANT AND EQUIPMENT

'000 EUR	**Land and buildings**	**Plant and equipment**	**Transportation and office equipment**	**Packaging materials**	**Assets under construction**	**Total**
Cost						
Balance at 1 January 2018	**192,202**	**453,270**	**143,250**	**26,910**	**27,375**	**843,007**
Additions	–	–	–	–	6,807	6,807
Disposals	(13)	(836)	(2,389)	(639)	–	(3,877)
Transfers	1,105	2,860	672	–	(4,637)	–
Effect of movements in exchange rates	(3,438)	(6,958)	(1,304)	131	(268)	(11,837)
Disposal of operating subsidiaries	(189,856)	(448,336)	(140,229)	(26,402)	(29,277)	(834,100)
Balance at 31 December 2018	–	–	–	–	–	–

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

11. PROPERTY, PLANT AND EQUIPMENT(CONTINUED)

Depreciation and impairment losses

Balance at 1 January 2018	**(141,527)**	**(397,656)**	**(105,021)**	**(15, 977)**	**(5, 936)**	**(666,117)**
Depreciation for the year	(1,873)	(5,275)	(3,624)	(1,684)	–	(12,456)
Impairment loss	–	–	–	–	(2,375)	(2,375)
Reversals of impairment loss	–	6,665	–	–	–	6,665
Disposals	13	836	2,342	604	–	3,795
Transfers	(515)	450	65	–	–	–
Effect of movements in exchange rates	2,725	10,210	1,012	(113)	(85)	13,749
Disposal of operating subsidiaries	141,177	384,770	105,226	17,170	8,396	656,739
Balance at 31 December 2018	–	–	–	–	–	–
Carrying amounts						
At 1 January 2018	**50,675**	**55,614**	**38,229**	**10,933**	**21,439**	**176,890**
At 31 December 2018	–	–	–	–	–	–

Acquisitions and disposals

During 2019 the Company did not acquire assets (2018: 18,192 thousand Euro for the disposed operating subsidiaries).

Capital commitments

As at 31 December 2019 the Company had not contracts to purchase property, plant and equipment delivery is expected during one-year period.

Impairment loss

As of the disposal date of the operating assets of the Group, the Group made an assessment whether there is any indication that property, plant and equipment may be impaired and concluded that no indications were presented considering the internal controls in place and significant profit on disposal.

The impairment loss recognized during 2018 in amount EUR 13,520 thousand relates to impairment of certain individual assets, which mostly represent plant and equipment in Russia and Ukraine and impairment of certain brands and trademarks in the Russian segment. The impairment loss was included into Discontinued operations line in profit or loss for the year.

12. INTANGIBLE ASSETS

'000 EUR	**Goodwill**	**Software**	**Software under develop-ment**	**Other intangibles**	**Brands and trade-marks**	**Total**
Cost						
Balance at 1 January 2018	**56 373**	**23 699**	**1 333**	**1 987**	**11 799**	**95 191**
Disposals	-	-	(13)	-	-	(13)
Transfers	-	320	(327)	7	-	-
Effect of movement in exchange rates	(3,104)	(501)	94	(27)	(283)	(3,821)
Disposal of operating subsidiaries	(53,269)	(23,518)	(1,087)	(1,967)	(11,516)	(91,357)
Balance at 31 December 2018	**-**	**-**	**-**	**-**	**-**	**-**

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

12. INTANGIBLE ASSETS (CONTINUED)

'000 EUR	**Goodwill**	**Software**	**Software under develop-ment**	**Other intangibles**	**Brands and trade-marks**	**Total**
Amortisation and impairment losses						
Balance at 1 January 2018	**(10,047)**	**(22,929)**	–	**(1,001)**	**(342)**	**(34,319)**
Amortisation for the year	–	(240)	–	(167)	–	(407)
Impairment loss	–	–	–	–	(11,145)	(11,145)
Effect of movement in exchange rates	1,991	542	–	94	104	2,731
Disposal of operating subsidiaries	8,056	22,627	–	1,074	11,383	43,140
Balance at 31 December 2018	–	–	–	–	–	–
Carrying amounts						
At 1 January 2018	**46,326**	**770**	**1,333**	**986**	**11,457**	**60,872**
At 31 December 2018	–	–	–	–	–	–

(a) Amortisation

Amortization in the amount of EUR Nil (2018: EUR 395 thousand) has been recognised as part of general and administrative expenses and EUR Nil (2018: EUR 12 thousand) has been recognised as part of cost of sales. The amortisation expense for 2018 was included in Discontinued operations (note 5).

13. INVENTORIES

During 2018 an impairment loss of 8 thousand Euro has been recognized, the impairment was included into Discontinued operations line in profit or loss for the year). No inventories exist as at 31 December 2019.

14. OTHER RECEIVABLES

'000 EUR	**2019**	**2018**
Other receivables	103	–
	103	–

As a result of tax clearance process for Interbrew Plc, the tax refunds for the Group for 2012 and 2013 years in total amount of EUR 103 thousand were sent by Cyprus tax authorities to the bank account of its parent company Worldoor Ltd on the 30th of December 2019. In connection with this, an amount of EUR 103 thousand is presented in the consolidated financial statements within other receivables from related parties.

The Group's exposure to credit and currency risk and impairment losses related to other receivables are disclosed in Note 20.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

15. CASH AND CASH EQUIVALENTS

'000 EUR	31 December 2019	31 December 2018
Bank and other cash accounts	3	3
Demand deposits	855,297	855,963
Cash and cash equivalents in the consolidated statement of financial position excluding overdrafts used for cash management purposes	**855,300**	**855,966**
Overdrafts used for cash management purposes (Note 18)	(63,200)	(60,699)
Cash and cash equivalents in the consolidated statement of cash flows	**792,100**	**795,267**

The demand deposits comprise of:

	Effective Interest	31 December 2019	31 December 2018
Deposits with Cobrew S.A	1M market rate minus 0.20%	855,297	855,963
Totals		**855,297**	**855,963**

Demand deposits, its part of a current account agreement that the Group signed with Cobrew S.A. (hereinafter «Cobrew»), who is a related party under common control. This agreement has no fixed maturity date and provides notification period for payments or deposits to this account of 2 to 5 days. Interest rate applied by Cobrew is based on 1 month market interest rate plus0.20%.

The Group classifies the balance at Cobrew account as cash and cash equivalents. The net amount of outstanding balance at current account with Cobrew included into cash and cash equivalents in the statement of cash flows for 2019 is EUR 792,100 thousand (2018: EUR 795,267 thousand).

Cash and cash equivalents comprise the following currencies as at:

	31 December 2019	31 December 2018
EUR	842,504	845,393
RUB	12,796	10,573
USD	(63,200)	(60,699)
Total cash and cash equivalents	**792,100**	**795,267**

16. CAPITAL AND RESERVES

(a) Share capital

Number of shares unless otherwise stated	Ordinary shares (Class B) 2019	Ordinary shares (Class B) 2018	Ordinary shares (Class A) 2019	Ordinary shares (Class A) 2018
Authorised shares	30,000,000	30,000,000	125,278,614	125,278,614
Par value	GBP 0.01	GBP 0.01	GBP 0.01	GBP 0.01
In issue at 1 January and 31 December, fully paid	27,796,220	27,796,220	88,832,710	88,832,710

There was no change in the owners of the Company's issued share capital during 2019. The number and value of the issued shares has not changed in comparison with prior year.

16. CAPITAL AND RESERVES (CONTINUED)

Ordinary shares (Class B)

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

The holders of Class B shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's shares that are held by the Group, all rights are suspended until those shares are reissued.

Ordinary shares (Class A)

The special rights, restrictions and provisions applicable to the Class A shares are as follows:

- The dividends on the Class A shares in any year shall be paid in an amount not less than and in equal priority to the dividend payable to the ordinary shareholders in such year;
- On winding up of the Company, the surplus assets available for distribution to its members shall be distributed proportionately amongst the holders of the Class A shares and the Class B shares according to the amounts of their respective holdings of such shares in the Company;
- The holders of the Class A shares do not have right to vote in shareholders' meeting, except for the matters affecting the rights of the holders of Class A shares, including "change of control" transaction as defined in the "Article of Association" of the Company.

(b) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(c) Share premium

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of shares. Share premium account can only be resorted to limited purposes, which do not include the distribution of dividends and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

(d) Distributable reserves

The amounts available for distribution to the Company's shareholders in the form of dividends are the distributable reserves of the Company presented within retain earnings.

The Board of Directors does not recommend the payment of dividend on the basis of 2019 results. The Board of Directors may at a later stage consider the payment of interim dividends out of retained earnings, in accordance with the relevant provisions of the Companies Laws and the Articles of Association of the Company.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

17. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to shareholders by the weighted average number of Class A and Class B shares outstanding respectively during the year. The Company has no dilutive potential ordinary shares.

From continuing operations

2019	**Loss (Numerator) '000 EUR**	**Number of shares (Denominator)**	**Per share-amount EUR**
Basic and diluted EPS			
Attributable to holders of class "A" participating shares	(2,350)	88,832,710	(0.03)
Attributable to holders of class "B" participating shares	(736)	27,796,220	(0.03)
Total attributable to participating shares	**(3,086)**	**116,628,930**	**(0.03)**

2018	**Loss (Numerator) '000 EUR**	**Number of shares (Denominator)**	**Per share-amount EUR**
Basic and diluted EPS			
Attributable to holders of class "A" participating shares	(5,083)	88,832,710	(0.06)
Attributable to holders of class "B" participating shares	(1,590)	27,796,220	(0.06)
Total attributable to participating shares	**(6,673)**	**116,628,930**	**(0.06)**

From continuing and discontinued operations

2019	**Loss (Numerator) '000 EUR**	**Number of shares (Denominator)**	**Per share-amount EUR**
Basic and diluted EPS			
Attributable to holders of class "A" participating shares	(2,350)	88,832,710	(0.03)
Attributable to holders of class "B" participating shares	(736)	27,796,220	(0.03)
Total attributable to participating shares	**(3,086)**	**116,628,930**	**(0.03)**

2018	**Loss (Numerator) '000 EUR**	**Number of shares (Denominator)**	**Per share-amount EUR**
Basic and diluted EPS			
Attributable to holders of class "A" participating shares	397,141	88,832,710	4.47
Attributable to holders of class "B" participating shares	124,268	27,796,220	4.47
Total attributable to participating shares	**521,409**	**116,628,930**	**4.47**

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

18. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortized cost.

'000 EUR	31 December 2019	31 December 2018
Current		
Bank loans and overdrafts	63,200	60,699
	63,200	**60,699**

Overdraft has no fixed maturity date. Interest rate changed based on 1M+0.20% market interest rate. In 2017 the Group signed a current account agreement with Cobrew, which also includes overdraft facilities.

In 2018 EUR 5,383 thousand of total interest expense of EUR 6,973 thousand was recognized as part of the discontinued operations.

During 2019 the Group had no new loans or borrowings.

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1/01/2018	Proceeds from borrowings	Repayment of borrowings	Interest paid	Interest expense	Foreign currency translation	On disposal	31/12/2018
Bank loans	20,662	4,619	(2,533)	(801)	879	555	(23,382)	–
Loans from entities under common control	262,649	60,885	(192,290)	(12,254)	6,094	(2,545)	(122,538)	–
	283,311	**65,504**	**(194,823)**	**(13,055)**	**6,973**	**(1,990)**	**(145,920)**	**–**

19. TRADE AND OTHER PAYABLES

'000 EUR	31 December 2019	31 December 2018
Trade payables	37	119
	37	**119**

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Interest Rate risk
- Currency risk
- Capital risk management

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has established a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, 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 Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and the loan granted to related party. Credit risks also arises from cash and cash equivalents and deposits with banks and financial institutions, as well as from other receivables.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position. The Company's major classes of financial assets are bank deposits and other receivables.

(i) Other receivables

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower/counterparty; and
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 45 days past due in making a contractual payment. The impact was immaterial to be accounted for.
A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 180 days past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

(ii) Cash and cash equivalents

'000 EUR	31 December 2019 Demand deposits	31 December 2018 Demand deposits
Assessed as performing (Stage 1)	855,300	855,966
	855,300	**855,966**

The Group's cash and cash equivalents are considered to have low credit risk, and the loss allowance to be recognised during the period was therefore limited to 12 months expected losses. The identified impairment loss for cash and cash equivalents was immaterial to be accounted forThe Group keeps current bank accounts under the name of Cobrew, a subsidiary of the Group's ultimate parent Anheuser Busch InBev (hereinafter «ABI»), see Note 15. ABI group attempt to minimize its credit exposure to counterparties by entering into agreements with major international A rated financial institutions as issued by Moody's. There is no established credit rating for Cobrew account, accordingly, for the purposes of impairment assessment, the estimated credit loss was based on the ABI group rating, which is Baa1 (2018: Baa1). For demand deposits that have no fixed maturity and can be withdrawn by the Group on a very short notice, the estimated credit loss is limited to the contractual notice period, therefore the estimated credit loss is very low. The identified impairment loss for cash and cash equivalents was immaterial to be accounted for.

(iii) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
'000 EUR	**2019**	**2018**
Investments at fair value through other comprehensive income	–	147
Trade and other receivables excluding non-income taxes receivable	103	–
Cash and cash equivalents	855,300	855,966
	855,403	**856,113**

(iv) Impairment losses

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

'000 EUR	**2019**	**2018**
Balance at beginning of the year	–	(5,935)
(Increase)/Decrease during the year	–	–
On disposal of subsidiaries	–	5,935
Balance at end of the year	–	–

The Group establishes an allowance for impairment that represents its estimate of credit losses in respect of trade and other receivables. The Group charges an allowance for impairment on the individual basis and in respect of the following amounts: 100% balance receivable for the amounts past due more than 45 days and 50% for the amounts past due for less than 45 days unless the Group is confident that the debt will be collected.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due. The Group has no collateral with respect to its financial assets.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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. As at 31 December 2019 and 2018, the Group has sufficient funds to be able to settle its liabilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

2019 **'000 EUR**	**Carrying amount**	**Contractual cash flows**	**0-12 mths**	**1-2 yrs**
Non-derivative financial liabilities				
Current loans and borrowings	63,200	63,200	63,200	–
	63,200	63,200	63,200	–

2018 **'000 EUR**	**Carrying amount**	**Contractual cash flows**	**0-12 mths**	**1-2 yrs**
Non-derivative financial iabilities				
Current loans and borrowings	60,699	60,699	60,699	–
Non-derivative financial liabilities	**60,699**	**60,699**	**60,699**	–

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices that will affect the Group'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.

(i) Currency risk

The Group is exposed to currency risk on cash and cash equivalents and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are Russian Rubbles (RUB) and United States Dollar (USD). The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly. The Group analyses each of these risks individually as well as on a combined basis and defines strategies to manage the economic impact on the Group's performance in line with its financial risk management policy.

Interest on cash and cash equivalent and borrowings is denominated in the currency of the financial instrument.

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on nominal amounts:

'000 EUR	USD-denominated 2019	RUB-denominated 2019	USD-denominated 2018	RUB-denominated 2018
Cash and cash equivalent	(63,200)	12,795	(60,699)	10,544
	–	–		
Net exposure	(63,200)	12,795	**(60,699)**	**10,544**

Sensitivity analysis

A strengthening/weakening of the functional currency, against the following currencies at 31 December would have increased (decreased) equity and profit or loss before taxes by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates remain constant. The analysis is performed on the same basis for 2018.

'000 EUR	Strengthening		Weakening	
	Equity	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2019				
USD (+/-10% movement in exchange rate)	6,320	6,320	(6,320)–	(6,320)
RUB (+/-10% movement in exchange rate)	(1,280)	(1,280)	1,280	1,280
31 December 2018				
USD (+/-10% movement in exchange rate)	6,069	6,069	(6,069)	(6,069)
RUB (+/-10% movement in exchange rate)	(1,054)	(1,054)	1,054	1,054

(ii) Interest rate risk

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates, as the majority of the Group's loans is drawn from related parties.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

'000 EUR	Carrying amount 2019	Carrying amount 2018
Variable rate instruments		
Financial assets	855,300	855,966
Financial liabilities	(63,200)	(60,699)
	792,100	**795,267**

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial instruments as fair value through profit or loss or fair value through other comprehensive income. Therefore, a change in interest rates at the reporting date would not have an effect in profit or loss or in equity. The Company is not exposed to fair value interest rate risk as at 31 December 2019.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss before taxes by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss		Equity	
'000 EUR	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
2019				
Variable rate instruments	7,921	(7,921)	7,921	(7,921)
Cash flow sensitivity (net)	7,921	(7,921)	7,921	(7,921)
2018				
Variable rate instruments	7,953	(7,953)	7,953	(7,953)
Cash flow sensitivity (net)	7,953	(7,953)	7,953	(7,953)

(e) Accounting classifications and fair values

As at the year end, the Group has no material financial instruments measured at fair value.

Fair values versus carrying amounts

The Group does not have material financial instruments at FV.

(f) Capital management

The Group has overall responsibility for the establishment and oversight of the capital management framework. The Group is continuously optimizing its capital structure targeting to maximize shareholder value while keeping the desired financial flexibility to execute its strategic prospect plans. The capital of the Group comprises of share capital and retained earnings. Net debt comprises of the Group's total liabilities less cash and cash equivalents.

The Group manages its capital based on its debt to capital ratio. The Group's debt to capital ratio at the end of the reporting period was as follows:

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

'000 EUR	**2019**	**2018**
Total borrowings	63,200	60,699
Less: cash and cash equivalents	(855,300)	(855,966)
Net debt	**(792,100)**	**(795,267)**
Total equity	792,208	795,443
Debt to capital ratio at 31 December	**N/A**	**N/A**

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

(g) Offsetting financial assets and liabilities

The Group has entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances. The Group as at 31 December 2019 and 2018 can offset its cash and cash equivalents with bank overdrafts.

21. RELATED PARTY TRANSACTIONS

The Company is controlled by Worldoor Limited, incorporated in Cyprus, which effectively owns 73.14% of the Company's shares ("Parent"). 26.22% are also effectively owned by other related companies within the Shareholder Group. The Company's ultimate controlling party is Anheuser-Busch InBev, incorporated in Belgium. Related parties represent fellow subsidiaries under common control within the Anheuser-Busch InBev Group, unless otherwise stated.

Related parties may enter into transactions, which unrelated parties may not and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

(a) Management remuneration

Key management received the following remuneration during the year, which is included in personnel costs:

'000 EUR	**2019**	**2018**
Salaries and bonuses		626
Contributions to State pension fund	–	79
Other service benefits provided to non-executive directors	23	24
	23	**729**

The Company did not have any employees during 2019. 22,500 EUR was paid as Directors remuneration in 2019 (2018:13,500 EUR).

(b) Transactions with related parties

000 EUR	**31 December 2019**	**31 December 2018**
Interest income on demand deposit from entities under common control	712	685
Interest expense on overdraft and loans from entities under common control	(3,965)	(3,720)
Consideration on disposal of subsidiaries	–	824,407
	3,253	**821,372**

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

21. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Other transactions

During 2018 the Group disposed its operating subsidiaries to a common control entity at a gain of EUR 564,487 thousand (Note 5).

The outstanding balances with related parties, all of which are entities under common control were as follows:

'000 EUR	31 December 2019	31 December 2018
Other receivables	103	–
Trade and other payables	(37)	(120)
Demand deposits	855,300	855,963
Current borrowings	(63,200)	(60,699)
	792,166	**795,144**

22. CONTINGENCIES

As at 31 December 2019, the Company had no contingent liabilities (31 December 2018: EUR Nil).

The Company does not have any legal, tax or other risks associated with the subsidiaries SUN Inbev Russia and Sun Inbev Ukraine disposed on the 23rd of March 2018, as these risks were transferred to the buyer together with the legal ownership of the shares of the above entities. To this effect, any contingencies that may result to unrecorded liabilities are transferred to the Buyer and no claim will be made to the Company following the disposal date.

In May 2019 the Group received a preliminary tax audit report for the Group's entity JSC SUN InBev Russia for the periods of 2015 to 2017. The management of Sun InBev JSC disagreed with the Tax Officer's position.

23. DISPOSAL OF SUBSIDIARIES

On 23 March 2018, the Group entered into a sale agreement for the disposal of its subsidiaries in Russia and Ukraine, which carried on its operations.

On 8 March 2018 the Board of Directors of the Company approved the sale of its direct and indirect ownership interests in operating subsidiaries in Russia (JSC SUN InBev Russia) and Ukraine (PJSC SUN InBev Ukraine) to AB INBEV WESTERN EUROPEAN HOLDING B.V a fellow subsidiary under common control. The divestment decision was made following the Parent company's decision to merge the ABI Group's operations in Russia and Ukraine with Anadolu Efes.

On 22 March 2018 AB INBEV WESTERN EUROPEAN HOLDING B.V and EFES BREWERIES INTERNATIONAL N.V. entered into a Framework Agreement (the "Framework Agreement"), pursuant to which the parties indicated their intention to contribute their respective businesses principally involved in the manufacturing, distribution, marketing and sale of beer in Russia and Ukraine, into a new entity named AB InBev Efes B.V. incorporated in Netherlands.
On 23 March 2018, the Company entered into a sale agreement with AB INBEV WESTERN EUROPEAN HOLDING B.V, for the sale of its subsidiaries SUN InBev Russia and Bevmar Gmbh (direct and indirect interest in the operating subsidiary in Russia) for the consideration of EUR 824,407 thousand. It also sold to the same related party the indirectly held ownership interest in its subsidiary in Ukraine for the consideration of EUR 39,611 thousand. Accordingly, the Company effectively ceased to own its operating subsidiaries in 2018.

The following exchange rates have been applied:

	3 month Average rate 2018	Disposal date rate 2018
RUB for EUR 1	69.96	70.56
UAH for EUR 1	33.56	32.70

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

23. DISPOSAL OF SUBSIDIARIES (CONTINUED)

23.1 Consideration received

	Year ended 31/12/2018
Consideration received in cash and cash equivalents	864,018
Total consideration received	**864,018**

23.2 Analysis of asset and liabilities over which control was lost

	Year ended 31/12/2018			
	RU	**UA**	**Cons**	**kEUR**
Non-current assets				
Property, plant and equipment	130,542	46,819	–	177,361
Intangible assets	2,556	448	–	3,004
Available for sale financial assets	45	1	–	46
Goodwill	45,213	–	–	45,213
Deferred income tax assets	55,592	10,580	–	66,172
Current assets				
Inventories	47,610	11,128	–	58,738
Current income tax assets	417	1,404	–	1,821
Trade and other receivables	47,459	8,403	(581)	55,281
Prepayments	4,812	748	–	5,560
Cash and cash equivalents	2,229	1,240	–	3,469
Non-current liabilities				
Employee benefits	–	(165)	–	(165)
Current liabilities				
Loans and borrowings	(122,544)	(23,376)	–	(145,920)
Bank overdrafts	–	(1,275)	–	(1,275)
Trade and other payables	(171,124)	(64,887)	581	(235,430)
Net assets disposed of				**33,875**

23.3 Gain on disposal of subsidiary

	Year ended 31/12/2018
Consideration received	864,018
Non-controlling interests	(2,245)
Net assets disposed of	(33,875)
Cumulative exchange gain in respect of net assets of the subsidiaries reclassified from equity to profit or loss on loss of control of subsidiaries	(263,411)
Gain on disposal	**564,487**

All Amounts are Expressed in Thousands of Euros Unless Otherwise Stated

23. DISPOSAL OF SUBSIDIARIES (CONTINUED)

The gain on disposal is included in the profit for the year from discontinued operations.

23.4 Net cash inflow on disposal of subsidiary

	Year ended 31/12/2018
Consideration received in cash and cash equivalents	864,018
Less: cash and cash equivalent balances disposed of	(2,194)
	861,824

24. EVENTS AFTER THE REPORTING DATE

The management of the Group currently considers the option and feasibility to cease the activities of the activities of the Group companies and distribute the cash held by the Interbrew Plc to its shareholders (possibly through a liquidation of the all Group Companies) and to seek a delisting of the shares/GDRs of the Group from the Luxemburg Stock Exchange.

As a result of the process of liquidation of the subsidiaries of the Group, Abberton Consultant Ltd, Devize Investments and Breweries CIS, relevant shareholders meetings of the three companies took place on 28 February 2020 which approved the liquidation. Consequently, it is expected that the companies will be liquidated 3 months after that, i.e. by the 28 May 2020.

On March 13th, 2020 the Group made a public announcement regarding risks from COVID-19. All potential risks and uncertainties were analysed. Based on the analysis the Group does not foresee any material financial impact to its business from a possible spread of Coronavirus. On the date of the approval of the Annual Financial Report 2019, this position remains the same.

There were no other material events after the reporting date, which have a bearing on the understanding of the separate financial statements.

Independent auditor's report on page 14.

Interbrew PLC

Annual Report
and Separate Financial Statements
for the year ended 31 December 2019

INTERBREW PLC

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BOARD OF DIRECTORS AND OTHER OFFICES

Board of Directors

Denis Khrenov – Chairman of the Board, Director and Chief Executive Officer ("CEO")

Olga Romanova - Director (Appointed on 12 December 2019)

Dmytro Shpakov - Director

Inter Jura CY (Directors) Limited – Director and member of Nomination and Remuneration Committee

Inter Jura CY (Management) Limited – Director

Costas Melanides – Independent, non-executive Director and member of the Audit Committee

Marios Chrysanthou – Independent, non-executive Director and Chairman of the Audit Committee

Yuliia Ponomarenko - Director and Chief Financial Officer ("CFO") (Appointed on 28 February 2019)

Yevhenii Vizhul – Director and Chief Financial Officer ("CFO") (Resigned on 28 February 2019)

Aleksander Balakhnov – Director and Chief Legal Officer and member of Nominations and Remuneration Committee ("CLO")

Company Secretary

Inter Jura CY (Services) Limited
1 Lampousa Street
CY-1095 Nicosia
Cyprus

Registered office

1 Lampousa Street
CY-1095 Nicosia
Cyprus

Registration number: HE277915

INTERBREW PLC

DECLARATION OF DIRECTORS AND OTHER RESPONSIBLE OFFICERS OF THE COMPANY FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

In accordance with Section 9 sub-sections (3 (c) and (7) of the Transparency Requirements (Securities for Trading on Regulated Markets) Law 2007 as amended ("the Law") we, the members of the Board of Directors and the other responsible persons for the financial statements of Interbrew Plc (the "Company") for the year ended 31 December 2019, we confirm that, to the best of our knowledge:

(a) the annual financial statements of the Company which are presented on pages 21 to 47

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and in accordance with the provisions of Section 9, Sub-section (4) of the Law, and

(ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of Interbrew Plc and

(b) the Management Report provides a fair view of the developments and the performance of the business as well as the financial position of the Company together with a description of the main risks and uncertainties that it faces.

Members of the Board of Directors

Name and surname	Signature
Olga Romanova - Director	
Inter Jura CY (Directors) Limited – Director and member of Nomination and Remuneration Committee	
Inter Jura CY (Management) Limited – Director	
Denis Khrenov – Chairman of the Board, Director and Chief Executive Officer ("CEO")	
Dmytro Shpakov – Director	
Costas Melanides – Independent, non-executive Director and member of the Audit Committee	
Marios Chrysanthou – Independent, non- executive Director and Chairman of the Audit Committee	
Aleksander Balakhnov — Director and Chief Legal Officer and member of Nominations and Remuneration Committee ("CLO")	
Yuliia Ponomarenko – Director and Chief Financial Officer ("CFO")	

23 April 2020

INTERBREW PLC

MANAGEMENT REPORT

Principal activities

1 The Board of Directors presents its Management Report together with the audited financial statements of the Company for the year ended 31 December 2019. During 2019, the Company changed its name from “Sun Interbrew Plc” to “Interbrew Plc”.

Principal activities and departure from the going concern basis

2 The principal activities of the Company are to act as a holding and investments company for specific businesses belonging to the controlling shareholder of the Company and the provision of loans within the ABI group. As disclosed in Note 8, in 2018 the Board of Directors of the Company approved the sale of its operating subsidiaries to a related party and the sale transaction was executed on 23 March 2018. Effective from March 2018, the Company engages primarily to investment holding of financial assets. The separate financial statements were prepared on a non-going concern basis because management considers the option and feasibility to cease activities. For more information, refer to Note 2.

Review of developments, position and performance of the Company`s business

3 The profit of the Company for the year ended 31 December 2019 was € 43,273,124 (2018: € 373,082,380). On 31 December 2019 the total assets of the Company were € 855,443,218 (2018: € 809,778,126) and the net assets were € 792,187,913 (2018: € 748,914,789). The year-to-year decrease of the Company`s profit is the result of disposal of the Company`s operating subsidiary in Russia (direct holding) at significant profit in prior year. Following the disposal transaction and dividend distribution from subsidiary with direct shareholding in the Russian Subsidiary, the management intitiated the process for the liquidation of its remaining subsidiary companies (Note 8).

Principal risks and uncertainties

4 The principal risks and uncertainties faced by the Company are disclosed in Note 14 of the financial statements.

Coronavirus: The Company, pursuant to a relevant Circular of its regulatory authority Cyprus Securities & Exchange Commission asking from issuers to assess the potential financial impact that a possible spread of Coronavirus may have on their business/operations and make a relevant announcement, released an announcement in March 2020, informing the investing public the following::

“In March 2018, the Company disposed its ownership interests in its significant, operating subsidiaries in Russia and Ukraine. Following this, and up-to-date, the Company engaged only in investment holding activities. The Company does not foresee any material financial impact to its business from a possible spread of Coronavirus.”

On the date of the approval of the Annual Financial Report 2019, this position remains the same.

Use of financial instruments by the Company

5 The Company is exposed to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The detailed analysis of the Company’s exposure to financial risks as at the reporting date are disclosed in Note 14 of the financial statements.

Changes in the group structure

6 During the year, the following changes to the group structure took place:

On 14 January of 2019, the Company liquidated SUN INTERBREW FINANCE LLC.

On 28 February 2020, special resolutions were approved for the voluntary liquidation of SUN BREWERIES (C.I.S.) LTD, ABBERTON CONSULTANTS LTD and DEVIZE INVESTMENTS LIMITED, and the liquidation is expected to materialize in the near future. No financial impact is expected from the liquidation

Results and dividends

7 The Company`s results for the year are set out on page 21.

8 The Board of Directors has not made decision for the payment of dividend. The Board of Directors may at a later stage consider the payment of interim dividends out of retained earnings, in accordance with the relevant provisions of the Companies Law and the Articles of Association of the Company.

Future developments of the Company

9 The management of the Company currently considers the option and feasibility to cease the activities of the Company and distribute the cash held by the Company to its shareholders (possibly through a liquidation of the Company) and to seek a delisting of the shares/GDRs of the Company from the Luxembourg Stock Exchange.

Share capital

10 The authorized share capital which amounts to GBP 1,552,786 is divided into 125,278,614 class A shares of GBP0.01 each and 30,000,000 class B shares of GBP0.01 each.

The current number of issued shares is 116,628,930 including A class shares (non-voting) of 88,832,710 and B class shares (voting) of 27,796,220. The titles issued by the Company and their ISIN number are as follows:

	ISIN
144A Class A GDR	US86677C1045
Regulation S EURO Class A GDR	US86677C4015
Regulation S Class A GDR	US86677C3025
144A Class B GDR	US86677C2035
Regulation S Class B GDR	US86677C7083
Class A share	GB0057139940
Class B share	GB0049659120

11 The shares/GDRs are listed on the Luxembourg Stock Exchange.

12 The special rights, restrictions and provisions applicable to the Class A shares are as follows:

- The dividends on the Class A shares in any year shall be paid in an amount not less than and in equal priority to the dividend payable to the holders of Class B shares.

- On winding up of the Company, the surplus assets available for distribution shall be distributed proportionately among the holders of the Class A shares and the holders of Class B shares according to the amounts of their respective holdings of such shares in the Company.

- The holders of the Class A shares have a right to receive notice of and to attend any shareholder meeting of the Company, but do not have a right to vote at shareholders' meetings, other than at class meetings of the holders of Class A shares, which are necessary in respect of certain matters affecting the rights of the holders of Class A shares.

13 Class B shares have no restrictions on voting rights.

14 There wasn't a change in shareholders' structure in 2019.

As at 31 December 2019 and 2018 the Company, which is effectively owned by Anheuser-Busch InBev, had the following shareholders' structure:

#	Name	A	B	Total	%
1	Anheuser-Busch InBev N.V.	1	-	1	0.0000
2	InBev Belgium N.V.	1	-	1	0.0000
3	Brandbrew S.A.	1	-	1	0.0000
4	Interbrew International B.V.	-	1	1	0.0000
5	Worldoor Limited	73,014,377	12,285,318	85,299,695	73.1377
6	Hancock Venture Partners Inc.	30,545	30,545	61,090	0.0524
7	Bank of New York (Nominess) Limited – London	745,384	-	745,384	0.6391
8	Bank of New York (Nominess) Limited – New York	15,042,401	15,480,356	30,522,757	26.1708
		88,832,710	27,796,220	116,628,930	100.0000

The above shareholding remained unchanged as of five days before the date of approval of this Annual Financial Report.

15 It is noted that for a valid transfer of shares to take place, the name of the transferee must be entered in the register of members in respect thereof.

Board of Directors

16 The members of the Board of Directors for the year ended 31 December 2019 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2019, except Mrs. Yuliia Ponomarenko and Mrs. Olga Romanova who were appointed as Directors on 28 February 2019 and 12 December 2019 respectively. Mr Yevhenii Vizhul who was an appointed Director as at 1 January 2019, resigned on 28 February 2019 and was replaced by Mrs. Yuliia Ponomarenko. There were no other significant changes in the composition, distribution of responsibilities or compensation of the Board of Directors.

17 .
There is no requirement in the Company's Articles of Association for retirement of Directors by rotation, and all the Directors remain in office

Directors' interests in the Company's share capital

18 Directors have no direct or indirect shareholding in the Company's share capital (including their spouse, children and companies in which they hold directly or indirectly at least 20% of the shares with voting rights in a general meeting) both at the end of the financial year and 5 days before the date the financial statements are approved by the board of directors.

Events subsequent to the reporting date

19 Other than as disclosed in Note 18 to financial statements, there were no material events subsequent to the reporting date, which have a bearing on the understanding of the financial statements.

Branches

20 The Company did not operate through any branches during the year.

Independent Auditors

21 The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. A resolution for their re-appointment for the financial year 2020 and for giving authority to the Board of Directors to fix their remuneration will be proposed at the next Annual General Meeting.

Statement on Corporate governance pursuant to Article 151 of the Cyprus Companies Law, Cap. 113. regarding the contents of the Annual Financial Report (the "Companies Law") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Transparency Law")

Paragraphs a (i) – (iii) of Section 151 (2) of the Companies Law

22 The Company complies with the provisions of the Corporate Governance Charter, adopted by the Board of Directors at the meeting of the Board of Directors held on 12 August 2012, which is available to the public on the Company's website: www.interbrewplc.com. The Company's corporate governance charter has been adopted but has not yet been implemented.

23 The Company`s Corporate Governance Charter is generally based on the "Ten Principles of Corporate Governance" of the Luxembourg Stock Exchange. The Articles of Association of the Company further provide for the powers, duties and procedures of the Directors, and are also available on the Group's website, as cited above. For the purposes of effective compliance with the provisions of the Cypriot Auditors Act of 2017, which stipulate that listed companies should have an Audit Committee for the purposes of, between others, the monitoring of the financial reporting process, and the statutory audit of the annual and consolidated financial statements, the Company strengthened its Board in 2017 with two independent, non-executive Directors. Currently, the Audit Committee comprises of two directors, where all of its members are independent, the Chairman has competence in accounting and auditing, and the committee members as a whole have competence relevant to the sector in which the Group is operating.

Paragraph a (iv) of Section 151 (2) of the Companies Law – description of the main features of the issuers' internal control and risk management systems in relation to the composition, preparation and drafting of the periodic information of Part II of the Transparency Law

24 The periodic information referred to in Part II of the Transparency Law, comprises of the annual financial report and the half-yearly financial report. Issuers whose titles are admitted to trading on a regulated market are obliged to prepare and disclose such information in accordance with the provisions and the time schedules stipulated in Part II of the Transparency Law. Moreover, and as stipulated in Part II of the Transparency Law, the financial reports of the Group are prepared based on the applicable International Accounting Standards, the Transparency Law, as well as the provisions of the Companies Law, Cap. 113 in order to provide a true and fair view of the financial affairs of the Company and the Group, respectively.

25 The Secretary, the professional advisers of the Company along with the Board of Directors, through the use of adequate control procedures and risk management, ensure the lawful drafting, preparation, compilation and publication of the required periodic information.

26 The Compliance Officers of the Company in relation to the obligations of the Transparency Law, advise on the timely publication of the necessary periodic information, and that this information includes the information required by the Transparency Law. This information must be disclosed in accordance with the manner and time schedules set out in the Transparency Law. Finally, it should be noted that, pursuant to the Law, the Annual Financial Reports of the Group and of the Company are audited by the External Auditors of the Company, PricewaterhouseCoopers (PwC), in accordance with the provisions of the Companies Law and the applicable International Accounting Standards.

27 See paragraphs 8 to 14 above under "Share Capital", including the information regarding special rights attributed to classes of shares.

Statement on Corporate governance pursuant to Article 151 of the Cyprus Companies Law, Cap. 113. regarding the contents of the Annual Financial Report (the "Companies Law") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Transparency Law")

Paragraph a (iv) of Section 151 (2) of the Companies Law – description of the main features of the issuers' internal control and risk management systems in relation to the composition, preparation and drafting of the periodic information of Part II of the Transparency Law

28 According to Article 76 of the Articles of Association of the Company, the minimum number of directors shall be two and the maximum number shall be fifteen. Directors are appointed either by the general meeting of shareholders or by the board of directors. Pursuant to Articles 98 – 101 of the Articles of Association of the Company, the Company at a general meeting may appoint any person to be a director and to determine the period for which such person is to hold office. Further, the Company may, by ordinary resolution of which special notice has been given in accordance with section 136 of the Cypriot Companies Law, remove any director before the expiration of his period of office.

29 In accordance with the provisions of the Cyprus Companies Law, the Company may, by special resolution, amend its Articles of Association. A special resolution may be approved by a majority of not less than three quarters of the shareholders present in person or by proxy who are entitled to vote at a general meeting, for which a suitable notification of at least twenty-one days has been given, determining the intention to propose the resolution as a special resolution.

Paragraph a (vi) of Section 151 (2) of the Companies Law

Composition of the Board

30 For the Composition of the Board of Directors, refer to page 1 and paragraph 16 above. The Board of Directors consists of both executive and non-executive Directors.

Competences of the Board

31 The powers and duties of the Directors are stated in Articles 83 – 96 of the Articles of Association of the Company and the Corporate Governance Charter.

32 According to the above, the Board is vested with the broadest powers to perform all acts necessary or useful for accomplishing the Company's/Group's purposes. All powers not expressly reserved by Companies law to the general meeting of shareholders fall in the competencies of the Board.

33 The Board provides effective support for and control of the activities of the executive management of the Company.

34 The Board of Directors, subject to approval by the Company's shareholders, can cause the issue or buy-back of Company's shares. The issue of any new shares is further subject to the provisions of the Company's Articles of Association, the prevailing Companies law and the principle of fair treatment to all existing shareholders.

Statement on Corporate governance pursuant to Article 151 of the Cyprus Companies Law, Cap. 113. regarding the contents of the Annual Financial Report (the “Companies Law”) and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the “Transparency Law”)

Paragraph a (vi) of Section 151 (2) of the Companies Law

Functioning of the Board

35 The Board meets upon call by the Chairman. A meeting of the Board must be convened if any director so requires.

36 Any director may act at any meeting of the Board by appointing any person (other than a person disqualified by Companies law from being a director of a company) as an alternate director to attend and vote in its place. A quorum of the Board may be fixed by the directors, and unless so fixed at any other number, shall be four. Decisions are taken by the affirmative votes of a majority of the votes cast.

Conflicts of Interest

37 The rules governing the handling of conflict of interests are set out in the Articles of Association.

Chairmanship

38 The Board chooses from among its members a Chairman and/or deputy chairman and/or vice-chairman. The Board also chooses a secretary who need not be a director who will be responsible for keeping the minutes of the meetings of the Board and of the shareholders.

39 The Chairman, or in his absence the deputy chairman, or in his absence, the vice-chairman, presides at all meetings of shareholders and of the Board, but in his absence the Board will appoint another director as chairman pro tempore by vote of the majority of directors present at such meeting.

Existence and nature of the internal control and risk management system

40 The Board has overall responsibility for the Group’s internal control systems and for monitoring their effectiveness. The Group’s senior management (including, among others the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and Chief Legal Officer (“CLO”)) are responsible for the implementation and maintenance of the internal control systems which are subject to periodic review. The Board monitors the ongoing process by which critical risks to the business are identified, evaluated and managed. Management is responsible for reviewing and monitoring the financial risks to the Group and for considering the risks in the Group’s businesses. Similarly, management also monitors risks associated with information technology, human resource management and regulatory compliance.

Statement on Corporate governance pursuant to Article 151 of the Cyprus Companies Law, Cap. 113. regarding the contents of the Annual Financial Report (the "Companies Law") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Transparency Law")

Paragraph a (vi) of Section 151 (2) of the Companies Law

Evaluation of the Board

41 The Board regularly carries out an evaluation of its performance and its relationship with the Senior Management of the Company.

Senior Management

42 The Board of Directors has delegated the daily management of the Group to the Chief Executive Officer ("CEO"), who is assisted by a Chief Financial Officer ("CFO") and a Chief Legal Officer ("CLO").

Remuneration policy for Board Members and Senior Managers

43 The total amount of remuneration granted directly or indirectly by the Company to the members of its Board and to the CEO, CFO and CLO is fully described in the Note 15 of the financial statements.

44 Compensation of Senior Management is determined by the Board after consultation of the Remuneration Committee. The members of the Board receive Director fees. The non-executive Directors' fees are determined by the Annual General Meeting of shareholders upon a recommendation from the Nomination and Remuneration Committee.

45 Variable and non-variable components of the remuneration and links between remuneration and performance are reviewed by the Nomination and Remuneration Committee. The variable element of remuneration for the Senior Management is determined by the Board of Directors. Performance plans are based on success criteria which are agreed by the Board of Directors. The plans are reviewed during the year; the remuneration is based on the achievement of these performance criteria. The remuneration of the Board of Directors and key management is described in Note 15 of the consolidated financial statements.

Contracts with Directors and related parties

46 Other than the transactions and the balances with related parties referred to in Note 15 of the financial statements, there were no other significant contracts with the Company at 31 December 2019 in which the Directors or their related persons had a material interest. Related parties include the spouse, minor children and companies in which Directors hold directly or indirectly at least 20% of the voting rights in a general meeting.

Delegation of Directors' powers to committees

47 The Directors have the power to delegate any of their powers to committees consisting of such directors or other persons as they think fit.

48 In order to carry out its work more effectively the Board has appointed a nomination and remuneration committee (the "Nomination and Remuneration Committee") and an audit committee (the "Audit Committee").

Statement on Corporate governance pursuant to Article 151 of the Cyprus Companies Law, Cap. 113. regarding the contents of the Annual Financial Report (the "Companies Law") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Transparency Law")

Paragraph a (vi) of Section 151 (2) of the Companies Law

49 These committees handle business within their respective areas and present recommendations and reports on which the Board may base its decisions and actions. All members of the Board have the same responsibility for all decisions taken irrespective of whether the issue in question has been reviewed by such a committee or not.

50 The composition, operation and internal regulation of the Audit Committee and the Nomination and Remuneration Committee of the Board of Directors is analysed below.

General rules regarding both committees

51 A quorum shall be two committee members present or represented by alternate committee members. All decisions by the committees require a simple majority of votes. In case of ballot the Chairman of the committee has a casting vote.

52 Each committee regularly evaluates its own composition, organization and effectiveness as a collective body and makes recommendations to the Board for any necessary adjustments in its internal regulations and, where necessary, take appropriate steps to improve its performance.

53 The committees of the Board should perform their tasks within the framework of the regulations that they have been given and ensure that they report regularly on their activity and on the results of their work to the Board.

54 Each committee of the Board may seek expert assistance in obtaining the necessary information for the proper fulfilment of their duties. The Company should provide each committee with the financial resources it needs for this purpose.

Regulations for the Nominations and Remuneration Committee

i. Role

55 The Responsibility of the Nominations and Remuneration Committee includes issues regarding appointment and remuneration of directors and appointment and salaries, pension plans, bonus programs and other employments terms of the CEO, CFO, CLO and other senior management. The Nominations and Remuneration Committee shall in particular:

- submit proposals to the Board regarding the appointment and remuneration of directors and Senior Management and ensure that its proposals are in accordance with the remuneration policy adopted by the Company;

- discuss with the CEO the performance of the other members of Senior Management at least once a year based on evaluation criteria clearly defined. The CEO should not be present at the discussion of his own evaluation;

Statement on Corporate governance pursuant to Article 151 of the Cyprus Companies Law, Cap. 113. regarding the contents of the Annual Financial Report (the "Companies Law") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Transparency Law")

Paragraph a(vi) of Section 151 (2) of the Companies Law (continued)

Regulations for the Nominations and Remuneration Committee (continued)

i. Role (continued)

- ensure that the remuneration of non-executive directors is proportional to their responsibilities and the time devoted to their functions;
- assisting the Board in the selection of directors. It considers all proposals submitted by the shareholders, the Board or the Senior Management recommending suitable candidates to the Board and assisting the Board in making, for every position to be filled an evaluation of the existing and required skills, knowledge and experience required for the position. On the basis of this evaluation the Nomination and Remuneration Committee will assist the Board in drawing up a description of the role together with the skills, knowledge and experience required.

ii. Composition

56 In 2019, the Nominations and Remuneration Committee was composed of two directors, one executive and one non-executive director. The non-executive director chairs the Committee.

iii. Working rules

57 The Nominations and Remuneration Committee should meet as often as it considers necessary, but at least once a year. After each meeting of the Nominations and Remuneration Committee, its chairman should make a report to the Board. The chairman of the Nominations and Remuneration Committee ensures that minutes of meetings are prepared.

Statement on Corporate governance pursuant to Article 151 of the Cyprus Companies Law, Cap. 113. regarding the contents of the Annual Financial Report (the "Companies Law") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Transparency Law")

Paragraph a(vi) of Section 151 (2) of the Companies Law (continued)

Regulations of the Audit Committee

i. Role

58 The Audit Committee exercises the duties and responsibilities provided for in section 78(5) of the Cypriot Auditors Act of 2017. This include the following:

- inform the Board of Directors of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what the role of the audit committee was in that process;
- monitor the financial reporting process and submit recommendations or proposals to ensure its integrity;
- monitor the effectiveness of the undertaking`s internal quality control and risk management systems and, where applicable, its internal audit, regarding the financial reporting of the Company, without breaching its independence;
- monitor the statutory audit of the annual financial statements, in particular, its performance, taking into account any findings and conclusions by the competent authority:
- review and monitor the independence of the statutory auditors or the audit firms and in particular the appropriateness of the provision of non-audit services to the Company; and
- be responsible for the selection of statutory auditors and recommends the statutory auditors to be appointed.

ii. Composition

59 In 2019, the Audit Committee was composed of two independent, non-executive directors and one of them chairs the Committee. The members of the Audit Committee as a whole have competence relevant to the operations of the Company. Additionally, the Chairman has competence in accounting and auditing.

iii. Working Rules

60 The Audit Committee exercises the duties and responsibilities provided for in Section 78(5) of the Cypriot Auditors Act of 2017. Towards the exercise of its duties and responsibilities, the Audit Committee, between others, is briefed by the external auditors of the Company in relation to the audit program, monitors the audit process, and in special meetings prior to the presentation of the annual and half-yearly accounts of the Group and the Company to the full Board of Directors, considers the content of the drafts, taking into account the views of the external auditors in relation to the annual, audited accounts. The Audit Committee informs the Board accordingly on the results of the statutory audit. The chairman of the Audit Committee ensures that minutes of meetings are prepared.

Statement on Corporate governance pursuant to Article 151 of the Cyprus Companies Law, Cap. 113. regarding the contents of the Annual Financial Report (the "Companies Law") and of the Law providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 as amended (the "Transparency Law")

Paragraph a (vii) of Section 151 (2) of the Companies Law

61 The Company does not have in place a special policy in relation to diversity of the Board of Directors. The Company considers that the current composition of the Board of Directors includes diversity in relation to age, gender, educational and professional background of its members.

By Order of the Board

Denis Khrenov
Chief Executive Officer

23 April 2020

Independent Auditor's Report

To the Members of Interbrew Plc

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements of parent company Interbrew Plc (the "Company") give a true and fair view of the financial position of parent company Interbrew Plc as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the financial statements which are presented in pages 21 to 47 and comprise:

- the statement of financial position as at 31 December 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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

Emphasis of matter

We draw attention to Note 2 to these financial statements, which refers to the intention of the management to cease activities and describes that these financial statements have been prepared on a non-going concern basis. Our opinion is not modified in respect of this matter.

Independence

We remained independent of the Company throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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Our audit approach

Overview

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality	Overall materiality: €7.697.000, which represents 0,9% of total assets.
Key audit matters	We have determined that there are no Key Audit Matters to communicate in our report.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall materiality	€7.697.000
How we determined it	0,9% of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark, because in our view, it is the benchmark against which the performance of the Company is most commonly measured by the users, and is a generally accepted benchmark. We chose 0,9% which is within the range of acceptable quantitative materiality threshold in auditing standards.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €385.000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

We have determined that there are no Key Audit Matters to communicate in our report.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, including the Corporate Governance Statement and the Declaration of Directors and Other Responsible Officers of the Company for the preparation of the Financial Statements but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibilities of the Board of Directors and those charged with governance for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Company in 2010 by the Board of Directors for the audit of the financial statements for the years ended 31 December 2010 until 31 December 2015. In 2020, we were reappointed as auditors of the Company for the audit of the financial statements for the year ended 31 December 2019.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 23 April 2020 in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Company and which have not been disclosed in the financial statements or the management report.

Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the financial statements.

- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the management report. We have nothing to report in this respect.

- In our opinion, based on the work undertaken in the course of our audit, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, *a*nd which is included as a specific section of the management report, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap, 113, and is consistent with the financial statements.

- In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.

- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.

Other Matters

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019. The opinion in that report is qualified.

The engagement partner on the audit resulting in this independent auditor's report is Yiangos Kaponides

Comparative figures

The financial statements of Interbrew Plc for the year ended 31 December 2018, were audited by another auditor who expressed an unmodified opinion on those statements on 23 May 2019.

Yiangos Kaponides
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

City House, 6 Karaiskakis Street
CY-3032 Limassol, Cyprus

23 April 2020

INTERBREW PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

Expressed in EUR	Note	2019	2018
ASSETS			
Non-current assets			
Investments in subsidiaries	8	1,286	1,286
Total non-current assets		**1,286**	**1,286**
Current assets			
Other receivables	15	103,101	-
Current tax assets		41,533	142,425
Cash and cash equivalents	9	855,297,298	809,634,415
Total current assets		**855,441,932**	**809,776,840**
Total assets		**855,443,218**	**809,778,126**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	1,808,651	1,808,651
Share premium	10	357,932,250	357,932,250
Retained earnings		432,447,012	389,173,888
Total equity		**792,187,913**	**748,914,789**
Loans and borrowings	13	63,199,620	60,728,155
Other payables	12	55,686	135,182
Total current liabilities		**63,255,306**	**60,863,337**
Total liabilities		**63,255,306**	**60,863,337**
Total equity and liabilities		**855,443,218**	**809,778,126**

On 23 April 2020 the Board of Directors of Interbrew Plc authorized these financial statements for issue.

Yuliia Ponomarenko
Director and Chief Financial Officer

Denis Khrenov
Chairman of the Board and Chief Executive Officer

The notes on pages 25 to 47 form an integral part of these financial statements.

INTERBREW PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

Expressed in EUR	Note	**2019**	**2018**
Profit from the disposal of investments in subsidiaries	8	-	356,460,915
Investments writing-off loss	8	-	(16,675,572)
Dividend income	8	46,336,813	40,836,512
Profit from investment activities		**46,336,813**	**380,621,855**
Administrative expenses	4	(152,936)	(228,876)
Profit/(Loss) from operating activities		**46,183,877**	**380,392,979**
Finance income	6	2,251,739	685,222
Finance cost	6	(5,129,037)	(7,995,821)
Profit before tax		**43,306,579**	**373,082,380**
Income tax expense	7	(33,455)	-
Profit for the year		**43,273,124**	**373,082,380**
Other comprehensive income		-	-
Total comprehensive income for the year		**43,273,124**	**373,082,380**
Earnings per share			
Basic and diluted earnings per share (EUR)	10	0,371	3,199
Weighted average number of shares		116,628,930	116,628,930

The notes on pages 25 to 47 form an integral part of these financial statements.

INTERBREW PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

Expressed in EUR	Share capital	Share premium [1]	Retained earnings [2]	Total
Balance at 1 January 2018	**1,808,651**	**357,932,250**	**16,091,508**	**375,832,409**
Total comprehensive income	-	-	373,082,380	373,082,380
Balance at 31 December 2018	**1,808,651**	**357,932,250**	**389,173,888**	**748,914,789**
Total comprehensive income	-	-	43,271,489	43,271,489
Balance at 31 December 2019	**1,808,651**	**357,932,250**	**432,445,377**	**792,186,278**

(1) Share premium is not available for distribution in the form of dividend.

(2) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defense of the Republic of Cyprus Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defense at 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defense is paid by the Company for the account of the shareholders.

The notes on pages 25 to 47 form an integral part of these financial statements.

INTERBREW PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019
Expressed in EUR

	Note	2019	2018
Cash flows from operating activities			
Profit for the year		43,273,124	373,082,380
Adjustments for:			
Profit from the disposal of investments in subsidiaries		-	(356,460,915)
Investment write-off loss		-	16,675,572
Dividend income		(46,336,813)	(40,836,512)
Interest income	6	(712,469)	(685,222)
Interest expense	6	3,964,847	3,720,090
Income tax expense	7	33,455	-
Foreign Exchange loss from financing activities		1,163,212	4,275,150
Cash from/(used in) operating activities before changes in working capital		**1,385,356**	**(229,457)**
Change in other receivables		-	20,000
Change in other payables		(79,496)	32,090
		1,305,860	**(177,367)**
Income tax paid		(33,455)	-
Interest paid	6	(2,629,648)	-
Net cash used in operating activities		**(1,357,243)**	**(177,367)**
Cash flows from investing activities			
Additions/contributions to investments in subsidiaries	8	-	(57,052,226)
Proceeds from the disposal of operating subsidiaries net of cash	8	-	824,407,226
Interest received	6	712,469	685,222
Dividends received	8	46,336,813	40,836,512
Net cash from investing activities		**47,049,282**	**808,876,734**
Cash flows from financing activities			
Interest paid		-	(3,856,386)
Finance costs paid	6	-	-
Cash financial costs other than interests		(979)	-
Repayments of loans and borrowings	13	-	(60,062,255)
Net cash (used in) financing activities		**(979)**	**(63,918,641)**
Net increase in cash and cash equivalents and bank overdrafts		**45,691,060**	**744,780,726**
Cash and cash equivalents and bank overdrafts at beginning of year		748,906,260	6,705,829
Effect of exchange rate fluctuations on cash and cash equivalents and bank overdrafts		(2,499,642)	(2,580,295)
Cash and cash equivalents and bank overdrafts at end of year		**792,097,678**	**748,906,260**

The notes on pages 25 to 47 form an integral part of these financial statements.

1. General information

Country of incorporation

Interbrew Plc (the "Company") is domiciled in Cyprus since 1 December 2010 and was registered as a public limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The Company's registered office is 1 Lampousa Street, 1095 Nicosia, Cyprus. Before 1 December 2010 the Company, was registered under the name "SUN Interbrew Limited" and, was incorporated in Jersey, the Channel Islands. The Company and its subsidiaries, outlined in Note 8 are collectively referred as the "Group". The Group is headed by Anheuser-Busch Inbev (the "Shareholder Group", "ABI") (see Note 8). During 2019, the Company changed its name from "Sun Interbrew Plc" to "Interbrew Plc".

Principal activities

The principal activities of the Company are to act as a holding and investments company for specific businesses belonging to the controlling shareholder – Anheuser-Busch Inbev – of the Company and the provision of loans within the Anheuser-Busch Inbev group. As disclosed in Note 8, in 2018 the Board of Directors of the Company approved the sale of its operating subsidiaries to a related party and the sale transaction was executed on 23 March 2018. Effective from March 2018, the Company engages primarily to investment holding of financial assets. The separate financial statements were prepared on a non-going concern basis because of management's intention to cease activities. For more information, refer to Note 2 below.

2. Basis of preparation

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared on a non-going concern basis for the current and prior year for the reasons explained below. There is no specific guidance in IFRS in respect to the preparation of financial statements on a non-going concern basis of accounting. Management has applied the guidance of IAS 1 "Presentation of Financial statements", the Framework of the preparation and presentation of the financial statements, IAS 10 "Events after the Reporting Period" and IAS 8 "Accounting policies" changes in accounting estimates and errors in developing the appropriate accounting policies for the specific facts and circumstance of the Company. Based on the above, management has assessed that the accounting policies for its assets, liabilities and profit or loss items are appropriate in the context of the non-going concern basis of accounting and there is no significant impact than those of going – concern basis of accounting.

As of the date of the authorization of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2019 and are relevant to the Company's operations have been adopted by the EU through the endorsement procedure established by the European Commission

These financial statements are prepared for the year ended 31 December 2019 as separate financial statements. Users of these separate financial statements should read them together with the Group's consolidated financial statements for the year ended 31 December 2019, in order to obtain full information on the financial position, financial performance and cash flows of the Group as a whole. The Company has also prepared consolidated financial statements in accordance with IFRSs as adopted by EU. The consolidated financial statements can be obtained from the registered office of the Company at 1 Lampousa Street 1095, Nicosia, Cyprus.

2. Basis of preparation (continued)

In the consolidated financial statements, subsidiary undertakings, which are those companies over which the Company has control, meaning has power over the subsidiary, exposure or rights to variable returns from its involvement with the subsidiary and the ability to use its power over the subsidiary to affect the amount of its returns, have been fully consolidated.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2019. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

Departure from Going Concern basis

In August 2017, the ultimate parent company, Anheuser-Busch InBev ("AB InBev"), issued a press release announcing a non-binding agreement with Anadolu Efes, the leading brewer in Turkey, regarding a 50:50 merger of AB InBev's and Anadolu Efes' existing Russia and Ukraine businesses. This announcement followed AB InBev's acquisition of a 24% stake in Anadolu Efes as part of the AB InBev's combination with SABMiller, which was completed in October 2016. The merge transaction remained conditional on the completion of satisfactory due diligence and was subject to regulatory approvals in Russia, Ukraine and other regulatory authorities.

The combination of the companies' operations in Russia and Ukraine would strengthen the competitive position of both AB InBev's and Anadolu Efes' brands in these markets, with the potential for further growth. The combined business' ambitions would be to lead the Russian and Ukrainian markets, with a diverse portfolio of brands and a broader range of beers for consumers. During 2018, the merger transaction was approved by the regulatory authorities and the relevant Framework agreement was concluded and signed by AB InBev Group and Anadolu Efes. As a part of the merger process between AB InBev Group and Anadolu Efes in Russia and Ukraine, the Company disposed of its ownership interests in its operating subsidiaries in Russia and Ukraine. For further information, please, refer to Note 8.

Despite the Group`s initial intention to continue to explore investment opportunities for acquiring or transferring new operating subsidiaries to the Group, the Shareholder Group management decided to explore alternative options. On 9 November 2018, the Shareholder Group appointed legal counsels to advise on the steps required to delist and ultimately liquidate the Company. As a part of this process, a number of the Group`s subsidiaries have been liquidated or are in the process of liquidation. Along with the companies, which were already liquidated, this includes Breweries (CIS) Limited, Devize Investments Limited and Abberton Consultants Limited that are in the process of liquidation. The management of the Company currently considers the option and feasibility to cease the activities of the Company and distribute the cash held by the Company to its shareholders (possible through a liquidation of the Company) and to seek a delisting of the shares/GDRs of the Company from the Luxemburg Stock Exchange.

2. Basis of preparation (continued)

Accordingly, the Company is not a going concern and the financial statements have been prepared on a non - going concern basis. The financial statements have been prepared in accordance with IFRSs as adopted by the EU and do not include any provision for the future costs of the liquidation of the Company except to the extent that such costs were committed at the reporting date; while there were no onerous contractual commitments as at the reporting date since the transfer of businesses was effective through the disposal of shares that owned the businesses. In management`s opinion, the use of this basis result in the most relevant and reliable financial information which reflect the circumstances existing at the end of the reporting period.

Basis of measurement

The financial statements are prepared on the historical cost basis.

Functional and presentation currency

The Company's functional currency and the currency in which these financial statements are presented is Euro ("EUR"). Management considers that EUR reflects the economic substance of the underlying events and circumstances of the Company.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, 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 those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is outlined in Note14 – Financial risk management.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Revenue recognition

(a) Dividend income

Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established.

(b) Finance income

Finance income comprises interest income on funds invested and foreign currency gains.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired.

3. Significant accounting policies (continued)

Foreign currency translation

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising in retranslation are recognized in profit or loss, except for differences arising on the retranslation of equity instruments presents as at fair value through other comprehensive income in which are recognized in other comprehensive income. 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.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within “Finance income/cost, net”.

Initial recognition of related party transactions

In the normal course of business, the Company enters into transactions with its related parties. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analyses. For advances from related parties, the difference between the fair value of the financial instrument at initial recognition and the funds received is accounted for as capital contribution in the statement of changes in equity. See policy ‘transactions with equity holders’ below.

Financial instruments

Classifications and measurement

The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not a fair value through profit or loss, transaction costs directly attributable to the acquisitioned or issue of the financial asset. Debt financial instruments are subsequently measured at amortized cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVPL”). The classification is based on two criteria: the objective of the Company`s business model for managing the assets; and whether the instruments` contractual cash flows represent solely payments of principal and interest on the principal amount outstanding (the `SPPI criterion`).

3. Significant accounting policies (continued)

The classification and measurement of the Company`s financial assets are as follows:

- Debt instruments at amortized cost: comprise investments in debt securities where the contractual cash flows are solely payments of principal and interest and the company`s business model is to collect contractual cash flows, Interest income, foreign exchange gains and losses and any impairment charges for such instruments are recognized in profit or loss. The Company's financial assets measured at amortised cost (AC) comprise: cash and cash equivalents and other receivables.

This category also includes debt instruments which do not meet the cash flow or the business model tests.

Financial assets - Recognition and derecognition

All financial assets are recognized when the entity becomes a party to the contractual provisions of the instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/(losses)" together with foreign exchange gains and losses.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when the company has a currently legally enforceable right to set off the amounts and its intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

3. Significant accounting policies (continued)

Financial assets – modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (eg profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demand deposits with maturity of three months or less from the date of acquisition and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts that are repayable on demand and form an integral part of the Company’s cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. In the statement of financial position, are shown within borrowings in current liabilities. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Impairment of financial assets

The amount of expected credit losses is updated at each reporting date to reflect changes in the credit risk which have occurred since the initial recognition of the respective financial instruments.

The lifetime of expected credit losses represents the expected credit losses that will arise as a result of all possible default events over the expected life of a financial instrument.

3. Significant accounting policies (continued)

For all financial instruments that are subject to impairment under IFRS 9, the Company applies general approach – three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter (“12 Months ECL”). If the Company identifies a significant increase in credit risk (“SICR”) since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any (“Lifetime ECL”). Refer to Note 14, Credit risk section for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company’s definition of credit impaired assets and definition of default is explained in Note 14, Credit risk section.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company`s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar.
An impairment loss on a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Impairment losses are recognized in profit or loss during the period and are recorded in an allowance account, which reduces the amount of receivables. Interest income calculated using the effective interest method continues to be recognized with respect to impaired assets. If the impairment loss decreases as a result of any event occurring after its recognition, the amount of the decrease is reversed through profit or loss.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or charges in circumstances indicate that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset`s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Finance costs

Finance costs comprise interest expense on borrowings, and foreign currency losses. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

3. Significant accounting policies (continued)

Current and deferred income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. In this case, the tax is also recognized in equity or in other comprehensive income, respectively.

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

As from tax year 2012 brought forward losses of only five years may be utilized. Under certain conditions interest income may be subject to special contribution for defense at the rate of 30%. In such cases the interests will be exempt from Corporation tax.

In certain cases, dividends received from abroad may be subject to special contribution for defense at the rate of 17%. In certain case dividends received from 1 January 2012 onwards from other Cyprus tax resident companies may also be subject to special contribution for defense.

Gains on disposals of qualifying titles (including shares, bonds, debentures, rights thereon etc.) are exempt from Cyprus income tax.

Deferred tax is recognized 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 recognized for:

- temporary differences on 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;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the 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 assets and liabilities, 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 realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. Significant accounting policies (continued)

Earnings per share

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

Provisions

A provision is recognized if, as a result of a past event, the Group 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has control; meaning has power over the subsidiary, exposure, or rights, to variable returns from its involvement with the subsidiary and the ability to use its power over the subsidiary to affect the amount of its returns. In its parent company financial statements, the Company carries investments in subsidiaries at cost less any impairment.

In its separate financial statements, the Company carries its investments in subsidiaries at cost less any impairment. Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized through profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss recognized in prior years is reversed where appropriate if there has been a change in the estimates used to determine the recoverable amount.

An investment in subsidiary is derecognized upon disposal. Any gain or loss arising on the disposal of an investment is determined as the difference between the sale proceeds and the carrying amount of the investment and is recognized in profit or loss.
For subsidiaries which are acquired as a result of reorganization of the group structure in a manner that satisfies the following criteria:

(a) the new parent obtains control of the original parent by issuing equity instruments in exchange for existing equity instruments of the original parent;

(b) the assets and liabilities of the new group and the original group are the same immediately before and after the reorganization; and

(c) the owners of the original parent before the reorganization have the same absolute and relative interests in the net assets of the original group and the new group immediately before and after the reorganization.

3. Significant accounting policies (continued)

The Company measures cost at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the date of the reorganization. The difference between this investment cost and the legally issued share capital and share premium of the Company is recorded in other reserves. The Company recognizes income from investments in subsidiaries to the extent that the Company receives distributions from accumulated profits of the subsidiaries arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of investment.

Transactions with equity holders

The Company enters into transactions with its shareholders. When consistent with the nature of the transaction (i.e. when these transactions are not at arm's length prices), the Company's accounting policy is to recognize any gains or losses with equity holders, directly through equity and consider these transactions as the receipt of additional capital contribution or the distribution of dividends. Similar transactions with non-equity holders, or parties which are not under the control of the parent company, are recognized through the income statement in accordance with IFRS 9 "Financial Instruments". The Company believes that this policy provides a fair representation of the Company's activities.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried 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, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Other payables

Other payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4. Administrative expenses

Expressed in Euros	**2019**	**2018**
Auditor`s remuneration for the statutory audit of annual financial statements	25,000	117,422
Consulting fees	36,063	70,981
Directors remuneration	22,500	13,500
Compliance services	14,625	20,094
Other expenses	54,748	6,880
	152,936	**228,876**

4. Administrative expenses (continued)
The Company did not have any employees during 2019 and 2018.
Other expenses include an amount of EUR18,750 in relation to fees paid to the Company's statutory audit firm for tax consultancy services.

5. Dividends per share

The Board of Directors may at a later stage consider the payment of interim dividends out of retained earnings, in accordance with the relevant provisions of the Companies Laws and the Articles of Association of the Company. No dividends were announced and paid in 2019 and 2018.

6. Finance income/(costs), net

EUR	2019	2018
Recognized in profit or loss		
Financial assets at amortised cost:		
Interest income on bank deposits	712,469	685,222
Total interest income calculated using effective interest rate method for financial assets at amortised cost	**712,469**	**685,222**
Foreign exchange gain	1,539,270	-
Finance income	**2,251,739**	**685,222**
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss:		
Interest expense on loans and borrowings	-	(1,591,116)
Interest expense	(3,964,847	(2,128,974)
Other	(979)	(581)
Total interest and finance charges	(3,965,826)	(3,720,671)
Foreign exchange loss	(1,163,212)	(4,275,150)
Finance costs	**(5,129,037)**	**(7,995,821)**
Finance (costs)/income, net	**(2,877,298)**	**(7,310,599)**

7. Income tax expense

Expressed in EUR	**2019**	**2018**
Current tax:		
Corporation tax	33,455	-

Expressed in EUR	**2019**	**2018**
Profit before tax	43,306,579	373,082,380
Tax calculated at the applicable corporation tax rate of 12,5%	5,413,322	46,635,298
Tax effect of expenses not deductible for tax purposes	145,401	3,050,627
Tax effect of allowances and income not subject to tax	(5,984,510)	(49,662,178)
Tax losses for which no deferred tax asset was recognised	425,787	
Tax effect of tax loss for the year	-	(23,747)
Other tax charges	33,455	
Income tax charge	**33,455**	-

The Company is subject to income tax on taxable profits at the rate of 12,5%.

8. Investments in subsidiaries

Impairment of investments in subsidiaries

Expressed in Euros	**2019**	**2018**
Opening balance	1,286	427,570,943
Capital contributions:		
Bevmar GmbH	-	57,052,226
Disposals:		
SUN Inbev Russia	-	(398,337,830)
Bevmar GmbH	-	(69,608,481)
Liquidated:		
Interbrew YNTR Holding	-	(14,136,705)
Written off:		
Abberton Consultant Ltd	-	(1,300,000)
Devize Investments Ltd	-	(1,238,000)
Sun Interbrew Finance LLC	-	(867)
Closing balance	**1,286**	**1,286**

The Company's interests in its subsidiaries, all of which are unlisted, were as follows:

Name	**Country of incorporation**	**Principal activities**	**% interest held 2019**	**% interest held 2018**
Sun Breweries CIS Ltd*	Cyprus	Dormant	100%	100%
SUN Interbrew Finance LLC	Russia	Dormant	–	100%
Abberton Consultant Ltd	Cyprus	Investment and consulting services	100%	100%
Devize Investments Ltd	Cyprus	Investment services	100%	100%

*The Company received dividends from these subsidiaries in the total amount of EUR 46,336,813 from Sun Breweries CIS in 2019. In addition, Breweries CIS, , Abberton Consultant Ltd and Devize Investments Ltd are in the process of liquidation as of 31 December 2019.

8. Investments in subsidiaries (continued)

Date of transfer of shares	Number of shares transferred (ordinary/privileged)	Entity transferring the shares	Entity whom the shares were transferred to
23d of March 2018	4,660,732,631 / 92,943	SUN Interbrew Plc	AB InBev Western European holding B.V.
23d of March 2018	270,842,500	Abberton Consultants Limited	AB InBev Western European holding B.V.
23d of March 2018	270,842,500	Devize Investments Limited	AB InBev Western European holding B.V.
23d of March 2018	8,811,042,571	Interbrew YNTR Holding B.V.	AB InBev Western European holding B.V.
23d of March 2018	76,365,959	Bevmar GmbH (Germany)	AB InBev Western European holding B.V.

Disposal of investments in SUN Inbev and Bevmar in 2018:

	EUR
Consideration received by SUN Interbrew	824,407,226
Cost of investments in SUN Inbev Russia and Bevmar	(467,946,311)
	356,460,915

On 13th of March 2018 Sun Interbrew Plc contributed to the free capital reserve to Bevmar GmbH (Germany) in amount in EUR 57,052,226 being equal to RUB 4 billion against the exchange rate of European Central Bank (ECB) RUB 70,1112 per EUR, with the purpose to provide further a loan to SUN InBev (Russia) in the same amount as received contribution.

In 2018, there was a sale of investments in Bevmar GmbH and SUN InBev Russia in amounts of EUR 69,422,226 and EUR 754,985,000, respectively. In addition, the indirect holding in SUN InBev Ukraine was also disposed through the direct subsidiaries.

During 2018, Interbrew YNTR Holding, Flexbury Ventures Ltd and SB Management was liquidated. As a result, those subsidiaries have been eliminated.

The Company, prior to the disposal, held 98,32% of Sun Inbev Ukraine through Abberton Consultant Ltd and Devize Investments. In addition, Abberton consultant Ltd, Devize Investments Ltd and Sun interbrew Finance LLC are in the process of liquidation as of 31 December 2019. In this regard, investments in companies in amount of eur 28,837,000, eur 1,300,000 and eur 1,238,000, respectively, were written off from the company in 2018.

The Company, prior to the disposal, held directly 93,72% of SUN InBev Russia and indirectly 1,54% through Bevmar GmbH which was acquired in 2013.

9. Cash and cash equivalents

Expressed in Euros	**2019**	**2018**
Demand deposits	855,297,298	809,634,415
Cash and cash equivalents in the statement of cash flows	**855,297,298**	**809,634,415**

9. Cash and cash equivalents (continued)

Demand deposits, it's part of a current account agreement that the Company signed with Cobrew S.A. (hereinafter "Cobrew)" a related party. This agreement has no fixed maturity date and provides notification period for payments from or deposits to this account of 2 to days. Interest rate applied by Cobrew is based on 1month market interest rate plus 0,20%.

The Company classifies the balance at Cobrew account as cash and cash equivalents. The net amount of outstanding balance at current account with Cobrew, included into cash and cash equivalents in the statement of cash flows as at 31 December 2019 was EUR 792,097,678 (2018: EUR 748,906,260).

Expressed in Euros	**2019**	**2018**
Cash and cash equivalents	855,297,298	809,634,415
Overdrafts used for cash management purposes	(63,199,620)	(60,728,155)
Cash and cash equivalents in the statement of cash flows	**792,097,678**	**748,906,260**

Cash and cash equivalents are denominated in the following currencies:

	2019	**2018**
Euro - functional and presentation currency	842,501,828	799,061,662
USD	(63,199,620)	(60,728,155)
RUB	12,795,470	10,572,753
	792,097,678	**748,906,260**

10. Share capital and share premium

Number of shares unless otherwise stated	**Non-redeemable preference shares (Class A)**		**Ordinary shares (Class B)**	
	2019	**2018**	**2019**	**2018**
Authorized shares	125,278,614	125,278,614	30,000,000	30,000,000
Par value	GBP 0.01	GBP 0.01	GBP 0.01	GBP 0.01
On issue at 1 January	88,832,710	88,832,710	27,796,220	27,796,220
On issue at 31 December, fully paid	**88,832,710**	**88,832,710**	**27,796,220**	**27,796,220**

Ordinary shares (Class B)

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

10. Share capital and share premium (continued)
Ordinary shares (Class A)

The special rights, restrictions and provisions applicable to the preference shares are as follows:

- The dividends on the preference shares in any year shall be paid in an amount not less than and in equal priority to the dividend payable to the ordinary shareholders in such year;
- On winding up of the Company, the surplus assets available for distribution to its members shall be distributed proportionately amongst the holders of the preference share and the ordinary shares according to the amounts of their respective holdings of such shares in the Company;
- The holders of the preference shares do not have right to vote in shareholders' meeting, except for the matters affecting the rights of the holders of preference shares, including "change of control" transaction as defined in the "Article of Association" of the Company.

Share premium

Share premium is a difference between the fair value of the consideration receivable for the issue of shares and the nominal value of shares. Share premium account can only be resorted to limited purposes, which do not include the distribution of dividends and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

Distributable reserves

The amounts available for distribution to the Company's shareholders in the form of dividends are the distributable reserves of the Company presented within retained earnings.

11. Earnings per share

2019	**Profit (Numerator) EUR**	**Number of shares (Denominator)**	**Per share-amount EUR**
Basic and diluted EPS			
Attributable to holders of class "A" participating shares	33,038,352	88,832,710	0,371
Attributable to holders of class "B" participating shares	10,337,873	27,796,220	0,371
Total attributable to participating shares	43,376,225	116,628,930	0,371

2018	**Profit (Numerator) EUR**	**Number of shares (Denominator)**	**Per share-amount EUR**
Basic and diluted EPS			
Attributable to holders of class "A" participating shares	284,165,506	88,832,710	3,199
Attributable to holders of class "B" participating shares	88,916,874	27,796,220	3,199
Total attributable to participating shares	373,082,380	116,628,930	3,199

12. Other payables

Expressed in Euros

	2019	**2018**
		-
Other payables to third parties	55,686	135,182
	55,686	**135,182**

The fair value of other payables which are due within one year approximates their carrying amount at the statement of financial position date.

13. Loans and borrowings

Expressed in Euros	**2019**	**2018**
Bank overdraft	63,199,620	60,728,155
Total non-current loans and borrowings	**63,199,620**	**60,728,155**
Total current loans and borrowings	**63,199,620**	**60,728,155**

There is a current account agreement between Interbrew Plc and Cobrew as an intercompany financial institution. Bank overdraft is denominated in USD with no fixed maturity date and the interest expense is 1month market interest rate plus 0,2%. Effective interest rate for the year 2019 was 1.68% - 7%. The loan from related party was denominated in USD with interest rate LIBOR+2% and was fully repaid in 2018.

The Company's bank overdrafts are arranged at floating rates. Borrowings at floating rates the interest rate reprises on a monthly basis exposing the Company to cash flow interest rate risk.

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	31/12/2017	**Interest paid**	**Interest expense**	**Foreign exchang e gain**	**Foreign exchange loss**	**Repayment**	**31/12/18**
Current loans from related parties	58,503,696	(3,874,042)	3,720,086	-	1,694,860	(60,044,600)	-
	58,503,696	**(**3,874,042**)**	3,720,086	-	1,694,860	(60,044,600)	-

14. Financial risk management

(a) Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest Rate risk
- Currency risk
- Capital risk management

14. Financial risk management (continued)

This note presents information about the Group's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout the consolidated 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 Company has established a 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 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 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 Audit 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.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's demand deposits held through ABI`s cash pool.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position. The Company's major classes of financial assets are bank deposits and other receivables.

Cash and cash equivalents

	31 December 2019	**31 December 2018**
EUR	**Demand deposits**	**Demand deposits**
Assessed as performing (Stage 1)	855,297,298	809,634,415
	855,297,298	**809,634,415**

14. Financial risk management (continued)

The Company's cash and cash equivalents are considered to have low credit risk, and the loss allowance to be recognised during the period was therefore limited to 12 months expected losses. The identified impairment loss for cash and cash equivalents was immaterial to be accounted for. The Company keeps current bank accounts under the name of Cobrew, a subsidiary of the Company's ultimate parent Anheuser Busch InBev (hereinafter «ABI»), see Note 8. ABI group attempts to minimize its credit exposure to counterparties by entering into agreements with major international A rated financial institutions as issued by Moody's. There is no established credit rating for Cobrew account, accordingly, for the purposes of impairment assessment, the estimated credit loss was based on the ABI group rating, which is Baa1 (2018: Baa1). For demand deposits that have no fixed maturity and can be withdrawn by the Company on a very short notice, the estimated credit loss is limited to the contractual notice period, therefore the estimated credit loss is very low. The identified impairment loss for cash and cash equivalents was immaterial to be accounted for.

Other receivables:

The Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower/counterparty; and
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. The impact was immaterial to be accounted for.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 180 days past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

(c) 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. As at 31 December 2019 and 2018, the Company has sufficient funds to be able to settle its liabilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

14. Financial risk management (continued)

2019 **EUR**	**Carrying amount**	**Contractual cash flows**	**0-12 mths**
Non-derivative financial liabilities			
Other payables	55,686	55,686	55,686
Current loans and borrowings	63,199,620	63,199,620	63,199,620
	63,255,306	**63,255,306**	**63,255,306**

2018 **EUR**	**Carrying amount**	**Contractual cash flows**	**0-12 mths**
Non-derivative financial liabilities			
Trade payables and other payables	135,182	135,182	135,182
Current loans and borrowings	60,728,155	60,728,155	60,728,155
	60,863,337	60,863,337	60,863,337

(i) Currency risk

The Company is exposed to currency risk on cash and cash equivalents and borrowings that are denominated in a currency other than the respective functional currencies of the Company. The currencies in which these transactions primarily are denominated are Russian Rubbles (RUB) and United States Dollar (USD). The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly. The Company analyses each of these risks individually as well as on a combined basis and defines strategies to manage the economic impact on the Company's performance in line with its financial risk management policy.

Interest on cash and cash equivalent and borrowings is denominated in the currency of the financial instrument.

Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on nominal amounts:

EUR	**USD-denominated 2019**	**RUB-denominated 2019**	**USD-denominated 2018**	**RUB-denominated 2018**
Borrowings	(63,199,620)	-	(60,728,155)	-
Cash and cash equivalent	-	12,795,470		10,572,753
Trade and other receivables			-	-
Net exposure	**(63,199,620)**	**12,795,470**	**(60,728,155)**	**10,572,753**

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Sensitivity analysis

A strengthening/weakening of the functional currency, against the following currencies at 31 December would have increased (decreased) equity and profit or loss before taxes by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates remain constant. The analysis is performed on the same basis for 2018.

14. Financial risk management (continued)

EUR	Strengthening		Weakening	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2019				
USD (+/-10% movement in exchange rate)	6,319,961	6,319,961	(6,319,961)	(6,319,961)
RUB (+/-10% movement in exchange rate)	(1,279,547)	(1,279,547)	1,279,547	1,279,547
31 December 2018				
USD (+/-10% movement in exchange rate)	6,072,816	6,072,816	(6,072,816)	(6,072,816)
RUB (+/-10% movement in exchange rate)	(1,057,275)	(1,057,275)	1,057,275	1,057,275

(ii) Interest rate risk

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Company's exposure should be to fixed or variable rates, as the majority of the Company's loans is drawn from related parties.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
EUR	**2019**	**2018**
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	**-**
Variable rate instruments		
Financial assets	855,297,298	809,634,415
Financial liabilities	(63,199,620)	(60,728,155)
	792,097,678	**748,906,260**

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial instruments as fair value through profit or loss or at fair value through other comprehensive income . Therefore, a change in interest rates at the reporting date would not have an effect in profit or loss or in equity. The Company is not exposed to fair value interest rate risk as at 31 December 2019.

14. Financial risk management (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss before taxes by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss		Equity	
EUR	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
2019				
Variable rate instruments				
Cash flow sensitivity (net)	**7,920,977**	**(7,920,977)**	**7,920,977**	**7,920,977**
2018				
Variable rate instruments	7,489,063	(7,489,063)	7,489,063	(7,489,063)
Cash flow sensitivity (net)	**7,489,063**	**(7,489,063)**	**7,489,063**	**(7,489,063)**

(a) **Accounting classifications and fair values**

As at the year end, the Group has no material financial instruments measured at fair value.

Fair values versus carrying amounts

Management believes that there is no significant difference between the carrying amounts and fair values of financial assets and liabilities.

(d) Capital management

The Company has overall responsibility for the establishment and oversight of the capital management framework. The Company is continuously optimizing its capital structure targeting to maximize shareholder value while keeping the desired financial flexibility to execute its strategic prospect plans. The capital of the Company comprises of share capital, share premium and retained earnings. Net debt comprises of the Company's total liabilities less cash and cash equivalents.

The Company manages its capital based on its debt to capital ratio. The Company's debt to capital ratio at the end of the reporting period was as follows:

EUR	2019	2018
Total liabilities	63,199,620	60,728,155
Less: cash and cash equivalents	(855,297,298)	(809,634,415)
Net debt	**(792,097,678)**	**(809,634,415)**
Total equity	792,187,913	748,914,789
Gearing ratio	N/A	N/A

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. The decrease of debt to capital ratio is due to the disposal of the Company`s operations in Russia and Ukraine at a significant profit (Note 8). Following their transaction, the Group did not invest in new business.

14. Financial risk management (continued)

(e) Offsetting financial assets and liabilities

The Company has entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances. The Company as at 31 December 2019 and 2018 can offset its cash and cash equivalents with bank overdrafts.

15. Related party transactions

The Company is controlled by Worldoor Limited, incorporated in Cyprus, which effectively owns 73.14% of the Company's shares. 26.22% are also effectively owned by other related companies within the Shareholder Group. The Company's ultimate controlling party is Anheuser-Busch InBev incorporated in Belgium ("Parent"). Related parties represent fellow subsidiaries under common control within the Anheuser-Busch InBev Group, unless otherwise stated.

Related parties may enter into transactions, which unrelated parties may not and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The following transactions were carried out with related parties:

(a) Year-end balances

Expressed in EUR	**2019**	**2018**
Receivable from related parties under common control		
Cash and cash equivalent balances (Note 9):		
Demand deposits	855,297,298	809,634,415
Overdraft used for cash management purposes:	(63,199,620)	(60,728,155)
Other receivables from related parties	103,101	-

As a result of tax clearance process for Interbrew Plc, the tax refunds for the Company for 2012 and 2013 years in total amount of EUR 103,101 were sent by Cyprus tax authorities to the bank account of its parent company Worldoor Ltd on the 30th of December 2019. In connection with this, an amount of EUR 103,101 is presented in financial statements within other receivables from related parties.

(b) Transactions with related parties

Expressed in EUR	**2019**	**2018**
Dividend income from subsidiaries (Note 8):	46,336,813	40,836,512
Interest income on demand deposit from entities under common control	712,469	685,222
Interest expense from entities under common control	(3,964,546)	(3,720,090)
Consideration on disposal of subsidiaries (Note 8)	-	824,407,226

(c) Management and directors remuneration

The Company did not have any employees during 2019. 22,500 EUR was paid as Directors remuneration in 2019 (2018:13,500 EUR).

16. Contingencies

As at 31 December 2019, the Company had no contingent liabilities (31 December 2018: zero).

The Company does not have any legal, tax or other risks associated with the subsidiaries SUN Inbev Russia and Sun Inbev Ukraine disposed on the 23rd of March 2018, as these risks were transferred to the buyer together with the legal ownership of the shares of the above entities. To this effect, any contingencies that may result to unrecorded liabilities are transferred to the Buyer and no claim will be made to the Company following the disposal date.

17. Commitments for expenditure

As at 31 December 2019, the Company had no outstanding contractual commitments (31 December 2018:zero).

18. Events after the reporting period

The management of the Company currently considers the option and feasibility to cease the activities of the activities of the Company and distribute the cash held by the Company to its shareholders (possibly through a liquidation of the Company) and to seek a delisting of the shares/GDRs of the Company from the Luxemburg Stock Exchange.

As a result of a process of liquidation of the subsidiaries of the Company, Abberton Consultant Ltd, Devize Investments Ltd and Sun Breweries CIS Ltd, relevant shareholders meetings of the three companies took place on 28 February 2020 which approved the liquidation. Consequently, it is expected that the companies will be liquidated 3 months after that, i.e. by the 28 May 2020.

On March 13th, 2020 the Company made a public announcement regarding risks from COVID-19. All potential risks and uncertainties were analyzed. Based on this the Group does not foresee any material financial impact to its business from a possible spread of Coronavirus. On the date of the approval of the Annual Financial Report 2019, this position remains the same.

There were no other material events after the reporting period, which have a bearing on the understanding of the separate financial statements.

Independent auditor's report on page 15.