

# **AB InBev Holdings Europe Limited**

Annual report and unaudited financial statements

Year ended

31 December 2019

Company Number 04763363



# AB InBev Holdings Europe Limited

## Company information

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<b>Directors</b>	S J Turner S Jiang Y Callou
<b>Company secretary</b>	Brodies Secretarial Services Limited
<b>Registered number</b>	04763363
<b>Registered office</b>	Bureau 90 Fetter Lane London EC4A 1EN
<b>Accountants</b>	BDO LLP Thames Tower Station Road Reading Berkshire RG1 1LX

# **AB InBev Holdings Europe Limited**

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# **AB InBev Holdings Europe Limited**

## **Directors' report for the year ended 31 December 2019**

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The directors present their report and the unaudited financial statements of AB InBev Holdings Europe Limited ("the Company") for the year ended 31 December 2019.

### **Review of activities and future developments**

The principal activity of the Company is to act as an intermediate holding and financing company within the Anheuser Busch InBev SA/NV group (the "Group").

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

### **Results and dividends**

The Company recorded a profit for the financial year ended 31 December 2019 of US\$693,000 (2018: loss of US\$978,559,000).

The detailed results are set out on page 5.

No interim dividends were declared and paid for the year ended 31 December 2019 (2018: US\$nil). No final dividend is proposed (2018: US\$nil).

Details of movements during the year in investments, debtors and creditors can be found in notes 8 to 10 to the financial statements.

### **Principal risks and uncertainties**

From the perspective of the Company, during the year under review the principal risks and uncertainties were integrated with the principal risks of the AB InBev Group and were not managed separately. Accordingly, the principal risks and uncertainties of Anheuser-Busch InBev SA/NV include those of the Company and are described in the risks and uncertainties section of the Group's 31 December 2019 annual report and page 16 of the Group's 31 March 2020 first quarter results report which does not form part of this report. The consolidated financial statements for Anheuser-Busch InBev SA/NV for the year ended 31 December 2019 are available at the address detailed in note 2 to these financial statements. The Group's first quarter results are available on the Group's website.

Following the UK's departure from the EU in January 2020, the UK's future trading relationship with the EU is still to be determined. As there remains economic and regulatory uncertainty in the UK, there is a lack of clarity around future trading arrangements following the transition period.

We continue to contribute to important public policy discussion and engage with government, regulatory bodies and other bodies in the industry. While no changes are currently expected to our operations for financial year 2020, we will continue to assess and monitor the potential risks, impact on operations and future updates on trading arrangements negotiated between the UK and EU.

### **Directors**

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

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

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

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

# **AB InBev Holdings Europe Limited**

## **Directors' report (continued) for the year ended 31 December 2019**

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### **Key performance indicators ("KPIs")**

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

### **Statement of directors' responsibilities**

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

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

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

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

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

### **Post balance sheet events**

#### **COVID-19**

On 11 March 2020, the World Health Organisations made the assessment that COVID-19 should be characterised as a pandemic after developing rapidly with a significant number of infections. The measures taken by various governments to contain the virus has affected economic activity and although the full extent of the impact on the global economy is still uncertain, there is an expectation of recessions in economies across the globe.

The Group's financial condition and results of operations, as well as the Group's future prospects, would likely be hindered by an economic downturn in any of its key markets. Consumption of beer and other alcohol and non-alcohol beverages in many of the jurisdictions in which the Group operates is closely linked to general economic conditions and changes in disposable income. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on the Group's ability to access capital, its business, results of operations and financial condition, and on the market price of its shares and American Depositary Shares.

# AB InBev Holdings Europe Limited

## Directors' report (continued) for the year ended 31 December 2019

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### Post balance sheet events (continued)

#### COVID-19 (continued)

Due to the nature of the Company and timing of the pandemic, the impact on its investments, financing arrangements and results are limited in the current financial year. Due to the changes in the market in which the Group operates and general economic volatility, the directors believe that the pandemic is likely to adversely impact the performance of the subsidiaries it holds as investments. The directors are therefore closely monitoring their performance and where indicators of impairment exist, a full impairment review will be undertaken. As cash is managed at group level, at the present time the directors of the Company do not anticipate any issues with regards to the recoverability of amounts owed by other group companies or the Company's ability to meet obligations due to other group companies. The directors will however continue to monitor the Company's financing arrangements and make decisions necessary to support its ongoing operation.

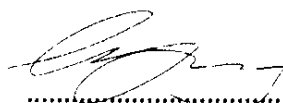
The full extent to which the COVID-19 pandemic will negatively affect our business, financial condition, cash flows and operating results will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic.

For further details of the risks and uncertainties arising from COVID-19. These are described on page 16 of the Group's 31 March 2020 first quarter results report which does not form part of this report.

The Directors' report has been prepared in accordance with the provision applicable to companies entitled to the small companies exemption.

The directors' approval of the financial statements appears on page 6.

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

  
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**S Jiang**  
**Director**

Date: 08/10/2020

# AB InBev Holdings Europe Limited

## Chartered accountants' report to the board of directors on the unaudited financial statements of AB InBev Holdings Europe Limited

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of AB InBev Holdings Europe Limited for the year ended 31 December 2019 which comprise the Profit and loss account and other comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes from the Company's accounting records and from information and explanations you have given us.


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

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

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

### Use of our report

This report is made solely to the board of directors of AB InBev Holdings Europe Limited, as a body, in accordance with the terms of our engagement letter dated 11 September 2017. Our work has been undertaken solely to prepare for your approval the accounts of AB InBev Holdings Europe Limited and state those matters that we have agreed to state to the board of directors of AB InBev Holdings Europe Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AB InBev Holdings Europe Limited and its board of directors as a body for our work or for this report.

  
**BDO LLP**  
Chartered Accountants  
Reading  
UK

Date: 08/10/2020

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

## AB InBev Holdings Europe Limited

### Profit and loss account and other comprehensive income for the year ended 31 December 2019

	Note	2019 US\$('000s)	2018 US\$('000s)
Net other operating expenses		(453)	(25)
Impairment on subsidiaries	8	-	(978,840)
<b>Operating loss</b>		<b>(453)</b>	<b>(978,865)</b>
Finance income	5	2,234	30
Finance expense	6	(1,088)	(185)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>693</b>	<b>(979,020)</b>
Taxation on profit/(loss) on ordinary activities	7	-	461
<b>Profit/(loss) for the financial year</b>		<b>693</b>	<b>(978,559)</b>
<b>Total comprehensive income/(expense) for the year</b>		<b>693</b>	<b>(978,559)</b>

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

The notes on pages 8 to 20 form part of these financial statements.



# AB InBev Holdings Europe Limited

Registered number:04763363

## Balance sheet as at 31 December 2019

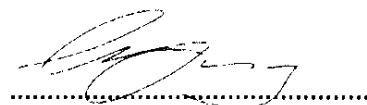
	Note	2019 US\$('000s)	2018 US\$('000s)
<b>Fixed assets</b>			
Investments	8	770,770	770,770
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	808,484	834,936
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	-	(27,145)
<b>Net current assets</b>		<u>808,484</u>	<u>807,791</u>
<b>Net assets</b>		<u><u>1,579,254</u></u>	<u><u>1,578,561</u></u>
<b>Capital and reserves</b>			
Called up share capital	11, 12	-	-
Profit and loss account	12	1,579,254	1,578,561
<b>Total shareholder's funds</b>		<u><u>1,579,254</u></u>	<u><u>1,578,561</u></u>

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

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

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

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



**S Jiang**  
Director

Date: 08/10/2020

The notes on pages 8 to 20 form part of these financial statements.

## AB InBev Holdings Europe Limited

### Statement of changes in equity for the year ended 31 December 2019

	Called up share capital US\$('000s)	Profit and loss account US\$('000s)	Total shareholder's funds US\$('000s)
<b>At 1 January 2018</b>	-	2,557,120	2,557,120
<b>Comprehensive expense for the year</b>			
Loss for the financial year	-	(978,559)	(978,559)
<b>Total comprehensive expense for the year</b>	-	(978,559)	(978,559)
<b>At 1 January 2019</b>	-	1,578,561	1,578,561
<b>Comprehensive income for the year</b>			
Profit for the financial year	-	693	693
<b>Total comprehensive income for the year</b>	-	693	693
<b>At 31 December 2019</b>	-	1,579,254	1,579,254

The notes on pages 8 to 20 form part of these financial statements.

# AB InBev Holdings Europe Limited

## Notes to the financial statements for the year ended 31 December 2019

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### 1. General information

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

### 2. Accounting policies

#### Basis of preparation

These financial statements have been prepared in accordance with *Financial Reporting Standard 101 Reduced Disclosure Framework* ("FRS 101"). These financial statements have been prepared under the historical cost convention, as modified by the fair valuation of financial instruments, and in accordance with the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

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

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

The following exemptions from the requirements of EU adopted IFRSs have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows)
  - 16 (statement of compliance with all IFRS)
  - 38A (requirement for minimum of two primary statements, including cash flow statements)
  - 38BD (additional comparative information)
  - 111 (cash flow statement information)
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

# AB InBev Holdings Europe Limited

## Notes to the financial statements for the year ended 31 December 2019

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### 2. Accounting policies (continued)

#### Basis of preparation (continued)

As the consolidated financial statements of Anheuser-Busch InBev SA/NV include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets; and
- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not held as part of a trading portfolio or as derivatives.

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the fair valuation of financial instruments. The accounting policies, which have been applied consistently throughout the year, are set out below.

#### Exemption from preparation of consolidated financial statements

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

#### New standards, amendments and IFRIC interpretations

IFRS 16 and IFRIC 23 are new accounting standards that are effective for the year ended 31 December 2019.

##### (a) IFRS 16 Leases

Effective 1 January 2019, IFRS 16 has replaced IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement Contains a Lease*.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained.

The Company does not have any leasing arrangements on a lessee or lessor basis in the current or preceding financial year. As a result, there is no impact on the adoption of IFRS 16 for the financial statements.

# **AB InBev Holdings Europe Limited**

## **Notes to the financial statements for the year ended 31 December 2019**

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### **2. Accounting policies (continued)**

#### **New standards, amendments and IFRIC interpretations (continued)**

##### **(b) IFRIC 23 Uncertainty over Income Tax Treatments**

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The interpretation requires:

- The Company to determine whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- The Company to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and
- If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

The Company does not have any current or deferred tax liabilities or assets where there is uncertainty over income tax treatments and, as a result of the adoption of IFRIC 23, there were no adjustments made to the Company's retained earnings as at 1 January 2019 or 1 January 2018 and there were no adjustments made to line items in the Profit and loss account and other comprehensive income statement for the year ended 31 December 2018.

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 and have had a material impact on the Company.

#### **Finance income**

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

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

#### **Finance expense**

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

# **AB InBev Holdings Europe Limited**

## **Notes to the financial statements for the year ended 31 December 2019**

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### **2. Accounting policies (continued)**

#### **Foreign exchange**

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

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

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

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses are recognised within profit or loss.

#### **Taxation**

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

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

#### **Investments in subsidiaries**

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

#### **Impairment of investments**

The carrying amounts of the Company's investments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

# AB InBev Holdings Europe Limited

## Notes to the financial statements for the year ended 31 December 2019

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### 2. Accounting policies (continued)

#### Financial instruments

Financial instruments comprise investments in subsidiary undertakings, trade debtors and amounts owed by and to fellow Group undertakings.

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

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

#### *Debt instruments at amortised cost*

These comprise investments in loans and receivables where the contractual cash flows are solely payments of principal and interest and the Company's business model is to collect contractual cash flows. Interest income, foreign exchange gains and losses and any impairment charges for such instruments are recognised in profit or loss.

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

#### *Financial liabilities*

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

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

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

# AB InBev Holdings Europe Limited

## Notes to the financial statements for the year ended 31 December 2019

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### 2. Accounting policies (continued)

#### Financial instruments (continued)

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

#### *Interest bearing loans and borrowings*

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

#### Impairment of financial assets

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

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

#### Share capital

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

#### Dividend payable

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

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



# AB InBev Holdings Europe Limited

## Notes to the financial statements for the year ended 31 December 2019

### 3. Key estimates and judgements

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

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

#### *Impairment of investments*

Impairment reviews in respect of investments in Group undertakings are performed if events indicate that this is necessary. Impairment reviews are based on future cash flows discounted using the weighted average cost of capital for the relevant country with terminal values calculated applying a long-term growth rate. The future cash flows which are based on business forecasts, the long-term growth rates and the discount rates used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change with a consequent impact on the results and net position of the Company.

#### *Impairment of intercompany loans*

Impairment provisions for amounts due between companies across the Group are recognised based on a forward looking expected credit loss model. Management has reviewed the intercompany loans granted to and by the entity. Based on their assessment they believe that credit risk has not increased significantly since initial recognition and there is no difference between the contractual and expected future cash flows of those intercompany loans, which have all been documented. As a result, none of those loans have been credit-impaired at the reporting date. Management will keep monitoring at each reporting date whether significant increases in credit risk have occurred, based on borrower specific information, and will adjust the value of the intercompany loans where required.

### 4. Key management compensation and employees

Key management personnel are considered to be the directors of the Company. The Company had no employees in the year (2018: none). None of the key management personnel received any remuneration for their services as key management personnel of the Company and are not employed by the Company.

During the year, no key management personnel exercised options over US 10 cent shares in ABI SAB Group Holding Limited (2018: none). This is accounted for by the employing company within the Group. No (2018: One) key management personnel exercised options in Anheuser-Busch InBev SA/NV.

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

### 5. Finance income

	2019 US\$('000s)	2018 US\$('000s)
Interest receivable from fellow Group undertakings	51	30
Foreign exchange gain	2,183	-
<b>Total finance income</b>	<b>2,234</b>	<b>30</b>

# AB InBev Holdings Europe Limited

## Notes to the financial statements for the year ended 31 December 2019

### 6. Finance expense

	2019 US\$('000s)	2018 US\$('000s)
Interest payable to parent undertakings	1,088	146
Foreign exchange loss	-	39
<b>Total finance expense</b>	<b>1,088</b>	<b>185</b>

### 7. Taxation on profit/(loss) on ordinary activities

#### Analysis of charge in year

	2019 US\$('000s)	2018 US\$('000s)
<b>Current tax</b>		
UK corporation tax on profits/(losses) for the year	-	-
Adjustments in respect of prior years	-	(461)
<b>Total taxation charge/(credit)</b>	<b>-</b>	<b>(461)</b>

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

The tax assessed for the year is lower than (2018: higher than) the UK standard rate of corporation tax for the year ended 31 December 2019 of 19% (2018: 19%). The differences are explained below:

	2019 US\$('000s)	2018 US\$('000s)
Profit/(loss) on ordinary activities before taxation	693	(979,021)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	132	(186,014)
<b>Effects of:</b>		
Income not taxable	-	185,980
Adjustment to tax charge in respect of prior years (current tax)	-	(461)
Group relief	(132)	34
<b>Total tax charge/(credit) for the year</b>	<b>-</b>	<b>(461)</b>

# AB InBev Holdings Europe Limited

## Notes to the financial statements for the year ended 31 December 2019

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

#### Factors that may affect future tax charges

The effects of changes to the corporation tax rates, substantively enacted as part of the Finance Act 2016 on 15 September 2016, made a reduction of UK corporation tax to 17% effective 1 April 2020.

Subsequent to the reporting date, on 17 March 2020, it was announced that this change was to be reversed and the rate remains at 19% from 1 April 2020. Deferred taxes at the reporting date have been measured and reflected in these financial statements using the substantively enacted tax rate at the year end of 17%.

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

### 8. Fixed asset investments

	Investments in subsidiary companies US\$('000s)
<b>Cost or valuation</b>	
At 1 January 2019	2,670,434
At 31 December 2019	2,670,434
<b>Impairment</b>	
At 1 January 2019	1,899,664
At 31 December 2019	1,899,664
<b>Net book value</b>	
At 31 December 2019	770,770
At 31 December 2018	770,770

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

# AB InBev Holdings Europe Limited

## Notes to the financial statements for the year ended 31 December 2019

### 8. Fixed asset investments (continued)

#### Subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Class of shares	% Holding	Principal activity
AB InBev Europe B.V. <sup>(1)</sup>	€1.00 Ordinary	100 %	Holding and financing company
AB InBev Harmony Holdings Limited <sup>(1)</sup>	£0.01 A Ordinary	100 %	Holding company
	£0.01 B Ordinary		

Registered address:

<sup>(1)</sup> Bureau, 90 Fetter Lane, London, EC4A 1EN

Indirect investments held by the Company, such as subsidiaries, associates and joint ventures are detailed in note 16.

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

	2019 US\$('000s)	2018 US\$('000s)
Amounts owed by fellow Group undertakings	805,036	831,045
Trade debtors	3,448	3,448
Dividend receivable	-	443
	<u>808,484</u>	<u>834,936</u>

Amounts owed by fellow Group undertakings are unsecured, repayable on demand and comprise amounts subject to interest at a daily rate mirroring the external daily market rates applicable to the header of the pool and amounts which are interest free (2018: interest free).

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

	2019 US\$('000s)	2018 US\$('000s)
Amounts owed to fellow Group undertakings	-	27,145
	<u>-</u>	<u>27,145</u>

Amounts owed to fellow Group undertakings were unsecured, interest free and repayable on demand.

# AB InBev Holdings Europe Limited

## Notes to the financial statements for the year ended 31 December 2019

### 11. Share capital

	2019 US\$	2018 US\$
<b>Allotted, called up and fully paid</b>		
20,305 Ordinary shares of £0.01 each (2018: 20,305)	<b>389</b>	<b>389</b>

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

### 12. Reserves

Reserves are comprised of the following:

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

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

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

### 13. Capital commitments and contingent liabilities

There were no capital commitments or material contingent liabilities at 31 December 2019 (2018: US\$nil).

### 14. Post balance sheet events

#### COVID-19

On 11 March 2020, the World Health Organisation made the assessment that COVID-19 should be characterised as a pandemic after developing rapidly with a significant number of infections. The measures taken by various governments to contain the virus has affected economic activity and although the full extent of the impact on the global economy is still uncertain, there is an expectation of recessions in economies across the globe.

The Group's financial condition and results of operations, as well as the Group's future prospects, would likely be hindered by an economic downturn in any of its key markets. Consumption of beer and other alcohol and non-alcohol beverages in many of the jurisdictions in which the Group operates is closely linked to general economic conditions and changes in disposable income. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on the Group's ability to access capital, its business, results of operations and financial condition, and on the market price of its shares and American Depositary Shares.

# AB InBev Holdings Europe Limited

## Notes to the financial statements for the year ended 31 December 2019

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### 14. Post balance sheet events (continued)

#### *COVID-19 (continued)*

Due to the nature of the Company and timing of the pandemic, the impact on its investments, financing arrangements and results are limited in the current financial year. Due to the changes in the market in which the Group operates and general economic volatility, the directors believe that the pandemic is likely to adversely impact the performance of the subsidiaries it holds as investments. The directors are therefore closely monitoring their performance and where indicators of impairment exist, a full impairment review will be undertaken. As cash is managed at group level, at the present time the directors of the Company do not anticipate any issues with regards to the recoverability of amounts owed by other group companies or the Company's ability to meet obligations due to other group companies. The directors will however continue to monitor the Company's financing arrangements and make decisions necessary to support its ongoing operation.

The full extent to which the COVID-19 pandemic will negatively affect our business, financial condition, cash flows and operating results will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic.

For further details of the risks and uncertainties arising from COVID-19. These are described on page 16 of the Group's 31 March 2020 first quarter results report which does not form part of this report.

### 15. Ultimate parent undertaking

The immediate parent undertaking is ABI SAB Group Holding Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and controlling party is 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's consolidated financial statements can be obtained from Brouwerijplein 1, B-3000 Leuven, Belgium.

# AB InBev Holdings Europe Limited

## Notes to the financial statements for the year ended 31 December 2019

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

Unless indicated all shares are 100% held by group companies and effective interests are 100%.

#### (a) Indirect wholly owned subsidiaries

Name	Class of shares
AB InBev Harmony Limited - 90 Fetter Lane, London, EC4A 1 EN	£0.01 B ordinary
Bisa Beteiligungs GmbH - Konrad-Adenauer-Ufer 5-7, 50668, Köln, Germany	€ Share capital

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

Name	Class of shares	Effective interest	% of share class held by Group companies
Canbrew B.V. - Ceresstraat 1, 4811, BREDA, The Netherlands	€0.4537802 Ordinary	71%	71%
Compania Cervecera de Canarias, S.A. - Carretera La Cuesta-Taco, Km. 0.5, 38320 La Laguna, Santa Cruz de Tenerife, Islas Cananas, Spain	€6.0101 Ordinary	51%	71%

#### (c) Associate

Anadolu Efes Biracilik ye Malt Sanayil A.S. <sup>(1)</sup> - Bahcelievler Mahallesi, Sehit Ibrahim Koparir Caddesi No. 4, Bahcelievler, Istanbul, Turkey	TRL 1.00 common	24%	24%
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#### Notes

<sup>(1)</sup> Listed in country of incorporation.