Bralirwa

PART OF THE HEINEKEN COMPANY

Annual Report and Accounts 2020

HEINEKEN MADE IN RWANDA


Heineken
HEINEKEN LAGER BEER
Heineken
PREMIUM QUALITY

Contents

Make every meal special with ice-cold refreshment.

Mission Statement and Values

Our Mission Statement

A World Class sustainable beverage company in Rwanda with high quality brands that satisfy needs and give enjoyment to our consumers, while respecting our people, society and the environment in which we live.

Our Values

Bralirwa Plc's three core values are derived from its parent company Heineken N.V.'s values, passion for quality, enjoyment of life, respect for people and for the planet. The values are based on the Company's passion for quality beverages and its constant respect for its employees, business partners, customers, shareholders and all who are connected to the Company. The values help define the corporate culture and working methods within the organisation.

Respect

As an integral part of the local and global communities in which it operates, Bralirwa Plc respects the laws and regulations of the country in which it operates. Bralirwa Plc pays attention to different cultures and to the environment preservation. By doing so, the company aims to be a good corporate citizen and takes most seriously its responsibility to be fully integrated, in a sustainable way, in the society in which it operates.

Enjoyment

Bralirwa Plc participates in making life more enjoyable by producing high quality beers and sparkling beverages and marketing them responsibly through innovative sponsorships, advertising and countrywide promotions. Bralirwa Plc's sponsorship portfolio, which spans sports, music and arts includes many positive events that contribute to the enjoyment of many. Enjoyment for life is also reflected in the working life and atmosphere within the Company.

Passion for Quality

As a subsidiary of Heineken N.V. and a license holder of The Coca-Cola Company, Bralirwa Plc ensures that everything it does or produces is of high quality. Bralirwa Plc continually aims to obtain and maintain its internal and external quality standards. This is not only reflected in its products and brands, but also in other activities such as social and employment policies. In Bralirwa Plc there is a belief that being a quality employer and investing in employees creates benefits and value for the Company and its reputation, but also for all of the Company's stakeholders.

Aerial view of Gisenyi brewery site

PART ONE

QUICK READ

Quick Read

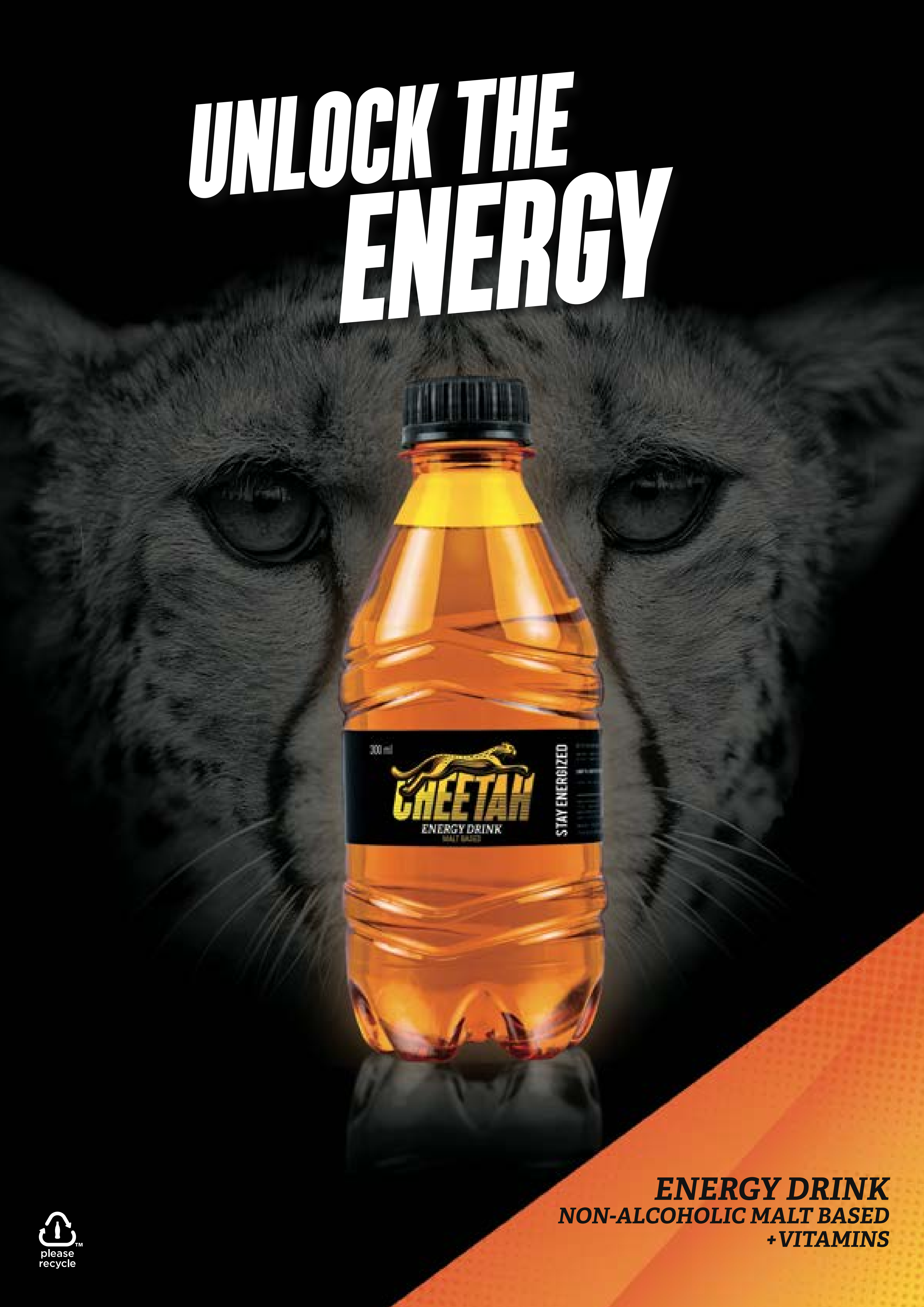
Results At A Glance

Results in Rwf millions	2020	2019	Change (%)
Revenue	100,521	100,691	(0.2%)
EBIT	19,826	10,667	85.9%
EBITDA	32,882	24,476	34.3%
Net Profit	9,005	1,192	655.5%
Dividend (proposed)	9,000	1,029	774.6%
Free Operating Cash flow	(6,818)	1,929	(453.4%)
Statement of financial position in Rwf millions			
Total Assets	127,271	121,741	4.5%
Net Working Capital	(30,866)	(30,923)	(0.2%)
Shareholder's equity	42,588	34,611	23.0%
Net debt	42,630	41,298	3.2%
Results and Statement of financial position per share			
Weighted Average Number of Shares	1,028,570,000	1,028,570,000	0.0%
Earnings per share 'Rwf	8.75	1.16	654.3%
Dividend Proposed 'Rwf	8.75	1.00	775.0%
Free Operating Cash (deficit) flow 'Rwf	(6.63)	1.88	(452.7%)
Employees in Numbers			
Average Number of Employees	483	509	(5.2%)
Key Ratios (in %)			
EBIT as % of Revenue	19.7%	10.6%	85.8%
Net Profit as % of Average Shareholder's Equity	21.1%	3.4%	520.6%
Net Debt/EBITDA	129.6%	168.7%	(23.2%)
EBITDA/Interest expenses (times covered)	481.3%	314.3%	53.1%
RONA	15.4%	2.1%	633.3%
Cash Conversion Rate	-75.7%	161.8%	(146.8%)
Dividend % Payout (% of Net Profit)	99.9%	86.3%	15.8%

Packaging line inside the brewery

History

- Founded in 1957, Bralirwa Plc is a Rwandan company producing and selling a portfolio of beer brands and soft drinks
- Bralirwa Plc has been part of the HEINEKEN Group since 1971
- Bralirwa Plc's shares were listed on the Rwandan Stock Exchange since 31 January 2011


UNLOCK THE
ENERGY
CHEETAH
ENERGY DRINK
STAY ENERGIZED
ENERGY DRINK
NON-ALCOHOLIC MALT BASED
+VITAMINS
please
recycle

PART TWO

CHAIRMAN'S STATEMENT

Chairman's Statement

Introduction

I would like to thank the Board for appointing me to the Chair of the Board as from March 2020 in succession of Mr. Lieven van der Borght.

In addition, let me thank our Vice Chairman and Managing Director Mr. Merid Demissie for his contribution to our Company especially during the unprecedented time caused by the pandemic.

Furthermore, it is with great pleasure that I address to you my first Chairman's statement for the year ended 31 December 2020.

Business Context 2020

The economic growth in Sub-Saharan Africa was estimated at 2.6% in 2020 (2019: 3.2%). The decline is a result of a sharp reduction in output growth among the region's key trading partners, including the euro area; the fall in commodity prices; reduced tourism activity in several countries; as well as the effects of measures taken to contain the COVID-19 global pandemic.

The East Africa Community (EAC) projected an economic performance at 1% in 2020 (2019: 6.2%) while Rwanda GDP growth declined by 3.4% in 2020 (2019: 9.5%). The COVID-19 pandemic has adversely affected the Rwandan economic performance through induced demand and supply shocks. As a result, Rwanda's trade deficit widened by 8.6%, year-over-year, in 2020, amounting to USD 2,012.6 million, from USD 1,854.0 million in 2019. The coverage of imports by exports increased to 41.2 percent in 2020 from 40.1 percent in 2019, with informal cross border trade included. In 2020, the Rwandan Franc (Rwf) depreciated 5.39% against the US Dollar (USD) and depreciated 15.7% against the Euro (EUR). Headline inflation increased to 7.7% in 2020 (2019: 2.4%) due to food inflation that picked to 12.1% from 2.7%, core inflation rose to 5.6% from 2.3%, while energy inflation surged to 7.8% from a deflation of 0.8%.

In 2020, overall top-line results slightly declined compared to 2019 mainly due to negative products mix and COVID-19 impact. Revenue management combined with a focus on cost savings as well as operational efficiencies positively impacted the gross profit. Our bottom-line result has therefore significantly improved versus 2019 as result of cost savings combined with operational efficiencies. In order to drive sustainable performance, we kept investing in our people, brands, capacity, sustainability and digital solutions.

Top line

Top line results improved driven by beer volume. Revenue was 0.2% slightly lower than last year at Rwf 100.5 billion (2019: Rwf 100.6 billion), mainly due to negative products mix, COVID-19 impact and competitive market, despite strong beer volume growth (7.1%).

Investments

Capital expenditure in 2020 increased to Rwf 14.6 billion (2019: Rwf 12.5 billion), explained by the brewhouse expansion and fermentation and storage tanks' projects initiated in 2020.

The Bramin JV farm, now in its seventh year of commercial farming, requires further improvement in operational results, efficiencies, cost savings and crop rotation to become profitable. In 2020, an impairment was recorded in the Bralirwa financials on the loan to Bramin.

Debt

Debt reduction remains a priority at Bralirwa. Following the latest repayment, the USD denominated long-term IFC loan is now Rwf 9.2 billion (2019: 14.6 billion). However, due to higher bank overdrafts, our net debt position increased to Rwf 42.6 billion (2019: Rwf 41.3 billion). Net finance cost decreased to Rwf 6.8 billion (2019: Rwf 7.8 billion).

Financial statements

Top line results improved driven by beer volume. Revenue was 0.2% slightly lower than last year at Rwf 100.5 billion (2019: Rwf 100.6 billion), mainly due to negative products mix, COVID-19 impact and competitive market, despite strong beer volume growth (7.1%).

A continued focus on cost savings combined with operational efficiencies resulted in an improved Gross Profit (GP) which increased by 3.8%.

Operating result increased by 85.9% to Rwf 19.8 billion (2019: Rwf 10.7 billion) mainly due to cost saving initiatives as mitigation to COVID-19 impact. Profit and total comprehensive income increased by 655.6% to Rwf 9 billion (2019: Rwf 1.2 billion), due to the above reasons. This resulted in a better earnings per share of Rwf 8.75 (2019: Rwf 1.16).

The above impacted the 2020 Statement of Financial Position and of Comprehensive Income as follows:

1. Net debt increased by 3.2% to Rwf 42.6 billion in 2020 (2019: Rwf 41.3 billion), due to higher bank overdrafts

2. Total payables decreased by 8.0% to Rwf 32.9 billion in 2020 (2019: Rwf 35.8 billion) mainly from amounts timely payment of dues to related parties

3. Revenue declined by 0.2% to Rwf 100.5 billion in 2020 (2019: Rwf 100.7 billion), mainly due to negative products mix

4. Decreased cost of sales by 2.3% to Rwf 64.3 billion in 2020 (2019: Rwf 65.8 billion) mainly driven by lower repair & maintenance costs, lower wages, and lower depreciation.

5. Net finance cost decreased by 12.3% to Rwf 6.8 billion in 2020 (2019: Rwf 7.8 billion), mainly driven by enhanced cash management, further repayment of USD IFC loan and timely payment of foreign currency payables

As result, net profit and total comprehensive income increased by 655.5% to Rwf 9.0 billion (2019: Rwf 1.2 billion), mainly driven by efficiency and savings to mitigate COVID-19 impact. This resulted in a substantial improvement of earnings per share of Rwf 8.75 (2019: Rwf 1.16).

Brands

The year 2020 was another great year for the Mützig brand, with strong top line growth on the prior year.

Consumers were well able to find and preferred this trustworthy brand, an example of the very strong brand power Mützig has with consumers.

In Q1 Mützig was still able to partner with exciting music events and executed these events through the line driving Sales. In Q4 Mützig launched the 'Success Follows Perseverance: 'Cheers to You' campaign nationwide. The campaign centers around and aims to show the entrepreneurial spirit and resilience that Rwandese business owners portray to keep their businesses operational during unprecedented times. The campaign was fully locally developed and features real Rwandan entrepreneurs in different fields showcasing their creativity and resourcefulness. The campaign motivates us all to acknowledge the achievements around us and raise our glass in recognition: Cheers to You! Primus strengthened its market position with double-digit growth and continues to play an important part in the Bralirwa portfolio.

In these challenging times the national icon Primus capitalized on its strong brand power and the consumer need for a great quality beer at a good price. Both Commercial and Production colleagues ensured constant availability following high demand.

To future proof Primus, the brand focused on sharpening its local positioning and visual identity to ensure new marketing activities will resonate even more with Rwandan consumers in the years to come.

Since 1870, Amstel has been dedicated to quality, togetherness and innovation. In 2020, Amstel celebrated 150 years of being the world's local beer brand. Amstel 100% Pure Malt was launched in Rwanda in 2018 and like the rest of the world, we celebrated Amstel's anniversary with the rollout of the "150th Anniversary" Campaign. This campaign provided us with an opportunity to highlight the rich heritage of the Amstel brand and emphasize the uncompromised quality while increasing its national appeal.

The year 2020 was a challenging year for the Heineken® brand. However, a number of key commercial activities, like the Heineken® UCL campaign and activations, had to be canceled, the brand showed to be innovative and teamed up with local DJs to create entertainment at home through Instagram Live parties. The brand also kicked-off the Heineken® Afterwork campaign to drive consideration and position Heineken® as the ideal beer to celebrate the end of the working day and week. Heineken® continued to advocate responsible alcohol consumption through its 'Enjoy Heineken Responsibly' communication.

Soft Drinks performance in 2020 started on a high note and positive results. The Covid-19 pandemic had a negative effect on the consumption due to the fact that consumers were spending more time at home and Soft Drinks brands are functional and mostly consumed on the go. The agile mindset of Commercial (Sales & Marketing) team led to innovative activations; the latter had a positive impact on the home consumption occasion. Coca-Cola Christmas campaign and launch of Fanta Pineapple 1.5 L in the midst of a challenging year brimmed light in the heart of the consumers.

Safety

Safety continues to be at the center of everything we do. From employees working in production to sales team in the field, third party employees working on our sites to drivers transporting our products, our business partners providing service on our sites to people visiting, our ultimate goal is for everyone to arrive back home safely to their families. COVID-19, like many other businesses, was a serious risk factor in operation. We were able to setup the necessary preventive measures from the onset of COVID-19 through distribution of face masks, installation of sanitizers dispensary from entrance to different operational areas, installation of hand washing stations, and enforcement of social distancing. We also rearranged our shift patter in line with the changing government guidelines from March 2020 until now.

Our Organization, Our People

2020 was a year of change and uncertainty around the world. Protecting the health and prioritizing the safety of our employees, contractors and families were at the forefront of our business since the beginning of COVID-19. As such, we started integrating significant process changes to support on implementation of necessary health standards at the workplace and beyond. We began the daily audits in order to gauge the effectiveness of our health and safety measures.

Sustainability

Brewing a Better World (BaBW) remains a key priority for our company and at the heart of how we conduct our business. Our focus is on six pillars where we want to make a real difference; responsible consumption, health & safety, sustainable use of water resources, reduction of CO2 emission, growing with communities and sourcing sustainably.

Dividend

Payment of a cash dividend for 2020 of Rwf 8.75 per share (2019: Rwf 1.00) will be proposed to the annual general meeting of shareholders scheduled for 20 May 2021. The proposed dividend, if approved, will be paid on 20 June 2021. The dividend represents 99.9% of the net profit of the year 2020. Please note that the payment will be subject to a withholding tax. The book close date for Bralirwa PLC shares will be 25 May 2021, such that the final dividend will be paid to all shareholders, whose names appear in the Register of Shareholders at the close of business on that day.

Auditors

The proposal for your approval at the annual general meeting of shareholders is to re-appoint Ernst & Young Rwanda as our Auditing firm.

Outlook 2021

Ongoing uncertainties and resulting volatility in the global economy are expected to continue to impact African economies in the coming year. Our initial plan for 2021 is further top line, profit and margin growth in the context of continued outperformance of the Rwandan economy relative to the broader African Region driven by new product introductions, cost management and further debt reduction.

However, the outbreak of COVID-19 continues to present an unprecedented health crisis and macro- economic risk, which is likely to have a significant impact on the economy and our business in the short term while we stay optimistic with the Government's effort to roll-out vaccines that we expect to further reduce new COVID-19 cases here in Rwanda. As always, our priority is the safety and health of our employees, their families, customers and partners, and in playing a constructive role supporting the government as they work to contain the spread of the virus. At this stage, it is not possible to assess the extent and duration of this crisis and its impact on the economy and our business.

Conclusion

Let me conclude by thanking my colleagues of the Board for their support in 2020.

To management and all employees, thanks for your dedication and great effort in 2020. To our commercial partners, our thanks for their co-operation and partnership. To our consumers, our thanks for their loyalty and trust in the quality of our brands. And to you our shareholders, thank you for your support in 2020 and continued confidence in our Company.

Pascal Sabrié
Chairman of the Board,
Kigali, 29 March 2021


Holiday spirit. Without the spirit.
EST. 1873
Heineken®

Ijambo rya Perezida w'Inama y'Ubutegetsi

Intangiriro

Ndabanza nshimire Inama y'Ubutegetsi kuba yarangiriye ikizere ikangira umuyobozi wayo kuva muri Werurwe 2020 nsimbuye Bwana Lieven van Borght.

Ndashimira kandi Umuyobozi w'Inama y'Ubutegetsi wungirije akaba n'Umuyobozi w'uruganda, Bwana Merid Demissie ku ruhare yagize mu guteza imbere Ikigo by'umwihariko muri ibi bihe bidasanzwe byatwewe n'icyorezo cya COVID 19.

Byongeye kandi nejejwe no kubagezaho ijambo ryange rya mbere nk'Umuyobozi w'Inama y'Ubutegetsi mu mwaka dusoza ku wa 31 Ukoboza 2020.

Ishusho rusange y'ubucuruzi muri 2020

Izamuka ry'ubukungu muri Afurika yo munsi y'Ubutayu bwa Sahara ryari ku kigero cya 2.6% muri 2020 (2019:3.2%). Iri gabanuka rikomoka ku kuba bamwe mu bafatanyabikorwa mu bucuruzi bo muri aka karere ndetse n'abo mu karere k'Iburayi baragabanyije ingano y' ibicuruzwa, ibiciro by'ibicuruzwa nabyo byaramanutse, ibikorwa by'ubukerarugendo mu bihugu byinshi byaragabanutse; ndetse n'ingaruka z'ingamba zo gukumira icyorezo cya Covid- 19 cyugarije isi yose zabigizemo uruhare.

Umuryango w'Ibihugu bya Afurika y'Iburasirazuba (EAC) wateganyaga ko ubukungu bwawo buzazamukaho 1% muri 2020 (2019: 6.2%) mu gihe mu Rwanda ubukungu bwamanutseho 3% muri 2020 (2019:9.5%). Icyorezo cya COVID-19 cyagize ingaruka zikomeye ku bukungu bw'u Rwanda gihungabanya cyane ubuhahirane. Ibyo byagaragajwe nuko igihombo cy'ubucuruzi bw'u Rwanda cyazamutseho 8.6% uko umwaka utashye, muri 2020, cyageze kuri miliyoni 2,012.6 z'amadolari ya Amerika, kivuye kuri miliyoni 1,854.0 z'amadolari ya Amerika muri 2019. Ibyoherezwa mu mahanga ugereranyije n'ibitumizwayo byazamutse ku kigero cya 41.2 % muri 2020 bivuye kuri 40.1% muri 2019 ushyizemo n'ubucuruzi bwambukiranya imipaka. Muri 2020, ifaranga ry'u Rwanda ryataye agaciro ku kigero cya 5.39% urigereranyije n'idorari rya Amerika (USD), no ku kigero cya 15.7% ugereranyije n'iyero (EUR). Itakara ry'agaciro ryarazamutse rigera ku kigero cya 7.7% muri 2020 (2019:2.4%) bitewe n'ibura ry'ibiribwa ryageze ku kigero cya 12.1% rivuye kuri 2.7%, igabanuka rikabije ry'agaciro ryageze kuri 5.6% rivuye kuri 2.3%, mu gihe ingufu zo zabonetse ku kigero cya 7.8% zivuye kuri 0.8%.

Muri rusange, igipimo cy'ubukungu muri 2020 cyaragabanutse ugereranyije n'icyo muri 2019, bitewe cyane cyane n'uruhurirane rw'umusaruro udashimishije wongeyeho n'ingaruka za COVID-19. Imicungire y'umutungo hamwe no kwitwararika kudasesagura ndetse n'imiyoborere myiza byazamuye umusaruro mbumbe. Umusaruro fatizo wacu rero wariyongereye ku buryo bufatika ugereranyije n'uwa 2019 kandi ibyo bikaba bituruka ku mpamvu zimaze kuvugwa hejuru. Kugira ngo dukomeze imikorere myiza, twakomeje gushyira imbaraga mu guha agaciro abakozi bacu, ireme ry'ibicuruzwa, kuzamura ubushobozi, uburambe n'ibisubizo bikomoka ku ikoranabuhanga.

Inyungu

Inyungu nini zari zitezwe zariyongereye urebye ingano nini y'inzoga zakozwe. Ugereranyije n'iy'umwaka ushize, inyungu yageze ku kigero cya 0.2%, ni ukuvuga miliyari 100.5 Rwf (2019: miliyari 100.6 Rwf), ibi bikaba byaraturutse cyane ku ivanga ry'ibicuruzwa ritaboneye, ingaruka za COVID-19 no kuba isoko rihuriweho na benshi naho ingano y'inzoga zengetse neza yazamutse. (7.1%)

Ishoramari

Muri 2020, amafaranga yakoreshejwe yageze kuri miliyari 14.6 Rwf (2019: miliyari12.5 Rwf), bigasobanurwa nuko muri uyu mwaka uruganda rwenga inzoga, aho zitunganyirizwa n'aho zibikwa haguwe.

Umurima BRAMIN JV umaze imyaka irindwi ubyazwa ukoreshwa, ukeneye kwitabwaho kurushaho kugira ngo ushobore gutanga umusaruro ugaragara, ukore neza kandi hakoreshejwe ingengo y'imari nto ndetse habe no gusimburanya ibiwuterwamo, ibyo byose kugira ngo ushobore gutanga inyungu nyayo. Muri 2020, ingengo y'imari Bralirwa yageneraga Bramin yaragabanutse.

Ideni

Kugabanya umwenda wa BRALIRWA nicyo kituraje ishinga. Kuri ubu twatangiye kwishyura inguzanyo y'igihe kirekire twahawe na IFC, ubu ingana na miliyari 9.2 Frw. (2019: miliyari 14.6 Rwf). Ariko kubera ko inyungu z'amabanki ziri hejuru, ideni ryacu ryose ryarazamutse rigera kuri miliyari 42.6 Rwf (2019: miliyari 41.3 Rwf). Ingengo y'imari yose yaragabanutse igera kuri miliyari 6.8 Rwf (2019: miliyari 7.8 Rwf).

Raporo z'Ibitabo by'Ibaruramari

Umusaruro warazamutse bitewe nuko ingano y'inzoga nayo yiyongereye. Inyungu yagabanutseho 0.2% ugereranyije n'umwaka ushize, igera kuri miliyari 100.5 Rwf (2019: miiriyari 100.6 Rwf) biturutse cyane cyane ku ivanga ritaboneye ry'ibicuruzwa, ingaruka za COVID-19 n'isoko rihuriweho na benshi, naho ingano y'inzoga yazamutse ku buryo bugaragara (7.1%)

Gukomeza umurongo wo kudasesagura, no kongera umusaruro ni byo byatumye umusaruro mbumbe uzamukaho 3.8%. Umusaruro ukomoka mu bikorwa bitandukanye wazamutseho 85.9% ugera kuri miliyari 19.8 Rwf (2019: miliyari 10.7 Rwf) bitewe n'ibikorwa bitandukanye bigamije kudasesagura nko kwirinda ingaruka za COVID-19. Umusaruro wose wazamutseho 655.6% ni ukuvuga miliyari 9 (2019: miliyari 1.2 Rwf) biturutse ku mpamvu zavuzwe haruguru. Ibi byabyaye inyungu yisumbuye ku migabane ingana na miliyari 8.75 Rwf (2019: miliyari 1.16 Rwf).

Ibimaze kuvugwa haruguru, bifite aho bihuriye na Raporo y'ingengo y'imari ya 2020 n'ingano y'ibyo twinjiza muri rusange ku buryo bukurikira:

- Mu mwaka wa 2020, ideni nyirizina ryazamutseho 3.2% rigera kuri miliyari 42.6 Rwf (2019: miliyari 41.3 Rwf) bitewe n'uko inyungu z'amabanki zari hejuru cyane.
- Ibyagombaga kwishyurwa byose byamanutseho 8.0% ni ukuvuga miliyari 32.9 Rwf muri 2020 (2019: miliyari 35.8 Rwf) bitewe no kwitwararika kwishyurira igihe abafatanyabikorwa.
- Amafaranga yinjiye yagabanutseho 0.2% agera kuri miliyari 100.5 Rwf muri 2020 (2019: miliyari 100.7Rwf) bitewe n'ivanga ritaboneye ry'ibikoresho.
- Ikiguzi ku bicuruzwa cyagabanutseho 0.2% kigera kuri miliyari 64.3 Rwf muri 2020 (2019: miliyari 65.8 Rwf) kubera ingengo y'imari nto yagiye ku kubungabunga ibikoresho, imishahara n'itakara ry'agaciro k'ifaranga biri hasi.
- Ingano y'imari yasohotse yagabanutseho 12.3 % igera kuri miliyari 6.8Rwf muri 2020 (2019; miliyari 7.8 Rwf) bitewe cyane no gushyira imbaraga mu micungire y'umutungo, kwigizayo ideni mu madolari rya IFC no kwishyurira igihe amadovize.

Ibyavuyemo ni uko inyungu hamwe n'amafaranga yose yinjiye byazamutseho 655.5% bigera kuri miliyari 9.0 Rwf (2019: miliyari 1.2 Rwf) bitewe cyane cyane n'umusaruro mwiza ndetse no kuzigamira guhangana n'ingaruka za COVID-19. Ibi byatumye inyungu ku migabane izamuka ku buryo bugaragara igera kuri miliyari 8.75 Rwf (2019:1.16 Rwf).

Ibicuruzwa

Umwaka wa 2020 na wo wabaye umwaka mwiza ku kinyobwa cya Mützig mu bijyanye n'ibyacurujwe cyane ugereranyije n'umwaka wabanje. Abayikunda bashoboye kubona ko ari ikinyobwa cyizewe, Mutzig yabaye urugero rwiza rw'igicuruzwa gifite ireme kandi cyakomeje kunyura abakunzi bayo.

Mu gihembwe cya mbere, Mützig yakomeje gufatanya n'ibikorwa bya muzika zikunzwe mu kwizihiza ibirori kandi yarabigaragaje koko urebye ukuntu yacurujwe. Mu gihembwe cya kane, Mützig yatangije gahunda ya "Kwihangana bikurikirwa n'intsinzi" n'indi gahunda ya "Ku buzima bwacu" zamamajwe mu gihugu hose. Aho kwamamariza henshi kandi hagamije kwerekana isura nyayo y'ubushabitsi nyarwanda, bigaragaza ko abari mu bucuruzi bashoboye kubungabunga ubucuruzi bwabo kurusha ndetse n'ibihe byo hambere.

Kwamamaza byabereye mu gihugu gusa ariko bigaragaza ko abanyarwanda bashoboye guhanga ibishya no kugera ku nyungu ishimishije. Iyamamaza ryaduteye kwakira ibyo twagezeho kandi ryatumye twishimira gahunda ya "ku buzima bwacu"!

Primus yongeye kugaragaza imbaraga zayo mu kugumana umwanya mwiza ku isoko, izamuka bidasanzwe kandi ikomeje kugira uruhare runini mu mutungo wa Bralirwa. Muri ibi bihe bitoroshye, Primus nk'ikinyobwa gikoreshwa mu gihugu cyose yashyize imbaraga mu gukomeza ireme ryayo cyane ko umukiriya aba akeneye inzoga iryoshye kandi ihendutse. Abakozi, ari abayikora ari n'abayicuruza, bose bakomeje guharanira guhaza isoko.

Primus nk'ikinyobwa kizakundwa n'ejo yashyize imbaraga mu kwihagararaho ku isoko rya hafi kandi izakomeza kwihagararaho mu bakunzi bayo mu Rwanda mu myaka iri imbere.

Kuva muri 1870, Amstel yaranzwe no kugira ireme, gukomeza ubusabane no guhanga agashya. Muri 2020, Amstel yizihije imyaka 150 ari ikinyobwa gikorerwa mu karere ariko gifite ireme ku isi yose. Amstel igizwe n'ibinyampeke Malt 100% yatangijwe mu Rwanda muri 2018, nk'abandi ku isi yose, twizihije isabukuru ya Amstel nk'iy'imyaka 150 y'ubukangurambaga.

Ubu bukangurambaga buduha uburyo bwo kumurika umurage ukungahaye w'igicuruzwa cya Amastel kandi bugagaragaza ireme rihamye, bukanerekana isura yayo nziza ku rwego rw'Igihugu. Umwaka wa 2020 wabaye uw'ingorabahizi ku gicuruzwa cya Heineken.

Naho ibikorwa bimwe by'ingenzi by'ubucuruzi nk'iyamamaza rya Heineken UCL byasubitswe, iki kinyobwa cyagaragaje ko kizana udushya kandi gishoboye gukorana n'aba"Djs" mu gususurutsa abantu mu ngo zabo nk'uko biboneka mu minsi mikuru igaragara kuri Instagram. Iki gicuruzwa kandi cyatangije ubukangurambaga kuri gahunda ya "Heineken Nyuma y'Akazi" kigaragaza neza uruhare n'akamaro bya Heineken nk'inzoga nziza ikwiye kunyobwa abantu bishimira ko bashoje umunsi cyangwa se icyumweru. Heineken kandi yakomeje gukora ubuvugizi bwo kunywa inzoga ku rugero ibicishije muri gahunda yayo ya "Unywe Heineken ku rugero".

Muri 2020 ibinyobwa bidasembuye byatangiye biri ku rwego rwiza kandi binatanga umusaruro. Icyorezo cya COVID-19 cyagize ingaruka zitari nziza ku mikoreshereze y'ibyo binyobwa bitewe nuko abakiriya benshi bamaraga umwanya munini mu rugo kandi ibinyobwa bidasembuye ubundi bikoreshwa mu mihango ibaho rimwe na rimwe. Itsinda ryari rishinzwe ibikorwa by'ubucuruzi ryahinduye ingamba bahanga udushya bituma imikoreshereze y'ibyo binyobwa mu ngo wiyongera. Iyamamaza rya Coca-Cola ya Noheri na Fanta y'Inanasi ya litiro 1.5 mu mwaka w'imbogamizi byazamuye icyizere mu bakiriya.

Umutekano

Umutekano ukomeje kuba ku isonga ry'ibyo dukora byose. Kuva ku bakozi bo mu ruganda kugera ku bakora mu bucuruzi, abakora hirya no hino aho dukorera hose, abahageza ibicuruzwa, abafatanyabikorwa baduha ibyo dukeneye, abasura aho dukorera, icyo tugamije kuri abo bose ni uko basubira mu ngo zabo amahoro. Icyorezo cya COVID-19 cyagize ingaruka ku bucuruzi bwose, cyabaye imbogamizi ikomeye ku bikorwa byacu. Twashoboye gufata ingamba zikenewe zo kwirinda COVID-19 nko gutanga udupfukamunwa, gushyiraho imiti irinda ubwandu aho abantu binjirira hose, gushyiraho aho abantu bakarabira intoki no gukomeza kubahiriza intera hagati y'abantu bari hamwe. Twashyizeho gusimburana mu kazi, hubahirizwa amabwiriza ya Leta kuva muri Weruwe 2020 kugeza ubu.

Ikigo cyacu, Abantu bacu.

Umwaka wa 2020 wabaye umwaka w'impinduka kandi zitari zitezwe ku rwego rw'isi. Kubungabunga ubuzima bw'abakozi no kwita by'umwihariko ku mutekano wabo, kwita ku batugana n'imiryango yabo byabaye mu byo twitayeho by'umwihariko kuva icyorezo cya COVID-19 cyaduka . Bityo twatangiye ibikorwa bishya bigamije kwitwararika amabwiriza ajyanye n'ubuzima bw'abantu mu kazi ndetse na nyuma y'aho. Twatangije igenzura rya buri munsi rigamije kureba niba amabwiriza ajyanye n'umutekano w'ubuzima bwacu yubahirizwa.

Uburambe

Gahunda yo Gusigasira ubucuruzi bw'igihe kirambye (BaBW) iri ku isonga rya Kompanyi yacu bikaba n'umusingi w'uburyo dukoramo ubucuruzi bwacu. Iyo gahunda yacu ishingiye ku nkingi esheshatu dushaka ko zizadufasha kugaragaza ubudasa: Kunywa ku rugero; ubuzima n'umutekano, gukoresha neza umutungo kamere w'amazi; kugabanya imyuka ihumanya yo mu bwoko bwa CO_2; gutera imbere turi kumwe n'abaturage no gukoresha ibikenerwa mu nganda bivuye hafi y'aho dukorera.

Urwunguko ku Migabane

Kwishyura urwunguko rungana n'amafaranga miliyari 8.75 kuri buri mugabane muri 2020 (2019:miliyari 1.00 Rwf) tuzabigira ingingo yo gusuzumwa mu Nama Rusange ngarukamwaka y'abashoramari iteganyijwe ku wa 20 Gicurasi 2021. Iyi nyungu ku mugabane niyemezwa izishyurwa ku wa 20 Kamena 2021. Inyungu ku mugabane ingana na 99.9% y'inyungu y'umwaka 2020. Tuzirikane ariko ko ibyishyurwa bijyana no gukurwaho imisoro. Itariki yo gusoza inyandiko ku migabane ya Bralirwa PLC ni 25 Gicurasi 2021, icyo gihe niho inyishyu ya nyuma ku migabane y'abashoramari izishyurirwa, ku bo amazina agaragara mu gitabo cy'abashoramari kuri uwo munsi wo gusoza ibikorwa by'ubucuruzi.

Abagenzuzi

Igitekerezo cyatangwa kugira ngo mucyemeze mu Nama Rusange y'abashoramari cyaba ko Ernst &Young Rwanda yakomeza kutubera umugenzuzi.

Icyerekezo cya 2021

Guhuzagurika bihoraho ndetse n'umusaruro uhindagurika muri ubu bukungu bw'isi bishobora kuzakomeza kugira ingaruka ku bukungu bwa Afurika mu mwaka utaha.

Intego yacu muri 2021 ni ukuzamura inyungu kurushaho, cyane mu gihe ubukungu bw'u Rwanda bukomeje gutera imbere mu karere ka Afurika ruherereyemo, tuzana ibicuruzwa bishya, ducunga ibiciro hamwe no kugabanya amadeni.

Ariko rero, izamuka rya COVID-19 rikomeje kubera imbogamizi ubuzima bw'abantu hamwe n'ubukungu rusange, bigaragara ko rizagira ingaruka ku bukungu no ku bucuruzi bwacu mu gihe kitari kure ariko dukomeje kugira icyizere iyo turebye imbaraga Leta ishyira mu gukomeza kongera inkingo, bigaragaza ko abarwayi ba COVID-19 bazagenda bagabanuka. Nk'uko bisanzwe, intego yacu ni umutekano n'ubuzima bwiza by'abakozi bacu, imiryango yabo, abaguzi n'abafatanyabikorwa, no kugira uruhare mu gushyigikira ingamba za Leta zo gukumira icyo cyorezo. Uko ibintu bihagaze ubu, ntibyashoboka kumenya neza uko iki kibazo kizaba kimeze mu minsi iri mbere, igihe kizamara n'ingaruka ku bucuruzi n'ubukungu byacu.

Umwanzuro

Munyemerere nsoze nshimira abo dukorana mu Nama y'Ubutegetsi ku nkunga yabo mu mwaka wa 2020. Abayobozi n'abakozi muri rusange, ndabashimiye ku bwitange no ku muhate mwagaragaje muri 2020. Abafatanyabikorwa mu bucuruzi barakoze cyane ku bufatanye batugaragarije. Abaguzi bacu, turabashimiye ku cyizere kidatezuka mu ireme ry'ibicuruzwa byacu. Namwe banyamigabane bacu, turabashimiye cyane ku bufatanye mwatugaragarije muri 2020 no ku cyizere mukomeza kugirira Ikigo cyacu.

Pascal Sabrié
Umuyobozi w'Inama y'Ubutegetsi,
Kigali, 25 March 2021

PART THREE

BRALIRWA PLC'S BOARD OF DIRECTORS AND SENIOR MANAGEMENT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DIRECTORS

Pascal Sabrié (French)	Chairman	Appointed in March 2020
Merid Demissie (Ethiopian)	Vice Chairman and Managing Director	Appointed in January 2019
Chantal Mubarure (Rwandan)	Independent Non - Executive Director	Re-appointed in May 2019
John Bosco Sebabi (Rwandan)	Independent Non - Executive Director	Re-appointed in May 2019
Mrs. Chidum Ayeni (Nigerian)	Non - Executive Director	Appointed in May 2020

COMPANY SECRETARY

Godfrey Kamukunde
P.O. Box 131
Kigali-Rwanda

REGISTERED OFFICE

Brasseries et Limonaderies du Rwanda Plc
Kicukiro, P.O. Box 131
Kigali-Rwanda
Tel: (+250) 252 587 200 / 582 993

AUDITORS

Ernst & Young Rwanda Limited
M-Peace Plaza, Executive wing,
6th floor
KN 4 ST. 72 AV
P.O. Box 3638
Kigali-Rwanda

ADVOCATES

Mhayimana Isaie & Associés
P.O. Box 713
Kigali-Rwanda

BANKERS

Banque de Kigali (BK) Plc
53, Avenue du Commerce
P.O. Box 175
Kigali-Rwanda

Compagnie Générale de Banque Limited
P.O. Box 5230
Kigali-Rwanda

I&M Bank (Rwanda) Plc
11 Boulevard de la Révolution
P.O. Box 354
Kigali-Rwanda

KCB Bank Rwanda Limited
Avenue de la Paix
P.O. Box 5620
Kigali-Rwanda

Equity Bank Rwanda Plc
Grand Pension Plaza Building
1st Floor, KN 4 Ave, Kigali
P.O. Box 494
Kigali - Rwanda

Guaranty Trust Bank Rwanda Limited
20 Boulevard de la Révolution
P.O. Box 331
Kigali-Rwanda

Ecobank Rwanda Limited
Plot 314, Avenue de la Paix
P.O. Box 3268
Kigali-Rwanda

Banque Populaire du Rwanda Limited
32 Avenue de l'Armée
P.O. Box 1348
Kigali-Rwanda

Access Bank Rwanda Limited
UTC Building, 3rd floor Avenue de la Paix 1232
P.O. Box 2059
Kigali-Rwanda

Board of Directors

1. Pascal Sabrié

Chairman of the Board

Pascal Sabrié joined Heineken as the Marketing Director in 1993. During his successful career within Heineken, he has held various Commerce, Marketing and General Management roles in France and Western Europe. He was the Managing Director of Heineken France from 2011 to 2020. In 2010, he was appointed the Western Europe Region Commercial and Marketing Director at Heineken International. He joined the Board and the Chair of the Board of Bralirwa Plc in March 2020.

2. Merid Demissie

Executive Director/Vice Chairman of the Board and Managing Director

Merid Demissie joined Bralirwa Plc from Heineken Ethiopia, where he started in 2014 as Sales Director. During the past 5 years in Ethiopia, he has successfully built a new Sales and Trade Marketing team, grew volume and nearly doubled market share in one of Africa's most competitive markets. Prior to joining HEINEKEN, Merid Demissie started his career in the beverage industry with Coca-Cola SABCO in Ethiopia in 1999 where he spent 7 years working in different positions in Sales & Marketing with growing responsibilities. From 2007 untill 2014, Merid held several commercial regional roles in the Coca-Cola Central East & West Africa Business Unit. He was appointed the Vice Chairman of the Board in December 2018 and joined Bralirwa Plc as the Managing Director in January 2019. He was appointed the Vice Chairman of the Board in May 2019.

3. Chantal Mubarure

Independent Non-Executive Director

Chantal Mubarure joined the Board of Bralirwa Plc in 2005. She is a Certified Performance Technologist (CPT) and Kirk Patrick certified. She has more than 15 years of experience working with the Government and Development Partners. She is currently the Public Sector capacity building consultant and member of various Boards in Rwanda.

Board of Directors (Continued)

4. John Bosco Sebabi

Independent Non-Executive Director

John Bosco Sebabi joined the Board of Bralirwa Plc in August 2017. He was the founder and CEO of Fortis Consult and previously he was the DDG of the Rwanda Social Security Board (RSSB) in charge of funds management from July 2014 to October 2018. Before joining RSSB, he has held various senior management positions in the Rwandan financial sector including Chief Operating Officer for the East Africa Exchange and Director General of the Operations Directorate at the National Bank of Rwanda. He holds a Msc in International Economics, Banking and Finance from Cardiff University, Wales (The United Kingdom) and a Bsc in Economics and an Associate degree in Economics from the National University of Rwanda.

5. Chidumu Ayeni

Non-Executive Director

Chidumu Ayeni joined Heineken through Nigeria Breweries Plc in 1995 in the IT department and subsequently rose though various leadership positions in breweries to become Head of IT in 2014, and in 2019 she was appointed Head of Digital & Business Transformation for Nigeria Breweries, since 2020 she is the General Manager at Brasserie et Limonaderies du Burundi (Braludi)SA. She hold MBA in business administration from MIT sloan School of management, Massachusetts, USA. She joined the Board of Bralirwa Plc in March 2020.


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Senior Management

1. Merid Demissie

Executive Director/Vice Chairman of the Board and Managing Director

Merid Demissie joined Bralirwa Plc from Heineken Ethiopia, where he started in 2014 as Sales Director. During the past 5 years in Ethiopia, he has successfully built a new Sales and Trade Marketing team, grew volume and nearly doubled market share in one of Africa's most competitive markets. Prior to joining HEINEKEN, Merid Demissie started his career in the beverage industry with Coca-Cola SABCO in Ethiopia in 1999 where he spent 7 years working in different positions in Sales & Marketing with growing responsibilities. From 2007 untill 2014, Merid held several commercial regional roles in the Coca-Cola Central East & West Africa Business Unit. He was appointed the Vice Chairman of the Board in December 2018 and joined Bralirwa Plc as the Managing Director in January 2019. He was appointed the Vice Chairman of the Board in May 2019.

2. Mustapha Gamma

Finance Director

Mustapha Joined Bralirwa Plc in February 2021 as the Finance Director. Mustapha started his career in food industry in Tunisia. He held various finance roles within a private biscuits company (part of Kraft Group), including 10 years as Finance Director. He is an industrial engineer and holds an executive MBA. In 2007, Mustapha Joined Heineken Tunisia as Finance & ICT Director and played a key role in setting up the Beer Company, acquiring a local soft drink company and implementing Heineken standards across the OPCO. His next appointment in 2011 was in Algeria as Finance Director where he made a significant contribution with the Cash Management and Tax optimization programs.

In 2015, Mustapha was appointed to CBL in Bahamas as Finance Director. He has led the Finance, Procurement, and IT function with passion & commitment, and created professional, motivated and high performing local team.

3. Opeyemi Oluwalusi

Sales Director

Opeyemi Oluwalusi was appointed the sales Director of Bralirwa Plc in May 2019. Until this appointment, Opeyemi was the Zonal Business Manager West/Mid-West between 2015 & 2019 and North Zones 2019 untill May 2019, in Nigerian Breweries Plc. Opeyemi joined Nigerian Breweries in July 1996 as a Sales Representative. He has held increasingly senior roles within the Sales Function of both Nigerian Breweries Plc and Heineken Ethiopia. He was the Sales Director Heineken Ethiopia between June 2012 and January 2015.

He holds a Master Degree in Business Administration from Ladoke Akintola University in Nigeria.

Senior Management (Continued)

4. Hessel Hoekstra

Marketing Director

Hessel Hoekstra Joined Bralirwa Plc in September 2019, Hessel will focus on building a winning portfolio aimed at driving profitable topline growth. Hessel and his team will be working closely with the Sales department to ensure the execution of a shared commercial strategy that will help the company drive market share growth while maximizing profit.

Hessel received his Masters in International Business and Marketing from the Rijksuniversiteit in Groningen, The Netherlands, in 2005. Hessel has since gained extensive experience in marketing and sales within HEINEKEN NV. He started his career as a Sales & Distribution Analyst within HEINEKEN Commercial Excellence followed by a Commercial Management Traineeship within The Netherlands. He then fulfilled increasingly senior brand management roles in HEINEKEN The Netherlands and its soft drink business Vrumona. During the last four years, Hessel served as the Marketing Manager in Brasseries de Bourbon in La Reunion. During his tenure, he contributed to delivering strong topline growth and successfully took the HEINEKEN operations in La Reunion to the next level by growing portfolio penetration through a focus on a Winning Portfolio, value adding Innovation and People development.

5. Anteneh MITIKU

Supply Chain Director

Anteneh Mitiku was appointed Supply Chain Director of Bralirwa Plc in September, 2019.

Anteneh joined Bralirwa Plc from Heineken Ethiopia where he was holding the position of Brewery Manager, Kilinto Brewery since June 2013.

During his tenure at Heineken Ethiopia, Anteneh led the organizational setup and start of the Kilinto Greenfield brewery with 1.5Mhl capacity by July 2014. Heineken Ethiopia has since grown significantly and Anteneh led the Kilinto Brewery expansion in two additional phases to 4.5Mhl. He managed the brewery operations in a continuously expanding construction site with a strong focus on people development and drive for results. Anteneh was also instrumental in building strong local community connections with relevant authorities. Prior to joining HEINEKEN, Anteneh held various positions at the Ethiopian Commodity Exchange, latest as Chief Operating Officer.

Senior Management (Continued)

6. Laetitia Uwera

Human Resource Director

Laetitia Uwera joined Bralirwa Plc in October 2018 as the Human Resource Director. She started her human resources career as HR Coordinator at Tigo Rwanda in 2009 and rose through the ranks over the years by fulfilling increasingly senior HR positions in Rwanda, Luxembourg and the United Kingdom. Before joining Bralirwa Plc, she worked as Chief Human Resources Officer at Tigo Rwanda. She holds an honours degree in Hospitality and Human Resources Management from the Napier University, Edinburgh, UK and is a Chartered Member of the Chartered Institute of Personnel and Development, London, UK.

7. Aline-Pascale Batamuliza

Corporate Affairs & Communication Manager

Aline-Pascale Batamuliza joined Bralirwa Plc in November 2018 as Corporate Affairs & Communication Manager. Before joining Bralirwa Plc, she worked as Program & Project Manager at Africa Improved Foods. She started her career in banking at I&M Bank Rwanda and rose through the ranks over the years by fulfilling increasingly senior positions with her last position being Product Development Manager where she contributed to the development and launch of Digital payment solutions. She is a Certified professional Banker by Rwanda Bank Association. She holds a Bachelor's degree programmed in Marketing Management, from Kigali Institute of Science, Technology and Management, Rwanda, a MA in International Business from Anglia-Ruskin University, Cambridge city, UK and a MBA in International Business from Hanze University, Groningen, the Netherlands.

8. Godfrey Kamukunde

Former Company Secretary

Godfrey joined Bralirwa Plc in 2012 as the Legal Advisor, and rose through the ranks to become the Company Secretary and Legal advisor 2015. Prior to joining Bralirwa Plc, Godfrey had worked with the Government of Rwanda occupying various senior positions at Rwanda Social Security Board (RSSB) for a period of 5 years. He also holds a wide range of experience both as a law lecturer and as a Consultant for various governmental and non-governmental organizations in different fields of law. Godfrey holds a Bachelor of Laws (LLB) from the University of Rwanda and a Master's Degree in Commercial Law (LLM) from the University of Cape Town- South Africa. He also holds a Diplome d'étude en langue française from the University of Rwanda and a number of certificates in various areas of law, good governance and performance evaluation and management.

PART FOUR

NOTICE OF THE ANNUAL GENERAL MEETING

Notice of Annual Meeting

Notice is hereby given that the 11th annual general meeting of shareholders of Bralirwa Plc as a listed company will be held by teleconference 20th May 2021 at 2:00 pm for the following purposes:

ORDINARY BUSINESS

1. Consideration of the annual report;
2. Receiving the auditor's report;
3. Consideration and approval of the financial statements;
4. Appropriation of profit and total comprehensive income for the year;
5. Discharge of the Directors and Auditors for the financial year 2020.
6. Appointment of Directors;
7. Appointment of Independent Auditors.

NOTES:

(a) PROXIES

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend instead of him/her. A proxy for a corporation mayvote on a show of hands and on a poll. A proxy form is attached to the Annual Report and Accounts. If the proxy form is to be valid for the purposes of the meeting, it must be completed and deposited at the head office of CDSC Rwanda Ltd, the registrars located in Kigali Centenary House 4th Floor, by 18th May 2021.

(b) DIVIDEND

The payment of a total cash dividend for 2020 of Rwf 8.75 (eight-point seventy-five Rwandan Franc) per share of Rwf 5.00 (five Rwandan Francs nominal value) will be proposed to the annual general meeting of shareholders on 20th May 2021.

Please note that the payment will be subject to a withholding tax. The books close date for Bralirwa Plc shares will be on 25th May 2021, meaning that the final dividend will be paid to all whose names appear in the Register of Shareholders on 20th June 2021 before close of business.

By order of the Board
Aline Pascale Batamuliza
For the Company Secretary

Kigali, 29 March 2021

Proposed Resolutions

To the annual general meeting of shareholders of Bralirwa Plc to be held on 20th May 2021

RESOLUTION 1

CONSIDERATION OF THE ANNUAL REPORT

The annual general meeting of shareholders considered and approved by ordinary resolution the annual report presented by the Chairman of the Board and thanked the Directors for the performance made during the accounting year ended 31st December 2020.

RESOLUTION 2

RECEIVING THE AUDITOR'S REPORT

The annual general meeting of shareholders received and approved the auditor's report by ordinary resolution and noted the opinion of the auditors on the Bralirwa Plc 2020 audited financial statements

RESOLUTION 3

CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS

The annual general meeting of shareholders considered and approved by ordinary resolution the Bralirwa Plc 2020 audited financial statements.

RESOLUTION 4

APPROPRIATION OF PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

The annual general meeting of shareholders approved the profit and the total comprehensive income for the year 2020 of Rwf 9,005,203,941 and received the recommendation of the Board of Directors to declare the total dividend of Rwf 8.75 per share.

The annual general meeting of shareholders approves and declares a dividend of Rwf 8.75 per share.

The annual general meeting of shareholders decides that the book close date is 25th May 2021 and the final dividend will be paid on 20th June 2021.

The annual general meeting of shareholders decides to also allocate the balance of the non-distributed net profit amounting to Rwf 0.01 per share to retained earnings.

RESOLUTION 5

DISCHARGE OF DIRECTORS AND AUDITORS FOR FINANCIAL YEAR 2020

The annual general meeting of shareholders discharges by ordinary resolution the members of the Board and the Auditors for the year 2020.

RESOLUTION 6

APPOINTMENT OF DIRECTORS

The annual general meeting of shareholders appoints by ordinary resolution the following persons as Directors of Bralirwa Plc for a period of one year:

1. Mr. Pascal Sabrié
2. Mr. Merid Demissie
3. Mrs. Chantal Mubarure
4. Mr. John Bosco Sebabi
5. Mrs. Chidum Ayeni

The annual general meeting of shareholders requests the Directors to elect the Chairman and the Vice Chairman among themselves. To this end, the annual general meeting of shareholders asks Mr. Pascal Sabrié to convene and chair the first meeting of the new Board of Directors.

RESOLUTION 7

APPOINTMENT OF AUDITORS

The annual general meeting of shareholders appoints by ordinary resolution Ernest and Young Rwanda Limited as the Auditor for a period of one year.

The annual general meeting of shareholders asks the Board of Directors to determine the fees and other expenses of the auditors.

By order of the Board
Aline-e Batamuliza
For the Company Secretary

Kigali, 29 March 2021


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PART FIVE

DIRECTORS' REPORT

Directors' Report (Continued)

1. Legal status of the company

Bralirwa Plc is a public company limited by shares since 9 June 2010 incorporated in the Republic of Rwanda under the law No. 07/2009 of 27 April 2009 relating to companies and registered by the Registrar General Office under no. 100004348, Bralirwa Plc was the first company to be listed on the Rwanda Stock Exchange (RSE) as from 31 January 2011.

The Company is a subsidiary of Heineken N.V. based in the Netherlands, which owns 75% of the total shareholding while the remaining 25% is owned by the public. The Company has a capital of Rwf 5,142,850,000 divided into 1,028,570,000 ordinary shares with a nominal value of Rwf 5.00.

The Board of Directors is composed of 5 members. The Directors who held office during the year and to the date of this report are set out on page 22.

The Directors submit their report together with the audited financial statements for the year ended 31 December 2020, which discloses the state of affairs of the Company.

2. Operational Review

Top line, the volume decreased versus last year due to Soft Drink brands decline offset by Beer brands increase. Revenue is almost flat versus last year at Rwf 101 billion (2019: Rwf 101 billion), mainly driven by favorable price effect and mix. Despite COVID-19 governmental restrictions impact, the market share slightly increased compared to last year from our brands innovation and sales operations' digitalization. However, it remains very competitive.

A continued focus on cost savings combined with operational efficiencies resulted in improved performance at the bottom line. Bralirwa Plc's results from operating activities increased by 85.9% to Rwf 19.8 billion (2019: Rwf 10.7 billion), and profit and total comprehensive income for the year 2020 increased by 665.5% to Rwf 9.0 billion (2019: Rwf 1.2 billion). This increased earnings per share of Rwf 8.75 (2019: Rwf 1.16).

The following is a summary of our results for the year ended 31 December 2020:

Rwf millions	2020	2019	Change (%)
Revenue	**100,521**	**100,691**	**(0.2%)**
Results from operating activities	**19,826**	**10,667**	**85.9%**
Net finance cost	(6,832)	(7,788)	(12.3%)
Profit before income tax	**12,994**	**2,879**	**351.3%**
Income tax expense	(3,989)	(1,687)	136.5%
Profit and total comprehensive income for the year	**9,005**	**1,192**	**655.5%**

Directors' Report (Continued)

3. Dividend

The Directors are recommending to the 11th annual general meeting of shareholders the declaration of a total dividend of Rwf 8.75 (2020: Rwf 1.0) per share. As per the law, the proposed final dividend approved will be subject to a deduction of withholding tax, the taxation is applicable to all shareholders whose names appear in the Company's register of Shareholders at the close of business on 25 May 2021.

4. Corporate Governance

Bralirwa Plc Board of Directors is responsible for the overall governance of the Company and is accountable to the shareholders for ensuring that the Company complies with the law and the highest standards of best practices in corporate governance and business ethics.

The Directors are committed to fostering a culture that values ethical behavior, integrity and respect and the need to conduct the business and operations of the company in accordance with generally accepted corporate practices. The Directors believe that adopting and operating in accordance with high standards of corporate governance is essential for sustainable long-term performance and value creation.

a) Board of Directors

The Articles of Association of the Company provide that the business and affairs of the Company are to be managed under the direction of the Board. The Board clearly understands its role, powers, duties and functions.

The Chairman of the Board is responsible for leadership and effective performance of the Board and for the maintenance of relations between Directors and Management that are open, cordial and conducive to productive cooperation.

The Board has in place an annual Work Plan that enables it to have detailed reviews of the Company's operations, approval of strategy, business plans, budgets and financial statements.

The Board receives regular reports on the Company's financial and operational results. The full Board meets at least four times a year. The Directors receive all information relevant to the discharge of their obligations in accurate, timely and clear form so that they can guide and maintain full and effective control over strategic, financial, operational and compliance issues. In line with good governance practice, the Board has delegated authority for conduct of day-to-day business to the Vice Chairman and Managing Director. The Board nonetheless retains responsibility for establishing and maintaining the Company's overall internal control of financial, operational and compliance issues as well as implementing strategies for the long-term success of the Company.

Four out of the five members of the Board are non-executive including the C hairman o f the Board, a nd all others except t he Vice Chairman and Managing Director are subject to periodicreappointment in accordance with the Company's Articles of Association

b) Audit and Risk Committee

The Audit and Risk Committee exists pursuant to article 33 of the Company's Articles of Association and the Board resolution of 25 May 2016.

The objective of the Committee is to support and advise the Board in its duties of adequately reviewing and approving the Company's financial statements, monitoring the effectiveness of internal controls and regularly assessing the main risks facing the Company.

The Committee is mandated to assist the Board in its oversight role of monitoring the effective implementation by Management and in assessing the proper functioning of the internal and external auditors. The Committee reports to the Board on how it has discharged its responsibilities.

It is composed of three (3) non-executive Directors with at least one member having the relevant financial experience and competence in accounting and/or auditing. Its meetings are also attended by the Managing Director, Financial Director and Process & Control Improvement Manager.

Other non-committee members are invited to attend all or part of any meeting as and when appropriate and necessary and assist the Committee from time to time, according to the particular items being considered and discussed.

Directors' Report (Continued)

4. Corporate Governance (Continued)

b) Audit and Risk Committee (Continued)

The Committee meets at least twice a year and the meetings are aligned with the Board meetings to allow for work arising from the Committee to be carried out and reported to the Board.

The Committee monitors the integrity of the financial statements of the Company, including its annual and half-yearly reports, interim management statements, preliminary announcements and any other formal statements relating to its financial performance, and review and reports to the Board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditor.

The Committee also reviews any other statements requiring Board approval which contain financial information and advises on where to carry out a review prior to the Board approval would be practicable and consistent with any prompt reporting requirements under Rwandan laws and regulations including all regulatory instruments for listed companies on the Rwanda Stock Exchange (RSE).

Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it reports its views to the Board.

The Committee's chairperson formally reports to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and on how it discharged its responsibilities. The Committee makes recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

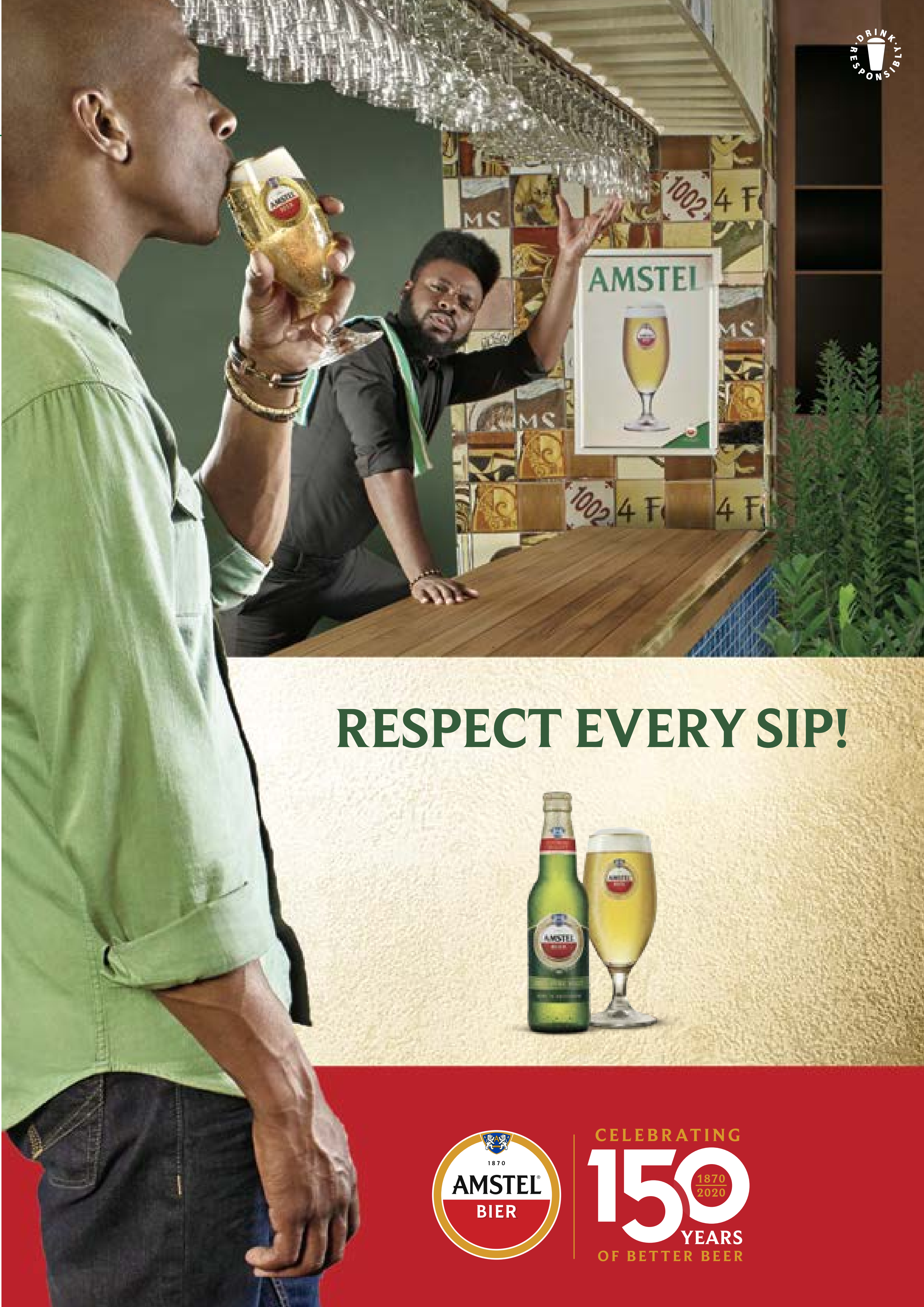
c) Management Committee

The Management Committee comprises of the Vice Chairman and Managing Director and other Senior Managers occupying a strategic role in the business with the Company Secretary serving as the secretary.

The Committee is responsible for agreeing priorities, allocating resources, setting overall corporate target, agreeing and monitoring functional strategies and plans and has responsibilities for superintending the affairs of the business on a day-to-day basis. It is chaired by the Vice Chairman and Managing Director of the Company.

5. Analysis of shareholding

Shareholder	Number of shares	Class of shares	Percentage of issued capital
Heineken International B.V.	411,480,000	Ordinary	40.01%
Beleggingsmaatschappij Limba B.V.	359,950,000	Ordinary	35.00%
Stanbic Nominees Limited A/C Nr5822313-T109Aw	56,414,800	Ordinary	5.48%
CFC Stanbic Nominees Ltd A/C NR 4262756	46,937,200	Ordinary	4.56%
Frontaura Global Frontier Fund LLC	37,312,800	Ordinary	3.63%
Stanbic Nominees Limited A/C Nr4996172 - T109At	31,048,300	Ordinary	3.02%
Rwanda Social Security Board	28,823,000	Ordinary	2.80%
RWC Frontier Markets Equity Master Fund Limited	14,840,100	Ordinary	1.44%
Standard chartered bank (Mauritius) ltd	6,000,000	Ordinary	0.58%
Other Shareholders	35,763,800	Ordinary	3.48%
Total	**1,028,570,000**	**Ordinary**	**100.00%**



DRINK RESPONSIBLY
AMSTEL
RESPECT EVERY SIP!
1870
AMSTEL
BIER
CELEBRATING
150
1870
2020
YEARS
OF BETTER BEER

Directors' Report (Continued)

6. Our Brands

Mützig

The Mützig brand performed above market average and gained market share. Consumers were well able to find and preferred this trustworthy brand, an example of the very strong brand power Mützig has with consumers.

In Q1 Mützig was still able to partner with exciting music events and executed these events through the line driving Sales. In Q4 Mützig launched the 'Success Follows Perseverance' - 'Cheers to You' campaign nationwide. The campaign centers around and aims to show the entrepreneurial spirit and resilience that Rwandese business owners portray to keep their businesses operational during unprecedented times. The campaign was fully locally developed and features real Rwandan entrepreneurs in different fields showcasing their creativity and resourcefulness. The campaign motivates us all to acknowledge the achievements around us and raise our glass in recognition: Cheers to You! With the on-trade mostly closed Mützig Class, which is an innovation just at the start of a journey, had challenges to break through and reach its target audience successfully.

Primus

Primus strongly outperformed the market and grew in volume and subsequently won market share. In these challenging times the national icon Primus capitalized on its strong brand power and the consumer need for a great quality beer at a good price. Both Commercial and Production colleagues ensured constant availability following high demand.

Key marketing communication activities like the partnership with Iwacu Muzika were cancelled with the events not taking place. A renewal of the digital strategy and social media activities was implemented and will bring fresh Primus content to the growing digitally connected Rwandan consumer. To future proof Primus, the brand focused on sharpening its local positioning and visual identity to ensure new marketing activities will resonate even more with Rwandan consumers in the years to come. Similarly, a price increase on one of Primus Skus was necessary to maintain profitability and offset the growing input costs over the past years.

Directors' Report (Continued)

Amstel

Since 1870, Amstel has been dedicated to quality, togetherness and innovation. In 2020, Amstel celebrated 150 years of being the world's local beer brand. Amstel 100% Pure Malt was launched in Rwanda in 2018 and like the rest of the world, we celebrated Amstel's anniversary with the rollout of the "150th Anniversary" Campaign.
This campaign provided us with an opportunity to highlight the rich heritage of the Amstel brand and emphasize the uncompromised quality while increasing its national appeal against the competition. Despite the challenges experienced in 2020 and through the combined and tireless efforts of Sales, Supply Chain & Marketing, Amstel was able to deliver good results in 2020.

Heineken®

2020 was a challenging year for the Heineken® brand. Although the year started promising with consumers more often choosing a premium beer, the COVID-19 uncertainty had consumers now more often switch to more affordable beers. Although a number of key commercial activities, like the Heineken® UCL campaign and activations, had to be canceled, the brand showed to be innovative and teamed up with local DJs to create entertainment at home through Instagram Live parties. The brand also kickedoff the Heineken® Afterwork campaign to drive consideration and position Heineken® as the ideal beer to celebrate the end of the working day and week. Heineken® continued to advocate responsible alcohol consumption through its 'Enjoy Heineken Responsibly' communication.

Directors' Report (Continued)

7. Our Sales

In 2020, Bralirwa Plc total volume grew marginally but delivered a strong revenue growth over 2019. The total volume performance was impacted by COVID-19 measures on bars (On trade) and clamp down on events, religious and social gatherings from March 21st till the end of the year.

Our continued commitment to our key sales focus areas (predominantly in off trade channels), the resilience of our sales force, consistent drive in flawless Excellent Outlets Executions, Creation of E-Commerce Structure to lead and embed Data Driven Sales / Mindsets, and revenue management were the main drivers behind the sustenance of our volume performance in view of the pandemic.

Our distributors and transporters remained steadfast and proved their worth as dependable business partners. With sheer determination, doggedness and resilience, some of them surpassed their previous performances.

In addition, we ensured seamless availability and affordability of our brands throughout the year 2020 despite the pandemic to meet the demands of our Customers and Consumers; we introduced innovation brand Cheetah. To meet the expectation of our consumers, we invested heavily in expanding the reach of our field personnel most especially in off trade channels just to serve the market better.

Digitalization of our Sales Operations significantly shaped the ways of working and particularly ways of ordering by customers. We decided to embrace this challenge to stay ahead of the curve through the expansion of Bra2B to unlocked the massive value opportunities in the off trade channels segments and now we are building additional Customers friendly apps on the platform for continued interactions.

Furthermore, we revitalized our Route to Market, established Look of Success for our Distributors and significantly improved our market visibility, outlet execution driven through our picture of success and outlet activations to engage consumers at the point of consumption. We drove the deep and wide availability of our brands, ensuring the right price at the point of purchase and consumption. Through this approach, we were able to remain top of mind and first choice for the majority of consumers.

In conclusion, to continue building the winning spirit of our sales force we enhanced our capability development programs focusing on key competencies. The implementation of our capability development framework continues to improve our level of customer engagement and market executions and activations. The Safety, health consciousness, competence and development of our people remains a key pillar in our growth strategy.

Directors' Report (Continued)

8. Our Supply Chain

Safety

Safety continues to be at the center of everything we do. From employees working in production to sales team in the field, third party employees working on our sites to drivers transporting our products, our business partners providing service on our sites to people visiting, our ultimate goal is for everyone to arrive back home safely to their families. COVID -19, like many other businesses, was a serious risk factor in operation. We were able to setup the necessary preventive measures from the onset of COVID through distribution of face masks, installation of sanitizers dispensary from entrance to different operational areas, installation of hand washing stations, and enforcement of social distancing. We also rearranged our shift patter in line with the changing government guidelines from March 2020 until now. The measures put in place have so far avoided a widespread infection both at our production and office facilities. Bralirwa has embedded the Heineken safety culture in its operations and systematically implementing the Life Saving Rules on continuous basis. Safety, as always, remains out number one priority. Our Kigali Soft Drink Plant has celebrated 6 years without accident in 2020; Gisenyi Brewery has had no accident in production areas for over two years.

All our company and contractor vehicles have been equipped with a telematics/GPS system since the end of 2018. We have observed significant drop in incidents and reduction in our repair and maintenance costs as safe driving of vehicles is not only saving lives and reducing damages but also saving unnecessary costs.

Operations and Investment

2020 has been a challenging year due to the COVID 19 pandemic and unreliability of supply and continuously changing government guidelines. We have adopted a shorter Sales and Operational planning cycle to be agile and continuously update ourselves with the changing market situation. Despite all the challenges, we have avoided out of stock situation or passage of BBF dates on finished products/raw materials and delivered peak months July/August and December 2020. The team has maintained close operational control and delivered more volume than the year before. Strong team work, commitment and innovative ways of working have resulted in recovering lost beer sales and supply during the initial months of lock down.

As part of our commitment to develop the capability of our people and modernize our production facilities, significant investments were made to expand our brew house capacity and modernize our production processes. These investments will bring the most up-to-date production automation systems and upgrading of production equipment. The expansion project was able to continue during 2020 despite the challenges from Covid - 19 and the initial lock down months of March/April/May.

The year 2020 has also seen the successful introduction of our energy drink Cheetah in the Rwandan market. Our locally produced Heineken® continues to grow together with the portfolio of other brands such as Amstel.

Organisation & People

A new supply chain director has been onboard since September 2019. The merger of Technical and Logistics departments into one supply chain department has been maintained since mid 2018. We were also able to reorganize our brewing department following the new expansion and automation upgrade project. The customer service and logistics department is also re-organized under Supply Chain.

In a multi-year Strategic Workforce Plan the Supply Chain department has been working on big steps into becoming a World Class organization. Maintenance and Quality control tasks have been further integrated into the daily work of Packaging and Brewing Operators allowing for more autonomous management on the shop-floor. These changes are implemented by training and coaching of people and through introduction of modern digital technologies thereby reducing paperwork and administration hurdles.

Directors' Report (Continued)

9. Our Organisation, Our People

2020 was the year of change and uncertainty around the world. Protecting the health and prioritizing the safety of our employees, contractors and families were at the forefront of our business since the beginning of COVID-19. As such, we started integrating significant process changes to support on implementation of necessary health standards at the workplace and beyond. We began the daily audits in order to gauge the effectiveness of our health and safety measures.

The epidemic also forced us to introduce new ways of working at levels where face-to-face interaction was replaced by virtual interaction. However, due to the commitment and ownership of our people, we were able to stay closure to our consumers and customers, which allowed us to continue taking care of our people by securing all employees and continue paying salaries plus benefits.

COVID-19 restrictions affected the way our employees learn and communicate. To continue fostering the development of our people, In Q3, 2020, we launched MyHR-Learning, a digital platform with more than 15,000 courses provided by well-established international providers (Harvard, LinkedIn, TED Talks etc.). Through, our Digital agenda, we are proud that both Line Managers and HR can run an employee cycle process in their own home without the need for human interaction. Our employees were able to embrace and adapt to the new technologies including self-services. With Digital, we have become more efficient and effective than before.

2020 was a successful year on our Talent development agenda where we recorded more internal promotion vs previous years. We also designed and implemented new organization structures in many areas of our business that will allow us to serve our consumer and customer in a faster and agile way.

Part of the HEINEKEN Company

Directors' Report (Continued)

10. Our Corporate Social Responsibility

Brewing a Better World, our commitment to sustainable operations and improving lives

Brewing a Better World (BaBW) is Heineken Group's strategy to ensuring that our operations' imprint on the environment and society is sustainable.
We focus on six areas where we feel are in position to make a greater impact. Throughout 2020, our operations and Corporate Social Responsibility (CSR) initiatives reflected these commitments and contributed to each of the pillars of our BaBW strategy.

Directors' Report (Continued)

Promoting health and safety

Placing health and safety first in all our operations has continued to take hold as an institutional culture and 2020 was mainly dedicated to actions aiming at containing Covid-19 pandemic both internally and externally through running covid prevention awareness campaigns among employees, their families and business partners. Regarding safety at the workplace, the year 2020 was yet another celebrated 6 Years accident-free in Kigali Soft drinks Plant and 1-year accident-free in Gisenyi brewery. Similarly, accidents by our fleet reduced significantly due to the use of telematics.

Every Drop: protecting water resources

The Heineken sustainability strategy to make "Every Drop Count" continued to guide initiatives for efficient use of water resources. Following the construction and commissioning of Wastewater Treatment Plants at both the Gisenyi brewery and Kigali soft drinks plant, Bralirwa Plc continued to use treated effluent water from these facilities in gardening and cleaning, saving hundreds of cubic meters of fresh water.

With crosscutting impact on reducing carbon emissions and conserving water resources, we also stepped up our tree planting efforts by providing fruit trees to improve wellbeing of beneficiaries and beautification trees to our community near the brewery, with the vision to make Rubavu, home to our brewery, greener and consequently contribute to welfare of our community as well as to water balance in the country.

Drop the C: reducing Co2 emissions

In dropping the "C" as envisaged in the Heineken sustainability commitment, Bralirwa Plc in 2020 undertook several initiatives towards reducing carbon emissions in all its operations by opting for environmentally friendly equipment.

Solar plant project is under implementation in Gisenyi Brewery, and this will contribute more on our renewable energy portfolio, hence practically reducing Co2 emitted from our operations.

Spent yeast from our operations at Gisenyi Brewery is being used as animal feed in the project of "Zero waste to landfill" which at the end reduce the Co2 emission from waste generated from our operations.

Growing with Communities

Embedded in our business model is the passion to see the communities where we work grow and live better quality lives. This desire, also strongly considered by our BaBW strategy, guides all our Corporate Social Responsibility initiatives. In 2020, we navigated the Covid-19 crisis and here below some interventions we did to join efforts with our stakeholders to contain the spread of the virus:

Covid-19 Response

In 2020 since the start of Covid-19, Bralirwa Plc contributed to the response to the pandemic with disinfection supplies which were used in Health facilities where treatment was taking place and in different isolation centers. These supplies included ethyl alcohol-based hand sanitizer, surface spray disinfectant, hand and backpack sprayers to support human and surface disinfection. This support was given to both Ministry of Health and Gisenyi hospital respectively.

Furthermore, in the fight against Covid-19, Heineken Africa Foundation granted Euros 200,000 for phase I. With the said amount, we partnered with WaterAid Rwanda to contribute to national efforts for Covid-19 prevention through support to national awareness campaign "SHISHOZA" and building of permanent group handwashing facilities in eight Health Centers in Kigali City (Muhima, Mwendo, Nyarurenzi, Rubungo, Kinyinya, Nyacyonga, Masaka and Kicukiro).

The facilities enabled improved handwashing practices and supported thousands of people across the eight health facilities zones, while the large-scale public hygiene campaigns helped expose millions of Rwandans to behavior change messages on the importance of practicing good hygiene such as handwashing, physical distancing and wearing masks.

Sourcing Sustainably

To increase our contribution to the growth of the Rwandan economy, Bralirwa Plc continued to invest in building local value chains for the commodities used in production of our beverages, with the intention of progressively growing the percentage of raw materials sourced locally.

Over the past five years, we have continued to strengthen the maize value chain by supporting smallholder farmers to practice better farming and increase their productivity. In addition, our investment in maize farming, the Bramin Maize Farm in Ndego Sector in Kayonza district, has continued to grow in quality and quantity of maize.

In 2020, we continued our ambition to growing the barley value chain in Rwanda, which is expected to increase our local sourcing of raw materials.

Advocating responsible Consumption

Our journey for advocating responsible alcohol consumption continued in 2020 and has been contributing to existing initiatives by other stakeholders, to encourage our consumers to enjoy in moderation.

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Directors' Report (Continued)

11. Independent Auditors

The auditors, Ernest and Young Rwanda Limited, have expressed their willingness to continue in office in accordance with Law No. 17/2018 of 13 April 2018 governing companies.

Kigali, 25th March 2020

For the Board of Directors

Pascal Sabrié
Chairman of the Board

Merid Demissie
Vice Chairman of the Board


SUCCESS FOLLOWS
PERSEVERANCE
CHEERS TO YOU!
DRINK RESPONSIBLY
müntzig
CHEERS TO YOU
Mützig
LAGER BEER
INGREDIENTS: WATER, MALT, CEREALS, SUGAR AND HOPS.
The world's best in a beer

PART SIX

BRALIRWA PLC STATEMENT OF FINANCIAL ACCOUNTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Law No. 17/2018 of 13 April 2018 governing companies requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the operating results of the Company for that year. It also requires the Directors to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Law No. 17/2018 of 13 April 2018 governing companies, and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Law No. 17/2018 of 13 April 2018 governing companies.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company, its operating results as at 31 December 2020 and of its profit and cash flows for the year then ended in accordance with the International Financial Reporting Standard and the requirements of the Law No. 17/2018 of 13 April 2018 governing companies.

The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Approval of the financial statements

The financial statements, as indicated above, were approved by the Board of Directors on 29 March 2021 and were signed on its behalf by:

Pascal Sabrié
Chairman of the Board

Merid Demissie
Vice Chairman of the Board

Ernst & Young Rwanda Limited
Certified Public Accountants
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P.O. Box 3638
Kigali, Rwanda

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Brasseries et Limonaderies du Rwanda (Bralirwa) Plc (the Company), set out on pages 55 to 110 which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as at 31 December 2020, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of Law No. 17/2018 of 13 April 2018 governing companies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Institute of Certified Public Accountants of Rwanda Code of ethics (ICPAR Code of Ethics), which is consistent with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with other ethical requirements that are relevant to our audit of the financial statements of the company and in Rwanda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the company and in Rwanda. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) Plc

Report on the Audit of the Financial Statements (Continued)

Key audit matter

Deposit liability for returnable packaging material

Included in trade and other payables in note 7.3 to the financial statements is an amount of Rwf 14,084,968,329 relating to deposit on returnable packaging material (RPM deposit). The Directors have made significant estimates and judgement in determining the value of the deposit on returnable packaging material.

Judgement and estimates are made in relation to the number of containers; bottles and crates in circulation, the average useful lives of the bottles and crates and the average circulation time for the containers in the market. Once the number of containers in the market has been estimated, this is multiplied by the price of the containers and the liability at period end is determined. The price of the containers is the amount that the Company would refund customers if they returned the containers for cash.

The key assumptions related to deposit liability for returnable packaging material have been included in note 4 "Use of estimates and judgement" in the financial statements.

We focused on the deposit liability for returnable packaging material because the liability is material to the financial statements and its determination requires significant judgement and estimates.

How the matter was addressed in the audit

Our audit procedures included the following:

- We reviewed the reconciliation for the estimate of the deposit liability for RPM.
- We evaluated and tested the reasonableness of the methods and assumptions the Directors used to determine the estimates and amount.
- We evaluated whether the methods for calculating the estimates and amount are applied consistently. The key assumptions applied are related to circulation time and market loss for RPM.
- We recomputed the RPM deposit and assessed the inputs of the calculation for reasonableness.

The directors are responsible for the other information. The other information consists of the information included in the company's 2020 Annual Report other than the financial statements and our auditor's report thereon.

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

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

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) Plc

Report on the Audit of the Financial Statements (Continued)

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and the requirements of Law No. 17/2018 of 13 April 2018 governing companies, and for such internal controls 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.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) Plc

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We are required to communicate with the Audit & Risk Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide the Audit & Risk Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other Legal and Regulatory Requirements

As required by Article 132 of the Law No. 17/2019 of 13 April 2019 governing companies, we report to you based on our audit that:

i. We have obtained all information and explanations which, to the best of our knowledge, was required for our audit;

ii. Based on our audit, we have not identified any reason to believe that proper accounting records have not been kept;

iii. We have no relationship, interests and debt in the company;

iv. We have reported to the directors and management in the form of a separate management letter, internal control and other weaknesses identified during the audit and our recommendations for improvement;

v. In our opinion, according to the best of the information and the explanations given to us as shown by the accounting and other documents of the company, the annual accounts comply with Article 123 of this Law regarding the requirement for individual annual accounts.

For: Ernest and Young Rwanda Limited

Stephen K Sang
Managing Partner

Signed at Kigali, 29 March 2021

BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) Plc
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

Year ended 31 December	Notes	2020 Rwf '000	2019 Rwf '000
Revenue	**6.1**	**100,520,707**	**100,691,220**
Cost of sales		(64,323,916)	(65,814,158)
Gross profit		**36,196,791**	**34,877,062**
Other income	6.2	461,284	468,926
Selling and distribution costs		(3,178,720)	(7,856,330)
Administrative expenses		(10,083,768)	(12,428,145)
Other operating expenses		(3,569,606)	(4,394,763)
Total expenses		**(16,832,094)**	**(24,679,238)**
Results from operating activities	**6.1.2**	**19,825,981**	**10,666,750**
Finance costs		(6,832,002)	(7,787,763)
Net finance cost	**11.1**	**(6,832,002)**	**(7,787,763)**
Profit before income tax		**12,993,979**	**2,878,987**
Income tax expense	12.1	(3,988,775)	(1,687,166)
Profit after tax		**9,005,204**	**1,191,821**
Other Comprehensive Income		-	**-**
Total comprehensive income for the year		**9,005,204**	**1,191,821**
Basic earnings per share – Rwf	**6.7**	**8.75**	**1.16**

The notes on pages 55 to 110 are an integral part of these financial statements

BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) Plc
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

Year ended 31 December	Notes	2020 Rwf '000	2019 Rwf '000
Assets			
Non-current assets			
Property, plant and equipment	6.6	87,554,336	85,913,732
Intangible assets	8.2	1,696,529	1,672,476
Investments	8.4	9,224	1,165,720
Receivable from related parties - principal	13.2	-	-
Total non-current assets		**89,260,089**	**88,751,928**
Current assets			
Inventories	7.1	19,962,794	18,476,947
Receivable from related parties	13.2	1,934,132	3,266,241
Trade and other receivables	7.2	10,261,117	6,530,138
Tax recoverable	12.1	895,783	451,909
Bank and cash balances	11.2	4,956,841	4,264,032
Total current assets		**38,010,667**	**32,989,267**
Total assets		**127,270,756**	**121,741,195**
Equity & Liabilities			
Equity			
Share capital	11.4	5,142,850	5,142,850
Share premium	11.4	84,857	84,857
Other reserves	11.4	2,071,990	2,071,990
Retained earnings	11.4	35,287,839	27,311,205
Total equity		**42,587,536**	**34,610,902**
Liabilities			
Non-current liabilities			
Loans and borrowings LT	11.3	11,611,544	17,412,763
Deferred tax liability	12.2	4,194,803	5,804,878
Total non-current liabilities		**15,806,347**	**23,217,641**
Current liabilities			
Loans and borrowings ST	11.3	35,975,155	28,149,479
Payable to related parties	13.2	3,880,965	6,429,647
Trade and other payables	7.3	29,020,753	29,333,526
Total current liabilities		**68,876,873**	**63,912,652**
Total liabilities		**84,683,220**	**87,130,293**
Total equity and liabilities		**127,270,756**	**121,741,195**

The Board of Directors approved the financial statements set out on pages 55 to 110 on 20 May 2021 and were signed on its behalf by:

Chairman of the Board
Pascal Sabrié

Vice Chairman of the Board
Merid Demissie

The notes set out on pages 55 to 110 are an integral part of these financial statements.

BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) Plc
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

Year ended 31 December	Notes	Share capital Rwf '000	Share premium Rwf '000	Other reserves Rwf '000	Retained earnings Rwf '000	Total equity Rwf '000
1st January 2020		**5,142,850**	**84,857**	**2,071,990**	**27,311,205**	**34,610,902**
Profit after tax		-	-	-	9,005,204	9,005,204
Dividends paid in the year	11.4	-	-	-	(1,028,570)	(1,028,570)
Long term incentive plan	11.4				-	-
Balance at 31 December 2020		**5,142,850**	**84,857**	**2,071,990**	**35,287,839**	**42,587,536**
1st January 2019		**5,142,850**	**84,857**	**2,071,990**	**31,776,519**	**39,076,216**
Profit after tax		-	-	-	1,191,821	1,191,821
Dividends paid in the year		-	-	-	(5,657,135)	(5,657,135)
Total transactions with owners					-	-
Balance at 31 December 2019		**5,142,850**	**84,857**	**2,071,990**	**27,311,205**	**34,610,902**

The notes on pages55 to 110 are an integral part of these financial statements.

BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) Plc
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

Year ended 31 December	Notes	2020 Rwf'000	2019 Rwf'000
Operating activities			
Profit before tax		12,993,979	2,878,987
Adjustments for:			
Impairment of related party loan	6.1.2	3,516,397	3,179,583
Interest expense	11.1	5,471,858	6,326,037
Interest lease expense	11.1	26,316	41,725
Foreign exchange difference on loans	11.3	882,679	789,698
Depreciation	6.6 & 8.3.1	12,604,361	13,387,286
Amortization of intangible assets	8.2	451,583	421,779
Loss / (Gain) on sale of property, plant, and equipment	6.6	(26,613)	197,426
Cash from operations before changes in working capital		**35,920,560**	**27,222,521**
Changes in working capital			
Changes in trade and other receivables	7.2	(3,730,979)	2,958,587
Changes in related party balances	13.2	(3,576,474)	2,052,558
Changes in inventories	7.1	(1,485,847)	1,479,576
Changes in trade and other payables	7.3	(122,222)	569,395
Cash generated from operating activities		**27,005,038**	**34,282,637**
Income tax paid	12.1	(6,042,725)	(2,090,374)
Net cash flow from operating activities		**20,962,313**	**32,192,263**
Cash flow from investing activities			
Proceeds from sale of property, plant, and equipment	8.3	26,613	149,552
Purchase of property, plant and equipment	6.6	(14,244,963)	(11,420,286)
Purchase of intangible assets	8.2	(475,636)	(1,190,867)
Net cash used in investing activities		**(14,693,986)**	**(12,461,601)**
Cash flow from financing activities			
Repayment of loans and borrowings	11.3	(6,368,573)	(5,653,372)
Dividends paid to equity holders of the company	11.4	(771,428)	(4,242,851)
Dividends paid to other shareholders	11.4	(257,143)	(1,414,284)
Payment of lease commitments	8.3.1	(190,551)	(123,378)
Interest on leases	11.1	(26,316)	(41,725)
Interest expense	11.1	(5,471,858)	(6,326,037)
Net cash flows used in financing activities		**(13,085,869)**	**(17,801,647)**
Net increase in cash and cash equivalents		**(6,817,542)**	**1,929,015**
Cash and cash equivalents at 1 January	11.2	(18,062,632)	(19,991,647)
Cash and cash equivalents as at 31 December	**11.2**	**(24,880,174)**	**(18,062,632)**

The notes on pages 55 to 110 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Reporting entity

Brasseries et Limonaderies du Rwanda (Bralirwa) Public Listed Company (PLC) is incorporated in Rwanda under the Law No. 27/2017 of 31/05/2017 governing companies as modified to date and is domiciled in Rwanda. The address of its registered office is:
Kicukiro
P.O. Box 131
Kigali, Rwanda

The principal activities of the Company are the marketing, brewing and selling of beer and nonalcoholic beverages.

Its parent and ultimate holding company is Heineken N.V. based in the Netherlands.

2. Basis of preparation

The consolidated financial statements are:

- Prepared in accordance with International Financial Reporting Standards (IFRSs) and comply with the financial reporting requirements included in the article 121 of the law No 17/2019 gazetted on 13/04/2019. Consequently, the accounting policies applied by the Company also comply fully with IFRS as issued by the IASB.
- Prepared by the Management of the Company and authorised for issue on 29 March 2021 and will be submitted for adoption to the Annual General Meeting of Shareholders on 20 May 2021.
- Prepared on the historical cost basis unless otherwise indicated.
- Presented in RWF, which is the Company's functional currency.
- Rounded to the nearest thousand unless stated otherwise.

3. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs)

Amendments to IFRS that are mandatorily effective for the current year

- Definition of Material – Amendments to IAS 1 and IAS 8
- Definition of a Business - Amendments to IFRS 3
- Covid-19-Related Rent Concessions–Amendment to IFRS 16
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture –
- Amendments to IFRS 10 and IAS 28
- Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7

Issued but not yet effective

- IFRS 17 Insurance Contracts- Amendments to IFRS 4-Beginning on or After 1 January 2021
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 3
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

Definition of a Business - Amendments to IFRS 3

Effective for annual periods beginning on or after 1 January 2020.

Key requirements

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

- Minimum requirements to be a business
The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. They also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs.

- Market participants' ability to replace missing elements
Prior to the amendments, IFRS 3 stated that a business need not include all of the inputs or processes that the seller used in operating that business, 'if market participants are capable of acquiring the business and continuing to produce outputs, for example, by integrating the business with their own inputs and processes'. The reference to such integration is now deleted from IFRS 3 and the assessment must be based on what has been acquired in its current state and condition.

- Assessing whether an acquired process is substantive
The amendments specify that if a set of activities and assets does not have outputs at the acquisition date, an acquired process must be considered substantive only if: (a) it is critical to the ability to develop or convert acquired inputs into outputs; and (b) the inputs acquired include both an organised workforce with the necessary skills, knowledge, or experience to perform that process, and other inputs that the organised workforce could develop or convert into outputs. In contrast, if a set of activities and assets has outputs at that date, an acquired process must be considered substantive if: (a) it is critical to the ability to continue producing outputs and the acquired inputs include an organised workforce with the necessary skills, knowledge, or experience to perform that process; or (b) it significantly contributes to the ability to continue producing outputs and either is considered unique or scarce, or cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs.

- Narrowed definition of outputs
The amendments narrowed the definition of outputs to focus on goods or services provided to customers, investment income (such as dividends or interest) or other income from ordinary activities. The definition of a business in Appendix A of IFRS 3 was amended accordingly.

- Optional concentration test
The amendments introduced an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Entities may elect to apply the concentration test on a transaction-by-transaction basis. The test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if an entity elects not to apply the test, a detailed assessment must be performed applying the normal requirements in IFRS 3.

Transition

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods. Earlier application is permitted and must be disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

Definition of a Business - Amendments to IFRS 3 (Continued)

Impact

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, most entities will likely not be affected by these amendments on transition. However, entities considering the acquisition of a set of activities and assets after first applying the amendments should update their accounting policies in a timely manner.
This standard is not applicable to the company and, therefore. It will not have an impact on the company's financial statements.

Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7

Effective for annual periods beginning on or after 1 January 2020.

Key requirements
In September 2019, the IASB issued amendments to IFRS 9, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).

The amendments to IFRS 9
The amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

Application of the reliefs is mandatory. The first three reliefs provide for:

- The assessment of whether a forecast transaction (or component thereof) is highly probable
- Assessing when to reclassify the amount in the cash flow hedge reserve to profit and loss
- The assessment of the economic relationship between the hedged item and the hedging instrument

For each of these reliefs, it is assumed that the benchmark on which the hedged cash flows are based (whether or not contractually specified) and/or, for relief three, the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform.

A fourth relief provides that, for a benchmark component of interest rate risk that is affected by IBOR reform, the requirement that the risk component is separately identifiable need be met only at the inception of the hedging relationship. Where hedging instruments and hedged items may be added to or removed from an open portfolio in a continuous hedging strategy, the separately identifiable requirement need only be met when hedged items are initially designated within the hedging relationship. To the extent that a hedging instrument is altered so that its cash flows are based on an RFR, but the hedged item is still based on IBOR (or vice versa), there is no relief from measuring and recording any ineffectiveness that arises due to differences in their changes in fair value. The reliefs continue indefinitely in the absence of any of the events described in the amendments. When an entity designates a group of items as the hedged item, the requirements for when the reliefs cease are applied separately to each individual item within the designated group of items.

The amendments also introduce specific disclosure requirements for hedging relationships to which the reliefs are applied.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

The amendments to IAS 39

The corresponding amendments are consistent with those for IFRS 9, but with the following differences:

- For the prospective assessment of hedge effectiveness, it is assumed that the benchmark on which the hedged cash flows are based (whether or not it is contractually specified) and/or the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform.
- For the retrospective assessment of hedge effectiveness, to allow the hedge to pass the assessment even if the actual results of the hedge are temporarily outside the 80%-125% range, during the period of uncertainty arising from IBOR reform.
- For a hedge of a benchmark portion (rather than a risk component under IFRS 9) of interest rate risk that is affected by IBOR reform, the requirement that the portion is separately identifiable need be met only at the inception of the hedge.

Transition
The amendments must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight. Early application is permitted and must be disclosed.

Impact
In finalising the amendments, the IASB has provided reliefs that are essential to mitigate the hedge accounting issues that could arise during the period of uncertainty before IBOR contracts are amended to new benchmark rates.

This standard is not applicable to the company and therefore, it will not have an impact on the company's financial statements.

Definition of Material - Amendments to IAS 1 and IAS 8

Effective for annual periods beginning on or after 1 January 2020.

Key requirements
In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

Obscuring information
The amendments explain that information is obscured if it is communicated in a way that would have a similar effect as omitting or misstating the information. Material information may, for instance, be obscured if information regarding a material item, transaction or other event is scattered throughout the financial statements or disclosed using a language that is vague or unclear. Material information can also be obscured if dissimilar items, transactions or other events are inappropriately aggregated, or conversely, if similar items are inappropriately disaggregated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

Definition of Material - Amendments to IAS 1 and IAS 8 (Continued)

New threshold
The amendments replaced the threshold 'could influence', which suggests that any potential influence of users must be considered, with 'could reasonably be expected to influence' in the definition of 'material'. In the amended definition, therefore, it is clarified that the materiality assessment will need to take into account only reasonably expected influence on economic decisions of primary users.

Definition of Material - Amendments to IAS 1 and IAS 8 (Continued) Primary users of the financial statements The current definition refers to 'users' but does not specify their characteristics, which can be interpreted to imply that an entity is required to consider all possible users of the financial statements when deciding what information to disclose. Consequently, the IASB decided to refer to primary users in the new definition to help respond to concerns that the term 'users' may be interpreted too widely.

Other amendments
The definition of material in the Conceptual Framework and IFRS Practice Statement 2: Making Materiality Judgements were amended to align with the revised definition of material in IAS 1 and IAS 8.

Transition
The amendments must be applied prospectively. Early application is permitted and must be disclosed.

Impact
Although the amendments to the definition of material is not expected to have a significant impact on an entity's financial statements, the introduction of the term 'obscuring information' in the definition could potentially impact how materiality judgements are made in practice, by elevating the importance of how information is communicated and organised in the financial statements.

This standard is not applicable to the company and therefore, it will not have an impact on the company's financial statements.

Covid-19-Related Rent Concessions –Amendment to IFRS 16

Effective for annual periods beginning on or after 1 June 2020.

Key requirements
In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not apply to lessors.

As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before 30 June 2021 and increased lease payments that extend beyond 30 June 2021).
- There is no substantive change to other terms and conditions of the lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

Covid-19-Related Rent Concessions –Amendment to IFRS 16 (Continued)

Transition
Lessees will apply the practical expedient retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the amendment is first applied. The information required by paragraph 28(f) of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is not required to be disclosed.

A lessee will apply the amendment for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorised for issue at 28 May 2020.

Impact
The amendment to IFRS 16 will provide relief to lessees for accounting for rent concessions from lessors specifically arising from the covid-19 pandemic. While lessees that elect to apply the practical expedient do not need to assess whether a concession constitutes a modification, lessees still need to evaluate the appropriate accounting for each concession as the terms of the concession granted may vary.

This standard is not applicable to the company and therefore, it will not have an impact on the company's financial statements.

3.2 New and revised IFRSs and interpretations in issue but not yet effective

Reference to the Conceptual Framework – Amendments to IFRS 3
Effective for annual periods beginning on or after 1 January 2022.

Key requirements
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

Transition
The amendments must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards (March 2018).

Impact
The amendments are intended to update a reference to the Conceptual Framework without significantly changing requirements of IFRS 3. The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use.

This standard is not applicable to the company and therefore, it will not have an impact on the company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

Effective for annual periods beginning on or after 1 January 2022.

Key requirements

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or lossmaking.

The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

Transition

The amendments must be applied prospectively to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

Impact

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see provisions increase to reflect the inclusion of costs related directly to contract activities, whilst entities that previously recognised contract loss provisions using the guidance from the former standard, IAS 11 Construction Contracts, will be required to exclude the allocation of indirect overheads from their provisions. Judgement will be required in determining which costs are "directly related to contract activities", but we believe that guidance in IFRS 15 Revenue from Contracts with Customers will be relevant.

This standard is not applicable to the company and therefore, it will not have an impact on the company's financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture- Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

Key requirements

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

Transition

The amendments must be applied prospectively. Early application is permitted and must be disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

3.2 New and revised IFRSs and interpretations in issue but not yet effective (continued)

Impact
The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgemental and entities need to consider the definition carefully in such transactions.

This standard is not applicable to the company and therefore, it will not have an impact on the company's financial statements.

The Conceptual Framework for Financial Reporting
Effective immediately for the IASB and the IFRS IC. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

Purpose
The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Key provisions
The IASB issued the Conceptual Framework in March 2018. It sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows:

- Chapter 1 – The objective of financial reporting
- Chapter 2 – Qualitative characteristics of useful financial information
- Chapter 3 – Financial statements and the reporting entity
- Chapter 4 – The elements of financial statements
- Chapter 5 – Recognition and derecognition
- Chapter 6 – Measurement
- Chapter 7 – Presentation and disclosure
- Chapter 8 – Concepts of capital and capital maintenance

The Conceptual Framework is accompanied by a Basis for Conclusions. The Board has also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the Conceptual Framework. In most cases, the standard references are updated to refer to the Conceptual Framework. There are exemptions in developing accounting policies for regulatory account balances for two standards, namely, IFRS 3 and for those applying IAS 8.

Impact
The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event.

This standard is not applicable to the company and therefore, it will not have an impact on the company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

Classification of Liabilities as Current or Non-current - Amendments to IAS 1

Effective for annual periods beginning on or after 1 January 2022.

Key requirements

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

Right to defer settlement

The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date.

Existence at the end of the reporting period

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

Management expectations

IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance.

Meaning of the term settlement

The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity. Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.

In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or noncurrent. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current. Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore, not considered to represent 'settlement'.

Transition

Many entities will find themselves already in compliance with the amendments. However, entities need to consider whether some of the amendments may impact their current practice. Entities need to carefully consider whether there are any aspects of the amendments that suggest that terms of their existing loan agreements should be renegotiated. In this context, it is important to highlight that the amendments must be applied retrospectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (continued)

Improvements to International Financial Reporting Standards

Key requirements
The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS.

2018-2020 cycle (issued in May 2020)
The following is a summary of the amendments from the 2018-2020 annual improvements cycle:
IFRS 1 First Time adoption of International Financial Reporting Standards

Subsidiary as a first-time adopter
- The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.
- An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022.
- Earlier application is permitted.

IFRS 9 Financial Instruments

Fees in the '10 per cent' test for derecognition of financial liabilities
- The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.
- An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.
- An entity applies the amendment for annual reporting periods beginning on or after1 January 2022. Earlier application is permitted.

Illustrative Examples accompanying IFRS 16

Leases Lease incentives
- The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

The amendment is not applicable to the company and therefore, it will not have an impact on the company's financial statement

IAS 41 Agriculture

Taxation in fair value measurements
- The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.
- An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not applicable to the company and therefore, it will not have an impact on the company's

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

4. Significant events in the period and accounting estimates and judgements

(a) Impact of COVID-19 on the financial statements
Since the end of the last annual reporting period, the COVID-19 outbreak has evolved into a pandemic that has far reaching impact on Bralirwa PLC's people and business. Containment measures such as restrictions of movement for populations and outlet closures, sometimes combined with the mandatory lockdown of production facilities presented key challenges to the execution of Bralirwa PLC's strategy, and materially affected performance. The impact from lower volume, including impairments on a longterm loan receivable, was partially offset through continued cost mitigation.

Since 31 December 2019, many currencies have devalued significantly versus the Euro. Currency translations also had a negative impact on Bralirwa PLC's statement of comprehensive income. As at 31 December 2020, government support measures resulted in a positive cash flow impact of RWF 107,644,222 resulting from lower corporate income tax prepaid amounts for the quarters of the year.

During its financial reporting process, Bralirwa PLC assessed the impact of COVID-19 on its financial estimates and judgements. The impact of COVID-19 on financial estimates and judgements is mainly reflected in impairment of financial assets. All significant estimates and judgements are disclosed in the notes to the consolidated financial statements (if applicable). Notes containing the most significant estimates and judgements are referred to in note 3(b).

(b) Significant accounting estimates and judgements
In preparing these consolidated financial statements, management is required to make estimates and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses.

The application of accounting policies requires judgements that impact the amounts recognised. Additionally, amounts recognised are based on factors that are by default associated with uncertainty. Therefore, actual results may differ from estimates.

The following notes contain the most significant estimates and judgements:

Particular area involving significant estimates and judgements	Note
Significant judgement Judgement on acting as principal versus agent with respect to excise tax expense	6.1 Operating segments
Judgement used in the determination of the lease term and assumptions used in the determination of the incremental borrowing rate	"8.3 Property, plant and equipment and 11.3 Borrowings"
Assessment of the recoverability of past tax losses	12.2 Deferred tax assets and liabilities
Significant estimates Assumptions used in impairment testing	8.1 Impairment testing of Intangible assets and Property, plant and equipment
Estimating the likelihood and timing of potential cash flows relating to claims and litigation	9.1 Provisions and 9.2 Contingencies

The uncertainty around the depth and duration of the COVID-19 pandemic specifically impacted the assumptions used for impairment testing. Refer to note 8.1.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

5. General accounting policies

(a) General
The accounting policies described in these financial statements have been applied consistently to all periods presented in these financial statements.

(b) Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currencies using the exchange rates at transaction date. Receivables, payables and other monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency using the exchange rates at the balance sheet date. Resulting foreign currency differences are recognised in the income statement, except for foreign currency differences arising on re-translation of Fair Value through Other Comprehensive Income (FVOCI) investments and financial liabilities designated as a hedge of a net investment, which are recognised in other comprehensive income.
Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured at cost are translated into the functional currency at the exchange rate at transaction date.

(c) Cash flow statement
The cash flow statement is prepared using the indirect method. Dividends paid to shareholders are included in financing activities. Interests paid are classified as operating activities.

(d) Offsetting financial instruments
If Bralirwa PLC has a legal right to offset financial assets with financial liabilities and if HEINEKEN intends either to settle on a net basis or to realise the asset and settle the liability simultaneously, financial assets and liabilities are presented in the statement of financial position as a net amount.

6. Operating activities

6.1. Operating segments

The Company distinguishes the reportable segments by product for beer and soft drink as described below, which are the Company's strategic business units. The strategic business units offer different products and are managed separately because they require different technology and located at different sites. For each of the strategic business units, the Company's Managing Director reviews internal management reports on at least a quarterly basis. The Company has multiple distributor models to deliver goods to end customers. The Company does not rely on any major customers, neither does it generate revenue in excess of 10 percent of the Company's revenue from a single customer.

The following summary describes the operations in each of the Company's reportable segments:

Business segments
The two main business segments are:

- Beer: Includes purchasing, manufacturing, sale, and distribution of beer products; and
- Soft drinks: Includes purchasing, manufacturing, sale and distribution of soft drinks.

Year ended 31 December	2020 Rwf '000	2019 Rwf '000
Net turnover		
- Beer	79,329,024	74,511,503
- Soft drinks	21,191,683	26,179,717
	100,520,707	**100,691,220**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Year ended 31 December 2020	Beer Rwf '000'	Soft Drink Rwf '000'	Total Rwf '000'
Revenue	**79,329,024**	**21,191,683**	**100,520,707**
Operating Profit	17,767,039	2,058,942	**19,825,981**
Net Finance Cost	(5,333,194)	(1,498,808)	**(6,832,002)**
Depreciation and amortisation	(9,268,450)	(3,787,494)	**(13,055,944)**
Profit before income tax	12,433,845	560,134	**12,993,979**
Income tax expense	(3,072,215)	(916,560)	**(3,988,775)**
Profit for the year	**9,361,630**	**(356,426)**	**9,005,204**

Year ended 31 December 2019	Beer Rwf '000'	Soft Drink Rwf '000'	Total Rwf '000'
Revenue	**73,629,311**	**25,324,452**	**98,953,763**
Operating Profit	8,534,421	2,132,329	**10,666,750**
Net Finance Cost	(5,793,941)	(1,993,822)	**(7,787,763)**
Depreciation and amortisation	(9,679,677)	(4,129,388)	**(13,809,065)**
Profit before income tax	2,740,480	138,507	**2,878,987**
Income tax expense	(1,248,503)	(438,663)	**(1,687,166)**
Profit for the year	**1,491,977**	**(300,156)**	**1,191,821**

The segmented assets and liabilities at 31 December 2020 and capital expenditure for the year then ended are as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Reconciliation of segment profit or loss
The table below presents the reconciliation of operating profit before exceptional items and amortisation of acquisition-related intangibles (operating profit beia) to profit before income tax.

a) The following items have been charged in arriving at the profit before income tax:

Year ended 31 December 2020	2020 Rwf '000'	2019 Rwf '000'
Depreciation on property. plant and equipment (Note 14)	12,431,326	13,214,251
Amortization and intangible assets (Note 15)	451,583	421,779
Repairs and maintenance of property, plant & equipment	1,564,953	1,874,502
Raw materials and consumables	32,881,548	32,516,035
Personnel expenses (see Note 11)	13,066,188	15,411,390
Auditors and consultancy remuneration	93,383	101,728
Impairment of related party loan	3,516,397	3,179,583
Net loss on sale and property, plant and equipment	-	197,426

b) Directors remuneration:

Year ended 31 December 2020	2020 Rwf '000'	2019 Rwf '000'
Non-Executive Directors	-	-
Executive Director	-	-
	-	-

Bralirwa PLC has not introduced new exceptional items related to COVID-19 or classified COVID-19 as an exceptional item as such. Although COVID-19 is an exceptional situation, it is not considered as an incident as it is unfolding over time, with an impact on many different financial statement line items.

Therefore, any effect of COVID-19 is not considered as an exceptional item, unless the effect relates to the exceptional items as mentioned in the accounting policy sections below.

Accounting estimates and judgments
Bralirwa PLC makes estimates when determining discount accruals in revenue at year-end, specifically for conditional discounts. Refer to note 7.3. for more explanation on how discount accruals are estimated.

Accounting policies

Segment reporting
Operating segments are reported in a consistent manner with the internal reporting provided to the Management Team, which is considered to be Bralirwa PLC's Managing Director decision-maker. An operating segment is a component of Bralirwa PLC that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of Bralirwa PLC's other components. All operating segments' operating results are reviewed regularly by the Management Team to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results, assets and liabilities that are reported to the Management Team include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Performance is measured based on operating profit, as included in the internal management reports that are reviewed by the Management Team.

Operating profit is not a financial measure calculated in accordance with IFRS. Operating profit is used to measure performance as management believes that this measurement is the most relevant in evaluating the results of the segments. The presentation of these financial measures may not be comparable to similarly titled measures reported by other companies due to differences in the ways the measures are calculated.

Bralirwa PLC has multiple distribution models to deliver goods to end customers. There is no reliance on major clients. Deliveries to end consumers include deliveries via third party distribution, key accounts (hotels, supermarkets and hotels) and wholesalers. In addition, these various distribution models are not centrally managed or monitored. Consequently, the Management Team does not allocate resources or assess the performance based on business type information. Accordingly, no segment information on business type is provided.
Inter-company transfers or transactions are determined on an arm's length basis.

Revenue
The majority of BRALIRWA PLC's revenue is generated by the sale and delivery of products to customers. The product portfolio of BRALIRWA PLC mainly consists of beer and soft drinks. Products are mostly own-produced finished goods from BRALIRWA PLC's brewing activities. BRALIRWA PLC's customer group can be split between on-trade customers like cafés, bars and restaurants and off-trade customers like retailers, distributors and wholesalers.

Revenue is recognised when control over products has transferred and BRALIRWA PLC fulfilled its performance obligation to the customer. For the majority of the sales, control is transferred either at delivery of the products or upon pickup by the customer from BRALIRWA PLC's premises.

Revenue recognised is based on the price specified in the contract, net of returns, discounts, sales taxes and excise taxes collected on behalf of the Rwanda Revenue Authority.

Discounts
BRALIRWA PLC uses different types of discounts depending on the nature of the customer. Some discounts are unconditional, like cash discounts, early payment discounts and temporary promotional discounts. Unconditional discounts are recognised at the same moment of the related sales transaction. BRALIRWA PLC also provides conditional discounts to customers. These contractually agreed conditions include volume and promotional rebates. Conditional discounts are recognised based on estimated target realisation. The estimation is based on accumulated experience supported by historical and current sales information.

A discount accrual is recognised at each reporting date for discounts payable to customers based on their expected or actual volume up to that date. Other discounts include listing and shelving visibility fees charged by the customer whereby the payments to customers are closely related to the volumes sold. BRALIRWA PLC assesses the substance of contracts with customers to determine the classification of payments to customers as either discounts or marketing expenses. Discounts are accounted for as a reduction of revenue. Only when these payments to customers relate to a distinct service, the amount is classified as operating expense.

Excise tax expense
Local tax authorities impose multiple taxes, duties and fees. Excise duties are common in the beverage industry. Increases in excise duties are not always (fully) passed on to customers and BRALIRWA PLC cannot, or can only partly, reclaim the excise duty in the case products are eventually not sold to customers. Excise tax is borne by BRALIRWA PLC and shown as expenses.

To provide transparency on the impact of the accounting for excise, BRALIRWA PLC presents the excise tax expense on a separate account and included in the Revenue subtotal line in the income statementThis 'Revenue' subtotal is 'revenue' as defined in IFRS 15 (after discounts) minus the excise tax expense where the excise is borne by BRALIRWA PLC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

6.2. Other income

Other income includes the gain on sale from transactions that do not arise from contracts with customers and are therefore presented separately from revenue:

Year ended 31 December 2020	2020 Rwf '000'	2019 Rwf '000'
Miscellaneous income	336,085	468,926
Release of deposit liability	98,586	-
Net gain on sale of property. plant and equipment	26,613	-
	461,284	**468,926**

Accounting policies
Other income is recognised in profit or loss when control over the asset sold is transferred to the buyer. The amount recognised as other income equals the proceeds obtained from the buyer minus the carrying value of the sold asset.

6.3. Raw materials, consumables, and services

Year ended 31 December 2020	2020 Rwf '000'	2019 Rwf '000'
Raw materials	24,975,391	24,059,181
Non-returnable packaging	5,797,776	5,238,089
Goods for resale	33,178	585,264
Inventory movements	157,747	366,188
Marketing and selling expenses	2,994,455	6,623,002
Transport expenses	6,774,218	6,908,692
Energy and water	4,109,407	3,284,144
Repair and maintenance	3,484,335	4,888,530
	48,326,507	**51,953,090**

Accounting policies
Expenses are recognised based on accrual accounting. This means that expenses are recognised when the product is received, or the service is provided regardless of when cash outflow takes place.

6.4. Personnel expenses

Bralirwa PLC's employees receive compensations such as salaries and wages, pensions, and sharebased payments (refer to note 6.5).

Year ended 31 December 2020	2020 Rwf '000'	2019 Rwf '000'
Wages and salaries	8,008,577	9,664,028
Compulsory social security contributions	929,278	948,649
Contributions to defined contribution plans	1,429,000	1,625,306
Expenses related to defined benefit plans	322,057	321,712
Equity-settled share-based payment plan	25,641	(216,186)
Other personnel expenses	2,351,635	3,067,881
	13,066,188	**15,411,390**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Accounting policies
Personnel expenses are recognised when the related service is provided. For more details on accounting policies related to post-retirements obligations and share-based payments (refer to note 6.5).

6.5. Share-based payments

Bralirwa PLC has the following share-based compensation plans: Long-term incentive plan, Extraordinary share plan and Matching share plan (as part of the Short-term incentive plan of the Executive Board).

Long-term incentive plan (LTIP)
HEINEKEN has a performance-based Long-term incentive plan (LTIP) for the Executive Board and senior management. Under this LTIP, share rights are conditionally awarded to participants on an annual basis. The vesting of these rights is subject to the performance of Heineken N.V. on specific internal performance conditions and continued service over a three-calendar year period by the employee. The share rights are not dividend-bearing during the performance period.

The performance conditions for LTIP are organic net revenue growth, organic operating profit beia growth, earnings per share beia growth and free operating cash flow. The performance conditions are equally weighted.

At target performance, 100% of the awarded share rights vest. At threshold performance, 50% of the awarded share rights vest and at maximum performance, 200% of the awarded share rights vest. The number of outstanding share rights and the movement over the year under the LTIP of the Executive Board and senior management are as follows:

Year ended 31 December	Number of share rights 2020	Number of share rights 2019
Outstanding as at 1 January	260	117
Granted during the year	136	139
Performance adjustment	(132)	4
Outstanding as at 31 December	**264**	**260**
Share price as at 31 December	**91**	**95**

In response to the impact of the COVID-19 pandemic on HEINEKEN's business, the LTI awards made under the 2019-2020 LTIP for the Executive Board will not vest. The cancellation of the 2019-2020 LTIP did not result in any settlements nor was it replaced with an alternative plan.

Accounting estimates
The grant date fair value is calculated by adjusting the share price at grant date for estimated foregone dividends during the performance period, as the participants are not entitled to receive dividends during that period. The foregone dividends are estimated by applying HEINEKEN's dividend policy on the latest forecasts of net profit (beia).

At each balance sheet date, HEINEKEN uses its latest forecasts to calculate the expected realisation on the performance targets per plan. The number of shares are adjusted to the new target realisation and HEINEKEN increases/decreases the total plan cost. The cumulative effect is recorded in the profit or loss, with a corresponding adjustment to equity.

Expenses related to employees that voluntarily leave HEINEKEN are reversed as they will not receive any shares from the LTIP. The expense calculation includes the estimated future forfeiture. HEINEKEN uses historical information to estimate this forfeiture rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Accounting policies

HEINEKEN's share-based compensation plans are equity-settled share rights granted to the Executive Board and senior management. The grant date fair value is calculated by deducting expected foregone dividends from the grant date during the performance period share price. The costs of the share plans are adjusted for expected performance and forfeiture and spread evenly over the service period. Share-based compensation expenses are recorded in the profit or loss, with a corresponding adjustment to equity.

6.6. Amortisation, depreciation and impairments

Property, plant and equipment are fixed assets that are owned by Bralirwa PLC, as well as right of use (ROU) assets under a lease agreement. Owned and ROU assets are held for use in Braliwa PLC's operating activities. Refer to the table below for the split between owned assets and ROU assets as per balance sheet date:

In Rwf '000'	Note	2020	2019
Property, plant and equipment - owned assets		87,367,997	85,554,358
Right of use assets	2	186,339	359,374
Property, plant and equipment		**87,554,336**	**85,913,732**

Refer to note 8.1 for the impairment losses. Property, plant and equipment includes depreciation and impairment of ROU assets of RWF 173 million (2019: RWF 173 million).

Accounting policies

Refer to note 8.2 for the accounting policy on impairments and amortisation, and to note 8.3 for the policy on depreciation.

6.7. Earnings per share

The calculation of earnings per share (EPS) for the period ended 31 December 2020 is based on the profit attributable to the shareholders of the Company (net profit/(loss)) and the weighted average number of shares outstanding (basic and diluted) during the year ended 31 December 2020.

The calculation of basic earnings per share at 31 December 2019 was based on the profit attributable to ordinary shareholders of Rwf 9,005,204,000 (2019: Rwf 1,191,821,000) and on 1,028,570,000 ordinary shares of Rwf 5 each being the weighted average number of ordinary shares in issue.

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
a) Profit attributable to ordinary shareholders		
Profit of the year - Rwf '000'	9,005,204	1,191,821
b) Weighted average ordinary shares		
Issued ordinary shares as at 1 January	1,028,570,000	1,028,570,000
Weighted average ordinary shares as at 31 December	**1,028,570,000**	**1,028,570,000**
Earnings per share	**8.76**	**1.16**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

In Rwf per share (basis or diluted) for the period ended 31 December	2020 Rwf millions	2019 Rwf millions
Basic earnings per share	8.75	1.16
Diluted earnings per share	8.75	1.16

Accounting policies

Bralirwa PLC presents basic and diluted earnings per share (EPS) data for its shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the year, adjusted for the weighted average number of own shares held in the year. Diluted EPS is determined by dividing the profit or loss attributable to shareholders by the weighted average number of shares outstanding, adjusted for the weighted average number of own shares held in the year and for the effects of all dilutive potential shares which comprise share rights granted to employees and the Executive Board. The effects of anti-dilutive potential ordinary shares are ignored in calculating Diluted EPS.

7. Working capital

7.1. Inventories

Inventories include raw and packaging materials, work in progress, spare parts, goods for resale and finished products.

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Raw materials	9,668,915	7,726,931
Work in progress	1,035,309	1,456,760
Finished goods	462,479	715,737
Goods for resale	(3,380)	86,681
Non-returnable packaging	2,429,755	2,595,047
Spare parts	5,753,984	5,898,110
Other inventories	1,018,977	1,056,790
	20,366,039	**19,536,056**
Provision for spare parts	(403,245)	(1,059,109)
	19,962,794	**18,476,947**

The cost in inventories recognized as an expense during the year in respect to continuing operations was included in the cost of sales, being Rwf 64,324 million (2019: Rwf 65,814 million).

Accounting policies

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on standard cost and weighted average cost, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

7.2. Trade and other receivables

Trade and other receivables arise during the course of ordinary activities, for example from the sale of inventory.

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Trade receivables	10,578,888	3,756,407
Less: Impairment losses	(1,415,719)	(1,254,086)
Trade receivables – net	**9,163,169**	**2,502,321**
Other receivables and prepayments- net	1,097,948	4,027,817
	10,261,117	6,530,138
The allowance at the end of the year is made up of:		
Provision for trade receivables (note 5a)	1,415,719	1,254,086
Provision for other receivables (note 5a)	31,999	31,999
At end of year	**1,447,718**	**1,286,085**
Movement in provision		
Opening balance	1,286,085	305,488
Movements in income statement	161,633	980,597
Closing balance	**1,447,718**	**1,286,085**

Trade and other receivables contain a net impairment loss of RWF 1.42 million (2019: RWF 1.25 million) from contracts with customers, which is included in expenses for raw materials, consumables, and services. The increase in impairment losses compared to last year is partially due to the impact of the COVID-19 pandemic.

The ageing of trade and other receivables as at 31 December 2020 is as follows:

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Bank and cash balances (Note 20)	4,956,841	4,264,032
Trade receivables (Note 19)	9,163,169	3,756,407
Other receivables (Note 19)	1,097,948	4,027,817
Equity investment (Note 16)	9,224	1,165,720
Receivables from related companies (Note 30 (d))	1,934,132	3,266,241
	10,261,117	**16,480,217**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

The ageing of trade receivables at the reporting date was:

2020	Gross Rwf '000	Impaired Rwf '000	Net Rwf '000
Current			
0 – 30 days	10,578,888	-	10,578,888
31 – 120 days	-	-	-
120 days and above	-	-	-
Trade receivables (Note 19)	**10,578,888**	-	**10,578,888**

2019	Gross Rwf '000	Impaired Rwf '000	Net Rwf '000
Current			
0 – 30 days	3,756,407	-	3,756,407
31 – 120 days	-	-	-
120 days and above	-	-	-
Trade receivables (Note 19)	**3,756,407**	-	**3,756,407**

The ageing of receivables from related companies at the reporting date was:

2020	Gross Rwf '000	Impaired Rwf '000	Net Rwf '000
Current			
0 – 30 days	-	-	-
31 – 120 days	1,934,132	-	1,934,132
120 days and above	-	-	-
Receivables from related companies (Note 30 (d))	**1,934,132**	-	**1,934,132**

2019	Gross Rwf '000	Impaired Rwf '000	Net Rwf '000
Current			
0 – 30 days	-	-	-
31 – 120 days	1,474,309	-	1,474,309
120 days and above	1,791,932	-	1,791,932
Receivables from related companies (Note 30 (d))	**3,266,241**	-	**3,266,241**

The ageing of other receivables at the reporting date was:

2020	Gross Rwf '000	Impaired Rwf '000	Net Rwf '000
Current			
0 – 30 days	1,097,948	-	1,097,948
31 – 120 days	-	-	-
120 days and above	31,999	(31,999)	-
Other receivables (Note 19)	**1,129,947**	**(31,999)**	**1,097,948**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

2019	Gross Rwf '000	Impaired Rwf '000	Net Rwf '000
Current			
0 – 30 days	4,027,817	-	4,027,817
31 – 120 days	-	-	-
120 days and above	31,999	(31,999)	-
Other receivables (Note 19)	**4,059,816**	**(31,999)**	**4,027,817**

For all categories of receivables, the amount over 120 days are past due their contractual due dates. Those that are past due and not impaired relate to customers who are actively

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

	2020 Rwf '000'	2019 Rwf '000'
Balance at 1 January	1,286,085	305,488
Movement in provision during the year	161,633	980,597
Balance at 31st December	**1,447,718**	**1,286,085**

Accounting estimates
Bralirwa PLC determines on each reporting date the impairment of trade and other receivables using a model (e.g. flow rate method) which estimates the lifetime expected credit losses that will be incurred on these receivables. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Due to the uncertainty relating to the depth and duration of the COVID-19 pandemic and its related impact on Bralirwa PLC's customers, more judgement is required in the calculation of expected credit losses compared to the prior year. As part of these assessments, Bralirwa PLC has incorporated all reasonable and supportable information available such as whether there has been a breach or deterioration of payments terms, a request for extended payment terms or a request for waived payment terms. For more information on Bralirwa PLC's credit risk exposure refer to note 11.5.

Accounting policies
Trade and other receivables are held by Bralirwa PLC in order to collect the related cash flows. These receivables are measured at fair value and subsequently at amortised cost minus any impairment losses. Trade and other receivables are derecognised by Bralirwa PLC when substantially all risks and rewards are transferred or if Bralirwa PLC does not retain control over the receivables.

7.3. Trade and other payables

In the ordinary course of business, payable positions arise towards suppliers of goods and services, as well as to other parties. Refer to the table below for the different types of trade and other payables.

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Trade payables	4,977,516	3,691,544
Deposit on returnable containers	14,084,968	14,064,932
Other payables and accrued expenses	9,904,535	11,482,337
Lease liability (Current)	53,734	94,713
	29,020,753	**29,333,526**

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Deposit on returnable packages		
Balance as at 1 January	14,064,932	14,692,917
Additions of deposits liabilities	118,622	-
Release of deposit liabilities	-98,586	-627,985
Balance as 31 December	**14,084,968**	**14,064,932**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Accounting estimates
Bralirwa PLC makes estimates in the determination of discount accruals. When discounts are provided to customers, these reduce the transaction price and consequently the revenue. The conditional discounts in revenue (refer to note 6.1) are estimated based on accumulated experience supported by historical and current sales information. Expected sales volumes are determined considering (historical) sales patterns and other relevant information. A discount accrual is recognised for expected volume and year-end discounts payable to customers in relation to sales made until the end of the reporting period.

Accounting policies
Trade and other payables are initially measured at fair value and subsequently at amortised cost. Trade payables are derecognised when the contractual obligation is either discharged, cancelled, or expired.

7.4. Returnable packaging materials

Bralirwa PLC uses returnable packaging materials such as glass bottles, crates and kegs in selling the finished products to the customer.

Returnable packaging materials
Most returnable packaging materials is classified as property, plant and equipment. The category 'Returnable Packaging' in Property, plant and equipment (refer to note 8.3).

Returnable packaging deposit liability
Bralirwa PLC has a constructive obligation to take back the materials from the market. A deposit value is generally charged upon sale of the finished product, which is reimbursed when the empty returnable packaging material is returned.

Accounting estimates

Accounting policies
Returnable packaging materials
Returnable packaging materials may be classified as property, plant and equipment or inventory. The classification mainly depends on whether ownership is transferred and if Bralirwa PLC has the legal or constructive obligation to buy back the materials. Refer to note 8.3 for the general accounting policy on property, plant, and equipment. Specifically, for returnable packaging materials, the estimated useful life depends on the loss of the materials in the market as well as on HEINEKEN sites.

Returnable packaging deposit liability
Bralirwa PLC recognises a deposit liability when a legal or constructive obligation exists to reimburse the customer for returnable packaging materials that are returned. The returnable packaging deposit liability is based on the estimated returnable packaging materials in the market, the expected return thereof and the deposit value.

8. Non-current assets

8.1. Impairment testing of intangible assets and Property, plant, and equipment

(a) Introduction
The results of impairment testing for non-financial non-current assets covers the impairment testing for Property, plant, and equipment (PP&E) and intangible assets with a finite useful life.

(b) Impact of the COVID-19 pandemic on impairment testing
Due to the uncertainty of the depth and duration of the COVID-19 pandemic, including the resurgence of the virus, limitations on operations and adverse effects on disposable income, projecting future cash flows for cash generating units (CGUs) for 2020 involves a higher degree of judgement compared to previous years.

Bralirwa PLC therefore prepared multiple recovery scenario's for the impairment trigger testing with regard to the short-term impact (e.g. short-term impact on sales volumes and revenue) and the longer term impact of COVID-19 (e.g. the recovery of sales volumes to pre-COVID-19 levels). In the event of an impairment indicator, the final forecasts used for impairment testing were prepared for a single most likely scenario. These forecasts were prepared under the assumption of a full recovery

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

to the 2019 sales volumes over a two-year planning horizon. The forecasts considered the continuation of the current wave and its containment measures into 2021, but no additional waves beyond 2021.

(c) Summary of impairments on Intangible assets and Property, plant and equipment During the year, no impairment losses have been recorded for tangibles and intangibles.

8.2. Intangible assets

Intangible assets within Bralirwa PLC are mainly software. Most intangible assets have been recognised by Bralirwa PLC as part of acquisitions. Refer to the table below for the historical cost per asset class and the movements during the year including amortisation.

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Cost		
Balance at 1 January	2,233,985	1,043,118
Additions	475,636	1,190,867
Disposals	-	-
Balance at 31 December	**2,709,621**	**2,233,985**
Amortization and impairment loss		
Balance at 1 January	561,509	139,730
Amortization for the year	451,583	421,779
Disposals	-	-
Balance at 31 December	**1,013,092**	**561,509**
Net book value at end of year	**1,696,529**	**1,672,476**

Impairment losses
The software impairment test did not result in an impairment loss for the current year.

Sensitivity to changes in assumptions
The outcome of a sensitivity analysis of a 100 basis points adverse change in key assumptions (i.e. lower growth rates or higher discount rates respectively) did not result in a materially different outcome for the impairment test and the headroom for no software would have been reduced to nil.

Accounting estimates and judgements
The cash flow projections used in the value in use calculations for software impairment testing contain various judgements and estimations as described in the key assumptions for the Value In Use (VIU) calculations. For intangible assets, other than goodwill, estimates are required to determine the (remaining) useful lives. Useful lives are determined based on the market position (for brands), estimated remaining useful life of the customer relationships or the period of the contractual arrangements, or estimates on technological and commercial developments (for software/development expenditure).

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful life. Bralirwa PLC believes that straight-line depreciation most closely reflects the expected pattern of consumption of the future economic benefits embodied in the intangible asset.

Accounting policies

Software
Purchased software is measured at cost less accumulated amortisation. Expenditure on internally developed software is capitalised when the expenditure qualifies as development activities, otherwise it is recognised in profit or loss when incurred. Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge, is recognised in profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Amortisation
Amortisation is calculated over the cost of the asset less its residual value. Intangible assets with a finite life are amortised on a straight-line basis over their estimated useful lives from the date they are available for use.

The estimated useful life for software is 3 to 7 years.

The amortisation method, useful lives and residual values are reassessed annually. Changes in useful lives or residual value are recognised prospectively.

De-recognition of intangible assets
Intangible assets are derecognised when disposed or sold. Gains on sale of intangible assets are presented in profit or loss as other income (refer to note 6.2); losses on sale are included in amortisation.

Impairment of non-financial assets
At each reporting date Bralirwa PLC reviews the carrying amounts of its non-financial assets (except for inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use. The CGU for other non-financial assets is often the operating company on country level. The recoverable amount of an asset or CGU is the higher of an asset's FVLCD and VIU. 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 risks specific to the asset or CGU.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are first allocated to goodwill and intangible assets with an indefinite useful life. A remaining impairment loss is then allocated to the other assets in the unit on a pro rata basis.

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

8.3. Property, plant, and equipment

PP&E are fixed assets that are owned by Bralirwa PLC, as well as right of use (ROU) assets under a lease agreement. Owned and ROU assets are held for use in HEINEKEN's operating activities. Refer to the table below for the split between owned assets and ROU assets as per balance sheet date:

In Rwf '000'	Note	2020	2019
Property, plant and equipment - owned assets		87,367,997	85,554,358
Right of use assets	2	186,339	359,374
Property, plant and equipment		**87,554,336**	**85,913,732**

Owned assets
The table below details the historical cost per asset class and the movements during the year for owned assets:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Year ended 31 December	Land and Buildings Rwf '000'	Plant and Equipment Rwf '000'	Furniture & Fittings Rwf '000'	Commercial Assets Rwf '000'	Motor Vehicles Rwf '000'	Work in progress Rwf '000'	Returnable packaging Rwf '000'	Total Rwf '000'
Cost								
As at 1 January 2019	**8,884,818**	**80,656,150**	**6,264,668**	**9,981,084**	**7,616,316**	**2,301,039**	**50,684,068**	**166,388,143**
Reclassification	(1,510,530)	(3,562,226)	(615,235)	(4,633,761)		(148,882)		**(10,470,634)**
Additions	176,935	181,561	375,798	295,590	1,172	8,143,930	2,245,300	**11,420,286**
Transfers	102,259	2,432,700	(9,775)	-	-	(4,331,835)	1,806,651	**-**
Disposals			(10,408)		(301,269)		(864,110)	**(1,175,787)**
As at 31 December 2019	**7,653,482**	**79,708,185**	**6,005,048**	**5,642,913**	**7,316,219**	**5,964,252**	**53,871,909**	**166,162,008**
Balance at 1 January 2020	**7,653,482**	**79,708,185**	**6,005,048**	**5,642,913**	**7,316,219**	**5,964,252**	**53,871,909**	**166,162,008**
Reclassification								**-**
Additions	49,370	517,003	486,004	-	-	12,267,471	925,117	**14,244,965**
Transfers	24,005	309,160	58,686	1,089,118	1,348,868	(4,950,669)	2,120,832	**-**
Disposals	-	-	(53,663)	-	(562,006)	-	-	**(615,669)**
As at 31 December 2020	**7,726,857**	**80,534,348**	**6,496,075**	**6,732,031**	**8,103,081**	**13,281,054**	**56,917,858**	**179,791,304**
Depreciation								
As at 1 January 2019	**2,714,126**	**26,013,724**	**5,213,216**	**8,135,969**	**5,919,347**	**-**	**30,697,128**	**78,693,510**
Reclassification	(1,398,458)	(3,674,296)	(615,235)	(4,633,762)	1	-	-	**(10,321,750)**
Charge for the year	310,319	5,119,429	553,853	1,018,328	774,818	-	5,437,504	**13,214,251**
Disposals	-	-	(10,408)	-	(249,303)	-	(718,650)	**(978,361)**
As at 31 December 2019	**1,625,987**	**27,458,857**	**5,141,426**	**4,520,535**	**6,444,863**	**-**	**35,415,982**	**80,607,650**
Balance at 1 January 2020	**1,625,987**	**27,458,857**	**5,141,426**	**4,520,535**	**6,444,863**	**-**	**35,415,982**	**80,607,650**
Reclassification								**-**
Charge for the year	326,621	4,838,984	470,551	865,177	653,318	-	5,276,675	**12,431,326**
Disposals	-	-	(53,663)	-	(562,006)	-	-	**(615,669)**
As at 31 December 2020	**1,952,608**	**32,297,841**	**5,558,314**	**5,385,712**	**6,536,175**	**-**	**40,692,657**	**92,423,307**
Net book value as at 31 December 2020	**5,774,249**	**48,236,507**	**937,761**	**1,346,319**	**1,566,906**	**13,281,054**	**16,225,201**	**87,367,997**
Net book value as at 31 December 2019	**6,027,495**	**52,249,328**	**863,622**	**1,122,378**	**871,356**	**5,964,252**	**18,455,927**	**85,554,358**

*Commercial assets are items (usually branded) with significant individual value that are expected to be used for more than 1 year such as draught beer installations, outlet visibility materials, merchandise refrigerators and other vending equipment.

Fully depreciated assets at an original cost of Rwf 5,344,650,881 (2019: Rwf 32,319,136,075) are still in use.

There are no assets pledged as collateral for liabilities (2019: Rwf 0)

Land and buildings include the brewery and soft drinks plants, offices of Bralirwa PLC as well as depots and residential houses. The plant and machinery asset class contains all the assets needed in Bralirwa PLC's brewing, packaging, and filling activities. Other fixed assets mainly consist of returnable packaging materials, commercial fixed assets and furniture, fixtures, and fittings. Refer to note 7.4 for further information on returnable packaging materials that are included in this category.

Impairment losses
Given the impact of COVID-19 on Bralirwa PLC's markets and businesses, Bralirwa PLC assessed its CGUs for an indication of an impairment. Following the assessment, CGUs with a total fixed asset base of Rwf 178b (2019: Rwf 166b) were tested for asset impairment. As a result, no impairment losses have been recorded for tangible assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Impairments are recorded on the line 'Amortisation, depreciation and impairments' in the Income Statement.

Right of use (ROU) assets
Bralirwa PLC leases offices and residential houses. HEINEKEN has 2 leases. Leases contain extension and termination options, which are included in the lease term if Bralirwa PLC is reasonably certain to exercise an extension option and reasonably certain not to exercise a termination option. Refer to the table below for the carrying amount of ROU assets per asset class per balance sheet date:

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Office	431,398	431,398
Residential house	101,010	101,010
Carrying amount ROU assets as at 31 December	**532,408**	**532,408**

During 2020, no additional ROU assets. The depreciation of ROU assets for the financial year ending 31 December is as follows:

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Cost		
Balance at 1 January	532,408	-
Additions	-	532,408
Disposals	-	-
Adjustments	-	-
Transfers from work in progress	-	-
Balance at 31 December	**532,408**	**532,408**
Depreciation		
Balance at 1 January	173,034	-
Charge for the year	173,035	173,034
Disposals	-	-
Adjustments	-	-
Balance at 31 December	**346,069**	**173,034**
Net book value at end of year	**186,339**	**359,374**

Lease/Rent contractual arrangements
The Company leases few buildings under finance leases in the ordinary course of business. The leases run for a period of three years, with no option of renewal after that date.

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Less than one year	53,734	94,713
Between one and five years	268,529	404,598
	322,262	**499,311**

During the year an amount of Rwf 5,120,000 was recognized as an expense in profit and loss in respect of operating lease and rent (2019: Rwf 429,108,071)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Accounting estimates and judgements
Estimates are required to determine the (remaining) useful lives of fixed assets. Useful lives are determined based on an asset's age, the frequency of its use, repair and maintenance policy, technology changes in production and expected restructuring.

Bralirwa PLC estimates the expected residual value per asset item. The residual value is the higher of the expected sales price (based on recent market transactions of similar sold items) and its material scrap value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of items of PP&E. Bralirwa believes that straight-line depreciation most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Significant judgement is required to determine the lease term. The assessment of whether Bralirwa is reasonably certain to exercise such options impacts the lease term, which as a result could affect the amount of lease liabilities and ROU assets recognised.

Accounting policies

Owned assets
A fixed asset is recognised when it is probable that future economic benefits associated with the PP&E item will flow to Bralirwa PLC and when the cost of the PP&E can be reliably measured. The majority of the PP&E of Bralirwa PLC are owned assets, rather than leased assets.

PP&E are recognised at historical cost less accumulated depreciation and impairment losses. Historical cost includes all costs directly attributable to the purchase of an asset. The cost of self-constructed assets includes all directly attributable costs to make the asset ready for its intended use. Spare parts that meet the definition of PP&E are capitalised and accounted for accordingly. If spare parts do not meet the recognition criteria of PP&E, they are either carried in inventory or consumed and recorded in profit or loss.

Subsequent costs are capitalised only when it is probable that the expenses will lead to future economic benefits and can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

For the contractual commitments on ordered PP&E refer to note 13.1.

Depreciation and impairments
Depreciation is calculated using the straight-line method, based on the estimated useful life of the asset class. The estimated useful lives of the main asset classes are as follows:

- Buildings 15-40 years
- Plant and equipment 15-25 years
- Motor vehicles 5-8 years
- Furniture and fittings 5-15 years
- Commercial assets 5-10 years
- Returnable packaging 5-7 years

Land and assets under construction are not depreciated. When assets under construction are ready for its intended use, they are transferred to the relevant category and depreciation starts. All other PP&E items are depreciated over their estimated useful live to the asset's residual value.

The depreciation method, residual value and useful lives are reassessed annually. Changes in useful lives or residual value are recognised prospectively.

Bralirwa PLC reviews whether indicators for impairment exist on CGU level. When an indicator of impairment exists, assets are tested for impairment. Impairment losses on assets, other than goodwill, recognised in prior periods are assessed at each reporting date for any indication of a reversal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

De-recognition of Property, plant, and equipment
PP&E is derecognised when it is scrapped or sold. Gains on sale of PP&E are presented in profit or loss as other income (refer to note 6.2); losses on sale are included in depreciation.

Right of use (ROU) assets

Definition of a lease
A contract is or contains a lease if it provides the right to control the use of an identified asset for a period of time in exchange for an amount payable to the lessor. The right to control the use of the identified asset exists when having the right to obtain substantially all of the economic benefits from use of that asset and when having the right to direct the use of that asset.

Bralirwa PLC as a lessee
At the start date of the lease, Bralirwa PLC (lessee) recognises a right of use (ROU) asset and a lease liability on the balance sheet. The ROU asset is initially measured at cost, and subsequently at cost

less accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

For measurement of the lease liability, refer to note 11.3.

Bralirwa PLC applies the following practical expedients for the recognition of leases:
- The short-term lease exemption, meaning that leases with a duration of less than a year areexpensed in the income statement on a straight-line basis.
- The low value lease exemption, meaning that leased assets with an individual value of €5 thousand or less if bought new, are expensed in the income statement on a straight-line basis.

Lease related notes
For lease liabilities, refer to note 11.3 Borrowings. For short-term and low value leases, refer to other expenses in note 6.3 Raw materials, consumables, and services. For the lease receivables, refer to other receivables in note 8.4 Other non-current assets and other receivables in note 7.2 Trade and other receivables. For the contractual maturities of lease liabilities, refer to note 11.5 Credit, liquidity, and market risk.

8.4. Other non-current assets

Other non-current assets mainly consist of a loan to a joint venture with a duration longer than 12 months.

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Fair value through OCI investments	9,224	9,224
Loans to joint ventures and associates	-	1,156,496
	9,224	**1,165,720**

(i) Equity investments

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Development Bank of Rwanda	9,224	9,224
Cogelgaz	179,861	179,861
Less: Impairment allowance (Cogelgaz & BraMin)	(179,861)	(179,861)
	9,224	**9,224**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

The above equity investment are carried at cost less impairment as the directors cannot reliably determine the fair value due to the absence of a ready market for the shares.

*Cogelgaz is incorporated in Rwanda as a private limited liability company. and is domiciled in Rwanda. The company was founded for the exploitation of methane gas from Lake Kivu. An initial investment of Rwf 109.200.000 was made in 2001 and successively increased in 2003 and 2004. The investment has been fully impaired as the company has ceased operations.

(ii) Investments in joint venture

Bramin Ltd; a Joint Venture is between Bralirwa PLC (with 50%) and Minimex Ltd. The Company is incorporated and engaged in commercial farming in Rwanda and was establised to produce seed and commodity maize. Bramin's year end is 31 December. During the year, a loan of Rwf 1,156,469 was converted into joint venture investment.

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
As at 1 January	**1,156,496**	**-**
Reclassification of loan to joint venture investment during the year	2,359,901	7,000,000
Less: Impairment allowance	(3,516,397)	(5,843,504)
As at December 31	**-**	**1,156,496**

Sensitivity analysis – equity securities
An increase or decrease of 1% in the share price of the equity securities at the reporting date would not have a material impact.

Accounting estimates

The management has considered whether there is any impairment of their investments in joint ventures and has made an assessment to impair the investment Joint venture as it is deemed not recoverable This due to the fact that the joint venture is in a net liability position and has been making losses. This has been considered as a single cash-generating unit and impairment undertaken in accordance with the requirements of IAS 36.

Bralirwa PLC determines on each reporting date the impairment of other receivables using an expected credit loss model, which estimates the credit losses over 12 months. Only in case a significant increase in credit risk occurs (e.g. more than 30 days overdue, change in credit rating, payment delays in other receivables from the customer) the credit losses over the lifetime of the asset are incurred. The loan to joint venture is tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. For more information on Bralirwa PLC's credit risk exposure refer to 11.5.

Accounting policies

Fair value through OCI investments
BRALIRWA PLC's investments in equity securities are classified as FVOCI. These investments are interests in entities where BRALIRWA PLC has less than significant influence. This is generally the case by ownership of less than 20% of the voting rights. Upon the sale of these equity securities the accumulated fair value- and currency translation changes are transferred to retained earnings. FVOCI investments are measured at fair value. The fair value changes are recognised in OCI and presented within equity in the fair value reserve. Dividend income is recognised in profit or loss.

Loan to joint venture
The loan to joint venture is presented in the previous table is initially measured at fair value and subsequently at amortised cost minus any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

9. Provisions and contingent liabilities

9.1. Provisions

Provisions within Bralirwa PLC mainly relate to tax, civil and litigations that arise in the ordinary course of business. The outcome depends on future events, which are by nature uncertain.

There are certain lawsuits and claims pending against the company in various courts of law which are being handled by the external legal counsel. The contingent liabilities in respect of pending litigation and claims amounted to Rwf 88 million as at December 31 2020 (2019: Rwf 114 million). In the opinion of the directors and based on independent legal advice, the Company's liabilities are not likely to be material, thus no provision has made in these financial statements.

Claims and litigation
There are certain lawsuits and claims pending against the company in various courts of law which are being handled by the external legal counsel. The contingent liabilities in respect of pending litigation and claims amounted to Rwf 88 million as at December 31, 2020 (2019: Rwf 114 million). In the opinion of the directors and based on independent legal advice, the Company's liabilities are not likely to be material, thus no provision has made in these financial statements.

Taxes
The provisions for taxes of Rwf 2.40 billion (2019: Rwf 2.37 billion) relate to income tax within the scope of IAS 12 and other taxes (salary tax, withholding tax and VAT) for prior years (2014-2016). Tax legislation in Rwanda is a bit complex and subject to interpretation, therefore the timing of the cash outflows for these provisions is uncertain.

Accounting estimates
In determining the likelihood and timing of potential cash out flows, Bralirwa PLC needs to make estimates. For claims, litigation, and tax provisions, Bralirwa PLC bases its assessment on internal and external legal assistance and established precedents. For large restructuring, management assesses the timing of the costs to be incurred, which influences the classification as current or non-current liabilities.

Accounting policies
A provision is a liability of uncertain timing or amount. A provision is recognised when Bralirwa PLC has a present legal or constructive obligation as a result of past events that can be estimated reliably, and it is probable (>50%) that an outflow of economic benefits will be required to settle the obligation. In case of accounting for business combinations, provisions are also recognised when the likelihood is less than probable, but more than remote (>5%).
Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as part of net finance expenses.

Restructuring
A provision for restructuring is recognised when Bralirwa PLC has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating losses are not provided for. The provision includes the benefit commitments in connection with early retirement and redundancy schemes.

Onerous contracts
A provision for onerous contracts is recognised when the expected benefits to be received by Bralirwa PLC are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract, and the expected net cost of continuing with the contract. Before a provision is established, Bralirwa PLC recognises any impairment loss on the assets associated with that contract.

Other provisions
A provision for guarantees is recognised at the time the guarantee is issued. The provision is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected credit loss model and the amount initially recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

9.2. Contingencies

Bralirwa PLC's contingencies are mainly in the area of tax, litigations (part of other contingencies).

Tax
The tax contingencies mainly relate to tax positions in Rwanda and include a large number of cases with a risk assessment lower than probable but possible. Assessing the amount of tax contingencies, is highly judgmental, and the timing of possible outflows is uncertain. The best estimate of tax related contingent liabilities is Rwf 0 (2019: Rwf 0). For several tax contingencies that were part of ongoing tax' audits, an amount of Rwf 2.4 billion (2019: Rwf 2.37 billion) has been recognised as provisions and other non-current liabilities in the balance sheet (refer to note 9.1).

Other contingencies
Other contingencies mainly relate to certain lawsuits and claims pending against the company in various courts of law which are being handled by the external legal counsel. Management's best estimate of the potential financial impact for these cases is Rwf 88 million (2019: Rwf 110 million).

Accounting estimates and judgements
Bralirwa PLC operates in one single jurisdictions. Bralirwa PLC is required to exercise significant judgement in the recognition of taxes payable and determination of tax contingencies. Also, for the other contingencies, Bralirwa is required to exercise significant judgement to determine whether the risk of loss is possible but not probable. Contingencies involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions.

Accounting policies
A contingent liability is a liability of uncertain timing and amount. Contingencies are not recognised in the balance sheet because the existence can only be confirmed by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Bralirwa PLC or because the risk of loss is estimated to be possible (>5%) but not probable (<50%) or because the amount cannot be measured reliably.

10. Acquisitions, disposals, and investments

10.1 Investments in associates and joint ventures

Bralirwa PLC has interests in one joint venture, BraMin Ltd. Bramin Ltd; a Joint Venture is between Bralirwa Plc (with 50%) and Minimex Ltd. The company is incorporated and engaged in commercial farming in Rwanda and was established mainly to produce seed and commodity maize. Bramin's year end is 31 December. During the year, the long-term loan and short-term receivable to/from BraMin Ltd was were fully impaired for Rwf 3.5 billion (2019: Rwf 3.2 billion).

During the year 2020, the joint venture made a net loss of Rwf 873,276,000 (2019: Rwf 1,328,980,000). Bralirwa's share of the loss was Rwf 436,638,000 (2019: Rwf 664,490,000). The share of loss exceeds the carrying amount of the investment in the joint venture which was determined using the equity method. Recognition of the prior year's losses resulted in the carrying amount being reduced to nil. Further recognition of the losses was discontinued.

Set out below is the unaudited yet summarized financial information of BraMin Ltd, not adjusted for the percentage of ownership held by Bralirwa PLC. The financial information has been amended to reflect adjustments made by Bralirwa PLC when using the equity method (such as fair value adjustments).

The joint venture (Bramin Limited) is between Bralirwa and Minimex. The company is engaged in maize processing in Rwanda and was established to produce and commercialize high yield maize.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Summary financial information for equity accounted joint venture

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Percentage ownership interest	**50%**	**50%**
Non-current asset	2,177,832	2,318,343
Current asset	855,628	1,100,710
Non-current liabilities	(9,359,901)	(8,807,958)
Current Liabilities	(125,672)	(189,932)
Net Liabilities (100%)	**(6,452,113)**	**(5,578,837)**
Bralirwa share of net liabilities 50%	**(3,226,057)**	**(2,789,419)**
Carrying amount of interest in joint venture	**(3,226,057)**	**(2,789,419)**
Revenue	669,415	507,725
Expenses	(1,542,691)	(1,836,705)
Loss for the year (100%)	**(873,276)**	**(1,328,980)**
Total Comprehensive loss 50%	**(436,638)**	**(664,490)**

Accounting policies

Associates are entities in which Bralirwa PLC has significant influence, but not control or joint control. Significant influence is generally obtained by ownership of more than 20% but less than 50% of the voting rights. Joint ventures (JVs) are the arrangements in which Bralirwa PLC has joint control.

BRALIRWA PLC's investments in associates and JVs are accounted for using the equity method of accounting, meaning they are initially recognised at cost. The consolidated financial statements include BRALIRWA PLC's share of the net profit or loss of the associates and JVs whereby the result is determined using the accounting policies of BRALIRWA PLC.

When BRALIRWA PLC's share of losses exceeds the carrying amount of the associate or joint venture, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that BRALIRWA PLC has an obligation or has made a payment on behalf of the associate or JV.

11. Financing and capital structure

11.1 Net finance income and expense

Interest expenses are mainly related to interest charges over long-term loan from IFC (International Finance Corporation) and bank commercial loans (refer to note 11.3). Other net finance income and expenses comprises transactional foreign exchange gains and losses (on net basis) and unwinding of discount for lease liability.

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Finance costs:		
Foreign exchange (loss)	1,333,828	1,420,001
Interest expense	5,471,858	6,326,037
Interest on lease liability	26,316	41,725
	6,832,002	**7,787,763**
Finance income:		
Foreign exchange gains	-	-
Net Finance Income	**-**	**-**
Net Finance cost	**6,832,002**	**7,787,763**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Foreign exchange (loss) include Foreign exchange (loss) on lease liability of Rwf 13,502,071 (2019: 26,187,326).
Interest expense include unwinding of discount for lease liability of Rwf 26,315,944 (2019: 41,724,836).

Accounting policies
Interest income and expenses are recognised as they accrue, using the effective interest method.

11.2 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. In general bank overdrafts form an integral part of Bralirwa PLC's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Bank and cash balances	**4,956,841**	**4,264,032**
Bank overdraft (Note 23)	(29,837,015)	(22,326,664)
Total Cash and Cash equivalents per cash flow statement	**(24,880,174)**	**(18,062,632)**

Cash and cash equivalents increased in order to build liquidity buffers in relation to the COVID-19 pandemic. For more information on Bralirwa PLC's liquidity risk exposure refer to note 11.5.

The following table presents recognised 'Cash and cash equivalents' and 'Bank overdrafts', and the impact of the netting of gross amounts. The 'Net amount' below refers to the impact on Bralirwa PLC's balance sheet if all amounts subject to legal offset rights are netted.

					2020 Rwf' 000
Year ended 31 December	Gross amounts	Gross amounts offset in the statement of financial position	Net amounts presented in the statement of financial position	Amounts subject to legal offset rithts	Net amount
Assets					
Cash and cash equivalents	4,956,841	-	4,956,841	-	**4,956,841**
Liabilities					
Bank overdrafts	(29,837,015)	-	(29,837,015)	-	**(29,837,015)**

					2019 Rwf' 000
Assets					
Cash and cash equivalents	4,264,032	-	4,264,032	-	**4,264,032**
Liabilities					
Bank overdrafts	(22,326,664)	-	(22,326,664)	-	**(22,326,664)**

Accounting policies

Cash and cash equivalents are initially recognised at fair value and subsequently at amortised cost. Bralirwa PLC has cash and cash equivalents with legally enforceable rights to offset cash and overdraft balances. Where there is an intention to settle on a net basis, cash and overdraft balances relating to the cash and cash equivalents are reported on a net basis in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

11.3 Borrowings

Bralirwa PLC mainly uses bank loans to ensure sufficient financing to support its operations. Net interest-bearing debt is the key metric for Bralirwa PLC to measure its indebtedness.

	Original Amount Rwf' 000	Date Borrowed	Interest rate	2020 Rwf' 000	2019 Rwf' 000
Heineken International N.V.	8,273,944	3-May-17	12.2%	8,273,944	8,273,944
International Finance Corporation	20,697,572	8-Feb-16	4.5%	9,207,211	14,557,036
Lease liability (Non-Current)				268,529	404,598
Total				**17,749,684**	**23,235,578**
Bank overdraft				29,837,015	22,326,664
Total borrowings				**47,586,699**	**45,562,242**
Less current borrowings				(35,975,155)	(28,149,479)
Non-current borrowings				**11,611,544**	**17,412,763**

Loan from related parties; this refers to a facility given by Heineken International N.V on 8 August 2014 with an interest rate of USD LIBOR or its successor as determined by the lender plus a margin of 100 basis points payable at the end of the relevant drawing period. The loan is unsecured. During the year the tenor of the loan was increased by 3 years to terminate in March 2022. The loan from International Finance Corporation is unsecured and has been used for expanding and upgrading Bralirwa's production capacity.

Movement in non-current loans and borrowings Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Balance as at January 1	**23,235,578**	**27,694,654**
Loans obtained	-	-
Loans repaid	(6,368,573)	(5,653,372)
Addition of leases	-	404,598
Exchange differences	882,679	789,698
Balance as at December 31	**17,749,684**	**23,235,578**

Lease liability

Movement in non-current loans and borrowings Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Balance as at January 1	**499,311**	**-**
Adoption of IFRS 16	-	532,408
Interests on lease liabilities	(26,316)	41,725
Payment of lease liabilities	(190,551)	(123,378)
Other differences	39,818	48,556
Balance as at December 31	**322,262**	**499,311**

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Less than 12 months	53,734	94,713
1 to 3 years	268,529	404,598
	322,262	**499,311**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Changes in borrowings

Cash flows from financing activities are mainly generated by bank loans and other interest-bearing liabilities presented above. The above table details the reconciliation of the liabilities and assets arising from financing activities to the cash flow from financing activities.

Bank overdrafts form an integral part of Bralirwa PLC's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

The interest rate on the net debt position as at 31 December 2020 was 12.5% (2019: 12.5%).

Accounting estimates and judgements

Significant judgement is required to determine the lease term and the incremental borrowing rate. The assessment of whether Bralirwa PLC is reasonably certain to exercise extension options or not to make use of termination options impacts the lease term, which as a result could affect the amount of lease liabilities recognised. The assumptions used in the determination of the incremental borrowing rate could impact the rate used in discounting future payments, which as a result could have an impact on the amount of lease liabilities recognised.

Accounting policies

Borrowings
Borrowings are initially measured at fair value less transaction costs. Subsequently the borrowings are measured at amortised cost using the effective interest rate method.
Borrowings for which Bralirwa PLC has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date are classified as non-current liabilities. For the accounting policy on cash and cash equivalents refer to 11.2.

Lease liabilities
Lease liabilities are measured at the present value of the lease payments to be paid during the lease term, discounted using the incremental borrowing rate ('IBR'). Lease liabilities are subsequently increased by the interest cost on the lease liabilities and decreased by lease payments made. The lease liabilities will be remeasured when there is a change in the amount to be paid (e.g. due to indexation) or when there is a change in the assessment of the lease terms.

The IBR is determined on a country level. For each country there are separate rates depending on the contract currency and the term of the lease. The IBR is calculated based on the local risk-free rate plus a country default spread and a credit spread.

The lease term is determined as the non-cancellable period of a lease, together with:
- Periods covered by a unilateral option to extend the lease if BRALIRWA PLC is reasonably certain to make use of that option.
- Periods covered by an option to terminate the lease if BRALIRWA PLC is reasonably certain not to make use of that option.

BRALIRWA PLC applies the following practical expedients for the recognition of leases:
- Apply a single discount rate per country to a portfolio of leases with reasonably similar characteristics.
- Include non-lease components in the lease liability for equipment leases.

11.4 Capital and reserves

Share capital
Refer to the table below for the issued share capital as at 31 December. All issued shares are fully paid.

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
As at 1 January and 31 December	1,028,570,000	1,028,570,000
Authorized par value (Rwf)	5	5
Ordinary share capital (Rwf)	**5,142,850,000**	**5,142,850,000**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

Share premium
As at 31 December 2020, the share premium amounted to Rwf 84,856,750 (2019: Rwf 84,856,750) relating to share premium. This represents amounts paid by shareholders over and above the nominal per value of the shares for the years 1977, 1978 and 1979.

Other legal reserves
For retained earnings of subsidiaries which cannot be freely distributed due to legal or other restrictions, a legal reserve is recognised.

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Fiscal reserve	148,252	148,252
Statutory reserve	1,885,167	1,885,167
Legal reserve	38,571	38,571
	2,071,990	**2,071,990**

Fiscal reserves
The fiscal reserve is based on Article 138 paragraph 3 of the Ministerial order of 1964 which required the company to maintain a special reserve of 20% of the profits for 1964. The reserve is not distributable to shareholders.

Statutory reserve
The statutory reserve is a voluntary reserve created by the shareholders of the company and is distributable to shareholders.
The reserve includes revaluation of inventory done in 1994 after a strong depreciation of the Rwandese franc (Rwf -1,297,370 thousand) and Rwf 212,466 thousand being the outstanding balance of revaluation reserve for property, plant, and equipment. The Company elected to apply the optional exemption to use this previous revaluation as deemed cost at 1 January 2009, the date of transition to IFRS.

Legal reserve
The legal reserve is based on a Government decree of 12 February 1998 which required an appropriation of 5% of net income for the prior year until a maximum level of 10% of the issued share capital. The legal reserve is not distributable to shareholders.

Dividends
The following dividends were declared and paid by Bralirwa PLC in the table here-below.

For 2020, a payment of a total cash dividend of Rwf 8.75 per share (2019: 1.0) will be proposed at the AGM on 20 May 2021. If approved, the full dividend will be paid on 20 June 2021, as no interim dividend was paid during 2020. The payment will be subject to a 15% withholding tax.
After the balance sheet date, Directors proposed the following appropriation of net profit. The dividends have not been provided for.

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Final dividend Rwf 8.75 per qualifying ordinary share (2019: Rwf 1)	8,999,988	1,028,570
Dividends paid to equity holders of the company	6,749,991	771,428
Dividends paid to other shareholders	2,249,997	257,143
	8,999,988	**1,028,571**

Long term incentive plan

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Long term incentive plan	2,502	2,502

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Non-controlling interests
The non-controlling interests (NCI) relate to minority stakes held by third parties in Bralirwa PLC. The total NCI as at 31 December 2020 amounted to Rwf 2,250 million (2019: Rwf 257 million).

Capital management
There were no major changes in Bralirwa PLC's approach to capital management during the year. The Management Team's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business and acquisitions.

Bralirwa PLC is not subject to externally imposed capital requirements other than the legal reserves.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Loans and borrowings	47,586,699	45,562,242
Bank and cash balances	(4,956,841)	(4,264,032)
Net debt	**42,629,858**	**41,298,210**
Equity	**42,587,536**	**34,610,902**
Gearing (Net debt/Equity)	**100%**	**119%**

Accounting policies
Shares are classified as equity. When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is net of any tax effects recognised as a deduction from equity. Repurchased shares recorded at purchase price are classified as treasury shares and are presented in the reserve for own shares.

When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

Dividends are recognised as a liability in the period in which they are declared.

11.5 Credit, liquidity, and market risk

This note summarises the financial risks that Bralirwa PLC is exposed to, and Bralirwa PLC's policies and processes that are in place for managing these risks.

Risk management framework
The Executive Board sets rules and monitors the adequacy of Bralirwa PLC's risk management and control systems. These systems are regularly reviewed to reflect changes in market conditions and Bralirwa PLC's activities.

Managing the financial risks and financial resources includes the use of derivatives, primarily spot and forward exchange contracts, options, and interest rate swaps. It is Bralirwa PLC's policy not to enter into speculative transactions.

In the normal course of business Bralirwa PLC is exposed to the following financial risks:
- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Credit risk

	Note	External credit rating	12-month or lifetime ECL	"Gross carrying amount"	Loss allowance	Net carrying amount
31 December 2020						
Receivable from related parties (Non-current)	13.2	N/A	Lifetime ECL (not credit impaired)	1,156,496	1,156,496	-
Receivable from related parties (Current)	13.2	N/A	Lifetime ECL (not credit impaired)	1,934,132	-	1,934,132
Trade and other receivables	7.2	N/A	Lifetime ECL (not credit impaired)	1,129,947	31,999	1,097,948
Bank and cash balances	11.2	N/A	Lifetime ECL (not credit impaired)	4,956,841	-	4,956,841
31 December 2019						
Receivable from related parties (Non-current)	13.2	N/A	Lifetime ECL (not credit impaired)	4,394,763	4,394,763	-
Receivable from related parties (Current)	13.2	N/A	Lifetime ECL (not credit impaired)	3,266,241	-	3,266,241
Trade and other receivables	7.2	N/A	Lifetime ECL (not credit impaired)	3,756,407	-	3,756,407
Bank and cash balances	11.2	N/A	Lifetime ECL (not credit impaired)	4,264,032	-	4,264,032

Credit risk is the risk of a loss to BRALIRWA PLC when a customer or counterparty fails to pay.

The company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

All local operations are required to comply with the Global Credit Policy and develop local credit management procedures accordingly. BRALIRWA PLC reviews and updates the Global Credit Policy periodically to ensure that adequate controls are in place to mitigate credit risk.

Credit risk arises mainly from BRALIRWA PLC's receivables from customers like trade receivables, loans to customers and advances to customers. At the reporting date, there were no significant concentrations of credit risk.

All local operations are required to comply with the Global Credit Policy and develop local credit management procedures accordingly. BRALIRWA PLC reviews and updates the Global Credit Policy periodically to ensure that adequate controls are in place to mitigate credit risk.

Credit risk arises mainly from BRALIRWA PLC's receivables from customers like trade receivables, loans to customers and advances to customers. At the balance sheet date, there were no significant concentrations of credit risk.

Loans and advances to customers
BRALIRWA PLC's loans and receivables include loans and advances to customers. Loans and advances to customers are usually backed by collateral such as properties. BRALIRWA PLC does not charge interest on loans to its customers.

Trade and other receivables
BRALIRWA PLC's local management has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Under these policies all customers requiring credit above a certain amount are reviewed and new customers are analysed individually for creditworthiness before BRALIRWA PLC's standard payment and delivery terms and conditions are offered. This review can include external ratings, where available, and in some cases bank references. Credit limits are determined for each customer and are reviewed regularly. Customers that fail to meet BRALIRWA PLC's credit requirements transact only with BRALIRWA PLC on either a prepayment or cash on delivery basis.

Customers are monitored, on a region basis, according to their credit risk characteristics. Distinction is made between individuals and legal entities, type of distribution channel, geographic location, ageing profile, maturity, and existence of previous financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

BRALIRWA PLC has a policy in place in respect of compliance with Anti-Money Laundering Laws. BRALIRWA PLC considers it important to know with whom business is done and from whom payments are received.

Allowances
BRALIRWA PLC establishes allowances for impairment of loans and advances to customers, trade and other receivables using an expected credit losses model. These allowances cover specific loss components that relate to individual exposures, and a collective loss component established for groups of similar customers. The collective loss allowance is determined based on historical data of payment statistics and updated periodically to incorporate forward looking information. The loans and advances to customers, trade and other receivables are written off when there is no reasonable expectation of recovery.

Due to the uncertainty relating to the depth and duration of the COVID-19 pandemic and its related impact on BRALIRWA PLC's customers, more judgement is required in the calculation of expected credit losses compared to previous years. As part of these assessments, BRALIRWA PLC has incorporated all
reasonable and supportable information available such as whether there has been a breach or deterioration of payments terms, a request for extended payment terms or a request for waived payment terms.

Investments
BRALIRWA PLC did not make any investment for the year ended 31 December 2020 (2019:0). Guarantees BRALIRWA PLC's policy is to avoid issuing guarantees unless this leads to substantial benefits for BRALIRWA PLC. For some loans (to customers) BRALIRWA PLC does issue guarantees. In these cases, BRALIRWA PLC aims to receive security from the customer to limit the credit risk exposure.

Liquidity risk

	Carrying amount Rwf '000	6 months or less Rwf '000	6-12 months Rwf '000	More than 12 months Rwf '000
2020				
Assets				
Receivables from related parties	**1,934,132**	1,934,132	-	-
Trade and other receivables	**10,261,117**	10,261,117	-	-
Bank and cash balances	**4,956,841**	4,956,841	-	-
Total financial assets	**17,152,090**	**17,152,090**	**-**	**-**
Liabilities				
Loans and borrowings	**17,749,684**	-	6,138,141	11,611,543
Lease liability	**-**			-
Bank overdraft	**29,837,015**	29,837,015	-	-
Trade payables	**29,020,753**	29,020,753	-	-
Payable to related companies	**3,880,965**	3,880,965	-	-
Total financial liabilities	**80,488,417**	**62,738,733**	**6,138,141**	**11,611,543**
Net Liquidity Gap	**(61,920,608)**	**(44,170,924)**	**(6,138,141)**	**(11,611,543)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

2019				
Assets				
Receivables from related parties	**3,266,241**	1,474,309	1,791,932	-
Trade and other receivables	**7,784,224**	7,784,224	-	-
Bank and cash balances	**4,264,032**	4,264,032	-	-
Total financial assets	**15,314,497**	**13,522,565**	**1,791,932**	**-**
Liabilities				
Loans and borrowings	**22,830,980**	-	5,822,815	17,008,165
Lease liability	**404,598**			404,598
Bank overdraft	**22,326,664**	22,326,664	-	-
Trade payables	**29,333,526**	29,333,526	-	-
Payable to related companies	**6,429,647**	6,429,647	-	-
Total financial liabilities	**81,325,415**	**58,089,837**	**5,822,815**	**17,412,763**
Net Liquidity Gap	**(66,010,918)**	**(44,567,272)**	**(4,030,883)**	**(17,412,763)**

Liquidity risk is the risk that Bralirwa PLC will have difficulties to meet payment obligations associated with its financial liabilities, like payment of financial debt or trade payables when they are due. Bralirwa PLC's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due without incurring unacceptable losses. As a result of the COVID- 19 pandemic, there is increased attention for and monitoring of risks associated with working capital that might impact liquidity Bralirwa PLC remains focused on ensuring sufficient access to capital markets to finance long-term growth and to refinance maturing debt obligations. Bralirwa PLC seeks to align the maturity profile of its long-term debts with its forecasted cash flow generation. More information about borrowing facilities is presented in note 11.3. Furthermore, strong cost and cash management as well as controls over investment proposals are in place.

Exposure to credit risk

The maximum exposure to credit risk as at 31 December is as follows:

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

Year ended 31 December	2020 Rwf '000'	2019 Rwf '000'
Bank and cash balances (Note 11.2)	4,956,841	4,264,032
Trade receivables (Note 7.2)	9,163.169	3,756,407
Other receivables (Note 13.2)	1,097,948	4,027,817
Equity investment (Note 8.4)	9,224	1,165,720
Receivables from related companies (Note 13.2)	1,934,132	3,266,241
	17,161,314	**16,480,217**

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices, will adversely affect Bralirwa PLC's income or the value of its financial instruments. During the COVID-19 pandemic, the financial markets became very volatile. The objective of our market risk management was to manage and control market risk exposures within acceptable boundaries.

Foreign currency and interest rate operations are governed by internal policies and rules.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Foreign currency risk

BRALIRWA PLC is exposed to:

- Transactional risk on (future) sales, working capital, (future) purchases, deposits, borrowings, and dividends paid in a currency other than the respective functional currencies of BRALIRWA PLC entities.
- Translational risk, which is the risk resulting from the translation of foreign operations into the reporting currency of BRALIRWA PLC.

The main currencies that give rise to this risk are the US Dollar and Euro. Overall, COVID-19 negatively impacted currency developments for BRALIRWA PLC.

In managing foreign currency risk, BRALIRWA PLC aims to ensure the availability of foreign currencies and to reduce the impact of short-term fluctuations on earnings. Over the longer term, however, permanent changes in foreign exchange rates and the availability of foreign currencies, especially in emerging markets, will have an impact on profit.

BRALIRWA PLC services a long-term financial liability in foreign currencies (US Dollar).

The corresponding interest on these liabilities is also denominated in currencies that match the cash flows generated by the underlying operations of BRALIRWA PLC.

In respect of other monetary assets and liabilities denominated in currencies other than the functional currencies of BRALIRWA PLC, BRALIRWA PLC ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to foreign currency risk
Based on notional amounts, BRALIRWA PLC's transactional exposure to the US Dollar and Euro as at 31 December is as follows. The Euro column relates to transactional exposure to the Euro within subsidiaries which are reporting in other currencies. The amounts below include intra-BRALIRWA PLC cash flows.

	31 December 2020		31 December 2019	
	Euro Rwf '000	US$ Rwf '000	Euro Rwf '000	US$ Rwf '000
Bank and cash balances	2,523,738	602,665	5,236,759	4,005,106
Related party balances	1,339,234	251,681	5,170	(493,133)
Trade and other payables	(1,508,136)	(2,512,522)	(767,227)	(1,587,877)
Net exposure	**2,354,836**	**(1,658,176)**	**4,474,702**	**1,924,096**

Financial risk management objectives and policies (continued)

(c) Market risk

(i) Foreign currency risk

The following exchange rates were applied during the year:

	Average rate		Reporting date spot rate	
	2020	2019	2020	2019
EUR	1,089.03	1,006.80	1,207.20	1,043.32
USD	952.99	899.49	982.10	931.65

Sensitivity analysis on foreign currency rates
A 10 percent strengthening of the Rwanda Francs against the following currencies at 31 December would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

	Income statement	
	2020 Rwf '000	2019 Rwf '000
EUR		
+10% Rwf Movement	(235,484)	(447,470)
-10% Rwf Movement	235,484	447,470
USD		
+10% Rwf Movement	165,818	(192,410)
-10% Rwf Movement	(165,818)	192,410

The sensitivity analysis above shows the impact on equity and profit of a 10% strengthening of the US Dollar against the Euro or, in case of the Euro, a strengthening of the Euro against all other currencies as at 31 December 2020. This analysis assumes that all other variables, in particular interest rates, remain constant. In case of a 10% weakening, the effects are equal but with an opposite effect.

Interest rate risk

The company has term deposits and loan and borrowings that have fixed interest rates.
The table below summarises the interest rate profile of the company's interest bearing financial assets and liabilities.

	2020 Rwf '000	2019 Rwf '000
Fixed rate instruments		
Loans and borrowings	17,749,684	22,830,980
Variable rate instruments		
Bank overdrafts	**29,837,015**	**22,326,664**

Fair value sensitivity analysis for fixed rate instruments
The company does not account for any fixed rate financial asset and liabilities at fair value through profit and loss.
Therefore a change in interest rate at the reporting date would not affect profit and loss.

Interest rate sensitivity for variable rate instruments
A 5% increase/decrease in interest rates in the bank overdraft would have reduced or increased the pre- tax profit by Rwf 1,491,850,750 (2019: Rwf 1,116,333,200)

Interest rate risk is the risk that changes in market interest rates affect the fair value or cash flows of a financial instrument. The most significant interest rate risk for BRALIRWA PLC relates to borrowings (note 11.3).

By managing interest rate risk, BRALIRWA PLC aims to reduce the impact of short-term fluctuations on earnings. Over the longer term however, permanent changes in interest rates will have an impact on profit.

BRALIRWA PLC opts for bank loans. Currently, BRALIRWA PLC's interest rate position is more weighted towards fixed than floating.

Interest rate risk – profile
At the reporting date, the interest rate profile of BRALIRWA PLC's interest-bearing financial instruments
is as follows:

Bralirwa PLC has term loan and borrowings that have fixed interest rates. The table below summarises the interest rate profile of the company's interest-bearing financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

12. Tax

12.1 Income tax expense

Recognised in profit or loss.

Year ended 31 December	2020 Rwf '000	2019 Rwf '000
Current tax expense	5,598,850	4,479,554
Tax penalties from uncertain tax position	-	-
	5,598,850	**4,479,554**
Deferred income tax		
Deferred tax charged - (note 25)	(1,610,075)	(2,585,727)
Prior year (over)/under provision - (note 25)	-	(206,661)
Deferred income tax charged to profit and loss	**(1,610,075)**	**(2,792,388)**
Income tax expense	**3,988,775**	**1,687,166**
Control	-	-

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

Year ended 31 December	2020 Rwf '000	2019 Rwf '000
Profit before income tax	12,993,979	2,878,987
Tax calculated at the statutory income tax rate of 30%	3,898,194	863,696
Expense not deductible for tax purposes	90,581	1,030,131
Prior year (over)/under provision	-	(206,661)
Income tax expense	**3,988,775**	**1,687,166**
Control	**-**	**-**

Year ended 31 December	2020 Rwf '000	2019 Rwf '000
At January 1	**451,909**	**2,841,088**
Income tax charge for the year	(5,598,851)	(4,479,553)
Tax paid during the year	6,042,725	2,090,374
As at December 31	**895,783**	**451,909**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Reconciliation of the effective tax rate

		2020		2019
	Rwf '000	Tax Rate %	Rwf '000	Tax Rate %
Profit before income tax	12,993,979		2,878,987	
Income tax using the Company's domestic tax rate	3,898,194	30.00%	863,696	30.00%
Effect of non-deductible expenses	90,581	0.70%	1,030,131	35.78%
Prior year (over)/under provision	0	0.00%	-206,661	-7.18%
Effective Tax Rate (ETR) = Total tax expense / Income before income taxes	**3,988,775**	**30.70%**	**1,687,166**	**58.60%**

COVID-19 related impairment and operational losses for which no tax benefit could be recognised increased the effective tax rate in 2020.

12. 2 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following items:

Deferred income tax liability is calculated using the enacted income tax rate of 30% (2019: 30%). Deferred income tax liabilities, deferred income tax charge/ (credit) in the income statement and deferred income tax charge/ (credit) in equity are attributable to the following items:

Year ended 31 December	2020 Rwf '000	2019 Rwf '000
Property. plant and equipment	8,167,135	8,981,312
Provisions	(3,972,332)	(3,176,434)
Net deferred income tax liability	**4,194,803**	**5,804,878**

Management's projections support the assumption that it is probable that the results of future operations will generate sufficient taxable income to utilise these deferred tax assets. This judgement is performed annually and based on budgets and business plans for the coming years, including planned commercial initiatives and the impact of COVID-19.

No deferred tax liability has been recognised in respect of undistributed earnings of joint ventures and associates, with no impact in 2020 and 2019. This is because Bralirwa PLC is able to control the timing of the reversal of the temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Movement in deferred tax balances during the year

2020	At 1 January Rwf '000	(Over)/Under Provision Rwf '000	Recognised in profit or loss Rwf '000	At 31 December Rwf '000
Property. plant and equipment	8,981,312	-	(814,177)	8,167,135
Provisions	(3,176,434)	-	(795,898)	(3,972,332)
Net deferred income tax liability	**5,804,878**	-	**(1,610,075)**	**4,194,803**

2019	At 1 January Rwf '000	(Over)/Under Provision Rwf '000	Recognised in profit or loss Rwf '000	At 31 December Rwf '000
Property. plant and equipment	9,840,924	-	(859,612)	8,981,312
Provisions	(1,243,658)	(206,661)	(1,726,115)	(3,176,434)
Net deferred income tax liability	**8,597,266**	**(206,661)**	**(2,585,727)**	**5,804,878**

Accounting estimates and judgements
In determining the current and deferred income tax position, judgement is required. New information may become available that causes BRALIRWA PLC to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the income tax expense in the period that such a determination is made.

Accounting policies
Income tax comprises current and deferred tax. Current tax is the expected income tax payable or receivable in respect of taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to income tax payable in respect of previous years.

Deferred tax is a tax payable or receivable in the future and is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Deferred tax is not recognised on temporary differences related to:
- The initial recognition of assets or liabilities in a transaction that is not a business combinationand that affects neither accounting nor taxable profit or loss.
- Investments in subsidiaries, associates and joint ventures to the extent that Bralirwa PLC is able to control the timing of the reversal of the temporary differences and it is probable (>50% chance) that they will not reverse in the foreseeable future.
- The initial recognition of non-deductible goodwill.

The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates (substantively) enacted, at year-end.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously.

Current and deferred tax are recognised in the income statement (refer to note 12.2), except when it relates to a business combination or for items directly recognised in equity or other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

13. Other

13.1 Off-balance sheet commitments

Year ended 31 December	2020 Rwf '000	2019 Rwf '000
Letters of credit	-	-
Bank Guarantee	3,000	-
PPE ordered	3,224,693	-
Undrawn committed bank facilities	13,962,985	19,673,336

Committed bank facilities are credit facilities on which a commitment fee is paid as compensation for the bank's requirement to reserve capital. The bank is legally obliged to provide the facility under the terms and conditions of the agreement.

PPE ordered are fixed assets that have been ordered but not yet received.

Undrawn committed bank facilities are lines of credit on which the bank is legally obliged to provide the facility under the terms and conditions of the agreement.

Accounting policies
Off-balance sheet commitments are reported on an undiscounted basis.

13.2 Related parties

The Company is controlled by Heineken International B.V. incorporated in the Netherlands. The ultimate parent of the Company is Heineken N.V., a group also incorporated in the Netherlands. There are other companies which are related to the Company through common shareholdings or common directorships.

The Company has transactions with its parent (Heineken International B.V.) and other related parties who are related to the Company only by virtue of being members of the Heineken Group. As such all other companies other than Heineken International B.V., are sister companies.

The matching share entitlements for each year are based on the performance in that year.

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Identification of related parties
The following parties are considered to be related to Bralirwa PLC:

- Key management personnel: The Management Team
- Parent company Heineken Holding N.V. and other Heineken Holding N.V. subsidiaries
- Associates and Joint ventures of Bralirwa PLC.
- Employees of Bralirwa PLC (refer to note 6.4)

The total amounts due to related parties by the nature of the transaction are shown below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Key management remuneration

Year ended 31 December	2020 Rwf '000	2019 Rwf '000
Short-term employment benefits	1,949,731	2,402,679
Post-employment benefits	232,091	108,107
Other long term benefits	214,744	213,723
Share based payments	25,641	(216,186)
Termination benefits	-	-
	2,422,207	**2,508,323**

The Management Team has decided that there will not be a Short-term incentive (STI) pay-out for the performance year 2020 and that the LTIP 2019-2020 will not vest (refer to note 6.5 for more information).

Management fees and royalties paid to group companies

Year ended 31 December	2020 Rwf '000	2019 Rwf '000
i) Management fees		
Heineken International B.V.	400,949	434,162
Heineken Supply Chain B.V.	-	509,491
Total	**400,949**	**943,653**
ii) Royalties paid/payable		
Amstel Brouwerijen B.V.	174,651	175,427
Heineken International B.V.	(130)	-
Premium Beverages International B.V.	1,019,957	963,758
Heineken Brouwerijen B.V.	121,212	153,116
Total	**1,315,690**	**1,292,301**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Purchase and sale of goods and services

Year ended 31 December	2020 Rwf '000	2019 Rwf '000
Sales		
Bralima sarl	-	-
Brarudi SA	1,738,169	(71,576)
Brasserie Nationale d'Haiti S.A.	37,731	-
Brasseries de Bourbon S.A	58,914	
Brassivoire	20,607	-
Heineken Brouwerijen B.V.	15,747	-
Heineken Ethiopia	4,320	-
Heineken International B.V.	71,569	-
Heineken Tanzania Ltd	57,055	(8,601)
Jamaica Denoes & Geddes	3,683	-
Sierra Leone Brewery Ltd	24,406	-
	2,032,201	**(80,177)**
Purchases		
Amstel Brouwerij B.V.	80,707	171,974
Bralima sarl	377,999	7,912
Brarudi SA	605	-
Burundi Plastic Industries	-	356,312
Heineken Brouwerijen B.V.	88,795	403,196
Heineken Ethiopia	-	35,177
Heineken International B.V.	597,156	4,374,307
Heineken Supply Chain B.V.	233,032	444,929
Heineken Uganda Ltd	-	4,988
Ibecor N.V.	1,934,278	23,483,901
Nigerian Breweries PLC	-	7,720
Premium Beverages International B.V.	(3,262)	777,410
	3,309,310	**30,067,826**
Total	**5,341,511**	**29,987,649**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Outstanding balances arising from sale and purchase of goods/services

Year ended 31 December	2020 Rwf '000	2019 Rwf '000
Payables to related parties		
Al Ahram Beverages Company	-	-
Amee Export - Heineken Brouwerijen B.V.	172,422	10,589
AMEE Office	-	99,593
Amstel Brouwerijen B.V.	131,482	48,666
Bralima sarl	21,904	19,625
Brarudi SA	930,122	801,862
Brasserie Nationale d'Haiti S.A.	-	367
Brassivoire	-	1,261
Burundi Plastic Industries	381,266	361,680
Heineken Brouwerijen B.V.	53,125	140,950
Heineken Enterprise & Others	-	-
Heineken Ethiopia	37,093	35,188
Heineken International B.V.	1,407,284	1,350,083
Heineken Supply Chain B.V.	204,967	160,965
Heineken Tanzania Ltd	-	10,119
Heineken Uganda Ltd	6,957	6,600
Ibecor N.V.	260,740	2,478,973
Nigerian Breweries PLC	-	7,887
Premium Beverages International B.V.	-	-
Reunion	-	-
Sierra Leone Brewery Ltd	-	19,812
Sub-Saharan Fees	273,603	875,427
	3,880,965	**6,429,647**
Current receivables from related parties		
Amee Export - Heineken Brouwerijen B.V.	-	1,465
Bralima sarl	-	80,582
BraMin Ltd	-	1,791,932
Brarudi SA	1,663,590	1,321,180
Brasserie Nationale d'Haiti S.A.	38,059	1,098
Brasseries de Bourbon S.A	58,603	-
Brassivoire	20,660	5,858
Heineken Brouwerijen B.V.	16,594	-
Heineken Ethiopia	4,320	1,614
Heineken International B.V.	76,740	18,482
Heineken Tanzania Ltd	26,638	-
Heineken Uganda Ltd	-	-
Jamaica Denoes & Geddes	3,683	1,078
Premium Beverages International B.V.	-	-
Sierra Leone Brewery Ltd	25,245	42,952
Tango SARL	-	-
	1,934,132	**3,266,241**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

The loan granted to BraMin Ltd (Joint Venture between Bralirwa Plc and Minimex Ltd) is carried at amortized cost. The loan which is interest free is discounted using the Company's weighted average cost of capital of 14.3%. Repayment of this loan is not expected in the short run. In 2020, the loan was impaired for Rwf 3,516,396,549 (2019: Rwf 3,179,000)

14. Subsequent events

A. Company disclosures

A.1 Borrowings

The borrowings of the Company comprise the following:

Year ended 31 December	2020 Rwf '000	2019 Rwf '000
Long term loan	17,749,684	23,235,578
Bank overdraft	29,837,015	22,326,664
Total	**47,586,699**	**45,562,242**

B. Other

B.1 Auditor fees

Fees for audit services include the audit of the financial statements of the Company. Fees for other audit services include quality product services. Fees for tax services include tax compliance and tax advice. Fees for other non-audit services include agreed-upon procedures and advisory services.

In 2020 Rwf 66 million of fees are recognised in the financial statements for services provided by Ernst & Young Rwanda (2019: Rwf 96 million). In the overview below, the breakdown per type of service is provided:

	Assurance Auditors		PwC and Others		Total	
Year ended 31 December	2020 Rwf '000	2019 Rwf '000	2020 Rwf '000	2019 Rwf '000	2020 Rwf '000	2019 Rwf '000
Audit of Bralirwa PLC	38,546	58,590	-	-	38,546	58,590
Other audit services	-	-	52,811	33,721	52,811	33,721
Tax services	-	-	4,908	29,211	4,908	29,211
Other non-audit services	-	-	-	2,800	-	2,800
Total	**38,546**	**58,590**	**57,719**	**65,732**	**96,265**	**124,322**

Accounting policies
Fees for audit services are included in the other expenses in the financial statements (refer to note 6.3 of the financial statements for more information). These fees are recognised when the service is provided.

B.2 Subsequent events

For subsequent events, refer to note 13.5 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

B.3 Other disclosures

Remuneration
Refer to note 13.3 of the consolidated financial statements for the remuneration and incentives of the Management Team.

Board of Directors
The members of the Board of Directors signed the financial statements in order to comply with their statutory obligation pursuant to Article 123 of the Law Governing Companies.

15. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on 20 May 2021.

PART SEVEN

FIVE YEAR FINANCIAL SUMMARY
AND GLOSSARY

FIVE YEAR FINANCIAL SUMMARY

	2020 Rwf millions	2019 Rwf millions	2018 Rwf millions	2017 Rwf millions	2016 Rwf millions
Revenue	**100,521**	**100,691**	**98,954**	**86,354**	**88,799**
Cost of sales	(64,324)	(65,814)	(66,161)	(60,079)	(63,123)
Gross profit	**36,197**	**34,877**	**32,793**	**26,275**	**25,676**
Other income	461	469	315	5,288	1,534
Other expenses	(16,832)	(24,679)	(14,667)	(16,857)	(15,081)
Results from operating activities	**19,826**	**10,667**	**18,441**	**14,706**	**12,129**
Net Finance cost	**(6,832)**	**(7,788)**	**(8,095)**	**(6,997)**	**(9,463)**
Profit before income tax	**12,994**	**2,879**	**10,346**	**7,709**	**2,666**
Income tax expense	(3,989)	(1,687)	(3,104)	(2,630)	(1,268)
Total comprehensive income for the year	**9,005**	**1,192**	**7,242**	**5,079**	**1,398**
Employment of funds					
Fixed assets	87,554	85,914	87,695	85,765	88,001
Intangible Assets	1,697	1,672	903	131	254
Equity investment	9	9	9	9	9
Joint venture investment	1	1,157	-	-	-
Long term debtors and prepayments	-	-	4,341	3,398	4,000
Net current (liabilities)/assets	5,109	(2,774)	11,197	3,682	(6,415)
Loan Capital/Finance Lease	(47,587)	(45,562)	(56,472)	(49,548)	(46,629)
Deferred Income & Taxation	(4,195)	(5,805)	(8,597)	(7,745)	(7,582)
Total net assets	**42,588**	**34,611**	**39,076**	**35,691**	**31,638**
Funds employed					
Share capital	5,143	5,143	5,143	5,143	5,143
Share Premium	85	85	85	85	85
Other reserves	2,072	2,072	2,072	2,072	2,072
Retained earnings	35,288	27,311	31,777	28,391	24,339
Shareholders' Funds	**42,588**	**34,611**	**39,076**	**35,691**	**31,638**
Statistics					
Share price at year end (Rwf)	121	139	150	150	140
Market capitalization in (Rwf millions)	124,457	142,971	154,286	154,286	144,000
Basic and diluted earnings per share (Rwf)*	8.75	1.16	7.04	4.94	1.36
Dividend per share (Rwf)	8.75	-	5.50	3.75	1.00
Dividend Cover (times)	1.00	-	1.28	1.32	1.36
Net worth per share (Rwf)	41.41	33.65	37.99	34.70	30.76
Debt/Equity ratio	1.12	1.32	1.45	1.39	1.47

GLOSSARY

Other information

Revenue
Net realized sales proceeds after deduction of excise duties.

EBIT
Earnings before interest and taxes and net finance expenses.

EBITDA
Earnings before interest and taxes and net finance expenses before depreciation and amortization.

Total and total comprehensive income for the year
Net profit

Net profit
Profit and total comprehensive income for the year (profit attributable to equity holders of the Company).

Free operating cash flow
This represents the total of cash flow from operating activities, cash flow from operational investing activities and cash flow from financing activities.

Earnings per share
Net profit divided by the weighted average number of shares – basic – during the year.

Net Assets
Non-current assets plus net working capital.

Net Working Capital
Current assets minus current liabilities.

Cash and Cash Equivalents
Bank and cash balances plus bank overdrafts.

Net debt
Non-current and current interest-bearing loans and borrowings and bank overdrafts less investments held for trading and cash.

Net debt/EBITDA ratio
The ratio is based on a twelve-month rolling calculation for EBITDA.

Gearing
Net debt/total equity.

Dividend payout
Proposed dividend as percentage of net profit.

Cash conversion ratio
Free operating cash flow/Net profit before deduction of non-controlling interests.

PROXY FORM

The undersigned ....
acting in my capacity of Shareholder of Brasseries et Limonaderies du Rwanda (Bralirwa) Plc with registered Office at Kigali, Rwanda (further "the Company"), or at ....

do hereby nominate and appoint ....,

as my lawful attorney, to attend on my behalf the annual general meeting of shareholders of "the Company" to be held on 20 May 2021 at Kigali, Radisson Blu Hotel, according to the following agenda:

1. Consideration of the annual report;
2. Receiving the auditor's report;
3. Consideration and approval of the financial statements;
4. Appropriation of profit and total comprehensive income for the year;
5. Discharge of the Directors and Auditors for the financial year 2019;
6. Appointment of Directors;
7. Appointment of Independent Auditors;

and to execute the right of vote on my behalf in all matters included into the agenda of the meeting at the above-mentioned date or any other date on the same agenda, hereby ratifying and confirming all that attorney may do in my name.

Given at ...., the 2020


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P. O. Box 5904 Kigali, Rwanda,
Tel: +250 784 110636/+250 786 419333/+254 722 807371
e-mail HYPERLINK: registrarsrw@cdsckenya.com

Only clearing banks are acceptable

I/We hereby request that form now on, all dividend warrant(s) due to me/us from my/our holding(s) in **Bralirwa Plc,** be paid directly to my/our Bank named below.

Shareholder's Full Name:

Surname first

Shareholder's Address:

Shareholder's E-mail:

Shareholder's GSM Number:

Single Shareholder's Signature:

Joint Shareholders' / Company Signatures:

(1)

(2)

Company Seal:

Name of Bank:

Branch Address of Bank:

Bank Account No.

Bank Sort Code:

Bank Authorised Signatures & Stamp:

(1)

Please include page No.

(2)

Please include page No.


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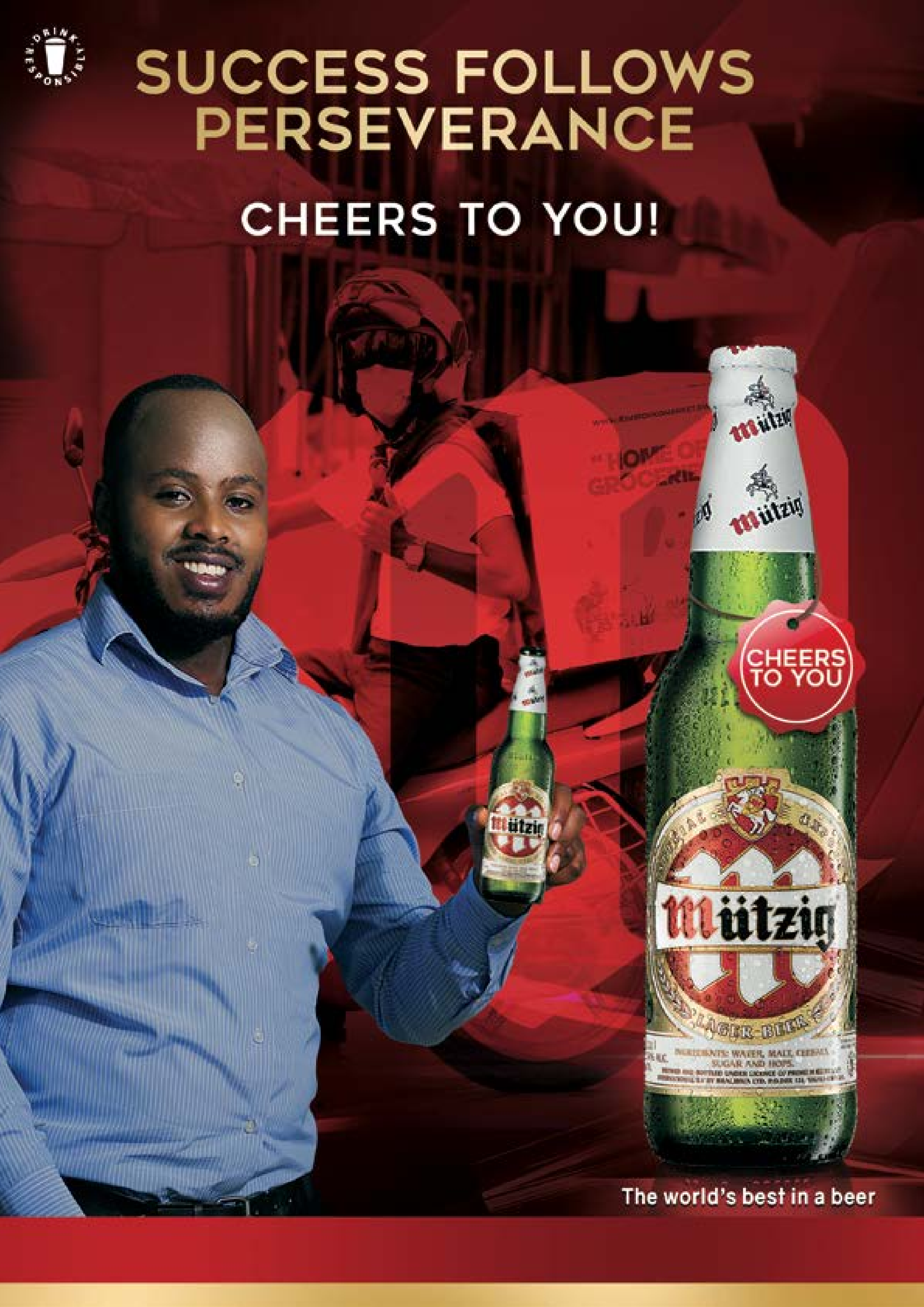
Ubusabane kuri twese!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SUCCESS FOLLOWS PERSEVERANCE
CHEERS TO YOU!
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mützig
CHEERS TO YOU
Mützig
LAGER BEER
INGREDIENTS: WATER, MALT, CEREALS, SUGAR AND HOPS.
The world's best in a beer


QUALITY
Heineken
BREWED WITH PASSION FOR QUALITY
HEINEKEN LAGER BEER
Heineken
PREMIUM QUALITY


ENJOY RESPONSIBLY
Heineken
HEINEKEN LAGER BEER
Heineken
PREMIUM QUALITY