

## **AB InBev Investments Holdings Company 2 Limited**

Annual report and unaudited financial statements

Year ended

31 December 2020

Company Number 11642142

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# AB InBev Investments Holdings Company 2 Limited

## Company Information

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<b>Directors</b>	S J Turner Y Callou
<b>Company secretary</b>	Brodies Secretarial Services Limited
<b>Registered number</b>	11642142
<b>Registered office</b>	Bureau 90 Fetter Lane London EC4A 1EN
<b>Accountants</b>	BDO LLP Thames Tower Station Road Reading Berkshire RG1 1LX

**AB InBev Investments Holdings Company 2 Limited**

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# AB InBev Investments Holdings Company 2 Limited

## Strategic report for the year ended 31 December 2020

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The directors present their Strategic report for Investments Holdings Company 2 Limited (the "Company") for the year ended 31 December 2020.

### Review of activities and future developments

The principal activity of the Company is to act as a holding company for investments in various subsidiary and associated undertakings within the Anheuser-Busch InBev SA/NV group (the "Group").

No significant change in the business of the Company is expected in the foreseeable future.

### Results

The Profit and loss account and other comprehensive income is for the year ended 31 December 2020 whilst the comparatives presented are for the period from incorporation on 25 October 2018 to 31 December 2019.

The Company recorded a profit for the financial year ended 31 December 2020 of US\$320,624,000 (period ended 31 December 2019: profit of US\$258,283,000).

During the year, the Company received total dividend income of US\$330,000,000 from fellow Group undertakings (period ended 31 December 2019: US\$280,000,000).

The detailed results are set out on page 6.

Details of movements during the year in investments, debtors and creditors can be found in notes 9 and 11 to the financial statements.

### Principal risks and uncertainties

From the perspective of the Company, during the year under review the principal risks and uncertainties were integrated with the principal risks of the AB InBev Group and were not managed separately. Accordingly, the principal risks and uncertainties of Anheuser-Busch InBev SA/NV include those of the Company and are described in the risks and uncertainties section of the Group's 31 December 2020 annual report. The consolidated financial statements for Anheuser-Busch InBev SA/NV for the year ended 31 December 2020 are available at the address detailed in note 2 to these financial statements. The Group's first and second quarter results of 2021, as well as the consolidated interim report for the six-month period ended 30 June 2021, are available on the Group's website ([www.ab-inbev.com](http://www.ab-inbev.com)).

The impact of the COVID-19 pandemic on global economic conditions has impacted and may continue to impact the proper functioning of financial and capital markets, as well as foreign currency exchange rates, commodity and energy prices and interest rates. This disruption may continue to impact the business, financial condition, cash flows and operating results in our 2021 performance and beyond.

Following the UK's departure from the EU in January 2020, the European Union (Withdrawal Agreement) Act 2020 defines the future trading and economic relationship between the parties. Now that the transition period has come to an end as at 31 December 2020, the Company has assessed the structural risk associated with economic risk and political uncertainty caused by the withdrawal, and these are not deemed material.

### Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

# AB InBev Investments Holdings Company 2 Limited

## Strategic report (continued) for the year ended 31 December 2020

### Statement by the directors in accordance with s172(i) Companies Act 2006

In accordance with Section 172 of the Companies Act 2006, the directors of the Group and the Company have acted in a way they consider to be in good faith and would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so they have regard (amongst other matters) to the factors noted below:

- a) The likely consequences of any decision in the long term;
- b) The interests of the Company's employees;
- c) The need to foster the Company's business relationships with suppliers, customers and others;
- d) The impact of the Company's operations on the community and the environment;
- e) The desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly as between members of the Company.

As the Company's only activity relates to being a non-trading holding and financing company and it does not have any employees, some of the above factors do not apply.

#### *Business Conduct Act fairly between members*

Directors and management operate the business in a responsible manner by maintaining high standards of business conduct and considering all members of the Group equally and fairly.

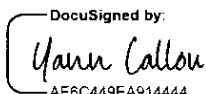
#### *Long-term decision making*

As a member of the Group, the directors are committed to the long-term success of the Company. All strategic decisions consider the interests of the Company's key stakeholders including shareholders, other members of the Group and the general public.

#### *Engagement with stakeholders*

The Company's success relies on working effectively with all stakeholders, and as such, the Company values all stakeholder relationships. The Company's intention is therefore to treat all stakeholders fairly.

This report was approved by the board and signed on its behalf by:

DocuSigned by:  
  
 AE6C449EA914444

.....  
**Y Callou**  
**Director**

Date: 01 December 2021

# **AB InBev Investments Holdings Company 2 Limited**

## **Directors' report for the year ended 31 December 2020**

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The directors present their report and the unaudited financial statements of the Company for the year ended 31 December 2020.

### **Dividends**

The directors declared interim and paid dividends for the financial year ended 31 December 2020 of US\$330,000,000 (period ended 31 December 2019: US\$372,629,000). No final dividend is proposed (period ended 31 December 2019: US\$nil).

### **Financial risk management**

The Company is a subsidiary undertaking within the Group. Cash funds of the Group are managed at a group level. Interest is received and paid by the Company on certain loans with other Group companies.

### **Liquidity and interest rate risk**

The Company's arrangements with the Group, as described above, ensure it can access the funds needed to meet its liquidity requirements as cash can be obtained through group funding. Interest receivable and payable on loans with other Group companies are calculated at either fixed or at floating rates of interest. The Group's liquidity requirements and interest rate risks are managed at a group level.

### **Currency risk**

The Company's functional currency is US Dollar and it also presents its financial statements in US Dollar. Some transactions undertaken by the Company are denominated in currencies other than US Dollar.

### **Directors**

The following directors held office during the year and up to the date of signing the financial statements:

S J Turner  
K JF Douws (resigned 1 May 2020)  
S Jiang (resigned 8 April 2021)  
Y Callou (appointed 11 May 2020)

### **Directors' insurance and indemnity**

Anheuser-Busch InBev SA/NV maintains directors' and officers' liability insurance in respect of its directors and those directors of its subsidiary companies.

# AB InBev Investments Holdings Company 2 Limited

## Directors' report (continued) for the year ended 31 December 2020

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

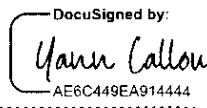
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of streamlined energy and carbon reporting

Information relating to the energy use and carbon emissions of the Group, which includes the Company, are described within the Environmental, Social & Governance Report of Anheuser-Busch InBev SA/NV for the year ended 31 December 2020.

The directors' approval of the financial statements appears on page 7.

This report was approved by the board on and signed on its behalf by:

DocuSigned by:  
  
AE6C449EA914444

Y Callou  
Director

Date: 01 December 2021

## AB InBev Investments Holdings Company 2 Limited

### Chartered accountants' report to the board of directors on the preparation of the unaudited financial statements of AB InBev Investments Holdings Company 2 Limited for the year ended 31 December 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of AB InBev Investments Holdings Company 2 Limited for the year ended 31 December 2020 which comprise the Profit and loss account and other comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>.

It is your duty to ensure that AB InBev Investments Holdings Company 2 Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of AB InBev Investments Holdings Company 2 Limited. You consider that AB InBev Investments Holdings Company 2 Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of AB InBev Investments Holdings Company 2 Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

#### Use of our report

This report is made solely to the board of directors of AB InBev Investments Holdings Company 2 Limited, as a body, in accordance with the terms of our engagement letter dated 25 May 2021. Our work has been undertaken solely to prepare for your approval the accounts of AB InBev Investments Holdings Company 2 Limited and state those matters that we have agreed to state to the board of directors of AB InBev Investments Holdings Company 2 Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AB InBev Investments Holdings Company 2 Limited and its board of directors as a body for our work or for this report.



**BDO LLP**  
Chartered Accountants  
Reading  
UK

Date: 01/12/2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# AB InBev Investments Holdings Company 2 Limited

## Profit and loss account and other comprehensive income for the year ended 31 December 2020

		Year ended 31 December 2020	Period 25 October 2018 to 31 December 2019
	Note	US\$('000)	US\$('000)
Income from shares in Group undertakings		330,000	280,000
Loss on disposal of investment	9	-	(14,977)
Other operating expenses		(720)	-
<b>Profit on ordinary activities before interest and taxation</b>		<b>329,280</b>	<b>265,023</b>
Finance income	5	7,270	38
Finance expense	6	(17,714)	(3,938)
<b>Profit on ordinary activities before taxation</b>		<b>318,836</b>	<b>261,123</b>
Taxation on profit on ordinary activities	7	-	-
<b>Profit for the financial year/period</b>		<b>318,836</b>	<b>261,123</b>
Items that will not be reclassified to profit or loss:			
Fair value gain/(loss) on cash flow hedge		1,788	(2,840)
<b>Total other comprehensive gain/(loss)</b>		<b>1,788</b>	<b>(2,840)</b>
<b>Total comprehensive income for the year/period</b>		<b>320,624</b>	<b>258,283</b>

All activities during the current year and prior period are in respect of continuing activities.

The notes on pages 9 to 21 form part of these financial statements.

**AB InBev Investments Holdings Company 2 Limited**

Registered number: 11642142

**Balance sheet  
as at 31 December 2020**

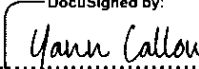
	Note	2020 US\$('000)	2019 US\$('000)
<b>Fixed assets</b>			
Investments	9	255,004	255,004
<b>Current assets</b>			
Derivative financial instruments: amounts falling due within one year	12	19,470	3,500
Debtors: amounts falling due within one year	10	1	-
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(15,897)	(1,545)
Derivative financial instruments: amounts falling due within one year	12	(19,690)	(8,695)
<b>Net current liabilities</b>		<b>(16,116)</b>	<b>(6,740)</b>
<b>Total assets less current liabilities</b>		<b>238,888</b>	<b>248,264</b>
<b>Net assets</b>		<b>238,888</b>	<b>248,264</b>
<b>Capital and reserves</b>			
Called up share capital	13,14	-	-
Share premium account	14	142,172	142,172
Cash flow hedging reserve	14	(1,052)	(2,840)
Profit and loss account	14	97,768	108,932
<b>Total shareholder's funds</b>		<b>238,888</b>	<b>248,264</b>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") relating to subsidiary companies.

The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf by:

DocuSigned by:  
  
 Y Callou  
 Director

Date: 01 December 2021

The notes on pages 9 to 21 form part of these financial statements.

## AB InBev Investments Holdings Company 2 Limited

### Statement of changes in equity for the year ended 31 December 2020

	Called up share capital US\$('000)	Share premium account US\$('000)	Cash flow hedging reserve US\$('000s)	Profit and loss account US\$('000)	Total shareholder's funds US\$('000)
<b>Comprehensive income for the period</b>					
Profit for the period	-	-	-	261,123	261,123
Fair value loss on cash flow hedge	-	-	(2,840)	-	(2,840)
<b>Total comprehensive income for the period</b>	-	-	(2,840)	261,123	258,283
Dividends paid (note 8)	-	-	-	(372,629)	(372,629)
Shares issued during the period	-	362,610	-	-	362,610
Share premium reduction	-	(220,438)	-	220,438	-
<b>Total transactions with owners</b>	-	142,172	-	(152,191)	(10,019)
<b>At 1 January 2020</b>	-	142,172	(2,840)	108,932	248,264
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	318,836	318,836
<b>Total comprehensive expense for the year</b>	-	-	-	318,836	318,836
Dividends paid (note 8)	-	-	-	(330,000)	(330,000)
Fair value gain on cash flow hedge	-	-	1,788	-	1,788
<b>Total transactions with owners</b>	-	-	1,788	(330,000)	(328,212)
<b>At 31 December 2020</b>	-	142,172	(1,052)	97,768	238,888

The notes on pages 9 to 21 form part of these financial statements.

# AB InBev Investments Holdings Company 2 Limited

## Notes to the financial statements for the year ended 31 December 2020

### 1. General information

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is: Bureau, 90 Fetter Lane, London, EC4A 1EN.

### 2. Accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

The financial statements have been prepared on a historical cost basis and in accordance with the Companies Act 2006.

The Company's ultimate parent undertaking, Anheuser-Busch InBev SA/NV includes the Company in its consolidated financial statements. The consolidated financial statements of Anheuser-Busch InBev SA/NV are prepared in accordance with EU Adopted IFRSs, are available to the public and may be obtained from the Corporate Secretary at Anheuser-Busch InBev SA/NV, Brouwerijplein 1, B-3000 Leuven, Belgium.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

In preparing these financial statements the Company has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided:

- Additional comparative information as per IAS 1 Presentation of Financial Statements paragraph 38 in respect of:
  - A reconciliation of the number of shares outstanding at the start and end of the prior period; and
  - A reconciliation of the carrying amounts of property, plant and equipment, intangible assets and investment property at the start and end of the prior period.
- A Statement of Cash Flows and related disclosures for cash flows from discontinued activities;
- A Statement of compliance with IFRS (a Statement of compliance with FRS 101 is provided instead);
- Additional comparative information for narrative disclosures and information, beyond IFRS requirement;
- Disclosures in relation to the objectives, policies and process for managing capital;
- Disclosure of the effect of future accounting standards not yet adopted;
- The remuneration of key management personnel; and
- Related party transactions with two or more wholly owned members of the Group.

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of Anheuser-Busch InBev SA/NV.

# AB InBev Investments Holdings Company 2 Limited

## Notes to the financial statements for the year ended 31 December 2020

### 2. Accounting policies (continued)

#### Basis of preparation (continued)

These financial statements do not include certain disclosures in respect of:

- Financial instruments disclosures as required by IFRS 7 Financial instruments: Disclosures; and
- Fair value measurements - details of the valuation techniques and inputs used for fair value measurement of assets and liabilities as per paragraph 91 to 99 of IFRS 13 Fair Value Measurement.

#### Period of accounting

The Profit and loss account and other comprehensive income is for the year ended 31 December 2020 whilst the comparatives presented are for the period from incorporation on 25 October 2018 to 31 December 2019.

#### Exemption from preparation of consolidated financial statements

The financial statements contain information about AB InBev Investments Holdings Company 2 Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the EEA accounts of a larger group.

#### New standards, amendments and IFRIC interpretations

There were a number of narrow scope amendments to existing standards which were effective for reporting periods beginning on or after 1 January 2020:

- IAS 1 First-time adoption of International Financial Reporting Standards ("IAS 1") and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") (Amendment - Definition of Material);
- IFRS 3 Business Combinations ("IFRS 3") (Amendment - Definition of Business);
- Revised Conceptual Framework for Financial Reporting ("Conceptual Framework"); and
- IFRS 9 and IFRS 7 Financial Instrument: Disclosures ("IFRS 7") (Amendment - Interest Rate Benchmark Reform).

None of these had a material impact on the Company.

In May 2020, the IASB issued amendments to IFRS 16 'COVID-19 Related Rent Concessions'. These amendments modify the requirements of IFRS 16 to permit lessees to not apply modification accounting to certain leases where the contractual terms have been affected due to COVID-19 (e.g. rent holidays or other rent concessions). The amendments are effective for reporting periods beginning on or after 1 June 2020, with earlier application permitted. Due to the Company's size, there were no rent reliefs or rent concessions given as a result of the COVID-19 pandemic. As such the Company did not early adopt these amendments.

The accounting policies, which have been applied consistently throughout the year, are set out below.

# AB InBev Investments Holdings Company 2 Limited

## Notes to the financial statements for the year ended 31 December 2020

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### 2. Accounting policies (continued)

#### Income from shares in Group undertakings

Dividends receivable from subsidiary undertakings are recognised in profit or loss when the right to the dividend income has been established. Interim dividends are recognised when paid and any final dividends receivable are recognised when declared at a general meeting.

#### Finance income

Finance income is recognised on an accruals basis using the effective interest method.

When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount by discounting the estimate future cash flows at the original effective interest rate, and continuing to unwind the discount as interest income.

#### Finance expense

Finance expense on loans in respect of borrowings from other subsidiaries within the Group is recognised on an amortised cost basis using the effective interest rate method.

#### Foreign exchange

The Company's financial statements are prepared using the US Dollar as the presentational currency. The US Dollar is also the Company's functional currency, representing the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the Balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

Non-monetary assets and liabilities 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 are recognised within profit or loss.

#### Taxation

The tax expense for the year comprises current tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. The Company's liability for current taxation is calculated using tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

#### Investments in subsidiaries

Investments in subsidiaries are stated at cost, together with subsequent capital contributions, less provisions for impairment.

# AB InBev Investments Holdings Company 2 Limited

## Notes to the financial statements for the year ended 31 December 2020

### 2. Accounting policies (continued)

#### Impairment of investments

The carrying amounts of the Company's investments 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.

Impairment reviews are performed by comparing the carrying value of the non-current asset with its recoverable amount, being the higher of the fair value less costs of disposal and value in use. The fair value less costs of disposal is considered to be the amount that could be obtained on disposal of the asset. Value in use is determined by discounting the future post-tax cash flows generated from continuing use of the asset using a post-tax discount rate, as this closely approximates applying pre-tax discount rates to pre-tax cash flows. Where a potential impairment is identified using post-tax cash flows and post-tax discount rates, the impairment review is re-performed on a pre-tax basis in order to determine the impairment loss to be recorded.

#### Financial instruments

Financial instruments comprise amounts owed to fellow group undertakings.

The Company 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 amortised cost, or fair value through profit or loss. 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').

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

#### *Debt instruments at amortised cost*

These comprise investments in loans and receivables 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 recognised in profit or loss.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

#### *Financial liabilities*

Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms. Financial liabilities are derecognised when they are extinguished, that is discharged, cancelled or expired. If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities, which are in determinable monetary amounts, and there is the intention to settle net, the relevant financial assets and liabilities are offset.

# AB InBev Investments Holdings Company 2 Limited

## Notes to the financial statements for the year ended 31 December 2020

### 2. Accounting policies (continued)

#### Financial instruments (continued)

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for Called up share capital and Share premium account exclude amounts in relation to those shares.

#### *Interest bearing loans and borrowings*

Interest-bearing loans and borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with any difference between the initial amount and the maturity amount being recognised in profit or loss over the expected life of the instrument on an effective interest rate basis.

#### Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.



# AB InBev Investments Holdings Company 2 Limited

## Notes to the financial statements for the year ended 31 December 2020

### 2. Accounting policies (continued)

#### Dividend payable

Dividend distributions to equity shareholders are recognised as a liability in the financial statements of the Company in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Dividends declared after the Balance sheet date are not recognised, as there is no present obligation at the Balance sheet date.

### 3. Key estimates and judgements

In determining and applying accounting policies, judgement is often required where the choice of specific policy, assumption or accounting estimate to be followed could materially affect the reported results or net position of the Company, should it later be determined that a different choice be more appropriate.

Management considers the following to be the areas of significant judgement and estimation uncertainty for the Company.

#### *Impairment of investments*

Impairment reviews in respect of investments in subsidiaries are performed if events indicate that this is necessary. Impairment reviews are based on comparing the carrying value of the non-current asset with its recoverable amount, being the higher of the fair value less costs of disposal and value in use. The fair value less costs of disposal is considered to be the amount that could be obtained on disposal of the asset based on the share price. Value in use is determined by discounting the future post-tax cash flows generated from continuing use of the asset using a post-tax discount rate. The future cash flows which are based on business forecasts, the long-term growth rates and the discount rates used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change with a consequent impact on the results and net position of the Company.

### 4. Key management compensation and employees

Key management personnel are considered to be the directors of the Company. The Company had no employees in the year (period ended 31 December 2019: none). None (period ended 31 December 2019: none) of the key management personnel received any remuneration for their services as key management personnel of the Company and are not employed by the Company.

During the year, no (period ended 31 December 2019: none) key management personnel exercised options over US 10 cent shares in ABI SAB Group Holding Limited. This is accounted for by the employing company within the Group. No (period ended 31 December 2019: none) key management personnel exercised options in Anheuser-Busch InBev SA/NV.

Pension contributions on behalf of the key management personnel were made by their employing companies within the Group.

# AB InBev Investments Holdings Company 2 Limited

## Notes to the financial statements for the year ended 31 December 2020

### 5. Finance income

	Year ended 31 December 2020 US\$('000)	Period 25 October 2018 to 31 December 2019 US\$('000)
Interest receivable from fellow Group undertakings	7,270	38
	<u>7,270</u>	<u>38</u>

### 6. Finance expenses

	Year ended 31 December 2020 US\$('000)	Period 25 October 2018 to 31 December 2019 US\$('000)
Interest payable to fellow Group undertakings	17,714	3,938
	<u>17,714</u>	<u>3,938</u>

### 7. Taxation on profit on ordinary activities

	Year ended 31 December 2020 US\$('000)	Period 25 October 2018 to 31 December 2019 US\$('000)
<b>Current tax</b>		
UK corporation tax on profit for the year/period	-	-
<b>Total taxation charge</b>	<u>-</u>	<u>-</u>

# AB InBev Investments Holdings Company 2 Limited

## Notes to the financial statements for the year ended 31 December 2020

### 7. Taxation on profit on ordinary activities (continued)

#### Factors affecting the taxation charge for the year/period

The tax assessed for the year is lower than (period ended 31 December 2019: lower than) the UK standard rate of corporation tax for the year ended 31 December 2020 of 19% (period ended 31 December 2019: 19%). The differences are explained below:

	Year ended 31 December 2020 US\$('000)	Period 25 October 2018 to 31 December 2019 US\$('000)
Profit on ordinary activities before taxation	318,836	261,123
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (period ended 31 December 2019: 19%)	60,579	49,613
<b>Effects of:</b>		
Group relief	1,981	741
Income not taxable	(62,696)	(53,200)
Non-taxable disposal	-	2,846
Expenses not taxable	136	-
<b>Total tax charge for the year/period</b>	<b>-</b>	<b>-</b>

#### Factors that may affect future tax charges

Changes substantively enacted as part of the Finance Act 2016 on 15 September 2016, legislated for a reduction of UK corporation tax to 17% effective from 1 April 2020. On 17 March 2020, it was announced that this change was to be reversed and the rate remains at 19% from 1 April 2020. Subsequent to the reporting date, on 3 March 2021, it was announced that the main rate of corporation tax would increase to 25% with effect from 1 April 2023.

There were no other factors that may affect future tax charges.

### 8. Dividends

	2020 US\$('000)	2019 US\$('000)
Interim dividends paid of US\$66,000,000 (2019: US\$372,629,479) per US\$1 Ordinary share	330,000	372,629

# AB InBev Investments Holdings Company 2 Limited

## Notes to the financial statements for the year ended 31 December 2020

### 9. Fixed asset investments

	Investments in subsidiary companies US\$('000)
<b>Cost</b>	
At 1 January 2020	255,004
At 31 December 2020	255,004
<b>Net book value</b>	
At 31 December 2020	255,004
At 31 December 2019	255,004

The directors believe that the carrying value of the investments is supported by their underlying net assets or value in use.

#### Subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

Name	Class of shares	% Holding	Principal activity
Budweiser Hong Kong Holding Company Ltd. <sup>(1)</sup>	HKD1.00 Ordinary	100%	Holding company

Registered address:

<sup>(1)</sup> Unit 1821, 18/F, Soundwill Plaza II - Mid Town, 1 - 29 Tang Lung Street, Causeway Bay, Hong Kong, China.

Indirect investments held by the Company are detailed in note 17.

### 10. Debtors: amounts falling due within one year

	2020 US\$('000)	2019 US\$('000)
Amounts owed by fellow group undertakings	1	-

Amounts owed by fellow group undertakings are unsecured, interest free and repayable on demand.

## AB InBev Investments Holdings Company 2 Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 11. Creditors: amounts falling due within one year

	2020 US\$('000)	2019 US\$('000)
Amounts owed to fellow Group undertakings	15,897	1,545

Amounts owed to fellow Group undertakings are unsecured, repayable on demand and comprise amounts subject to interest at a daily rate mirroring the external daily market rates applicable to the header of the pool.

#### 12. Derivative financial instruments

	Notional Amount 31 December 2020	Assets 31 December 2020	Liabilities 31 December 2020	Notional Amount 31 December 2019	Assets 31 December 2019	Liabilities 31 December 2019
	US\$('000s)	US\$('000s)	US\$('000s)	US\$('000s)	US\$('000s)	US\$('000s)
<b>Current</b>						
Commodity	337,746	19,193	(330)	348,350	3,430	-
Interest rate swaps	-	-	-	-	-	-
Forward foreign currency contracts	-	-	-	-	-	-
Forward foreign currency contracts as cash flow hedges	747,864	277	(19,360)	725,826	70	(8,695)
	<b>1,085,610</b>	<b>19,470</b>	<b>(19,690)</b>	<b>1,074,176</b>	<b>3,500</b>	<b>(8,695)</b>

During the prior period, the Company entered into forward exchange contracts designated as cash flow hedges that were in place to manage short-term foreign currency exchange exposures to future creditor payments. This has resulted in the amounts included within the cash flow hedge reserve being recycled to profit or loss.

# AB InBev Investments Holdings Company 2 Limited

## Notes to the financial statements for the year ended 31 December 2020

### 12. Derivative financial instruments (continued)

Fair value loss on financial instruments recognised within profit or loss:

	2020 US\$('000s)	2019 US\$('000s)
<b>Derivative financial instruments:</b>		
Forward foreign currency contracts	5,482	(753)
Commodities	1,924	(829)
Interest rate swaps	-	-
Cross currency swaps	-	-
<b>Total fair value gain /(loss) on financial instruments recognised within profit or loss</b>	<b>7,406</b>	<b>(1,582)</b>

The fair values of derivatives are determined by using valuation techniques that maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

### 13. Share capital

	2020 US\$	2019 US\$
<b>Allotted, called up and fully paid</b>		
5 (2019: 5) Ordinary shares of US\$1 each	5	5

The Company has one class of Ordinary shares which carry no right to fixed income.

### 14. Reserves

Reserves are comprised of the following:

Called up share capital represents the nominal value of shares subscribed for.

Share premium account represents amounts subscribed for share capital in excess of nominal value, net of issue cost.

Cash flow hedging reserve represents amounts realised gain or loss on cash flow hedging derivative instrument.

The Company's Profit and loss account represents cumulative profits or losses net of transactions with owners (e.g. dividends) not recognised elsewhere.

### 15. Capital commitments and contingent liabilities

There were no capital commitments or material contingent liabilities at 31 December 2020 (2019: US\$nil).

## **AB InBev Investments Holdings Company 2 Limited**

### **Notes to the financial statements for the year ended 31 December 2020**

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#### **16. Ultimate parent undertaking**

The immediate parent undertaking as at 31 December 2020 was Budweiser Brewing (China Holdings) Limited, a company incorporated in England and Wales.

At 31 December 2020 the ultimate parent undertaking and controlling party was Anheuser-Busch InBev SA/NV, a company incorporated in Leuven, Belgium. Anheuser-Busch InBev SA/NV is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Anheuser-Busch InBev SA/NV consolidated financial statements can be obtained from AB InBev NV, Brauwerijplein 1, B-3000 Leuven, Belgium.

# AB InBev Investments Holdings Company 2 Limited

## Notes to the financial statements for the year ended 31 December 2020

### 17. Holdings in subsidiary undertakings indirectly held by the Company

#### (a) Indirect wholly owned subsidiaries

Name	Class of shares
Anheuser-Busch InBev (China) Sales Co Ltd. - Shangshou, Qin Duan Kou, Hanyang Area Wuhan City, Hubei Province, 430051, China	CNY1.00 Ordinary
Anheuser Busch InBev (Dalian) Brewery Co. Ltd - 116200 Yichengbao Village, Hua'ershan, Tiexi, Pulandian Dalian City, Liaoning Province 116200	CNY1.00 Ordinary
Anheuser-Busch InBev (Foshan) Brewery Co. Ltd. - 1, Budweiser Avenue, Southwest St., Sanshui District Foshan City, Guangdong, 528132, China	CNY1.00 Ordinary
Anheuser Busch InBev (Nanjing) Brewery Co. Ltd - Qiliqiao Pukou District Nanjing City, Jiangsu Province 211800	CNY1.00 Ordinary
Anheuser-Busch InBev (Nantong) Brewery Co. Ltd. - 666 Zhaoxia Road - Nantong City, Jiangsu Province	CNY1.00 Ordinary
Anheuser-Busch InBev (Sichuan) Brewery Co. Ltd. - No. 1, AB InBev Avenue, Cheng Nan Industry Park, Economic Development Area Ziyang City, Sichuan Province, 641300, China	CNY1.00 Ordinary
Anheuser-Busch InBev Big Boss (Jiangsu) Brewery Co. Ltd. - 666 Zhaoxia Road, High Tech Industrial Development Park Nantong City, Jiangsu Province, China	CNY1.00 Ordinary
Anheuser-Busch InBev Big Boss (Yancheng) Brewery Co. Ltd. - 2, West Of Nanhuan Road, Industry District, Dazhong Town Dafeng City, Jiangsu Province, China	CNY1.00 Ordinary
Anheuser-Busch InBev Sedrin (Nanchang) Brewery Co. Ltd. - 1188 Jinsha Avenue, Xiaolan Economic Development Zoon Nanchang City, Henan Province	CNY1.00 Ordinary
Anheuser-Busch InBev Vietnam Trading Company Ltd. - No. 2 Vsiip Li-A, Street No. 28, Tan Uyen Town, Binh Duong Province, Vietnam	VND1.00 Ordinary
Anheuser-Busch Management (Shanghai) Company Ltd. - Room 1705 - 1706, 60 Mudan Road, Pudong District Shanghai City, China	CNY1.00 Ordinary

#### (b) Subsidiary where the effective interest is less than 100%

Name	Class of share	Effective interest	% of share class held by Group companies
Anheuser-Busch InBev (Wuhan) Brewery Co. Ltd. - Shangshou, Qin Duan Kou, Hanyang Area Wuhan City, Hubei Province, 430051, China	CNY1.00 Ordinary	85%	85%