

AB INBEV UK LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2022

Company registration number 03982132 (England and Wales)

AB INBEV UK LIMITED

Company Information

Directors

Cara Sargeantson
Matthias Calmeyn (Appointed 28 July 2022)
Timiko Cranwell
Brian Perkins
Matthew Roddy
James Rowe
Josip Viskovic
Mark Wingfield Digby
Jean-David Thumelaire
Arjun Duggal (Appointed 26 September 2023)
Evgeniya Vlasova (Resigned 19 April 2023)

Secretary

James Norman

Company number

03982132

Registered office

Bureau
90 Fetter Lane
London
United Kingdom
EC4A 1EN

Auditor

Moore Kingston Smith LLP
6th Floor
9 Appold Street
London
EC2A 2AP

Business address

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90 Fetter Lane
London
United Kingdom
EC4A 1EN

AB INBEV UK LIMITED

Contents

	Page
Strategic report	1 - 5
Directors' report	6 - 8
Directors' responsibilities statement	9
Independent auditor's report	10 - 14
Statement of comprehensive income	15
Statement of financial position	16 - 17
Statement of changes in equity	18
Notes to the financial statements	19 - 44

AB INBEV UK LIMITED

Strategic Report

For the year ended 31 December 2022

The Directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2022 for AB INBEV UK LIMITED ("the Company").

The nature of the Company's operations and its principal activities are brewing, distributing and importing beer. The Company is a wholly owned subsidiary. The ultimate parent company and controlling party is Anheuser Busch InBev NV/SA, incorporated in Belgium and the immediate parent company is Nimbuspath Limited, a company incorporated in the United Kingdom.

Business review

In 2022, the industry experienced its first year since 2019 without the disruptions caused by COVID-19 restrictions. The On-Trade sector made a commendable recovery, although it still lagged behind pre-pandemic levels. In contrast, the Off-Trade sector demonstrated stability and remained above pre-pandemic performance.

Throughout 2022, the economic landscape proved exceptionally demanding. The confluence of disruptions stemming from COVID-19, the conflict in Ukraine, escalating interest rates, worldwide supply chain bottlenecks, and a tight labor market collectively exerted significant pressure on our cost structure. Consequently, these factors posed substantial constraints on our capacity for growth and on operating profitability.

Despite these factors, we made significant progress in FY22 across each of our three strategic pillars: (1) Lead & Grow the Category (2) Digitize & Monetize our ecosystem & (3) Optimize the business to deliver strong results and build on our platform for superior long-term value creation.

We continue to invest in our people and evolve our culture with important enhancements to our operating model to further embed a long-term growth and value creation mindset throughout our organization

Future developments

Looking ahead to 2023, while the operational landscape may remain dynamic, we are unwaveringly committed to executing our strategy and continuing our business momentum. Our primary focus involves collaborating closely with our customers to further develop and expand the category, particularly in the super-premium segment with Corona, Camden Town, and Innovation. We're also deeply committed to sustainability, with plans to brew all our beers using 100% renewable electricity whilst cultivating a community of responsible drinkers by enhancing our portfolio of no and low alcohol beverages.

We aim to advance the digitalisation of our business, exemplified by BEES, our business-to-business e-commerce platform; driving growth for our business partners. Additionally, we will expand our 'Perfect Draft' direct-to-consumer proposition as a major priority. A significant area of opportunity and focus for us remains the On-Trade channel. Here, we see substantial room for market share expansion. To achieve this, we will focus on distribution gains of our Premium and Super Premium portfolio while leveraging our alcohol-free and low-alcohol brands, and our craft portfolios.

AB INBEV UK LIMITED

Strategic Report (Continued)

For the year ended 31 December 2022

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company are considered to relate to increasing commodity costs which increases production costs. These are monitored regularly by the Board of Directors and management of the Company.

Risk management policy

The Company's Board of Directors monitor risk management and the controls in place. These controls are regularly reviewed.

The main risks affecting the Company and their related risk management policies are as follows:

Credit risk

No material exposure is considered to exist in respect of intercompany loans or third party debt. The Company has implemented policies that require appropriate credit checks on potential customers before sales are made and the Company monitors the exposure to individual customers on an ongoing basis. The Company principally trades with large, well-known businesses.

Interest rate risk

The Company has both interest-bearing intercompany assets and interest-bearing intercompany liabilities. No material exposure is therefore considered to exist with regard to changes in interest rates.

Foreign currency risk

Purchases of goods and services from overseas group undertakings are denominated in foreign currencies with the Company assuming the foreign currency risk. The Group treasury function takes out contracts to manage this risk at the group level with the use of financial derivatives governed by the Ultimate Parent Company's policies approved by its Board of Directors. The Company does not use any foreign exchange derivatives for speculative purposes.

Climate change risk

Climate change is a big challenge affecting our industry and the whole world. It can impact the Company by affecting water and other raw materials' availability and prices. The Company has undertaken initiatives in order to have a positive impact on the environment such as the Corona sponsored beach clean ups around the UK and the Corona plastic-free beer can rings. No material financial exposure is considered to exist with regard to climate change risk.

Going concern

Based on forecasts and current level of activity in the business, the Directors deem it appropriate to prepare the financial statements on a going concern basis.

In addition, Anheuser-Busch InBev NV/SA, the ultimate parent company of AB INBEV UK LIMITED has provided the Company with an undertaking that for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company to enable the Company to continue in operational existence for the foreseeable future. As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that the support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

AB INBEV UK LIMITED

Strategic Report (Continued)

For the year ended 31 December 2022

Financial key performance indicators

The Directors use net revenue, gross profit, operating profit and cash from operations as a measurement of effectiveness of operations. The company reached a net revenue and gross profit of £1,597m and £416m respectively (2021: net revenue £1,666m, gross profit £429m).

The company uses non-financial KPIs on a regular basis, such as customer retention, employee engagement and company reputation.

Loss for the financial year amounts to £97m (2021: Profit for the financial year of £24m).

Directors' statement of compliance with duty to promote the success of the Company (s172(1) statement)

The Directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, as set out in section 172 of the Companies Act 2006. In doing so, the Directors must have regard (among other matters) to:

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

The Directors acted in a way that they consider would promote the success of the Company in accordance with the above.

The Directors welcome the new legislation regarding stakeholder engagement.

The Company's Board of Directors consider the likely consequences of any decision in the long term by monitoring risk management and the controls in place. These controls are regularly reviewed. The Company also has access to sophisticated forecasting, business planning and macro and micro economic analysis.

The relationships with stakeholders are considered by the Board of Directors when making decisions and the impact these decisions may have on stakeholders.

We list below our key stakeholders and how we engage with them. The list reflects a combination of the key touchpoints of our business on a day to day basis, and others that are important to us as a business and our role in society. The Directors understand that not every decision they make will result in a positive outcome for all stakeholders. However, they aim to take them into consideration at all times alongside the Company's purpose, values and strategic priorities.

AB INBEV UK LIMITED

Strategic Report (Continued)

For the year ended 31 December 2022

Employees – In order to attract and retain the best people, the Company continually looks for effective ways to engage with and reward its employees. It offers a wide range of flexible benefits, including healthcare and pension plans. Senior employees are given the opportunity to participate in group-wide employee share schemes.

The Company acts to protect jobs by pursuing a profitable growth strategy. Managing costs tightly ensures that resources are best deployed.

The Company is committed to increasing employee engagement and involvement and believes that effective two way communication between the Company and its employees brings real business benefits. Employees have opportunities to express their views at meetings with management and through regular employee opinion surveys. These surveys are then reviewed and turned into engagement action plans, to which management strive to improve results annually.

On a regular basis, employees are made aware of the financial performance of the Company, their business units and of the wider group as a whole, via in house newsletters, emails, all employee meetings and online calls with senior leaders. Questions are routinely taken and answered by senior leaders as part of the meetings and online sessions.

Directors meet monthly to discuss in detail initiatives related to employees and in between these routine meetings the directors have weekly team meetings, 1:1's with executive teams and frequent ad hoc meetings with the People team and employees.

Suppliers - Our suppliers are fundamental to our business. Our strong long-term working relationships with our suppliers are important to ensure the efficiency of the Company's operations and we pride ourselves on working fairly with all of our suppliers. The Company receives full support from an expert procurement team in its supplier relationships who apply European best practice.

Customers - Customers are of course a key part of our business, and our teams talk to them every day to understand their concerns and to work with them to support mutual goals. The Company aims to be number one in customer service and makes its business decisions accordingly.

Consumers - A key part of our culture is recognising that the consumer is the boss, and on that basis we work every day to put the consumer at the centre of what we do. We aim to create a nation of smart drinkers and to champion Britain's iconic beer culture.

Community – We recognise the importance of having strong working relationships with our local communities, in particular around our breweries in Samlesbury in Ribbles Valley in the North West of England, established in 1972 and Magor in South Wales, established in 1979. Our other breweries in Camden Town and Enfield are craft brewing innovators. In 2022 we were the first alcohol company to partner with the NHS on our City Pilots program which used methodology recommended by the World Health Organisation to reduce alcohol harm through Screening and Brief Intervention events at shopping centres in the Greater Manchester Area. We also launched our "Get Every Bud Home Safe" campaign partnering with the Safety App to help women and vulnerable individuals find a safe path home thus creating a more inclusive nighttime economy.

Environment - We strive to make the world a better place, combining our scale, resources and energy with the needs of our communities. Our sustainability strategy is embedded throughout our business and across our supply chain. In 2022 we achieved our goals of brewing with 100% renewable electricity in our UK operations and remain committed to achieving a 25% reduction in CO2 emissions across our value chain by 2025 (vs. a baseline of 2017). Our ambition is to achieve net zero emissions across our entire value chain by 2040.

AB INBEV UK LIMITED

Strategic Report (Continued)

For the year ended 31 December 2022

Government and Regulators – We are a founder member of the Portman Group, support Drinkaware and Club Soda, and are a central member of the British Beer and Pub Association. We are also members of the All Party Parliamentary Beer Group, All Party Parliamentary Corporate Responsibility Group, Parliamentary Renewable and Sustainable Energy Group and Industry and Parliament Trust. We engage openly and proactively with Governments and Councils at a national, devolved and local level to support our industry and work towards supporting its success in the future.

As a Company, we never take shortcuts. We know that integrity, hard work, quality, and responsibility are key to building our business. On that basis, we strive to maintain a reputation for high standards of business conduct when acting with all of our stakeholders.

Acting fairly between members - Finally, with regard to the need to act fairly as between members of the Company, the Company is wholly owned by Nimbuspath Limited.

On behalf of the board

Matthew Roddy
Director

6 October 2023

AB INBEV UK LIMITED

Directors' Report

For the year ended 31 December 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of brewing, distributing and importing beer.

Results and dividends

The results for the year are set out on page 15.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Cara Sargeantson	
Matthias Calmeyn	(Appointed 28 July 2022)
Timiko Cranwell	
Brian Perkins	
Matthew Roddy	
James Rowe	
Josip Viskovic	
Mark Wingfield Digby	
Evgeniya Vlasova	(Resigned 19 April 2023)
Jean-David Thumelaire	
Arjun Duggal	(Appointed 26 September 2023)

Qualifying third party indemnity provisions

As at the date of this report and during the year, indemnities are in force under which AB InBev S.A, a fellow AB InBev group company, has agreed to indemnify the Directors of the Company, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company. These indemnities meet the definition of a qualifying third party indemnity provision.

Equal opportunities

The Company is committed to the principle that the sole criterion for the selection or promotion of employees is the suitability of the applicant for the job. Training and development opportunities are available to all levels and categories of staff. People with disabilities are offered the same opportunities as all others in respect of recruitment, training, promotion and career development. Employees who become disabled will be retained, wherever possible, and, if necessary, retrained.

Employee safety

The Company makes every effort, in conjunction with employees, suppliers, environmental health offices and the applicable regulators to provide a safe working environment for all its employees. The Company believes that a safe environment improves morale and motivation and enhances customer relations.

AB INBEV UK LIMITED

Directors' Report (Continued)

For the year ended 31 December 2022

Post reporting date events

In May 2023, the Company issued 1 additional share to Nimbuspath Limited, its parent entity and the only eligible member of the company (representing 100 percent of the total voting rights of the Company). The nominal value of the share is £1.00; the amount paid for the share is £75,000,000.

Auditor

Moore Kingston Smith LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

	2022	2021
Energy consumption		
Aggregate of energy consumption in the year		
- Gas combustion MJ	663,014,713	627,657,771
- Electricity purchased kWh	73,312,136	69,087,223
- Fuel consumed for transport L	1,259,602	1,118,088
	<u>737,586,451</u>	<u>697,863,082</u>
	2022	2021
Emissions of CO2 equivalent	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	37,321	35,212
- Fuel consumed for owned transport	2,014	1,802
	<u>39,335</u>	<u>37,014</u>
Scope 2 - indirect emissions		
- Electricity purchased	-	-
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company	782	-
	<u>40,117</u>	<u>37,014</u>
Total gross emissions		
	<u>40,117</u>	<u>37,014</u>
Intensity ratio		
Emission kg CO2e per HL of beer sold	3.77	3.57

Quantification and reporting methodology

To calculate the carbon emissions from the energy consumption we first measure the actual energy consumption in the breweries and report these numbers internally through our bespoke carbon model. To then calculate the CO2 emissions we multiply the MJ/KW consumed with carbon emission (intensity) factors. Our carbon reporting is audited at global level as per our latest ESG report found at <https://www.ab-inbev.com/sustainability/>.

At AB InBev Europe, which includes AB InBev UK, as part of our Global Sustainability Goals, we have committed to sourcing 100% of our purchased electricity from renewable sources by 2025 to ensure our operations are helping to power a more sustainable future.

In 2022, we were proud to announce that we have achieved this ambitious goal in the UK three years early, and all of our beers brewed in the UK – including Budweiser, Corona and Stella Artois – are now brewed with 100% renewable electricity from a mix of on-site, near-site solar and wind installations and by certificated (GoOs).

AB INBEV UK LIMITED

Directors' Report (Continued)

For the year ended 31 December 2022

Intensity measurement

The chosen intensity measurement ratio is total gross scope 1 and 2 brewery emissions in kg CO₂e per HL of beer sold.

Measures taken to improve energy efficiency

From building a resilient and agile value chain, to solidifying our role as a trusted partner in local communities, to identifying and capturing new sources of business value, sustainability plays a key role in fulfilling our company purpose and enabling our commercial vision.

We sharpened our focus on eight strategic ESG priorities to deliver on our commercial strategy: Smart Drinking & Moderation, Climate, Water Stewardship, Sustainable Agriculture, Circular Packaging, Ethics & Transparency, Entrepreneurship and Diversity & Inclusion.

We have an ambition to achieve net zero across our value chain by 2040 and we have an intention to achieve net zero operations in our largest European breweries (including Samlesbury and Magor) by the end of 2028. Our company has identified 29 distinct technologies that show great promise to contribute to the net-zero operations ambition and several have already been implemented in our UK breweries. Among them are Simmer&Strip, highly efficient wort coolers, dry de-husking and soon CO₂ recovery.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of engagement with employees, suppliers, customers and others, risk management and future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Matthew Roddy
Director

6 October 2023

AB INBEV UK LIMITED

Directors' Responsibilities Statement

For the year ended 31 December 2022

The directors are responsible for preparing the annual 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.

AB INBEV UK LIMITED

Independent Auditor's Report

To the Members of AB INBEV UK LIMITED

Opinion

We have audited the financial statements of AB INBEV UK LIMITED (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

AB INBEV UK LIMITED

Independent Auditor's Report (Continued)

To the Members of AB INBEV UK LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AB INBEV UK LIMITED

Independent Auditor's Report (Continued)

To the Members of AB INBEV UK LIMITED

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 (UK) 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 (UK) 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 purposes 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 directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 fair presentation.

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.

AB INBEV UK LIMITED

Independent Auditor's Report (Continued)

To the Members of AB INBEV UK LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

AB INBEV UK LIMITED

Independent Auditor's Report (Continued)

To the Members of AB INBEV UK LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Barford (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

6 October 2023

Chartered Accountants
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

AB INBEV UK LIMITED

Statement of Comprehensive Income

For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Revenue	3	1,596,592	1,666,119
Cost of sales		(1,180,421)	(1,237,242)
Gross profit		416,171	428,877
Distribution costs		(56,158)	(55,493)
Administrative expenses		(450,546)	(381,256)
Operating loss	4	(90,533)	(7,872)
Investment income	8	4,979	6,770
Finance costs	9	(4,010)	(5,328)
Loss before taxation		(89,564)	(6,430)
Tax on loss	10	(7,700)	30,110
(Loss)/profit for the financial year		(97,264)	23,680
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Actuarial gain on defined benefit pension schemes		7,737	113,164
Tax on actuarial gain on defined benefit pension schemes		(1,935)	(28,291)
Total items that will not be reclassified to profit or loss		5,802	84,873
Total other comprehensive income for the year		5,802	84,873
Total comprehensive income for the year		(91,462)	108,553

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 19 to 44 form part of these financial statements.

AB INBEV UK LIMITED

Statement Of Financial Position

As at 31 December 2022

	Notes	2022 £'000	£'000	2021 £'000	£'000
Non-current assets					
Intangible assets - goodwill	11		36,586		36,586
Other intangible assets	11		7,719		3,053
Property, plant and equipment	12		403,905		367,163
Investments	13		1,501		1,501
			<u>449,711</u>		<u>408,303</u>
Current assets					
Inventories	15	72,131		58,268	
Deferred tax asset	20	55,018		64,638	
Trade and other receivables	16	315,092		363,635	
Cash and cash equivalents		4,909		10,150	
		<u>447,150</u>		<u>496,691</u>	
Current liabilities	17	<u>(697,984)</u>		<u>(564,778)</u>	
Net current liabilities			<u>(250,834)</u>		<u>(68,087)</u>
Total assets less current liabilities			198,877		340,216
Non-current liabilities	17		(39,509)		(32,623)
Provisions for liabilities					
Other provisions	21		(6,235)		(3,165)
Net assets excluding pension liability			153,133		304,428
Defined benefit pension liability	22		(29,732)		(89,565)
Net assets			<u>123,401</u>		<u>214,863</u>
Equity					
Called up share capital	24		181,327		181,327
Retained earnings			(57,926)		33,536
Total equity			<u>123,401</u>		<u>214,863</u>

The notes on pages 19 to 44 form part of these financial statements.

AB INBEV UK LIMITED

Statement Of Financial Position (Continued)

As at 31 December 2022

The financial statements were approved by the board of directors and authorised for issue on 6 October 2023 and are signed on its behalf by:

Matthew Roddy
Director

Company Registration No. 03982132

AB INBEV UK LIMITED

Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital	Retained earnings	Total
	£'000	£'000	£'000
Balance at 1 January 2021	181,327	(75,017)	106,310
Year ended 31 December 2021:			
Profit for the year	-	23,680	23,680
Other comprehensive income:			
Actuarial gains on pensions scheme	-	113,164	113,164
Tax relating to other comprehensive income	-	(28,291)	(28,291)
Total comprehensive income for the year	-	108,553	108,553
Balance at 31 December 2021	181,327	33,536	214,863
Year ended 31 December 2022:			
Loss for the year	-	(97,264)	(97,264)
Other comprehensive income:			
Actuarial gains on pensions scheme	-	7,737	7,737
Tax relating to other comprehensive income	-	(1,935)	(1,935)
Total comprehensive income for the year	-	(91,462)	(91,462)
Balance at 31 December 2022	181,327	(57,926)	123,401

The notes on pages 19 to 44 form part of these financial statements.

AB INBEV UK LIMITED

Notes to the Financial Statements

For the year ended 31 December 2022

1 Accounting policies

Company information

AB INBEV UK LIMITED is a private company limited by shares incorporated in England and Wales. The registered office is Bureau, 90 Fetter Lane, London, United Kingdom, EC4A 1EN. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- inclusion of an explicit and unreserved statement of compliance with IFRS;
- presentation of a statement of cash flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the statement of comprehensive income;
- comparative period reconciliations for the number of shares outstanding and the carrying amounts of property, plant and equipment, intangible assets, investment property and biological assets;
- disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- a reconciliation of the number and weighted average exercise prices of share options, how the fair value of share-based payments was determined and their effect on profit or loss and the financial position;
- comparative narrative information;
- for financial instruments, investment property and biological assets measured at fair value and within the scope of IFRS 13, the valuation techniques and inputs used to measure fair value, the effect of fair value measurements with significant unobservable inputs on the result for the period and the impact of credit risk on the fair value; and
- related party disclosures for transactions with the parent or wholly owned members of the group.

The Company is a wholly owned subsidiary of Nimbuspath Limited and is included in the consolidated financial statements of Anheuser-Busch InBev NV/SA, incorporated in Belgium, which are publicly available and can be obtained from the address noted in note 25. Consequently, the Company has used the right of exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006. These financial statements are separate financial statements.

Operating segments are applied using the "management approach", where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Markers ("CODM"). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Based on forecasts and current level of activity in the business, the Directors deem it appropriate to prepare the financial statements on a going concern basis.

In addition, Anheuser-Busch InBev NV/SA, the ultimate parent company of AB InBev UK Limited has provided the Company with an undertaking that for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company to enable the Company to continue in operational existence for the foreseeable future.

1.3 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is subsequently reversed if, and only if, the reasons for the impairment loss have ceased to apply.

1.5 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Licenses: 4 years being the duration of the licenses

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	15 - 30 years
Long-term leasehold property	Over the term of the lease
Fixtures and fittings	10 - 30 years
Plant and equipment	3 - 30 years

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.7 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Borrowing costs related to non-current assets

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.9 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

In determining the cost of raw materials, consumables and goods purchase for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost. A provision is recognised for slow moving and obsolete stock.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

1.12 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognised initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Impairment of financial assets

Financial assets carried at amortised cost are assessed for indicators of impairment at each reporting end date.

The expected credit losses on these financial assets are estimated based on the aging of financial assets, company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.13 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.14 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event and it is probable that the company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

1.17 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.18 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.19 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the binomial Hull model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

Restricted stock units ('RSUs') give employees interest in their employer's equity but have no tangible value until they are vested. The RSUs are assigned a fair market value when they vest. RSUs are considered income once vested, and a portion of the shares is withheld to pay income taxes. The employee then receives the remaining shares and has the right to sell them.

1.20 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Key sources of estimation uncertainty

Useful economic lives of property, plant and equipment

Based on the size of the property, plant and equipment balance in the current year, a critical estimate lies around the determination of the useful economic life of property, plant and equipment. Property, plant and equipment has also been depreciated to a £nil residual value which the company deems reasonable based on the lifetime of the assets. See note 12 for further detail.

Defined benefit pension schemes

The liability to the pension schemes is dependent on the life expectancy estimations in relation to both current and former employees, discount and inflation rates used in the actuarial modelling, future pension increases and asset valuations. The scheme liabilities are estimated by an independent actuary and are calculated using industry models. See note 22 for further detail.

Goodwill and other tangible and intangible assets

The consideration of the impairment of the company's goodwill and other intangible and tangible assets requires key assumptions and estimations to establish the value in use of the cash generating units to which the goodwill relates. The value in use calculations require the entity to estimate discount rates, growth rates and expected cash flows. Discount rates are estimated using pre-tax rates that reflect the weight average cost of capital, growth rates are estimated using the company's long term growth rates and cash flows are estimated using extrapolated financial budgets approved by management. See note 11 for further detail.

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

3 Revenue

Turnover represents the amounts derived from the provision of goods to customers, including duty, after deducting discounts and value added tax. Turnover to third parties by destination is not materially different from the turnover by origin. The Company operates in one class of business being the manufacture and distribution of beer.

An analysis of the company's revenue is as follows:

	2022 £'000	2021 £'000
Revenue analysed by class of business		
Revenue from sales to third parties	1,565,047	1,649,925
Revenue from sales to related parties	31,545	16,194
	<u>1,596,592</u>	<u>1,666,119</u>

	2022 £'000	2021 £'000
Revenue analysed by country of destination		
United Kingdom	1,566,663	1,652,871
Belgium	22,694	10,376
Rest of the world	7,235	2,872
	<u>1,596,592</u>	<u>1,666,119</u>

4 Operating loss

	2022 £'000	2021 £'000
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	2,750	4,159
Excise duty	773,859	815,984
Staff costs (note 6)	131,362	120,782
Restructuring charges (note 21)	3,805	1,488
Depreciation of property, plant and equipment (note 12)	60,214	45,792
Profit on disposal of property, plant and equipment	(700)	(139)
Amortisation of intangible assets (note 11)	2,773	3,781
Cost of inventories recognised as an expense	<u>402,181</u>	<u>398,848</u>

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

5 Auditor's remuneration

	2022 £'000	2021 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	133	134
Preparation of the financial statements of the company	5	-
	<u>138</u>	<u>134</u>

Moore Kingston Smith LLP was appointed as auditor to the company in the current year (2021: RSM UK Audit LLP).

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Administration	110	102
Manufacturing	999	864
Marketing	118	95
Sales	361	229
Development	65	32
Total	<u>1,653</u>	<u>1,322</u>

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	112,736	108,810
Social security costs	12,225	11,972
Pension costs	6,401	5,270
	<u>131,362</u>	<u>126,052</u>

Employees participate in an annual bonus scheme, which includes performance measurements for the Company and economic benefits. This encourages employees' involvement in the Company's performance and also ensures a common awareness of the financial and economic factors that affect the performance of the Company. Senior management are also entitled to join the share option scheme provided by the ultimate parent company.

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

7 Directors' remuneration

	2022 £'000	2021 £'000
Remuneration for qualifying services	2,369	2,760

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2021: 7). Directors' emoluments includes £32,154 (2021: £38,611) in pension contributions.

During the period, no (2021: no) director exercised share options which are held in the ultimate parent company, Anheuser-Busch InBev NV/SA.

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	698	960
--------------------------------------	-----	-----

8 Investment income

	2022 £'000	2021 £'000
Interest income		
Interest receivable from group companies	4,979	6,770

9 Finance costs

	2022 £'000	2021 £'000
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	2,307	1,300
Interest on other financial liabilities:		
Net interest on the net defined benefit liability (note 22)	794	2,757
Interest on lease liabilities	909	1,271
Total interest expense	4,010	5,328

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

10 Taxation

	2022 £'000	2021 £'000
Deferred tax		
Origination and reversal of temporary differences	6,260	7,773
Changes in tax rates	-	(24,168)
Adjustment in respect of prior year	1,440	(13,715)
	<u>7,700</u>	<u>(30,110)</u>

The charge/(credit) for the year can be reconciled to the loss per the income statement as follows:

	2022 £'000	2021 £'000
Loss before taxation	<u>(89,564)</u>	<u>(6,430)</u>
<i>Expected tax credit based on a corporation tax rate of 19.00% (2021: 19.00%)</i>	<u>(17,017)</u>	<u>(1,222)</u>
Effect of expenses not deductible in determining taxable profit	275	237
Effect of change in UK corporation tax rate	-	(24,168)
Group relief	20,715	2,450
Depreciation on assets not qualifying for tax allowances	2,937	1,543
Adjustment in respect of prior years	1,440	(13,715)
Other timing differences	3,822	4,765
Non-taxable items	<u>(4,472)</u>	<u>-</u>
Taxation charge/(credit) for the year	<u>7,700</u>	<u>(30,110)</u>

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £'000	2021 £'000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	<u>1,935</u>	<u>28,291</u>

Factors that may affect future tax charges

The UK corporation tax rate for the financial year was 19%. On 3 March 2021, it was announced that the main rate of corporation tax would increase to 25% with effect from 1 April 2023.

Deferred taxes at the reporting date have been measured and reflected in these financial statements using the substantively enacted tax rate of 25% effective from 1 April 2023.

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

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

11 Intangible fixed assets

	Goodwill	Brand	Other intangibles	Total
	£'000	£'000	£'000	£'000
Cost				
At 31 December 2021	48,814	-	10,372	59,186
Additions - purchased	-	7,363	2,155	9,518
Transfers	-	-	(10,039)	(10,039)
Other movements	-	-	303	303
At 31 December 2022	48,814	7,363	2,791	58,968
Amortisation and impairment				
At 31 December 2021	12,228	-	7,319	19,547
Charge for the year	-	-	2,773	2,773
Transfers	-	-	(7,657)	(7,657)
At 31 December 2022	12,228	-	2,435	14,663
Carrying amount				
At 31 December 2022	36,586	7,363	356	44,305
At 31 December 2021	36,586	-	3,053	39,639

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) of the brand/brands that are expected to benefit from that business combination.

Goodwill relates to the acquisition of The Whitbread Beer Company assets. An impairment test is carried out once a year, using value in use calculation, to ensure that the CGU represents the long term position of the Company. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected cash flows during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the brands associated to the CGU. The growth rates are based on long term company growth rates.

The Company prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next ten years. The rate used to discount the forecasted cash flows from the goodwill is 9.2% (2021: 4.1%).

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

12 Property, plant and equipment

	Land and buildings £'000	Fixtures and fittings £'000	Plant and equipment £'000	Total £'000
Cost				
At 31 December 2021	157,260	27,227	638,527	823,014
Additions	16,595	4,470	77,058	98,123
Disposals	(56)	(9)	(3,172)	(3,237)
Transfers	610	(14,131)	10,816	(2,705)
At 31 December 2022	174,409	17,557	723,229	915,195
Accumulated depreciation and impairment				
At 31 December 2021	77,219	10,418	368,214	455,851
Charge for the year	7,890	2,779	49,545	60,214
Eliminated on disposal	(14)	(8)	(2,514)	(2,536)
On assets reclassified in transfers	-	(6,909)	4,670	(2,239)
At 31 December 2022	85,095	6,280	419,915	511,290
Carrying amount				
At 31 December 2022	89,314	11,277	303,314	403,905
At 31 December 2021	80,041	16,809	270,313	367,163

Property, plant and equipment includes right-of-use assets, as follows:

Right-of-use assets	2022 £'000	2021 £'000
Right-of-use costs		
Property	40,972	32,302
Plant and equipment	2,244	2,554
Fixtures and fittings	10,380	6,217
	53,596	41,073
Right-of-use accumulated depreciation		
Property	9,236	6,243
Plant and equipment	1,399	1,169
Fixtures and fittings	3,586	2,072
	14,221	9,484

The net book value of fixed assets above (primarily plant & machinery) includes assets under construction of £29,527k (2021: £13,200k) as at 31 December 2022. During the year, £85,492k was added to assets under construction and £69,165k was put into operation.

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

13 Investments

	Current		Non-current	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Investments in subsidiaries	-	-	1,501	1,501

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Address	Principal activities	Class of shares held	% Held Direct
ZXV UK Ltd	1*	Dormant	Ordinary	100
AB INBEV UK Healthcare Trustee Ltd	1*	Dormant	Ordinary	100
AB INBEV UK Pension Trust Ltd	1*	Dormant	Ordinary	100
Pioneer Brewing Company Ltd	1*	Active	Ordinary	100

Registered office addresses (all UK unless otherwise indicated):

1* Bureau, 90 Fetter Lane, London, England, EC4A 1EN

The investments in subsidiaries are all started at cost less impairment.

15 Inventories

	2022	2021
	£'000	£'000
Raw materials	25,550	15,701
Work in progress	6,449	6,624
Finished goods	40,132	35,943
	72,131	58,268

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

16 Trade and other receivables

	Current		Non-current	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade receivables	292,320	296,961	-	-
Amounts owed by fellow group undertakings	5,576	58,764	-	-
Other receivables	15,504	6,720	-	-
Prepayments and accrued income	1,692	1,190	-	-
	<u>315,092</u>	<u>363,635</u>	<u>-</u>	<u>-</u>
Deferred tax asset	-	-	55,018	64,638
	<u>315,092</u>	<u>363,635</u>	<u>55,018</u>	<u>64,638</u>

17 Liabilities

		Current		Non-current	
	Notes	2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Trade and other payables	18	584,270	463,311	-	-
Taxation and social security		108,458	97,322	-	-
Lease liabilities	19	5,256	4,145	39,509	32,623
		<u>697,984</u>	<u>564,778</u>	<u>39,509</u>	<u>32,623</u>

18 Trade and other payables

	2022	2021
	£'000	£'000
Trade payables	326,296	320,823
Amounts owed to fellow group undertakings	184,291	57,383
Accruals and deferred income	73,683	85,105
	<u>584,270</u>	<u>463,311</u>

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

19 Lease liabilities

	2022 £'000	2021 £'000
Maturity analysis		
Within one year	5,256	4,145
In two to five years	14,766	12,347
In over five years	24,743	20,276
	<u> </u>	<u> </u>
Total undiscounted liabilities	44,765	36,768
	<u> </u>	<u> </u>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022 £'000	2021 £'000
Current liabilities	5,256	4,145
Non-current liabilities	39,509	32,623
	<u> </u>	<u> </u>
	44,765	36,768
	<u> </u>	<u> </u>

	2022 £'000	2021 £'000
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	909	1,271
	<u> </u>	<u> </u>

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs £'000	Retirement benefit obligations £'000	Provisions £'000	Total £'000
Asset at 1 January 2021	(36,067)	(63,168)	(819)	(100,054)
Deferred tax movements in prior year				
Charge/(credit) to profit or loss	(5,388)	12,486	27	7,125
Charge/(credit) to other comprehensive income	-	28,291	-	28,291
Asset at 1 January 2022	(41,455)	(22,391)	(792)	(64,638)
Deferred tax movements in current year				
Charge/(credit) to profit or loss	(6,769)	13,029	-	6,260
Charge/(credit) to other comprehensive income	-	1,920	-	1,920
Other	1,440	-	-	1,440
Asset at 31 December 2022	(46,784)	(7,442)	(792)	(55,018)

A deferred tax asset is held to account for depreciation in advance of capital allowances. The utilisation of this deferred tax asset is dependent on the forecast future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

No deferred tax asset has been recognised in respect of tax losses amounting to £34,082k (2021: £41,744k) as the timing of the future economic benefit from these losses should they be relieved to the group isn't known with certainty.

21 Provisions for liabilities

	2022 £'000	2021 £'000
Restructuring	2,470	815
Other	3,765	2,350
	<u>6,235</u>	<u>3,165</u>

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

21 Provisions for liabilities

(Continued)

Movements on provisions:	Restructuring £'000	Other £'000	Total £'000
At 1 January 2022	815	2,350	3,165
Charged to profit or loss	3,805	1,496	5,301
Utilisation of provision	(2,150)	(81)	(2,231)
At 31 December 2022	<u>2,470</u>	<u>3,765</u>	<u>6,235</u>

Other provisions includes dilapidations expected to be utilised by 2024 and a pension provision which has an expected utilisation date of 2040.

22 Retirement benefit schemes

	2022 £'000	2021 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>6,401</u>	<u>5,270</u>

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost for the period represents contributions payable by the Company to the scheme and amounted to £6,401,000 (2021: £5,270,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

22 Retirement benefit schemes

(Continued)

Defined benefit scheme

The Company operates four Defined Benefit Pension Schemes.

AB InBev UK Ltd Pension Plan (the "Plan"):

The Plan is a funded defined benefit scheme which is closed to new members and closed to future accrual with effect from 31 May 2013.

The Plan's funds are administered by trustees and are independent of the Company's finances.

Contributions are paid to the Plan in accordance with the recommendations of an independent actuarial adviser.

The valuation of the liabilities for the Plan has been based on results from the actuarial valuation of the Plan as at 31 December 2020, rolled forward to 31 December 2022. This roll forward allows for actual cashflows from 1 January 2021 to 31 December 2022 and also changes in market conditions. The roll forward does not make any allowance for membership movements since 31 December 2018.

The weighted average duration of the defined obligation of the scheme is 20 years.

InBev UK Ltd Top-Up Pension ("ITUP"):

The ITUP is unfunded.

The ITUPs funds are administered by trustees and are independent of the Company's finances.

The valuation of ITUP is based on a valuation of the one existing member's benefits as at 31 December 2020.

The weighted average duration of the defined obligation of the scheme is 16 years.

Stag Brewing Pension Plan ("Stag"):

The plan is a funded defined benefit scheme which is closed to new members and closed to future accrual with effect from 1 April 2012.

The Plan's funds are administered by trustees and are independent of the Company's finances.

Contributions are paid to the Plan in accordance with the recommendations of an independent actuarial adviser.

The valuation of the liabilities for Stag has been based on the results of the actuarial valuation of Stag as at 1 April 2021, rolled forward to 31 December 2022. This roll forward allows for actual cashflows from 1 April 2021 to 31 December 2022 and also changes in market conditions. The roll forward does not make any allowance for membership movements since 1 April 2021.

The weighted average duration of the defined obligation of the scheme is 21 years.

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

22 Retirement benefit schemes

(Continued)

Inbev Ireland Limited Pension Plan ("Inbev Ireland"):

The plan was transferred to AB Inbev UK Limited in January 2019, when Inbev Ireland Limited became dormant. The scheme is closed to new members and future accrual.

The figures below are in respect of the of the Company's participation in these schemes which have been derived using established methodology as disclosed above and including the projected unit credit method to determine the present value of the defined benefit obligation and service cost.

Due to 87% of the schemes assets being invested in debt securities, the major risk to which the scheme exposes the Company is debt securities market risk.

	2022	2021
	%	%
Key assumptions		
Discount rate	4.94	1.91
Rate of price inflation	3.2	3.55
Rate of pension increase (in payment)	2.95	3.2
Rate of pension increases (in deferment)	2.8	3.2
	=====	=====
Mortality assumptions	2022	2021
Assumed life expectations:	Years	Years
Life Expectancy (Plan and ITUP):		
- for a male aged 65 now	22	22
- at 65 for a male aged 50 now	23	22
- for a female aged 65 now	24	24
- at 65 for a female aged 65 now	25	25
	=====	=====
Life Expectancy (Stag):		
- for a male aged 65 now	21	22
- at 65 for a male aged 50 now	22	23
- for a female aged 65 now	24	24
- at 65 for a female aged 65 now	25	25
	=====	=====

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

22 Retirement benefit schemes

(Continued)

	2022 £'000	2021 £'000
Reconciliation of present value of plan liabilities		
At the beginning of the year	1,196,898	1,295,830
Current service cost	279	225
Additions	-	-
Interest cost	22,475	17,229
Actuarial gain	(425,927)	(72,654)
Benefits paid	(41,327)	(42,888)
Past service cost	-	-
Effect of changes in foreign exchange rates	362	(844)
Defined benefit obligation as of the period end date	752,760	1,196,898
Reconciliation of present value of plan assets		
At the beginning of the year	1,107,333	1,043,158
Additions	-	-
Interest income	21,681	14,472
(Losses)/gains on assets	(395,342)	40,510
Contributions	53,284	52,894
Benefits paid	(41,327)	(42,888)
Administrative costs	-	-
Effect of changes in foreign exchange rates	266	(813)
Defined benefit assets as of the period end date	745,895	1,107,333
Composition of plan assets		
Equity securities	94,391	150,648
Debt securities	651,006	954,124
Other	498	2,561
Defined benefit obligation as of the period end date	745,895	1,107,333

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

22 Retirement benefit schemes

(Continued)

	2022	2021
	£'000	£'000
Balance sheet reconciliation		
Fair value of plan assets	745,895	1,107,333
Present value of plan assets	(752,760)	(1,196,898)
Sub-total	(6,865)	(89,565)
Irrecoverable surplus	(22,867)	-
Net pension scheme liability	(29,732)	(89,565)
	2022	2021
	£'000	£'000
The amount recognised in the statement of comprehensive income		
Current service cost	(279)	(225)
Interest on obligation	(22,475)	(17,229)
Interest income on plan assets	21,681	14,472
Net pension scheme liability	(1,073)	(2,982)

Scheme obligations would have been affected by changes in assumptions as follows:

0.5% decrease in discount rate	increase of £48,619k
0.5% increase in price inflation rate	increase of £40,324k

The amount of actuarial gains and losses recognised in the statement of comprehensive income was a £7,737,000 gain (2021: £113,164,000 gain).

The company expects to contribute £36,700,000 to its defined benefit pension schemes in 2023.

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

23 Share-based payments

Different share and share option programmes allow Company senior management and members of the Board of Directors to acquire shares of Anheuser-Busch InBev NV/SA (the ultimate parent company). The options' exercise price equals the average market price of the underlying shares in the thirty calendar days preceding the offer date. The options have a contractual life of 10 years. The fair value of the options granted is estimated at grant date, using the binomial Hull model. Until 2005, the Company used the Black-Scholes-Merton option pricing model to determine the fair values of its employee share options granted.

Since the acceptance period of the options is two months, the fair value was determined as the average of the fair values calculated on a weekly basis during the two months offer period. The fair value of options granted to employees is expensed over the vesting period.

Expected volatility is based on historically calculated volatility using 1,766 days of historical data. In the determination of the expected volatility the group is excluding the volatility measured during the period 15 July 2008 until 30 April 2009, in view of the extreme market conditions experienced during that period. The binomial Hull model assumes that all employees would immediately exercise their options if the AB InBev share price is 2.5 times above the exercise price. As a result, no single expected option life applies.

The range of exercise prices of the outstanding option is between £56.25 and £101.49 while the weighted average remaining contractual life is 5.29 years.

	Number of share options		Average exercise price	
	2022 Number	2021 Number	2022 £	2021 £
Outstanding at 1 January 2022	251,105	316,104	71.23	71.74
Forfeited in the period	(35,377)	(64,999)	59.76	73.70
Outstanding at 31 December 2022	215,728	251,105	69.91	71.23

As at 31 December 2022, the Company has 815,900 (2021: 507,716) outstanding restricted stock units ("RSUs") to certain members of senior management. Upon vesting, each RSU gives the executive the right to receive one existing AB InBev share. The RSUs can have a vesting period of 3 years. The shares resulting from the RSU vesting will only be delivered provided a performance test is met by the company. Specific forfeiture rules apply if the employee leaves the company before the performance test achievement or vesting date.

AB INBEV UK LIMITED

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

24 Share capital

	2022 Number	2021 Number	2022 £'000	2021 £'000
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	181,327,000	181,327,000	181,327	181,327

The Company has one class of ordinary share which is entitled to one vote in any circumstance.

Each share is entitled pari passu to dividend payments or any other distribution. Each share is entitled pari passu to participate in a distribution arising from a winding up of the company.

25 Events after the reporting date

In May 2023, the Company issued 1 additional share to Nimbuspath Limited, its parent entity and the only eligible member of the company (representing 100 percent of the total voting rights of the Company). The nominal value of the share is £1.00; the amount paid for the share is £75,000,000.

26 Controlling party

The immediate parent undertaking as at 31 December 2022 was Nimbuspath Limited, a company incorporated in England and Wales.

At 31 December 2022, 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, Brouwerijplein 1, B 3000 Leuven, Belgium.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.