



BUDWEISER BREWING COMPANY APAC LIMITED  
百威亞太控股有限公司

Stock Code: 1876



2023

INTERIM REPORT

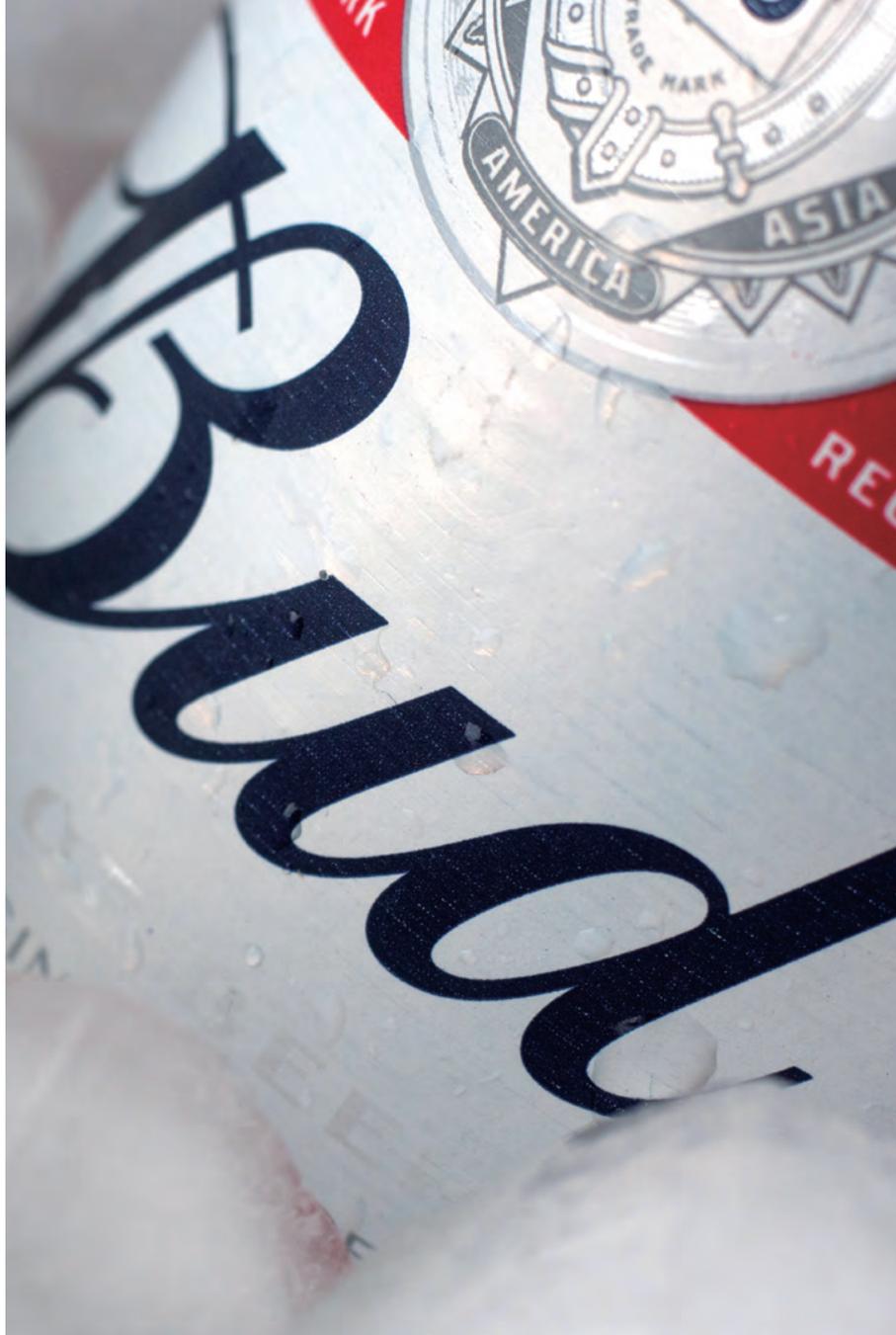
# ABOUT BUDWEISER BREWING COMPANY APAC LIMITED

Budweiser Brewing Company APAC Limited (“Bud APAC”) is the largest beer company in Asia Pacific, with leadership positions in Premium and Super Premium beer segments. It brews, imports, markets, distributes and sells a portfolio of more than 50 beer brands, including Budweiser®, Stella Artois®, Corona®, Hoegaarden®, Cass® and Harbin®. Bud APAC has expanded beyond beer into new categories such as ready-to-drink, energy drinks and spirits in recent years. Through its local subsidiaries, Bud APAC operates in its principal markets, including China, South Korea, India and Vietnam. Headquartered in Hong Kong SAR, China, Bud APAC operates 47 breweries and employs over 26,000 colleagues across APAC.

Bud APAC is listed on the Hong Kong Stock Exchange under the stock code “1876” and is a constituent stock of the Hang Seng Index that is incorporated under the laws of the Cayman Islands. The company is a subsidiary of Anheuser-Busch InBev, the public company based in Leuven, Belgium and listed on Euronext which has over 600 years of brewing heritage and an extensive global presence.

For more details, please visit our website at: <http://www.budweiserapac.com>.





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# LETTER TO SHAREHOLDERS

Dear Shareholders,

Our performance in the first half of 2023 (1H23) demonstrated the enduring strength of Bud APAC, by delivering double-digit top-and bottom-line growth, thanks to sustained recovery and premiumization momentum in China and continued outperformance in India.

In China, we are disproportionately benefiting from the channel reopening and recovery momentum. Since February, we have seen a strong recovery of volumes in all channels and in all city tiers, supporting a top-and bottom-line performance that was above pre-pandemic levels, outperforming the industry based on our estimates.

Our outperformance in China was also driven by strong growth of our Premium and Super Premium segments, with Budweiser and our Super Premium revenue growing by double-digits in the first half of the year. On a combined basis, the performance of these segments has been accelerating, with volume growth reaching mid-twenties in 2Q23.

Meanwhile, our India business is going from strength to strength. We continued to outperform the industry, with strong double-digit revenue growth in our Premium and Super Premium portfolio, supporting a double-digit expansion in overall volume and revenue. In South Korea, following solid market share gains last year, we are currently facing transient challenges due to a tough comparable following the recovery of that market in 2Q22.

At our recent Investor Day in Wenzhou, China, we demonstrated how we are implementing our three-pillar strategies: lead and grow the category, digitize and monetize our ecosystem, and optimize our business. We shared with investors our leadership in Premium and Super Premium, our rich brand portfolio, our successful channel execution and Route to Market strategy, and our digitization efforts led by our BEES platform.



Our efforts to communicate with the financial community are well recognized. We were included in the 2023 Top-Rated ESG Companies list, compiled by Sustainalytics, recognizing us as one of the top performers in our industry.

We are dreaming big to create a sustainable future with more cheers, for our communities, for the planet, and for our Company. In 1H23, we launched a sustainability program for reducing Scope 3 emissions and empowering the low-carbon transition of our value chain partners. We also made further progress in water efficiency and carbon neutrality, with four of our breweries in APAC lowering their raw water usage to below 2.03 hl/hl, a 32.1% reduction versus our baseline year of 2017. 10 of our breweries across APAC are RE100, more than double the coverage in 2022 as we continue to accelerate our efforts in this area and fulfil our dream of becoming the Most Loved High-Quality Growth Leader in Beverages in Asia.

As we Dream Big to Create a Future with More Cheers, we would like to take this opportunity to thank our shareholders, partners, and communities for their continued trust and support.

**Michel Doukeris**  
Co-Chair of the Board

**Jan Craps**  
Co-Chair of the Board



# MANAGEMENT DISCUSSION AND ANALYSIS

To facilitate the understanding of our underlying performance, this section includes organic and normalized numbers.

The term “organic” means the financials are analyzed eliminating the impact of changes in currencies on translation of foreign operations and scope changes.

Scope changes represent the impact of acquisitions and divestitures, the start or termination of activities or the transfer of activities between segments, curtailment gains and losses and year-over-year changes in accounting estimates and other assumptions that management does not consider part of the underlying performance of the business.

Whenever presented in this interim report, all performance measures (EBITDA, EBIT, profit, tax rate, EPS) are presented on a “normalized” basis, which means they are presented before non-underlying items, unless otherwise indicated. Non-underlying items are either income or expenses which do not occur regularly as part of our normal activities. Please refer to note 6 to the unaudited condensed consolidated interim financial statements for details of the items excluded. They are presented separately because they are important for the understanding of our underlying sustainable performance

due to their size or nature. Normalized measures are additional measures used by management and should not replace the measures determined in accordance with IFRS as an indicator of our performance, but rather should be used in conjunction with the most directly comparable IFRS measures.

Except where otherwise stated, the commentary from revenue to profit from operations before non-underlying items in “*Business Review*” and “*Review of Results of Operations for the six months ended 30 June 2023 compared to the six months ended 30 June 2022*” below is based on organic growth figures, 1H23 results to 1H22 results. The percentage change reflects the improvement (or worsening) of results for the period compared to the prior period.

Values in the figures may not add up, due to rounding.

## Management Discussion and Analysis

### 1H23 CONSOLIDATED PERFORMANCE (MILLION USD)

	1H23	1H22	Organic growth
<b>Total volumes (thousand hls)</b>	<b>49,456</b>	<b>45,226</b>	<b>9.4%</b>
<b>Revenue</b>	<b>3,666</b>	<b>3,453</b>	<b>14.0%</b>
<b>Gross profit</b>	<b>1,867</b>	<b>1,752</b>	<b>14.5%</b>
Gross margin	50.9%	50.7%	26 bps
<b>Normalized EBITDA</b>	<b>1,173</b>	<b>1,139</b>	<b>10.7%</b>
Normalized EBITDA margin	32.0%	33.0%	-93 bps
<b>Normalized EBIT</b>	<b>850</b>	<b>791</b>	<b>15.9%</b>
Normalized EBIT margin	23.2%	22.9%	38 bps
Profit attributable to equity holders of Bud APAC	575	625	
<b>Normalized profit attributable to equity holders of Bud APAC</b>	<b>579</b>	<b>575</b>	
EPS (cent USD)	4.35	4.73	
<b>Normalized EPS (cent USD)</b>	<b>4.38</b>	<b>4.35</b>	

## Management Discussion and Analysis

### 1H23 UNAUDITED CALCULATION OF ORGANIC GROWTH FIGURES<sup>1</sup>

To facilitate the understanding of our underlying performance and the analyses of organic growth, the following table provides additional information on the calculation of organic growth figures (in million USD):

Bud APAC	1H22	Scope	Currency Translation	Organic Growth	1H23	Organic Growth
Total volumes (thousand hls)	45,226	—	—	4,230	49,456	9.4%
<b>Revenue</b>	<b>3,453</b>	<b>(6)</b>	<b>(262)</b>	<b>481</b>	<b>3,666</b>	<b>14.0%</b>
Cost of sales	(1,701)	—	129	(227)	(1,799)	-13.3%
<b>Gross profit</b>	<b>1,752</b>	<b>(6)</b>	<b>(133)</b>	<b>254</b>	<b>1,867</b>	<b>14.5%</b>
Normalized EBIT	791	(3)	(63)	125	850	15.9%
<b>Normalized EBITDA</b>	<b>1,139</b>	<b>(3)</b>	<b>(85)</b>	<b>122</b>	<b>1,173</b>	<b>10.7%</b>
Normalized EBITDA margin	33.0%				32.0%	-93 bps

<sup>1</sup> The information below is prepared based on the Group's internal records and management accounts to provide additional information on the calculation of organic growth figures included in the interim report. This calculation has not been reviewed or audited by independent auditors. Shareholders and potential investors are advised not to place undue reliance on the unaudited results.



# MANAGEMENT COMMENTS

## Management Comments

2Q23 was a strong quarter in China, where we outperformed the industry with double-digit volume and revenue growth driven by more than 20% revenue growth in our Premium and Super Premium segments. We continued to outperform the industry in India with strong double-digit revenue growth in our Premium and Super Premium portfolio. Despite facing transient challenges in South Korea due to a tough comparable as compared to reopening in 2Q22, we delivered double-digit top- and bottom-line growth in Bud APAC overall.

In 1H23, total volume increased by 9.4% as our business in China continued to recover, further supported by strong growth in India. Revenue increased by 14.0% with ongoing premiumization and the reopening of the China market, supported by a 4.2% revenue per hl increase that was partially offset by South Korea's performance. Normalized EBITDA grew by 10.7% and our normalized EBITDA margin was 32.0%. Net profit declined in 1H23, driven by a tough comparable with the release of a tax provision in India in 1H22.

- In China, we have seen a strong recovery of volumes in all channels and in all city tiers starting from February. We outperformed the industry based on our estimates. The growth momentum was led by channel reopening and strong sales of our Premium and Super Premium brands, with Budweiser and our Super Premium volumes growing by double-digits. Overall, volume grew 9.4% in 1H23, supporting a top- and bottom-line performance that was above pre-pandemic levels.
- In South Korea, volume and revenue grew by low-single-digits in 1H23 while revenue per hl declined slightly amidst a tough comparable and excise tax increase. EBITDA in 1H23 was further affected by increased commercial investments and commodity cost escalation.
- In India, we continued to outperform the industry, with strong double-digit volume growth in our Premium and Super Premium portfolio combined, leading to strong double-digit growth in overall revenue in 1H23.

In 2Q23, total volume increased by 9.5%, supported by our momentum in China and India. Company-wide revenue increased by 14.9%, exceeding pre-pandemic levels while revenue per hl increased by 4.9%. Our EBITDA in 2Q23 increased by 11.1%, driven by strong revenue growth in China. Our EBITDA margin was 30.2%.

We affirmed our disciplined financial and cash management practices, allowing us to maintain a solid balance sheet. As of 30 June 2023, our net cash position was 2.4 billion USD.



## BUSINESS REVIEW

### APAC West

In 2Q23, volumes grew by 11.2%, while revenue and revenue per hl increased by 20.2% and 8.0% respectively. Normalized EBITDA increased by 20.3%.

In 1H23, volumes grew by 10.2%, while revenue and revenue per hl increased by 16.6% and 5.8% respectively. Normalized EBITDA increased by 15.8%.

### China

In 2Q23, volumes increased by 11.0% as we effectively drove growth in our Premium and Super Premium segments. Revenue expanded by 19.6%, led by a high-single-digit expansion in revenue per hl benefiting from a stronger brand mix and channel reopening.

Our premiumization strategy continued to prove effective with our Premium and Super Premium segments increasing their volume weight, and their combined volume

growing by mid-twenties year-on-year in 2Q23. In 2Q23, Budweiser revenue grew more than 20%. Budweiser innovations, including Bud Supreme and Magnum, grew revenues by strong-double-digits and our Super Premium segment — which we see as the next “blue ocean” in China — also demonstrated strong double-digit revenue growth. As a result, our normalized EBITDA in China expanded by 22.0% in 2Q23.

In 1H23, volumes grew by 9.4%, while revenue and revenue per hl increased by 15.4% and 5.5%, respectively. Normalized EBITDA increased by 17.2%. Our top- and bottom-line performance for 1H23 exceeded pre-pandemic levels.

On the digitization front, BEES, our B2B wholesaler and customer engagement platform, has been expanded to more than 220 cities and represented more than 45% of our China revenue in June.

Our creativity and innovation continued to be recognized with Corona China’s Extra Lime Project winning a Titanium Lion at the 70<sup>th</sup> edition of the Cannes Lions International Festival of Creativity — the first-ever Titanium win for China across all industries. The awards honored Corona’s creation of a sustainable business model to produce high-quality limes which support farmers’ livelihood in Sichuan while providing Chinese consumers with a unique Corona “Lime Ritual” experience. We provided end-to-end support to the farmers in the program from seed selection, soil improvement and cultivation to final procurement, which is recognized as a replicable “Lime Model” for China’s rural revitalization.

## India

In 2Q23 and 1H23, our business in India continued to outperform the industry based on our estimates, with strong double-digit revenue growth in our Premium and Super Premium portfolio, supporting a double-digit expansion in overall volume and revenue. India is now the 4<sup>th</sup> largest market globally for the Budweiser brand.



## APAC East

In 2Q23, volumes declined by 2.4%, with revenue and revenue per hl declining by 7.1% and 4.8%, respectively. Normalized EBITDA declined by 29.5% due to increased commercial investment and operational deleverage.

In 1H23, volumes grew by 3.0%, while revenue increased by 1.9%. Revenue per hl declined by 1.1% and normalized EBITDA declined by 15.9%.

## South Korea

2Q23 was a challenging quarter. In 2Q23, sales volumes in South Korea declined by low-single-digits amidst a tough comparable with 2Q22 which benefited from the lifting of COVID restrictions in April 2022. Revenue per hl declined by mid-single-digits due to an unfavorable package mix and an excise tax increase of 3.57%, effective from 1 April 2023.

In 2Q23, we launched the “CassCool” summer campaign along with the introduction of the limited-edition “Cass Lemon Squeeze” — an innovation that further boosted Cass’ brand power which has been expanding for four consecutive quarters.



# REVIEW OF RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED 30 JUNE 2023 COMPARED TO THE SIX MONTHS ENDED 30 JUNE 2022

## Volumes

Total volumes increased by 9.4% in 1H23, led by our sustained recovery momentum in China since February and healthy growth in India.

## Revenue

Revenue grew by 14.0% or 6.2% on a reported basis. Revenue per hl grew 4.2% in 1H23, driven by ongoing premiumization and the reopening of the China market, partially offset by South Korea.

## Cost of sales (CoS)

CoS increased by 13.3%, or 5.8% on a reported basis. CoS per hl increased by 3.7% in 1H23 due to commodity price escalation, partially offset by cost initiatives.

## Selling, general and administrative expenses (SG&A)

SG&A represent our distribution expenses, sales and marketing expenses and administrative expenses. Increase in our SG&A in 1H23 was primarily due to increased commercial investment offset by cost management initiatives.

## Other operating income

Please refer to the table in note 5 to the unaudited condensed consolidated interim financial statements of this interim report for additional details related to our other operating income.

## Profit from operations before non-underlying items (Normalized EBIT)

Our normalized EBIT increased by 15.9% in 1H23.

## Profit from operations

Profit attributable to equity holders of the Company decreased from 625 million US dollar in 1H22 to 575 million US dollar in 1H23, driven by higher tax expenses mainly due to absence of reversal of tax provision in India detailed in note 7 to the unaudited condensed consolidated interim financial statements.

## Non-IFRS Financial Measures

### Normalized EBITDA

Normalized EBITDA in 1H23 increased by 10.7%, driven by the ongoing business recovery and premiumization in China, partially offset by commercial investments. Normalized EBITDA margin declined by 93 bps to 32.0%.

Normalized EBITDA is a key financial measure regularly monitored by management in managing our performance, capital and funding structure. Normalized EBITDA is calculated by excluding the following effects from profit attributable to equity holders of Bud APAC: (i) non-controlling interests; (ii) income tax expense; (iii) share of results of associates; (iv) net finance cost; (v) non-underlying items above EBIT (including non-underlying costs) and (vi) depreciation, amortization and impairment.

Normalized EBITDA and normalized EBIT are not accounting measures under IFRS and should not be considered as an alternative to profit attributable to equity holders of Bud APAC as a measure of operational performance, or an alternative to cash flow as a measure of liquidity. Normalized EBITDA and normalized EBIT do not have a standard calculation method and our definition of normalized EBITDA and normalized EBIT may not be comparable to that of other companies.

Please refer to the table in Note 4 to the unaudited condensed consolidated interim financial statements of this interim report for details of the reconciliation between profit attributable to equity holders of Bud APAC and normalized EBITDA.

## Non-underlying items

Non-underlying items are items that, in our management's judgment, need to be disclosed by virtue of their size or incidence in order to provide a proper understanding of our unaudited condensed consolidated interim financial statements.

The non-underlying restructuring charges primarily relate to organizational alignments. These changes aim to eliminate overlapping organizations or duplicated processes, taking into account the right match of employee profiles with the new organizational requirements. These one-time expenses, as a result of the series of decisions, provide the Group with a lower cost base in addition to a stronger focus on the Group's core activities, quicker decision-making and improvements to efficiency, service and quality.

Please refer to the table in note 6 to the unaudited condensed consolidated interim financial statements of this interim report for the components of non-underlying items and their overall impact on our profit from operations in 1H23 and 1H22.

## Income tax expense

Please refer to note 7 to the unaudited condensed consolidated interim financial statements of this interim report for components of income tax expense and their overall impact on our profit from operations in 1H23 and 1H22.

## Liquidity and Capital Resources

### General

Our primary sources of cash flow are cash flows from operating activities and bank borrowings. Our material cash requirements have included the following:

- Capital expenditures;
- Investments in companies;

- Increases in ownership of the Group's subsidiaries or companies in which it holds equity investments;
- Debt servicing of borrowings from third parties; and
- Payments of dividends.

## Net current assets/liabilities

We had net current liabilities of 655 million US dollar as of 30 June 2023. Our net current liabilities position is mainly a result of our business model and the way we choose to finance our business. The net current liability position is predominantly due to our level of trade payables, which is common in the Fast Moving Consumer Goods sector. We finance working capital through trade payables, on what we believe to be generally favorable credit terms, whereas our inventory and receivables cycles are shorter. As of 30 June 2023, the Group had undrawn committed facilities and undrawn uncommitted facilities of 500 million US dollar and 408 million US dollar respectively. In addition, given our strong operating cash inflow, financial performance, available cash resources and our ability to drawdown on cash pooling loans with AB InBev, we believe that our net current liabilities position does not indicate any issues with our liquidity position.

## Cash and cash equivalents

We had consolidated cash and cash equivalents of 2,410 million US dollar and 2,458 million US dollar as at 30 June 2023 and 31 December 2022 respectively.

## Cash Flows

### Cash flow from operating activities

Cash flow from operating activities increased from 627 million US dollar in 1H22 to 762 million US dollar in 1H23,

mainly resulting from increase in cash generated from operations. We devote substantial efforts to the efficient use of our working capital, especially those elements of working capital that we perceive as "core" (including trade receivables, inventories and trade payables). Cash generated from operations increased by 114 million US dollar in 1H23. The increase was primarily driven by the increase in EBITDA in 1H23.

## Cash flow used in investing activities

Cash flow used in investing activities was 223 million US dollar in 1H23 as compared to 238 million US dollar in 1H22. The decrease was mainly driven by the increase in proceeds from cash pooling deposits to AB InBev offset by increase in net capital expenditures.



## Cash flow used in financing activities

Cash outflow from financing activities amounted to 470 million US dollar in 1H23 as compared to 396 million US dollar in 1H22. The 74 million US dollar increase was mainly driven by the increase in dividends paid partially offset by net proceeds from borrowings.

Please refer to the unaudited condensed consolidated interim financial statements of this interim report for our statements of cash flows in 1H23.

## Contingent Liabilities

We are subject to various contingencies with respect to indirect tax, labor, distributors and other claims. Due to their nature, such legal proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions. To the extent that we believe these contingencies will probably be realized, a provision has been recorded in our consolidated statement of financial position.

As at 30 June 2023, we did not have any material contingent liabilities.

## Indebtedness and Gearing

As at 30 June 2023, we had indebtedness primarily in the form of interest-bearing loans from banks to support our working capital needs. The table below sets out a breakdown of our overall indebtedness as at the dates indicated.

	30 June 2023 US\$'million	31 December 2022 US\$'million
Unsecured bank loans and other loans	180	100
Lease liabilities	138	132
<b>Total indebtedness</b>	<b>318</b>	<b>232</b>

The table below sets out the maturity profile of our overall indebtedness as at the dates indicated:

	30 June 2023 US\$'million	31 December 2022 US\$'million
Indebtedness payable within:		
Less than one year	230	150
One to two years	37	35
Two to five years	36	39
Five or more years	15	8
<b>Total indebtedness</b>	<b>318</b>	<b>232</b>

We were not geared as of 30 June 2023 and 31 December 2022. See note 2.2 to the unaudited condensed consolidated interim financial statements of this interim report for details of our gearing ratio, being the ratio of cash net of debt to total consolidated equity.

## Capital Expenditures

There were no material changes in our plans for capital expenditures and their sources of funding in 1H23.

## Pledges of Assets

As at 30 June 2023 and 31 December 2022, none of our assets were pledged to secure loans and banking facilities. In South Korea, collateral on property was given in favor of the excise tax authorities — see note 17 to the unaudited condensed consolidated interim financial statements of this interim report.

## Key Financial Ratio

The table below sets out our key financial ratio as at the dates indicated:

	30 June 2023	30 June 2022
Cash net of debt to normalized EBITDA	1.8x	1.5x

Cash net of debt to normalized EBITDA increased from 1.5x in 1H22 to 1.8x in 1H23 as a result of increase in the cash net of debt from 1,715 million US dollar as at 30 June 2022 to 2,143 million US dollar as at 30 June 2023.

## Treasury Policy and Market and Other Financial Risks

Our activities expose us to a variety of financial risks: market risk (including currency risk, cash flow interest risk and commodity risk), credit risk and liquidity risk. Our foreign currency risk is primarily related to Euro and US dollar purchases. There were no changes to our risk management policies during 1H23, and no material changes to the financial risk information disclosed in our 2022 Annual Report. Please refer to the information set out in page 18 of our 2022 Annual Report.

## Acquisitions or Disposals, and significant investments

We did not undertake any material acquisitions or disposals or hold any significant investments during 1H23.

## Subsequent events

There are no material subsequent events after the reporting period.

# OTHER INFORMATION

## COMPOSITION OF THE BOARD

*The Board has a balanced composition of Executive and Non-executive Directors.*

*The Board is currently comprised of seven Directors:*



**Mr. Jan Eli B. Craps**  
Co-Chair, Executive Director and  
Chief Executive Officer



**Mr. Nelson Jose Jamel**  
Mr. John Blood and Mr. David Almeida as his alternates  
Non-Executive Director



**Ms. Marjorie Mun Tak Yang**  
Independent Non-Executive Director



**Mr. Michel Dimitrios Doukeris**  
Mr. John Blood and Mr. David Almeida as his alternates  
Co-Chair and Non-Executive Director



**Ms. Katherine (Katie)  
Barrett Beimdiek**  
Mr. John Blood and Mr. David Almeida as her alternates  
Non-Executive Director



**Mr. Martin Cubbon**  
Independent Non-Executive Director



**Ms. Katherine King-suen Tsang**  
Independent Non-Executive Director

## CHANGES IN DIRECTORS' INFORMATION

No information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## AUDIT AND RISK COMMITTEE

The interim financial information of the Group contained on pages 35 to 63 of this interim report has been reviewed by the Audit and Risk Committee of the Company. The Group's external auditor,

PricewaterhouseCoopers, was engaged to perform a review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and their report can be found on page 34 of this interim report.

## EMPLOYEES, REMUNERATION AND PENSION SCHEME

### Employees

The table below sets out the number of full-time employees as of 30 June 2023 broken down by geographic locations:

As of 30 June 2023	
China	22,253
South Korea	2,098
India	1,444
Vietnam	354
Other	79
<b>Total</b>	<b>26,228</b>

Many of our employees in South Korea, India and China are represented by employee unions, with a variety of collective bargaining agreements in place. Generally, we consider the relationship between the Group and the employee unions to be respectful. During 1H23, the Group was not involved in any labor disputes which had a material adverse effect on the Group's business.

### Remuneration

Our compensation system has been designed and approved to motivate high performance. Our goal is to deliver competitive, market-leading compensation benchmarked to fixed mid-market local salaries. We offer various types of compensation, such as salaries, allowances, benefits-in-

kind, performance-related bonuses, share-based payments, pensions and other social insurance benefits.

Our Directors' remuneration is determined based on their roles and duties with reference to the Company's remuneration policy and the prevailing market conditions, subject to the approval at the Shareholders' general meetings. Our Non-Executive Directors do not receive any director's fee or any other emoluments from the Company for acting as a Non-Executive Director. Our Independent Non-executive Directors receive compensation according to their duties (including serving as members or chair of our Board committees). The Company does not grant equity-based remuneration with performance-related

elements to the INEDs. In compliance with the Corporate Governance Code, the Remuneration Committee was set up for reviewing the emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices. Remuneration of the Executive Director, Senior Management members and employees is tied to specific ESG performance, goals and targets.

## Performance targets

The effective payout of variable performance-related compensation (bonus) is directly correlated with performance; i.e., linked to and subject to the achievement of total company, business unit and individual targets, all of which are based on performance metrics. Total company, business unit and individual targets for senior management of the Company may evolve over time and are generally based on a combination of financial (such as EBITDA, net revenue, capex, resource allocation and net debt ratios) and non-financial (such as brand development, operations and innovation, sustainability, compliance/ethics and corporate reputation) key performance metrics.

The targets, quantitative and qualitative benchmarks and the relative weight attributed to each of them, are set and assessed by the Board based on a pre-determined performance matrix upon the recommendation of the Remuneration Committee which is chaired by an Independent Non-executive Director. Such targets, benchmarks and relative weighting are set and assessed (a) by the Board, for senior management and (b) by senior management and line managers, as the case may be, for other executives. Any Director interested in such targets, benchmarks and relative weighting abstains from any vote by the Board or any committee in relation to these matters.

## Share Award Schemes

We believe that a business is only as good as its people. Our success is driven by the fact that the employees see themselves as owners and stakeholders of the business. For this reason, we are strong advocates for awarding employees by way of annual and long-term share-based incentive plans.

We adopted four Share Award Schemes on 9 September 2019, namely the Discretionary Long-Term Incentive Plan (the “**LTI Plan**”), the Discretionary Restricted Stock Units Plan (the “**RSU Plan**”), the Share-Based Compensation Plan (the “**SBC Plan**”) and the People Bet Plan (the “**PB Plan**”). We further adopted the New Restricted Stock Units Plan (the “**New RSU Plan**”), and together with the LTI Plan, RSU Plan, the SBC Plan and the PB Plan, the “**Share Award Schemes**”) on 25 November 2020. We amended the Share Award Schemes, as approved in the annual general meeting of the Company on 8 May 2023, to comply with the updated Chapter 17 of the Listing Rules.

Our Share Award Schemes ensure alignment with Shareholders’ interests by strongly encouraging executive ownership of our Shares and enable us to attract and retain the best talent within the APAC territories.

To facilitate the administration of the Share Award Schemes, an aggregate of 23,000,000 Shares were issued to the Company’s trustee of the Share Award Schemes on the Listing Date. As of 30 June 2023, 22,127,861 Shares were held in trust. Such Shares are held by the trustee on

trust for the purpose of satisfying the awards granted under the respective Share Award Schemes.

### 1. The LTI Plan

#### (a) *Participants of the LTI Plan*

Share options under the LTI Plan may be offered to such eligible employees and directors of the Group as the Remuneration Committee shall select in its sole discretion, on and subject to the terms of the LTI Plan and the Listing Rules.

#### (b) *Maximum entitlement of each participant under the LTI Plan*

The maximum entitlement of each participant under the LTI Plan shall not exceed any limits that may be imposed under the Listing Rules from time to time as amended and in force.

#### (c) *Period within which the option may be exercised by the grantee under the LTI Plan*

A share option is exercisable, subject to certain restrictions contained in the LTI Plan and the terms on which the share option is granted, at any time during the applicable share option period which may be determined by the Board.

#### (d) *Vesting period of a share option granted under the LTI Plan*

At the time of granting a share option, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations in relation thereto, including the vesting period and/or the performance targets to

be achieved, additional to those expressly set forth in the LTI Plan as the Board may in its absolute discretion determine.

**(e) Amount payable, if any, on application or acceptance of the share option and the period within which payments or calls must or may be made or loans for such purposes must be repaid under the LTI Plan**

There is no amount payable on application or acceptance of the share option and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

**(f) Basis of determining the exercise price of options granted under the LTI Plan**

The exercise price of a share option is determined by the Board and shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant of the relevant share option;
- (ii) an amount equivalent to the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant share option; and
- (iii) the nominal value of the Shares.

**(g) Remaining life of the LTI Plan**

Unless terminated earlier by the Company, the LTI Plan will be valid and effective for a term of 10 years from 8 May 2023.

See Appendix III "Proposed Amendments to the Share Award Schemes" in our circular dated 14 April 2023 for further details of the LTI Plan.

**2. The RSU Plan**

**(a) Participants of the RSU Plan**

The Board of Directors may, at its discretion, grant RSUs pursuant to the RSU Plan to any employee and/or director of the Group who the Board of Directors considers, in its absolute discretion, have contributed or will contribute to the Group.

**(b) Maximum entitlement of each participant under the RSU Plan**

The maximum entitlement of each participant under the RSU Plan shall not exceed any limits that may be imposed under the Listing Rules from time to time as amended and in force.

**(c) Period within which the vested RSU may be traded by the grantee under the RSU Plan**

An RSU, once vested, can be traded, subject to certain restrictions contained in the RSU Plan and the terms on which the RSU is granted, at any time during the applicable period which may be determined by the Board.

**(d) Vesting period of the RSU granted under the RSU Plan**

At the time of granting an RSU, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations in relation thereto, including the vesting period and/or the performance targets to be achieved, additional to those expressly set forth in the RSU Plan as the Board may in its absolute discretion determine.

**(e) Amount payable, if any, on application or acceptance of the RSU and the period within which payments or calls must or may be made or loans for such purposes must be repaid under the RSU Plan**

There is no amount payable on application or acceptance of the RSU and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

**(f) Basis of determining the purchase price under the RSU Plan**

The purchase price of an RSU is determined by the Board and shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant of the relevant RSU;
- (ii) an amount equivalent to the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant RSU; and
- (iii) the nominal value of the Shares.

**(g) The remaining life of the RSU Plan**

Unless terminated earlier by the Company, the RSU Plan will be valid and effective for a term of 10 years from 8 May 2023.

See Appendix III "Proposed Amendments to the Share Award Schemes" in our circular dated 14 April 2023 for further details of the RSU Plan.

**3. The PB Plan**

The PB Plan offers the opportunity to acquire locked-up Shares and the grant of "matching" RSUs to eligible employees of the Company.

**(a) Participants of the PB Plan**

The Board of Directors may, at its discretion, grant RSUs and locked-up Shares pursuant to the PB Plan to any employee of the Group who the Board of Directors considers, in its absolute discretion, have contributed or will contribute to the Group.

**(b) Maximum entitlement of each participant under the PB Plan**

The maximum entitlement of each participant under the PB Plan shall not exceed any limits that may be imposed under the Listing Rules from time to time as amended and in force.

**(c) Period within which the vested RSU and released Shares may be traded by the grantee under the PB Plan**

Any vested RSU and released Shares can be traded, subject to certain restrictions contained in the PB Plan and the terms on which it is granted, at any time during the applicable period which may be determined by the Board.

**(d) Vesting period of the RSU and locked-up Share granted under the PB Plan**

At the time of granting an RSU or locked-up Share, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations in relation thereto, including the vesting period and/or the performance targets to be achieved, additional to those expressly set forth in the PB Plan as the Board may in its absolute discretion determine.

**(e) Amount payable, if any, on application or acceptance of the RSU or locked-up Share and the period within which payments or calls must or may be made or loans for such purposes must be repaid under the PB Plan**

There is no amount payable on application or acceptance of the RSU or locked-up Share and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

**(f) Basis of determining the purchase price under the PB Plan**

The purchase price of an RSU or locked-up Share is determined by the Board and shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant of the relevant RSU or locked-up Share;
- (ii) an amount equivalent to the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant RSU or locked-up Share; and
- (iii) the nominal value of the Shares.

**(g) The remaining life of the PB Plan**

Unless terminated earlier by the Company, the PB Plan will be valid and effective for a term of 10 years from 8 May 2023.

See Appendix III “Proposed Amendments to the Share Award Schemes” in our circular dated 14 April 2023 for further details of the PB Plan.

**4. The SBC Plan**

An offer under the SBC Plan enables employees and directors of the Group to make an election between receiving their bonuses (if any) in the form of cash, locked-up Shares or a mixture of cash and locked-up Shares. The SBC Plan participants who opt for locked-up Shares or a mixture of cash and locked-up Shares will purchase the Shares at a discount, which is paid in the form of RSUs (rounded down to the nearest share). As an additional reward, such SBC Plan participants will receive from the Company additional “matching” RSUs (rounded down to the nearest share).

**(a) Participants of the SBC Plan**

The Board of Directors may, at its discretion, grant RSUs and locked-up Shares pursuant to the SBC Plan to any employee and/or director of the Group who the Board of Directors considers, in its absolute discretion, have contributed or will contribute to the Group.

**(b) Maximum entitlement of each participant under the SBC Plan**

The maximum entitlement of each participant under the SBC Plan shall not exceed any limits that may be imposed under the Listing Rules from time to time as amended and in force.

**(c) Period within which the vested RSU and released Shares may be traded by the grantee under the SBC Plan**

Any vested RSU and released Shares can be traded, subject to certain restrictions contained in the PB Plan and the terms on which it is granted, at any time during the applicable period which may be determined by the Board.

**(d) Vesting period of the RSU and locked-up Share granted under the SBC Plan**

At the time of granting an RSU or locked-up Share, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations in relation thereto, including the vesting period and/or the performance targets to be achieved, additional to those expressly set forth in the SBC Plan as the Board may in its absolute discretion determine.

**(e) Amount payable, if any, on application or acceptance of the RSU or locked-up Share and the period within which payments or calls must or may be made or loans for such purposes must be repaid under the SBC Plan**

There is no amount payable on application or acceptance of the RSU or locked-up Share and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

**(f) Basis of determining the purchase price under the SBC Plan**

The purchase price of an RSU or locked-up Share is determined by the Board and shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant of the relevant RSU or locked-up Share;
- (ii) an amount equivalent to the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant of the relevant RSU or locked-up Share; and
- (iii) the nominal value of the Shares.

**(g) The remaining life of the SBC Plan**

Unless terminated earlier by the Company, the SBC Plan will be valid and effective for a term of 10 years from 8 May 2023.

See Appendix III “Proposed Amendments to the Share Award Schemes” in our circular dated 14 April 2023 for further details of the SBC Plan.

**5. The New RSU Plan**

**(a) Participants of the New RSU Plan**

The Board of Directors may, at its discretion, grant RSUs pursuant to the New RSU Plan to any employee and/or director of the Group who the Board of Directors considers, in its absolute discretion, have contributed or will contribute to the Group.

**(b) Maximum entitlement of each participant under the New RSU Plan**

The maximum entitlement of each participant under the New RSU Plan shall not exceed any limits that may be imposed under the Listing Rules from time to time as amended and in force.

**(c) Period within which the vested RSU may be traded by the grantee under the New RSU Plan**

An RSU, once vested, can be traded, subject to certain restrictions contained in the New RSU Plan and the terms on which the RSU is granted, at any time during the applicable period which may be determined by the Board.

**(d) Vesting period of the RSU granted under the New RSU Plan**

At the time of granting an RSU, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations in relation thereto, including the vesting period and/or the performance targets to be achieved, additional to those expressly set forth in the New RSU Plan as the Board may in its absolute discretion determine.

**(e) Amount payable, if any, on application or acceptance of the RSU and the period within which payments or calls must or may be made or loans for such purposes must be repaid under the RSU Plan**

There is no amount payable on application or acceptance of the RSU and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

**(f) Basis of determining the purchase price under the New RSU Plan**

The purchase price of an RSU is determined by the Board and shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant of the relevant RSU;

- (ii) an amount equivalent to the average closing price of the shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant of the relevant RSU; and

- (iii) the nominal value of the Shares.

**(g) The remaining life of the New RSU Plan**

Unless terminated earlier by the Company, the New RSU Plan will be valid and effective for a term of 10 years from 8 May 2023.

See Appendix III “Proposed Amendments to the Share Award Schemes” in our circular dated 14 April 2023 for further details of the New RSU Plan.

### Details of the Share Awards Granted and Outstanding during the period ended 30 June 2023

Please refer to the section headed “EMPLOYEES, REMUNERATION AND PENSION SCHEME – Performance targets” of this interim report for details on the performance targets attached to the share awards granted.

### Details of options granted and outstanding under the LTI Plan

Grantees	No. of options outstanding as of 1 January 2023	During the six months ended 30 June 2023				No. of options outstanding as of 30 June 2023
		No. of options granted	No. of options lapsed	No. of options cancelled	No. of options exercised	
Mr. Jan Craps	15,289,898 <sup>(1)</sup>	–	–	–	–	15,289,898
Five highest paid individuals <sup>(2)</sup>	23,951,651 <sup>(1)</sup>	–	–	–	–	23,951,651
Other eligible employees	32,975,453 <sup>(1)</sup>	–	–	1,188,005	–	31,787,448

Notes:

- (1) Granted on 4 December 2019 at the exercise price of HK\$28.34 per Share, 25 March 2020 at the exercise price of HK\$21.70 per Share and 18 May 2020 at the exercise price of HK\$23.20 per Share, as applicable. The outstanding options will vest on the 3<sup>rd</sup> and/or 5<sup>th</sup> anniversaries of the respective date of grant. The outstanding options will expire on the 10<sup>th</sup> anniversary of the respectively grant date.
- (2) The five highest paid individuals for the six months ended 30 June 2023 includes Mr. Jan Craps.

## Details of RSUs<sup>(1)</sup> granted and outstanding under the RSU Plan, New RSU Plan, SBC Plan and PB Plan

Grantees	Plan <sup>(2)</sup>	During the six months ended 30 June 2023									
		No. of RSUs outstanding as of		Closing price of the Share immediately before the grant date (HK\$)	Fair value at the grant date (US\$ million)	No. of RSUs granted	No. of RSUs lapsed	No. of RSUs cancelled	No. of RSUs vested	No. of RSUs outstanding as of 30 June 2023	
1 January 2023	Grant date	Vesting date									
Mr. Jan Craps	RSU Plan	7,360,270 <sup>(3)</sup>	21 June 2023	See notes (1) and (12)	21.70	0.3	102,318	–	–	–	7,462,588
	New RSU Plan	1,438,619 <sup>(4)</sup>	–	–	–	–	–	–	–	–	1,438,619
	SBC Plan	1,830,406	6 March 2023	6 March 2026	23.75	1.4	465,214	–	–	–	2,295,620
Mr. Martin Cubbon	New RSU Plan	179,889 <sup>(4)</sup>	–	–	–	–	–	–	–	–	179,889
Ms. Marjorie Yang	New RSU Plan	144,142 <sup>(4)</sup>	–	–	–	–	–	–	–	–	144,142
Ms. Katherine Tsang	New RSU Plan	144,142 <sup>(4)</sup>	–	–	–	–	–	–	–	–	144,142
<b>Sub-total</b>		<b>11,097,468</b>					<b>567,532</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11,665,000</b>
Five highest paid individuals <sup>(13)</sup>	RSU Plan	13,074,242 <sup>(3)</sup>	21 June 2023	See notes (1) and (12)	21.70	0.5	169,664	–	–	869,260	12,374,646
	New RSU Plan	4,484,750 <sup>(4)</sup>	–	–	–	–	–	–	–	–	4,484,750
	SBC Plan	3,329,365 <sup>(6)</sup>	6 March 2023	6 March 2026	23.75	4.0	1,313,349	–	–	–	4,642,714
<b>Sub-total</b>		<b>20,888,357</b>					<b>1,483,013</b>	<b>–</b>	<b>–</b>	<b>869,260</b>	<b>21,502,110</b>
Other eligible employees	RSU Plan	12,510,198 <sup>(5)</sup>	21 June 2023	See notes (1) and (12)	21.70	0.3	112,682	–	688,223	3,706,202	8,228,455 <sup>(6)</sup>
	New RSU Plan	23,643,395 <sup>(4)</sup>	–	–	–	–	–	–	505,063	–	23,138,332 <sup>(6)</sup>
	SBC Plan	9,265,121 <sup>(6)</sup>	6 March 2023	6 March 2026	23.75	8.6	2,782,959	–	355,494	–	11,692,586 <sup>(10)</sup>
	PB Plan	856,914 <sup>(7)</sup>	21 June 2023	See notes (1) and (12)	21.70	0.0	5,770	–	41,515	–	821,169 <sup>(11)</sup>
<b>Sub-total</b>		<b>46,275,628</b>					<b>2,901,411</b>	<b>–</b>	<b>1,590,295</b>	<b>3,706,202</b>	<b>43,880,542</b>

### Notes:

- Including dividends granted in the form of additional RSUs. RSUs entitle their holder to a dividend equivalent, which represents the gross dividend paid by the Company on the Shares underlying the RSUs. The dividend is granted in the form of additional RSUs with the same vesting conditions, including the same vesting date, and governed by the same terms and conditions as the underlying RSUs.
- The purchase price of all RSUs granted under the RSU Plan, New RSU Plan, SBC Plan and PB Plan is nil.
- Granted on 25 March 2020. The outstanding RSUs will vest on the 3rd and/or 5th anniversaries of the grant date.
- Granted on 14 December 2020, 1 March 2021, 13 December 2021 and 14 December 2022, as applicable. The outstanding RSUs will vest on the 3rd and/or 5th anniversaries of the respective grant date.
- Granted on 9 December 2019, 25 March 2020, 18 May 2020, 24 June 2020, 23 June 2021 and 22 June 2022, as applicable. The outstanding RSUs will vest on the 3rd and/or 5th anniversaries of the respective grant date.
- Granted on 2 March 2020, 24 June 2020, 1 March 2021, 23 June 2021, 1 March 2022 and 22 June 2022, as applicable. The outstanding RSUs will vest on the 3rd and/or 5th anniversaries of the respective grant date.
- Granted on 2 March 2020, 24 June 2020, 23 June 2021, 1 March 2022 and 22 June 2022, as applicable. The outstanding RSUs will vest on the 5th anniversary of the grant date.

- (8) Granted on 9 December 2019, 25 March 2020, 18 May 2020, 24 June 2020, 23 June 2021, 22 June 2022 and 21 June 2023, as applicable. The outstanding RSUs will vest on the 3<sup>rd</sup> and/or 5<sup>th</sup> anniversaries of the respective grant date.
- (9) Granted on 14 December 2020, 13 December 2021, 22 June 2022 and 14 December 2022, as applicable. The outstanding RSUs will vest on the 3<sup>rd</sup> and/or 5<sup>th</sup> anniversaries of the respective grant date.
- (10) Granted on 2 March 2020, 24 June 2020, 1 March 2021, 23 June 2021, 1 March 2022, 22 June 2022 and 21 June 2023, as applicable. The outstanding RSUs will vest on the 3<sup>rd</sup> and/or 5<sup>th</sup> anniversaries of the respective grant date.
- (11) Granted on 2 March 2020, 24 June 2020, 23 June 2021, 1 March 2022, 22 June 2022 and 21 June 2023, as applicable. The outstanding RSUs will vest on the 5<sup>th</sup> anniversary of the respective grant date.
- (12) The outstanding RSU dividends will vest on the 3<sup>rd</sup> and/or 5<sup>th</sup> anniversaries of the respective grant date of the underlying RSUs.
- (13) The five highest paid individuals for the six months ended 30 June 2023 includes Mr. Jan Craps.

### Details of Locked-up Shares granted and outstanding under the SBC Plan and PB Plan

During the six months ended 30 June 2023											
Grantees	Plan	No. of Locked-up Shares outstanding as of		Vesting date	Purchase price (HK\$)	Closing price of the Share		No. of locked-up shares		No. of locked-up shares	
		1 January 2023	Grant date			immediately before the grant date	Fair value at the grant date	granted and vested	lapsed/ cancelled	released	as of 30 June 2023
Mr. Jan Craps	SBC Plan	374,720	6 March 2023	6 March 2026	24.10	23.75	0.5	175,225	–	–	549,945
Five highest paid individuals <sup>(6)</sup>	SBC Plan	609,830	6 March 2023	6 March 2026	24.10	23.75	0.9	288,352	–	–	898,182
Other eligible employees	SBC Plan	2,219,157 <sup>(2)</sup>	6 March 2023	6 March 2026	24.10	23.75	4.7	1,514,174	–	47,110	3,686,221 <sup>(4)</sup>
	PB Plan	51,035 <sup>(3)</sup>	–	–	–	–	–	–	–	1,827	49,208 <sup>(5)</sup>
<b>Sub-total</b>		<b>2,270,192</b>						<b>1,514,174</b>	<b>–</b>	<b>48,937</b>	<b>3,735,429</b>

Notes:

- (1) This is also the weighted average closing price of the Share immediately before the vesting date.
- (2) Granted on 2 March 2020, 1 March 2021 and 1 March 2022, as applicable. The outstanding Locked-up Shares will be released on 3<sup>rd</sup> and/or 5<sup>th</sup> anniversaries of the respective grant date.
- (3) Granted on 2 March 2020 and 1 March 2022. The outstanding Locked-up Shares will be released on the 3<sup>rd</sup> and/or 5<sup>th</sup> anniversary of the grant date.
- (4) Granted on 2 March 2020, 1 March 2021, 1 March 2022 and 6 March 2023, as applicable. The outstanding Locked-up Shares will be released on 3<sup>rd</sup> and/or 5<sup>th</sup> anniversaries of the respective grant date.
- (5) Granted on 2 March 2020, 1 March 2022 and 6 March 2023, as applicable. The outstanding Locked-up Shares will be released on the 3<sup>rd</sup> and/or 5<sup>th</sup> anniversary of the grant date.
- (6) The five highest paid individuals for the six months ended 30 June 2023 includes Mr. Jan Craps.

## **Mandate Limit**

The maximum aggregate number of new Shares with respect to which any awards may be granted pursuant to the Share Award Schemes ("**Mandate Limit**") is calculated in accordance with the following formula:

$$\text{Mandate Limit} = \text{A} - \text{B} - \text{C}$$

where:

A = 10% of the Shares in issue on the date the Company was listed or 10% of the Shares in issue as at the date of approval of the renewed limit (the "**New Approval Date**"), which is 1,324,339,700 Shares as at 8 May 2023;

B = the maximum aggregate number of new Shares that have been or may be allotted and issued upon the vesting or exercise of any awards that have already been granted pursuant to the Share Award Schemes; and

C = the maximum aggregate number of new Shares that have been or may be allotted and issued upon the vesting or exercise of any awards that have already been granted pursuant to any other Share Award Schemes.

The total number of share awards available for grant under the Share Award Schemes was 1,196,884,260 Shares, representing 9.04% of the issued share capital of the Company as at 1 January 2023 and is 1,195,052,550 Shares, representing approximately 9.02% of the issued share capital of the Company as at 30 June 2023.

The total number of Shares that may be issued upon the exercise or vesting of all outstanding share awards already granted under the Share Award Schemes is 129,287,150 Shares, representing 0.98% of the issued share capital of the Company as at 30 June 2023.

## INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of 30 June 2023, the interests and short positions of the Directors and Chief Executive of the Company as of such date in the Shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

### (i) Interest in the shares and underlying shares of the Company

#### *Long Position in the shares and underlying shares of the Company*

Name of Director or Chief Executive Officer	Nature of Interest	Number of Shares	Number of Shares underlying unvested and conditional options, RSUs and locked-up shares	Total Interests in Shares	Approximate percentage of the issued share capital of the Company (%)
Mr. Jan Craps	Beneficial Owner	Nil	27,036,670 <sup>(1)</sup>	27,036,670	0.20
Mr. Martin Cubbon	Beneficial Owner	Nil	179,889 <sup>(2)</sup>	179,889	0.00
Ms. Marjorie Yang	Beneficial Owner	Nil	144,142 <sup>(3)</sup>	144,142	0.00
Ms. Katherine Tsang	Beneficial Owner	Nil	144,142 <sup>(4)</sup>	144,142	0.00

Notes:

- (1) Shares that may be delivered upon the exercise of 15,289,898 options, the vesting of 11,196,827 RSUs and the release of 549,945 locked-up shares.
- (2) Shares that may be delivered upon the vesting of 179,889 RSUs.
- (3) Shares that may be delivered upon the vesting of 144,142 RSUs.
- (4) Shares that may be delivered upon the vesting of 144,142 RSUs.

(ii) Interest in the shares of Associated Corporations

**Long Position in the shares and underlying shares of AB InBev (Associated Corporation)**

Name of Director or Chief Executive Officer	Nature of Interest	Number of ordinary shares of AB InBev	Number of shares underlying unvested and conditional options and RSUs of AB InBev	Total Interests in Shares of AB InBev	Approximate percentage of the issued share capital of AB InBev (%)
Mr. Jan Craps	Beneficial Owner	40,524	823,159 <sup>(1)</sup>	863,683	0.04

Note:

(1) Shares that may be delivered upon the exercise of 747,233 options and the vesting of 75,926 RSUs of AB InBev.

**Long Position in the shares and underlying shares of Ambev (Associated Corporation)**

Name of Director or Chief Executive Officer	Nature of interest	Number of common shares of Ambev	Number of shares underlying unvested and conditional options and RSUs of Ambev	Total Interests in shares of Ambev	Approximate percentage of the issued share capital of Ambev (%)
Mr. Jan Craps	Beneficial Owner	365,009	431,730 <sup>(1)</sup>	796,739	0.01

Note:

(1) Shares that may be issued upon the exercise of 431,730 options of Ambev.

The SFC has granted the Non-executive Directors a partial exemption from strict compliance with Part XV (other than Divisions 5, 11 and 12) of the SFO in respect of the duty to disclose their interests in the “associated corporations” (as defined in the SFO) of the Company, namely AB InBev and Ambev. In addition, the Stock Exchange has granted the Company a waiver from strict compliance with the requirement to disclose their interests in AB InBev and Ambev in the annual and interim reports of the Company under Paragraph 13 of Appendix 16 of the Listing Rules. See the section headed “Waivers from strict compliance with the Listing Rules and exemptions from strict compliance with the Companies (WUMP) Ordinance and the SFO” of the Prospectus together with the announcements of the Company dated 4 June 2020 and 22 July 2021. Each of the Non-executive Directors held less than 1% of the issued shares in AB InBev and Ambev as of 30 June 2023 according to the notifications made on the Stock Exchange’s website for corporations exempted under section 309 of the SFO and information available to the Company.

Save as disclosed above, so far as the Directors are aware, as of 30 June 2023, none of the Directors or chief executive as of such date and their respective associates had any interest or short positions in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO

(including those taken or deemed as their interests and short positions in accordance with such provisions of the SFO); (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or (ii) which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as of 30 June 2023, the following persons (other than the Directors and Chief Executive) had interest or short positions in the shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which will be required, pursuant to Section 336 of the SFO, to be recorded in the register kept by the Company:

No.	Name of Shareholder	Capacity	Number of Shares held or interested in	Approximate percentage of the issued share capital of the Company (%)
1.	AB InBev Brewing Company (APAC) Limited <sup>(1)</sup>	Beneficial owner	11,550,938,000	87.22
2.	AB InBev Brewing Company Holdings (APAC) Limited <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
3.	AB InBev America Holdings (APAC) Limited <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
4.	AB InBev America Holdings Limited <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
5.	Anheuser-Busch America Investments, LLC <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
6.	Anheuser-Busch Worldwide Investments, Inc. <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
7.	Anheuser-Busch Latin Inc. <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
8.	Anheuser-Busch International, LLC <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
9.	Anheuser-Busch Americas Holdings LLC <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
10.	Anheuser-Busch Companies, LLC <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
11.	Anheuser-Busch InBev Worldwide, Inc. <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
12.	Anheuser-Busch InBev USA, LLC <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
13.	Anheuser-Busch North American Holding LLC <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
14.	InBev International Inc. <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
15.	ABI Southern Holdings Limited <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22

No.	Name of Shareholder	Capacity	Number of Shares held or interested in	Approximate percentage of the issued share capital of the Company (%)
16.	AB InBev Holdings Limited <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
17.	ABI SAB Group Holding Limited <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
18.	ABI UK Holding 2 Limited <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
19.	ABI UK Holding 1 Limited <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
20.	AB InBev UK Finance Company Limited <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
21.	Anheuser-Busch Europe Ltd <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
22.	Ambrew S.à.R.L. <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
23.	AB InBev Nederland Holding B.V. <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
24.	Interbrew International B.V. <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
25.	AB InBev Investment Holding Company Limited <sup>(1)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
26.	AB InBev <sup>(1)(2)(a)(b)(c)(3)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
27.	Stichting Anheuser-Busch InBev (the " <b>Stichting</b> ") <sup>(2)(a)(b)(c)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
28.	EPS Participations S.à.R.L. (" <b>EPS Participations</b> ") <sup>(2)(a)(c)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
29.	Eugénie Patri Sébastien S.A. (" <b>EPS</b> ") <sup>(2)(a)(c)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
30.	BRC S.à.R.L. (" <b>BRC</b> ") <sup>(2)(a)(c)(3)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
31.	S-BR Global <sup>(3)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
32.	Santa Erika <sup>(3)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
33.	Inpar Investment Fund <sup>(3)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
34.	Stichting Enable <sup>(3)</sup>	Interest of a controlled corporation	11,550,938,000	87.22

No.	Name of Shareholder	Capacity	Number of Shares held or interested in	Approximate percentage of the issued share capital of the Company (%)
35.	Inpar VOF <sup>(3)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
36.	Jorge Paulo Lemann <sup>(3)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
37.	Maniro <sup>(3)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
38.	Cedar Trade <sup>(3)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
39.	Olia 2 AG <sup>(3)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
40.	BR Global GP <sup>(3)</sup>	Interest of a controlled corporation	11,550,938,000	87.22
41.	BR Global SCS <sup>(3)</sup>	Interest of a controlled corporation	11,550,938,000	87.22

Notes:

**(1) AB InBev Intermediate Holding Companies**

AB InBev owns 100% of the issued share capital of Ambrew S.à.R.L., which is incorporated under the laws of Luxembourg, which owns 100% of the issued share capital of Anheuser-Busch Europe Ltd., which is incorporated under the laws of the UK. Anheuser-Busch Europe Ltd. owns 100% of the issued share capital of AB InBev UK Finance Company Limited, which is incorporated under the laws of the UK.

AB InBev and Ambrew S.à.R.L. own 99.99% and 0.01%, respectively, of the issued and outstanding equity interests in InBev Belgium BV, an entity organized under the laws of Belgium.

AB InBev and InBev Belgium BV own, respectively, 67.62% and 32.38% of the issued and outstanding equity interests in AB InBev Nederland Holding B.V., an entity organized under the laws of the Netherlands. AB InBev, AB InBev UK Finance Company Limited, InBev Belgium BV and AB InBev Nederland Holding B.V. own, respectively, 26.51%, 9.33%, 4.46% and 59.70% of the issued share capital in ABI UK Holding 1 Limited, which is incorporated under the laws of the UK. ABI UK Holding 1 Limited indirectly owns 100% of the issued share capital of InBev International Inc., a Delaware corporation, through a chain of wholly-owned subsidiaries (i.e. ABI UK Holding 2 Limited, ABI SAB Group Holding Limited, AB InBev Holdings Limited and ABI Southern Holdings Limited, which are all incorporated under the laws of the UK).

InBev International Inc. owns 100% of the issued share capital of Anheuser-Busch North American Holding LLC, a Delaware LLC. Anheuser-Busch North American Holding LLC indirectly owns 100% of the issued share capital of Anheuser-Busch Companies, LLC, a Delaware limited liability company, through a chain of wholly-owned subsidiaries (i.e. Anheuser-Busch InBev USA, LLC and Anheuser-Busch InBev Worldwide, Inc., which are both incorporated under the laws of Delaware).

ABI Southern Holdings Limited, Anheuser-Busch InBev Worldwide, Inc. and Anheuser-Busch Companies, LLC own, in the aggregate, 100% of the issued share capital in Anheuser-Busch Americas Holdings LLC, which is incorporated under the laws of Delaware. Its share capital held by ABI Southern Holdings Limited, Anheuser-Busch InBev Worldwide, Inc. and Anheuser-Busch Companies, LLC represent, in each case respectively, approximately 21.65%, approximately 27.5%, and approximately 50.85% of the total voting power of all classes of issued and outstanding membership interests entitled to vote and approximately 24.29%, approximately 36.5%, and approximately 39.21% of the total value of all issued and outstanding classes of the membership interests of Anheuser-Busch Americas Holdings LLC. Anheuser-Busch Companies, LLC owns 100% of the issued share capital of Anheuser-Busch LLC which owns 100% of the issued share capital of Anheuser-Busch North LLC. Anheuser-Busch North LLC owns 100% of the issued share capital of Anheuser-Busch Commercial Strategy Holdings, LLC.

Anheuser-Busch Americas Holdings LLC, Anheuser-Busch North LLC and Anheuser-Busch Commercial Strategy Holdings, LLC own, in the aggregate, 100% of the issued share capital of Anheuser-Busch America Investments, LLC holding, respectively, approximately 61.5%, 11.4% and 27.1%.

**(2) (a) The 2023 Shareholders' Agreement**

BRC, EPS and EPS Participations are companies incorporated under Luxembourg law. As per (i) transparency declarations made by shareholders who are compelled to disclose their shareholdings pursuant to the Belgian law of 2 May 2007 on the notification of significant shareholdings and the articles of association of AB InBev, (ii) notifications made by such shareholders to AB InBev on a voluntary basis prior to 30 June 2023 for the purpose of updating the above information, (iii) notifications received by AB InBev in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, and (iv) information included in public filings of AB InBev with the US Securities and Exchange Commission, such entities held respectively on 30 June 2023 28,651,850, 99,999 and 133,846,578 ordinary shares of AB InBev, representing respectively 1.44%, 0.01% and 6.74% of the voting rights attached to AB InBev's outstanding shares (excluding the treasury shares held by AB InBev and its subsidiaries on 30 June 2023).

The Stichting is a stichting incorporated under Dutch law. As per the most recent transparency declarations made pursuant to article 6 of the Belgian law of 2 May 2007 on the notification of significant shareholdings on 13 March 2019, it holds 663,074,832 ordinary shares of AB InBev, representing 33.37% of the voting rights attached to AB InBev's outstanding shares (excluding the treasury shares held by AB InBev and its subsidiaries on 30 June 2023).

According to a shareholders' agreement entered into among the Stichting, EPS, EPS Participations S.à.R.L., BRC and Rayvax Société d'Investissements SA ("**Rayvax**") (a company incorporated under Belgian law which held 50,000 ordinary shares of AB InBev as at 30 June 2023) and amended from time to time (the "**2023 Shareholders' Agreement**"), BRC and EPS/ EPS Participations jointly and equally exercise control over the Stichting and the shares held by the Stichting. Pursuant to the 2023 Shareholders' Agreement, the Stichting's board of directors will propose to AB InBev's shareholders' meeting eight candidates for appointment as AB InBev's directors, among which each of, on the one hand, BRC and, on the other hand, EPS and EPS Participations will have the right to nominate four candidates.

The 2023 Shareholders' Agreement also requires EPS, EPS Participations, BRC and Rayvax, as well as any other holder of certificates issued

by the Stichting, to vote their AB InBev shares in the same manner as the shares held by the Stichting.

**(b) The Fonds Voting Agreement**

The Stichting also entered into a voting agreement with Fonds Baillet Latour SPRL (now renamed Fonds Baillet Latour SC) and Fonds Voorzitter Verhelst SRL. As per the latest transparency declarations made to AB InBev on 13 March 2019 pursuant to the Belgian law of 2 May 2007, such entities hold 5,485,415 and 6,997,665 ordinary shares of AB InBev, representing 0.28% and 0.35% of the voting rights attached to AB InBev's outstanding shares (excluding the treasury shares held by AB InBev and its subsidiaries on 30 June 2023), respectively (the "**Fonds Voting Agreement**").

Under the Fonds Voting Agreement, consensus is required for all items that are submitted to the approval of any of shareholders' meetings of AB InBev. If the parties fail to reach a consensus, each of Fonds Baillet Latour SC and Fonds Voorzitter Verhelst SRL will vote their AB InBev shares in the same manner as the Stichting.

Accordingly, the Stichting controls the voting rights attached to the shares of AB InBev held by Fonds Baillet Latour SC and Fonds Voorzitter Verhelst SRL.

**(c) Total number of voting rights controlled by the Stichting and related parties**

As per (i) transparency declarations made by shareholders who are compelled to disclose their shareholdings pursuant to the Belgian law of 2 May 2007 on the notification of significant shareholdings and the articles of association of AB InBev, (ii) notifications made by such shareholders to AB InBev on a voluntary basis prior to 30 June 2023 for the purpose of updating the above information, (iii) notifications received by AB InBev in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, and (iv) information included in public filings of AB InBev with the US Securities and Exchange Commission and taking into account the ordinary shares of AB InBev held by Fonds Baillet Latour SC, Fonds Voorzitter Verhelst SRL and Rayvax, EPS, EPS Participations, Olia 2 AG, BRC, and the Stichting, those entities controlled in aggregate 42.20% of the voting rights attached to AB InBev's outstanding shares on 30 June 2023 (excluding the treasury shares held by AB InBev and its subsidiaries on 30 June 2023).

(3) BRC is controlled indirectly by MM. Jorge Paulo Lemann, Carlos Alberto da Veiga Sicupira and Marcel Herrmann Telles and directly by S-BR Global and BR Global Investments SCS, that in their turn directly hold respectively a 47.17% interest and a 9.23% interest in BRC. Marcel Herrmann Telles indirectly owns a 24.728% interest in S-BR Global through a chain of wholly-owned subsidiaries (i.e. MTFD Holdings and Santa Paciencia). Carlos Alberto da Veiga Sicupira indirectly owns a 19.927% interest in S-BR Global through a chain of wholly-owned subsidiaries (i.e. FS Holdings, CCCHHS Holding Ltd. and Santa Heloisa). Jorge Paulo Lemann indirectly owns a 55.345% interest in S-BR Global through a chain of wholly-owned subsidiaries (i.e. Inpar VOF, Stichting Enable, Inpar Investment Fund and Santa Erika). BR Global SCS is controlled by BR Global GP in which each of Jorge Paulo Lemann, Carlos Alberto da Veiga Sicupira and Marcel Herrmann Telles indirectly holds (respectively through Santa Erika, Santa Heloisa and Santa Paciencia), a 33.33% interest.

Furthermore, Jorge Paulo Lemann also indirectly holds a 22.38% interest in BRC through a chain of wholly-owned subsidiaries (Santa Erika (holding a 2.38% interest in BRC), Maniro (holding a 16.69% interest in BRC and being a direct subsidiary of Inpar Investment Fund) and Cedar Trade (holding a 3.31% interest in BRC and being a direct subsidiary of Maniro) and a 0.013% interest in AB InBev through a chain of wholly owned subsidiaries (Olia 2 and Olia 2 AG); Carlos Alberto da Veiga Sicupira indirectly holds a 11.40% interest in BRC through a chain of wholly-owned subsidiaries (Santa Heloisa (holding a 0.86% interest in BRC), Santa Marcelina (holding a 9.03% interest in BRC and being a direct subsidiary of CCCHHS Holding) and SFI Management (holding a 1.51% interest in BRC and being directly held by Carlos Alberto da Veiga Sicupira); Marcel Herrmann Telles indirectly holds a 9.66% interest in BRC through a chain of wholly-owned subsidiaries (i.e. MTFD Holdings and Santa Venerina).

On the basis of the latest shareholding information received by AB InBev, the ultimate control of BRC is jointly exercised by Marcel Herrmann Telles, Carlos Alberto da Veiga Sicupira and Jorge Paulo Lemann. In spite of such disclosure, Marcel Herrmann Telles and Carlos Alberto da Veiga Sicupira do not have an interest to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## DEBENTURE ISSUED

The Company did not issue any debentures during 1H23.

## PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During 1H23, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## CORPORATE GOVERNANCE

The Company is committed to achieving the highest standards of corporate governance with a view to safeguarding the interests of our Shareholders.

For the Company, corporate governance concerns both the effectiveness and accountability of its Board. Effectiveness, and therefore the quality of leadership and direction that the Board provides, is measured by performance which is ultimately reflected in enhanced shareholder value. Accountability, including all the issues surrounding disclosure and transparency, is what provides legitimacy to the Board's actions. Shareholders elect Directors to run the Company on their behalf and the Board is accountable to the Shareholders for its actions.

Our Corporate Governance Charter was adopted by the Board and sets out a range of governance principles in relation to our conduct with the aim of providing transparent disclosure of our governance.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board reviewed the corporate governance practices of the Company. The Company complied with the code provisions set out in the Corporate Governance Code (where applicable) for 1H23, save for code provision C.2.1. Code provision C.2.1 provides that the roles of chair and chief executive should be separate and should not be performed by the same individual. The Company is expected to comply with, but may choose to deviate from, such code provision as permitted in the Corporate Governance Code. The Company has deviated from code provision C.2.1 with Mr. Jan Craps' appointment as both Co-Chair of the Board, alongside Mr. Michel Doukeris (since 22 July 2021), and Chief Executive Officer. The Board considers that Mr. Jan Craps' appointment will enhance Board efficiency. For further details, please refer to the Corporate Governance Report in the Company's 2022 Annual Report.

## COMPLIANCE WITH MODEL CODE

The Company has established its own Code of Dealing regarding Directors' securities transactions on terms no less stringent than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 to the Listing Rules.

The Company has made specific enquiry with all Directors and all of them confirmed that they had complied with the required standard set out in the Model Code and the Code of Dealing during 1H23.

## INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for 1H23.

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

**To the Board of Directors of Budweiser Brewing Company APAC Limited**  
*(incorporated in the Cayman Islands with limited liability)*

## Introduction

We have reviewed the interim financial information set out on pages 35 to 63, which comprises the condensed consolidated interim statement of financial position of Budweiser Brewing Company APAC Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) as at 30 June 2023 and the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and the notes to the condensed consolidated interim financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 2 August 2023

# UNAUDITED CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2023

	Notes	30 June 2023 US\$'million	30 June 2022 US\$'million
<b>Revenue</b>	4	<b>3,666</b>	<b>3,453</b>
Cost of sales		(1,799)	(1,701)
<b>Gross profit</b>		<b>1,867</b>	<b>1,752</b>
Distribution expenses		(268)	(266)
Sales and marketing expenses		(566)	(540)
Administrative expenses		(234)	(222)
Other operating income	5	51	67
<b>Profit from operations before non-underlying items</b>		<b>850</b>	<b>791</b>
Non-underlying items	6	(5)	(5)
<b>Profit from operations</b>		<b>845</b>	<b>786</b>
Finance cost		(26)	(12)
Finance income		28	20
<b>Net finance income</b>		<b>2</b>	<b>8</b>
Share of results of associates		16	12
<b>Profit before tax</b>		<b>863</b>	<b>806</b>
Income tax expense	7	(273)	(166)
<b>Profit for the period</b>		<b>590</b>	<b>640</b>
Profit for the period attributable to:			
Equity holders of Bud APAC		575	625
Non-controlling interests		15	15
<b>Earnings per share from profit attributable to the equity holders of Bud APAC</b>			
Basic earnings per share (cent USD)	20	4.35	4.73
Diluted earnings per share (cent USD)	20	4.33	4.72

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	30 June 2023 US\$'million	30 June 2022 US\$'million
<b>Profit for the period</b>	<b>590</b>	<b>640</b>
<b>Other comprehensive (loss)/income:</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	(501)	(763)
Gain/(loss) on cash flow hedges	4	(26)
<b>Other comprehensive loss, net of tax</b>	<b>(497)</b>	<b>(789)</b>
<b>Total comprehensive income/(loss)</b>	<b>93</b>	<b>(149)</b>
Total comprehensive income/(loss) of the period attributable to:		
Equity holders of Bud APAC	82	(160)
Non-controlling interests	11	11

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	30 June 2023 US\$'million	31 December 2022 US\$'million
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	2,992	3,181
Goodwill	9	6,301	6,624
Intangible assets	10	1,531	1,605
Land use rights		208	227
Investment in associates		466	464
Deferred tax assets		238	233
Trade and other receivables		48	46
Other non-current assets		11	10
<b>Total non-current assets</b>		<b>11,795</b>	<b>12,390</b>
<b>Current assets</b>			
Inventories		479	488
Trade and other receivables	11	822	561
Derivatives		18	18
Cash pooling deposits to AB InBev		39	67
Cash and cash equivalents	12	2,410	2,458
Other current assets		16	14
<b>Total current assets</b>		<b>3,784</b>	<b>3,606</b>
<b>Total assets</b>		<b>15,579</b>	<b>15,996</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	13	–	–
Share premium		43,591	43,591
Capital reserve		(36,219)	(36,213)
Treasury shares		(14)	(6)
Other reserves	13	(1,390)	(930)
Retained earnings		4,400	4,322
<b>Equity attributable to equity holders of Bud APAC</b>		<b>10,368</b>	<b>10,764</b>
Non-controlling interests		77	69
<b>Total equity</b>		<b>10,445</b>	<b>10,833</b>

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	30 June 2023 US\$'million	31 December 2022 US\$'million
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	14	80	77
Deferred tax liabilities		410	427
Trade and other payables	16	17	22
Provisions		95	100
Income tax payable		43	51
Employee benefits		48	68
Other non-current liabilities		2	3
<b>Total non-current liabilities</b>		<b>695</b>	<b>748</b>
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	14	226	147
Trade and other payables	16	2,762	2,629
Payables with AB InBev	16	100	74
Consigned packaging and contract liabilities	16	1,123	1,405
Derivatives		26	27
Provisions		10	11
Income tax payable		192	122
<b>Total current liabilities</b>		<b>4,439</b>	<b>4,415</b>
<b>Total equity and liabilities</b>		<b>15,579</b>	<b>15,996</b>

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

US\$ million	Attributable to equity holders of Bud APAC						Retained earnings (Note 1)	Total	Non-controlling interests	Total equity
	Issued capital	Share premium	Capital reserve	Treasury shares	Other reserves					
<b>1 January 2023</b>	-	43,591	(36,213)	(6)	(930)	4,322	10,764	69	10,833	
<b>Profit for the period</b>	-	-	-	-	-	575	575	15	590	
<b>Other comprehensive (loss)/income</b>										
Exchange differences on translation of foreign operations	-	-	-	-	(497)	-	(497)	(4)	(501)	
Gain on cash flow hedges	-	-	-	-	4	-	4	-	4	
<b>Total comprehensive (loss)/income</b>	-	-	-	-	(493)	575	82	11	93	
Share-based payments	-	-	(6)	-	19	3	16	-	16	
Treasury shares	-	-	-	(8)	14	-	6	-	6	
Dividends	-	-	-	-	-	(500)	(500)	(3)	(503)	
<b>30 June 2023</b>	-	43,591	(36,219)	(14)	(1,390)	4,400	10,368	77	10,445	
<b>1 January 2022</b>	-	43,591	(36,213)	-	(160)	3,795	11,013	70	11,083	
<b>Profit for the period</b>	-	-	-	-	-	625	625	15	640	
<b>Other comprehensive (loss)/income</b>										
Exchange differences on translation of foreign operations	-	-	-	-	(759)	-	(759)	(4)	(763)	
Loss on cash flow hedges	-	-	-	-	(26)	-	(26)	-	(26)	
<b>Total comprehensive (loss)/income</b>	-	-	-	-	(785)	625	(160)	11	(149)	
Share-based payments	-	-	-	-	18	7	25	-	25	
Dividends	-	-	-	-	-	(399)	(399)	-	(399)	
<b>30 June 2022</b>	-	43,591	(36,213)	-	(927)	4,028	10,479	81	10,560	

- (1) Included in retained earnings are legal statutory reserves in the People's Republic of China ("PRC") of 232 million US dollar as of 30 June 2023 and 258 million US dollar as of 30 June 2022. Under the relevant PRC laws and regulations, PRC companies are required to allocate 10% of the company's net profit to a fund, until such a fund reaches 50% of the companies registered capital. The statutory reserve fund can be utilized upon approval by the relevant authorities, to offset against accumulated losses or increase registered capital of the company, provided that such fund is maintained at a minimum of 25% of the companies registered capital.

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Notes	30 June 2023 US\$'million	30 June 2022 US\$'million
<b>Operating activities</b>			
Cash generated from operations		948	834
Interest paid		(16)	(6)
Interest received		30	21
Dividends received		11	12
Income tax paid		(211)	(234)
<b>Net cash flow from operating activities</b>		<b>762</b>	<b>627</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment and intangible assets		(246)	(213)
Proceeds from sale of property, plant and equipment and intangible assets		15	33
Acquisition of subsidiaries, net of cash acquired		(8)	–
Acquisition of other investments		(12)	(12)
Proceeds from/(placement of) cash pooling deposits to AB InBev		28	(46)
<b>Cash flow used in investing activities</b>		<b>(223)</b>	<b>(238)</b>
<b>Financing activities</b>			
Dividends paid to equity holders of Bud APAC	13	(500)	(399)
Dividends paid to non-controlling interest holders		(3)	–
Proceeds from cash pooling loans from AB InBev		–	3
Proceeds from borrowings		80	29
Payments on purchase of treasury shares		(7)	(9)
Payments of lease liabilities		(26)	(19)
Cash net finance cost other than interest		(14)	(1)
<b>Cash flow used in financing activities</b>		<b>(470)</b>	<b>(396)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>69</b>	<b>(7)</b>
Cash and cash equivalents less bank overdrafts at beginning of period		2,458	2,007
Effect of exchange rate fluctuations		(117)	(130)
<b>Cash and cash equivalents less bank overdrafts at end of period</b>	12	<b>2,410</b>	<b>1,870</b>

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. General information and basis of presentation

### 1.1 GENERAL INFORMATION

Budweiser Brewing Company APAC Limited (the “Company” or “Bud APAC”) was incorporated in the Cayman Islands on 10 April 2019 as an exempted company with limited liability under the laws of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681 Grand Cayman, KY1-1111, Cayman Islands. The Company’s shares were listed on The Stock Exchange of Hong Kong Limited on 30 September 2019.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are principally engaged in the brewing and distribution of beer in the Asia Pacific region.

The immediate parent company of the Group is AB InBev Brewing Company (APAC) Limited which is a private company incorporated in the United Kingdom.

The ultimate parent company of the Group is Anheuser-Busch InBev SA/NV (referred to as “AB InBev”), which is a publicly traded company (Euronext: ABI) based in Leuven, Belgium, with secondary listings on the Mexico (MEXBOL: ANB) and South Africa (JSE: ANH) stock exchanges and with American Depositary Receipts on the New York Stock Exchange (NYSE: BUD).

### 1.2 BASIS OF PRESENTATION

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard 34 Interim Financial Reporting issued by the International Accounting Standard Board (the “IASB”). They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2022 and any public announcements made by the Group during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

A number of new or amended standards became applicable for the current reporting period. These standards did not have any impact on the Group’s accounting policies and did not require retrospective adjustments.

In line with many other Fast Moving Consumer Goods companies, the Group intentionally maintains a net current liabilities position as part of its business model despite strong operating cash flows. Therefore, the Group’s net current liabilities position is not indicative of any going concern issues, and the unaudited condensed consolidated interim financial statements have been prepared on a going concern basis.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 2. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest risk and commodity risk), credit risk and liquidity risk. The unaudited condensed consolidated interim financial statements do not include all the financial risk management information and disclosures required in the full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2022. There have been no changes in the risk management policies during the six months ended 30 June 2023.

### 2.1 LIQUIDITY RISK

The Group's primary sources of cash flow are cash flows from operating activities and bank borrowings. The Group's material cash requirements include the following:

- Capital expenditures;
- Investments in companies;
- Increases in ownership of the Group's subsidiaries or companies in which it holds equity investments;
- Debt servicing of borrowings from third parties; and
- Payments of dividends.

The Group had net current liabilities of 655 million US dollar as of 30 June 2023, which management considers is a positive aspect of the Group's working capital management and an inherent part of the Group's business model. Substantial effort is devoted to the efficient use of working capital, resulting in an ability to secure favorable credit terms with suppliers that are longer than the inventory and receivables cycles. The Group is also highly cash generative, with cash flows from operating activities of 762 million US dollar for the six months ended 30 June 2023.

In order to fund its foreseeable financial obligations, the Group has sufficient access to cash flows from operating activities, available cash and cash equivalents as well as access to borrowing facilities, including cash pooling loans from AB InBev. As of 30 June 2023, the Group had undrawn committed facilities and undrawn uncommitted facilities of 500 million US dollar and 408 million US dollar respectively. Although the Group may borrow such amounts to meet its liquidity needs, the Group principally relies on cash flows from operating activities to fund the Group's continuing operations.

### 2.2 CAPITAL MANAGEMENT

The Group continuously optimizes its capital structure to maximize shareholder value while keeping the financial flexibility to execute the strategic projects. The Group's capital structure policy and framework aims to optimize shareholder value through cash flow distribution to the Group from its subsidiaries, while maintaining an investment-grade rating and minimizing investments with returns below the Group's weighted average cost of capital.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Cash net of debt is defined as cash and cash equivalents and cash pooling deposits to AB InBev minus non-current and current interest-bearing loans and borrowings, bank overdrafts and cash pooling loans from AB InBev. Cash net of debt is a financial performance indicator that is used by the Group's management to highlight changes in the Group's overall liquidity position.

The following table provides a reconciliation of the Group's cash net of debt:

	30 June 2023 US\$'million	31 December 2022 US\$'million
<b>Cash and cash equivalents</b>	<b>2,410</b>	<b>2,458</b>
<b>Cash pooling deposits to AB InBev</b>	<b>39</b>	<b>67</b>
Non-current interest-bearing loans and borrowings	(80)	(77)
Current interest-bearing loans and borrowings	(226)	(147)
<b>Interest-bearing loans and borrowings</b>	<b>(306)</b>	<b>(224)</b>
<b>Cash net of debt</b>	<b>2,143</b>	<b>2,301</b>

The Group is not geared as of 30 June 2023 and 31 December 2022. The ratio of cash net of debt to total consolidated equity was as follows:

	30 June 2023 US\$'million	31 December 2022 US\$'million
Cash net of debt	(2,143)	(2,301)
Total equity	10,445	10,833
Total capital	8,302	8,532
<b>Gearing ratio</b>	<b>-25.8%</b>	<b>-27.0%</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 2.3 FAIR VALUE MEASUREMENT

A number of the Group's accounting policies and notes require fair value measurement for both financial and non-financial items.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurements incorporate significant inputs that are based on unobservable market data.

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group applies fair value measurement to the instruments listed below.

### 2.3.1 Derivatives

The fair value of exchange traded derivatives (e.g. exchange traded foreign currency futures) is determined by reference to the official prices published by the respective exchanges (e.g. the New York Board of Trade). The fair value of over-the-counter derivatives is determined by commonly used valuation techniques.

### 2.3.2 Non-derivative financial liabilities

The fair value of non-derivative financial liabilities is generally determined using unobservable inputs and therefore fall into level 3. In these circumstances, the valuation technique used is discounted cash flow, whereby the projected cash flows are discounted using a risk adjusted rate. This includes the contingent consideration in respect of the acquisition of Blue Girl Beer (Guangzhou) Company Limited which was completed in 2019. Refer to Note 16 Trade and other payables, payables with AB InBev, consigned packaging and contract liabilities for further details.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Group had the following financial assets/(liabilities) quoted at fair value:

	30 June 2023 US\$'million	31 December 2022 US\$'million
<b>Financial assets</b>		
Level 1	10	12
Level 2	8	6
Level 3	18	13
	<b>36</b>	<b>31</b>
<b>Financial liabilities</b>		
Level 1	(1)	–
Level 2	(25)	(27)
Level 3	(24)	(29)
	<b>(50)</b>	<b>(56)</b>

The carrying amounts of the floating and fixed rate interest-bearing financial liabilities, including lease liabilities, cash pooling loans from AB InBev and all trade and other receivables and payables, including derivatives financial instruments, as recognized in the unaudited condensed consolidated interim statement of financial position are a reasonable approximation of the fair values.

### 3. Critical accounting estimates and judgments

The preparation of unaudited condensed consolidated interim financial statements in conformity with International Financial Reporting Standards (the “IFRS”) issued by the IASB require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Although each of its significant accounting policies reflects judgments, assessments or estimates, the Group believes that the following accounting policies reflect the most critical judgments, estimates and assumptions that are important to its business operations and the understanding of its results.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## IMPAIRMENT ASSESSMENTS OF GOODWILL AND INDEFINITE LIFE INTANGIBLE ASSETS

Goodwill impairment testing relies on a number of critical judgments, estimates and assumptions. Goodwill, which accounted for approximately 40% of the Group's total assets as of 30 June 2023 and 41% as of 31 December 2022 is tested for impairment at the cash generating unit level. The Group tests at least annually whether goodwill and indefinite life intangible assets have suffered any impairment by calculating the recoverable amount of the cash generating unit and comparing this to its carrying value. At interim reporting dates the Group assesses the cash generating units for any indicators of impairment.

The Group's impairment testing methodology is in accordance with IAS 36, in which fair value less cost to sell and value in use approaches are taken into consideration. This consists of applying a discounted free cash flow approach based on acquisition valuation models for the cash-generating units showing a high invested capital to EBITDA multiple, and valuation multiples for the other cash-generating units.

The fair value less costs to sell valuation requires judgment around the selection of comparable market participants and their sales multiples. The value in use calculations primarily use cash flow projections. There are a number of assumptions and estimates involved for the preparation of cash flow projections and the estimated terminal value. Key assumptions include the expected growth in revenues and operating margin, the discount rate and the terminal growth rate.

Management prepares the financial projections reflecting actual and prior year performance and market development expectations. Judgment is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the results of the impairment reviews.

Refer to Notes 9 Goodwill and 10 Intangible assets for further information on the goodwill and indefinite life intangible assets.

## DETERMINATION OF INDEFINITE USEFUL LIFE FOR CERTAIN INTANGIBLE ASSETS

Intangible assets with indefinite useful lives are primarily brands acquired through business combinations. Management has determined that brands have indefinite useful lives as these consist of nationally or internationally prominent brands which have existed for several decades or longer and which are well established in their markets. These markets have been stable or growing. The Group has legal rights to the brands which can be enforced for an indefinite period.

Refer to Note 10 Intangible assets for further information on indefinite life intangible assets.

## CONTINGENCIES

The preparation of the Group's unaudited condensed consolidated interim financial statements requires management to make estimates and assumptions regarding contingencies, which affect the valuation of assets and liabilities at the date of the unaudited condensed consolidated interim financial statements and the revenue and expenses during the reported periods.

The Group discloses material contingent liabilities unless the possibility of any loss arising is considered remote, and material contingent assets where the inflow of economic benefits is probable.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A provision is recorded for a loss contingency when it is probable that a future event will confirm that a liability has been incurred at the date of the unaudited condensed consolidated interim financial statements, and the amount of the loss can be reasonably estimated. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur, and typically those events will occur over a number of years in the future.

The Group has no material unprovided contingencies for which, in the opinion of management and its legal counsel, the risk of loss is possible but not probable.

### INCOME TAX POSITION

The Group is subject to income tax in numerous jurisdictions. Significant judgment is required in determining the Group's provision for income tax.

Some subsidiaries within the Group are involved in tax audits and local enquiries usually in relation to prior years. Investigations and negotiations with local tax authorities are ongoing in various jurisdictions at the date of the unaudited condensed consolidated interim statement of financial position and, by their nature, these can take considerable time to conclude. In assessing the amount of any income tax or indirect tax provisions to be recognized in the unaudited condensed consolidated interim financial statements, estimation is made of the expected successful settlement of these matters. Estimates of interest and penalties on tax liabilities are also recorded.

Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period such determination is made.

Refer to Note 7 Income tax expense for further information on income tax including exposures.

### TRADE INCENTIVES

The Group has a large number of customer contracts with distributors and retailers across various revenue channels. These contracts can include significant trade incentives, in the form of volume rebates, discounts, and promotion and marketing expenses, which are recognized according to the relevant terms in the contracts.

Management is required to use judgment in assessing the nature of trade incentives and whether the payments made to customers are in exchange for distinct goods and services, which determines their classification in the unaudited condensed consolidated interim income statement and statement of financial position. Revenue from sales is recognized based on the price specified in the contract, net of the estimated refund liabilities, while trade incentive payments to customers in exchange for distinct goods or services are accounted for as promotion and marketing incentives and classified as selling and distribution expenses in the unaudited condensed consolidated interim income statement.

### SHARE-BASED PAYMENTS

The Group has granted share options to certain eligible employees. The directors of the Company have adopted the Binomial Hull Model to determine the total fair value of the options granted, which is to be expensed over the respective vesting periods. Significant judgments on parameters, such as risk free rate, dividend yield and expected volatility, are required to be made by the directors in applying the Binomial Hull Model. There were no options granted in the six months period ended 30 June 2023 and 2022.

Share-based payment transactions resulted in a total expense of 30 million US dollar and 25 million US dollar for the six months ended 30 June 2023 and 2022 respectively. Refer to Note 15 Share-based payments for further information on accounting estimates and assumptions applied.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 4. Segment reporting

Segment information is presented by geographical segments, consistent with the information available to and regularly evaluated by the chief operating decision maker.

The Group operates its business through two geographic regions: Asia Pacific East (primarily South Korea, Japan and New Zealand) and Asia Pacific West (China, India, Vietnam and exports elsewhere in Asia Pacific), which are the Group's two reportable segments for financial reporting purposes. Regional and operating management is responsible for managing performance, underlying risks and effectiveness of operations. Management uses performance indicators such as Normalized EBITDA as measures of segment performance and to make decisions regarding allocation of resources.

All figures in the tables below are stated in million US dollar, except volumes (thousand hectoliter) and Normalized EBITDA margin (in%).

**For the six months ended 30 June 2023 and 2022**

	East		Asia Pacific West		Total	
	2023	2022	2023	2022	2023	2022
	<b>Volumes</b>	<b>5,660</b>	<b>5,494</b>	<b>43,796</b>	<b>39,732</b>	<b>49,456</b>
<b>Revenue <sup>(1)</sup></b>	<b>593</b>	<b>619</b>	<b>3,073</b>	<b>2,834</b>	<b>3,666</b>	<b>3,453</b>
<b>Normalized EBITDA</b>	<b>144</b>	<b>182</b>	<b>1,029</b>	<b>957</b>	<b>1,173</b>	<b>1,139</b>
Normalized EBITDA margin	24.3%	29.4%	33.5%	33.8%	32.0%	33.0%
Depreciation, amortization and impairment					(323)	(348)
<b>Normalized profit from operations (Normalized EBIT)</b>					<b>850</b>	<b>791</b>
Non-underlying items (Note 6)					(5)	(5)
<b>Profit from operations (EBIT)</b>					<b>845</b>	<b>786</b>
Net finance income					2	8
Share of results of associates					16	12
Income tax expense					(273)	(166)
<b>Profit for the period</b>					<b>590</b>	<b>640</b>
Segment assets (non-current)	4,802	4,871	6,993	7,625	11,795	12,496
Gross capex	15	11	231	202	246	213

<sup>(1)</sup> Revenue represents sales of beer products recognized at a point of time.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Normalized EBITDA is a key financial measure regularly monitored by management in managing the Group's performance, capital and funding structure. Normalized EBITDA is calculated by excluding the following effects from profit attributable to equity holders of Bud APAC: (i) non-controlling interests; (ii) income tax expense; (iii) share of results of associates; (iv) net finance income; (v) non-underlying items above EBIT (including non-underlying costs) and (vi) depreciation, amortization and impairment.

Normalized EBITDA and normalized EBIT are not accounting measures under IFRS and should not be considered as an alternative to profit attributable to equity holders of Bud APAC as a measure of operational performance, or an alternative to cash flow as a measure of liquidity. Normalized EBITDA and normalized EBIT do not have a standard calculation method and the Group's definition of normalized EBITDA and normalized EBIT may not be comparable to that of other companies.

The reconciliation between profit attributable to equity holders of Bud APAC and normalized EBITDA is as follows:

	30 June 2023 US\$'million	30 June 2022 US\$'million
<b>Profit attributable to equity holders of Bud APAC</b>	<b>575</b>	<b>625</b>
Non-controlling interests	15	15
<b>Profit for the period</b>	<b>590</b>	<b>640</b>
Income tax expense	273	166
Share of results of associates	(16)	(12)
Net finance income	(2)	(8)
Non-underlying items above EBIT	5	5
<b>Normalized EBIT</b>	<b>850</b>	<b>791</b>
Depreciation and amortization	323	348
<b>Normalized EBITDA</b>	<b>1,173</b>	<b>1,139</b>

### 5. Other operating income

	30 June 2023 US\$'million	30 June 2022 US\$'million
Grants and incentives	25	29
Net gain on disposal of property, plant and equipment and intangible assets	17	33
Other operating income	9	5
<b>Other operating income</b>	<b>51</b>	<b>67</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 6. Non-underlying items

The non-underlying items included in the unaudited condensed consolidated interim income statement are as follows:

	30 June 2023 US\$'million	30 June 2022 US\$'million
Restructuring	(5)	(5)
<b>Impact on profit from operations</b>	<b>(5)</b>	<b>(5)</b>
Tax impact on non-underlying items	1	1
Non-underlying income tax credit	–	54
<b>Net impact on profit</b>	<b>(4)</b>	<b>50</b>

The non-underlying restructuring charges primarily relate to organizational alignments. These changes aim to eliminate overlapping organizations or duplicated processes, taking into account the right match of employee profiles with the new organizational requirements. These one-time expenses, as a result of a series of decisions, provide the Group with a lower cost base in addition to a stronger focus on the Group's core activities, quicker decision-making and improvements to efficiency, service and quality.

Refer to Note 7 for further information on non-underlying income tax.

## 7. Income tax expense

Income taxes recognized in the unaudited condensed consolidated interim income statement are as follows:

	30 June 2023 US\$'million	30 June 2022 US\$'million
Current year	(271)	(224)
(Under)/overprovided in prior years	(24)	41
<b>Current tax expense</b>	<b>(295)</b>	<b>(183)</b>
<b>Deferred tax credit</b>	<b>22</b>	<b>17</b>
<b>Total income tax expense</b>	<b>(273)</b>	<b>(166)</b>
<b>Effective tax rate</b>	<b>32.2%</b>	<b>20.9%</b>
<b>Normalized effective tax rate<sup>(1)</sup></b>	<b>32.2%</b>	<b>27.7%</b>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Group held provisions to cover a potential exposure related to tax in India associated with asset transfers that were challenged by the Indian Tax authorities. During the six months ended 30 June 2022, the company received confirmation that the matter was resolved in favor of the Group and the provision of 54 million US dollar was released. The reversal of the provision has been disclosed as non-underlying income tax in Note 6.

Normalized effective tax rate is not an accounting measure under IFRS and should not be considered as an alternative to the effective tax rate. Normalized effective tax rate method does not have a standard calculation method and the Group's definition of normalized effective tax rate may not be comparable to other companies.

(1) Normalized effective tax rate refers to effective tax rate adjusted for non-underlying items and non-underlying income tax credit.

### 8. Property, plant and equipment

Property, plant and equipment comprises owned and leased assets, as follows:

	30 June 2023 US\$'million	31 December 2022 US\$'million
Property, plant and equipment owned	2,867	3,059
Property, plant and equipment leased (right-of-use assets)	125	122
<b>Total property, plant and equipment</b>	<b>2,992</b>	<b>3,181</b>

Acquisitions to property, plant and equipment were 229 million US dollar and 195 million US dollar for the six months ended 30 June 2023 and 2022 respectively. In addition, the Group disposed plant and equipment, fixtures and fittings during the six months ended 30 June 2023 and 2022 with an aggregate carrying amount of 14 million US dollar and 25 million US dollar respectively.

Additions to right-of-use assets were 33 million US dollar and 39 million US dollar for the six months ended 30 June 2023 and 2022 respectively. The expense related to short-term leases and variable lease payments that are not included in the measurement of the lease liabilities is not significant.

### 9. Goodwill

	30 June 2023 US\$'million	31 December 2022 US\$'million
<b>Balance at end of previous year</b>	<b>6,624</b>	<b>7,104</b>
Effect of movements in foreign exchange	(323)	(480)
<b>Balance at end of the period/year</b>	<b>6,301</b>	<b>6,624</b>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Group performs goodwill impairment testing annually in the second half of the year, or whenever impairment indicators are identified. During the six months ended 30 June 2023, there were no indicators of impairment identified.

The carrying amount of goodwill by cash-generating unit is as follows:

<b>Cash-generating unit</b>	<b>30 June 2023 US\$'million</b>	<b>31 December 2022 US\$'million</b>
South Korea	3,331	3,495
China	2,960	3,119
Other countries	10	10
<b>Total carrying amount of goodwill</b>	<b>6,301</b>	<b>6,624</b>

### 10. Intangible assets

Acquisitions and expenditures to intangible assets were 17 million US dollar and 18 million US dollar for the six months ended 30 June 2023 and 2022 respectively.

Intangible assets with indefinite useful lives are comprised primarily of brands and certain distribution rights that the Group purchase for its own products and are tested for impairment during the second half of the year or whenever a triggering event has occurred.

### 11. Trade and other receivables

#### Current trade and other receivables

	<b>30 June 2023 US\$'million</b>	<b>31 December 2022 US\$'million</b>
Trade receivables and accrued income	642	401
Trade receivables with AB InBev	15	13
Indirect tax receivable	111	93
Prepaid expenses	48	47
Other receivables	6	7
<b>Current trade and other receivables</b>	<b>822</b>	<b>561</b>

Trade receivables and trade receivables with AB InBev are due on average less than 90 days from the date of invoicing. There is limited credit risk as the Group does not have significant uncollected amounts. Impairment losses on trade receivables of 4 million US dollar and 3 million US dollar were recognized for the six months ended 30 June 2023 and 2022 respectively.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As of 30 June 2023 and 31 December 2022, the aging analysis of current trade receivables and trade receivables with AB InBev, based on due date, is as follows:

	30 June 2023 US\$'million	31 December 2022 US\$'million
<b>Not past due</b>	<b>622</b>	<b>388</b>
<b>Past due as of reporting date:</b>		
Less than 30 days	23	14
Between 30 and 59 days	2	1
Between 60 and 89 days	5	4
More than 90 days	5	7
<b>Net carrying amount of trade receivables and trade receivables with AB InBev</b>	<b>657</b>	<b>414</b>

### 12. Cash and cash equivalents

	30 June 2023 US\$'million	31 December 2022 US\$'million
Short-term bank deposits	152	527
Cash and bank accounts	2,258	1,931
<b>Cash and cash equivalents</b>	<b>2,410</b>	<b>2,458</b>

The Group does not have restricted cash.

### 13. Changes in equity

#### Issued capital

	Fully Paid Issued Capital Million Shares	US\$'thousand
<b>At 30 June 2023 and 31 December 2022<sup>(1)</sup></b>	<b>13,243</b>	<b>132</b>

- (1) The Company has appointed a trustee to assist with the administration and vesting of the Share Award Schemes (refer to Note 15) who held 26,817,384 shares in trust, reserved for the future vesting of Share Award Schemes, as at 30 June 2023 and 26,401,746 shares as at 31 December 2022. As the Company has the power to govern the financial and operating policies of the trust and can derive benefits from the contributions of the eligible persons who are awarded with the shares by the schemes, the directors of the Company consider that it is appropriate to consolidate the trust.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at 30 June 2023 and 31 December 2022, the total authorized share capital of Bud APAC is 180,000 US dollar of which the total un-issued capital is 47,566 US dollar.

### DIVIDENDS

On 8 May 2023, a final dividend of US dollar 3.78 cents per share (equivalent to HK dollar 29.61 cents per share) was approved by the shareholders at the annual general meeting of the Company. This final dividend was paid out on 21 June 2023. The total dividend payment for the 2022 fiscal year of approximately 500 million US dollar was recognized during the six months ended 30 June 2023 in the unaudited condensed consolidated financial statements.

On 6 May 2022, a final dividend of US dollar 3.02 cents per share (equivalent to HK dollar 23.68 cents per share) was approved by the shareholders at the annual general meeting of the Company. This final dividend was paid out on 22 June 2022. The total dividend payment for the 2021 fiscal year of 399 million US dollar was recognized during the six months ended 30 June 2022 in the unaudited condensed consolidated financial statements.

No dividends were declared or proposed during the six months ended 30 June 2023.

### OTHER RESERVES

Other reserves comprise translation reserves, share-based payment reserves, hedging reserves and post-employment benefits.

The translation reserves comprise all foreign currency exchange differences arising from the translation of the financial statements of foreign operations.

The share-based payment reserves arise from the Company's Share Award Schemes (Note 15).

The hedging reserves comprises the effective portion of the cumulative net change in the fair value of cash flow hedges to the extent that the hedged risk has not yet impacted profit or loss.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The changes in the other reserves are as follows:

	30 June 2023				30 June 2022
	Translation Reserves US\$'million	Share-based payment reserves US\$'million	Other US\$'million	Total US\$'million	Total US\$'million
<b>Balance as of 1 January</b>	<b>(1,026)</b>	<b>92</b>	<b>4</b>	<b>(930)</b>	<b>(160)</b>
<b>Other comprehensive (loss)/ income</b>					
Exchange differences on translation of foreign operations	(497)	–	–	(497)	(759)
Gain/(loss) on cash flow hedges	–	–	4	4	(26)
<b>Other comprehensive loss</b>	<b>(497)</b>	<b>–</b>	<b>4</b>	<b>(493)</b>	<b>(785)</b>
Treasury shares	–	–	14	14	–
Share-based payments	–	19	–	19	18
<b>Balance as of 30 June</b>	<b>(1,523)</b>	<b>111</b>	<b>22</b>	<b>(1,390)</b>	<b>(927)</b>

### 14. Interest-bearing loans and borrowings

	30 June 2023 US\$'million	31 December 2022 US\$'million
<b>Non-Current Liabilities</b>		
Lease liabilities	80	77
<b>Non-current interest-bearing loans and borrowings</b>	<b>80</b>	<b>77</b>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

	30 June 2023 US\$'million	31 December 2022 US\$'million
<b>Current Liabilities</b>		
Unsecured bank loans and other loans	180	100
Lease liabilities	46	47
	<b>226</b>	<b>147</b>

The current and non-current interest-bearing loans and borrowings amounted to 306 million US dollar as of 30 June 2023 and 224 million US dollar as of 31 December 2022.

The Group was in compliance with all its debt covenants as of 30 June 2023 and 31 December 2022.

During the six months ended 30 June 2023 and 2022, the Group received proceeds from borrowings amounting to 80 million US dollar and 29 million US dollar respectively and did not repay borrowings during the six months ended 30 June 2023 and 2022.

### 15. Share-based payments

Different share and share option programs allow the Group's eligible employees to receive or acquire shares of Bud APAC and AB InBev.

The Company has five Share Award Schemes namely:

- Discretionary Long-Term Incentive Stock Option Plan
- Discretionary Restricted Stock Units Plan
- Share-Based Compensation Plan
- People Bet Plan
- New RSUs Plan

Further details on these schemes are included in the 2022 annual report.

During the six months ended 30 June 2023, the Company issued 4.1 million of matching restricted stock units ("RSUs") in relation to bonuses granted to eligible employees under the Share-Based Compensation Plan, with an estimated fair value of 13 million US dollar which cliff vest after three years (30 June 2022: 12.5 million of matching RSUs with a fair value of 39 million US dollar). The Company did not grant RSUs under the People Bet Plan during the six months ended 30 June 2023 (30 June 2022: 0.5 million RSUs with fair value of 2 million US dollar). There were no grants under the remaining schemes for the period ended 30 June 2023 and 2022.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

RSUs entitle their holders to a dividend equivalent, which represents an amount roughly equivalent to the gross dividend paid by the Company on the shares underlying the RSUs. The dividend is granted in the form of additional RSUs with the same vesting conditions, including the same vesting date, and governed by the same terms and conditions as the underlying RSUs. During the six months ended 30 June 2023, the Company issued 0.9 million dividend equivalent RSUs (30 June 2022: 0.3 million dividend equivalent RSUs).

For all option plans, the fair value of share-based payment compensation is estimated at grant date, using a Binomial Hull model, modified to reflect the IFRS 2 Share-based Payment requirement that assumptions about forfeiture before the end of the vesting period cannot impact the fair value of the option. The Binomial Hull model includes certain subjective assumptions. Any change to the assumptions adopted may affect the estimation of the fair value of the option. All of the Group's share-based payment plans are equity-settled.

Share-based payment transactions resulted in a total expense of 30 million US dollar and 25 million US dollar for the six months ended 30 June 2023 and 2022 respectively.

The total number of outstanding options is as follows:

	30 June 2023	30 June 2022
<b>Number of options</b>		
<b>Options outstanding at 1 January</b>	<b>56,927,104</b>	<b>59,499,551</b>
Options forfeited during the period	(1,188,005)	(2,311,525)
<b>Options outstanding at 30 June</b>	<b>55,739,099</b>	<b>57,188,026</b>

The weighted average remaining contractual life of the outstanding options is 6.74 years (30 June 2022: 7.74 years).

The weighted average exercise price of the options is as follows:

	30 June 2023 HK\$	30 June 2022 HK\$
Options outstanding at 1 January	22.90	22.94
Options issued during the period	–	–
Options forfeited during the period	23.91	23.80
Options outstanding at 30 June	22.87	22.91
Exercisable at 30 June	23.20	–

Of the 55.7m outstanding options 6.7m options vested during the six months ended 30 June 2023.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The total number of outstanding RSUs developed as follows:

	30 June 2023	30 June 2022
<b>Number of RSUs</b>		
<b>RSUs outstanding at 1 January</b>	<b>67,632,158</b>	<b>43,295,997</b>
RSUs issued during the period	4,384,424	13,262,132
RSUs vested during the period	(4,575,462)	–
RSUs forfeited during the period	(1,590,295)	(2,618,008)
	<hr/>	<hr/>
<b>RSUs outstanding at 30 June</b>	<b>65,850,825</b>	<b>53,940,121</b>

### 16. Trade and other payables, payables with AB InBev, consigned packaging and contract liabilities

#### Non-current trade and other payables

	30 June 2023 US\$'million	31 December 2022 US\$'million
Contingent consideration on acquisitions	17	22
	<hr/>	<hr/>
<b>Non-current trade and other payables</b>	<b>17</b>	<b>22</b>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### Current trade and other payables

	30 June 2023 US\$'million	31 December 2022 US\$'million
Trade payables and accrued expenses	2,069	1,944
Payroll and social security payables	92	115
Indirect taxes payable	384	360
Contingent consideration on acquisitions	7	7
Other payables	210	203
<b>Current trade and other payables</b>	<b>2,762</b>	<b>2,629</b>

The contingent consideration mainly relates to the acquisition of 65% of Blue Girl Beer (Guangzhou) Company Limited in 2019, were 24 million US dollar and 29 million US dollar as at 30 June 2023 and 31 December 2022, respectively.

### Current payables with AB InBev

	30 June 2023 US\$'million	31 December 2022 US\$'million
<b>Payables with AB InBev</b>	<b>100</b>	<b>74</b>

The Group pays the outstanding balances to the creditors according to the credit terms. Trade payables and payables with AB InBev are on average due within 120 days from the invoice date. As of 30 June 2023 and 31 December 2022, trade payables and payables to AB InBev were 2,169 million US dollar and 2,018 million US dollar respectively. As of 30 June 2023 and 31 December 2022, the aging analysis of current trade payables and payables with AB InBev, based on due date, is as follows:

	30 June 2023 US\$'million	31 December 2022 US\$'million
<b>Not past due</b>	<b>2,073</b>	<b>1,917</b>
<b>Past due as of reporting date:</b>		
Less than 30 days	65	44
Between 30 and 89 days	5	23
More than 90 days	26	34
<b>Net carrying amount of trade payables and payables with AB InBev</b>	<b>2,169</b>	<b>2,018</b>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### Consigned packaging and contract liabilities

	30 June 2023 US\$'million	31 December 2022 US\$'million
Consigned packaging	399	347
Contract liabilities	724	1,058
<b>Consigned packaging and contract liabilities</b>	<b>1,123</b>	<b>1,405</b>

Consigned packaging represents deposits paid by the Group's customers for use of the Group's returnable packaging which are assets controlled by the Group.

The majority of the contract liabilities balance at the beginning of the period was recognized as revenue for the year ended 31 December 2022 or has been recognized as revenue during the six months ended 30 June 2023.

### 17. Collateral and contractual commitments

	30 June 2023 US\$'million	31 December 2022 US\$'million
Collateral given for own liabilities	118	123
Contractual commitments to purchase property, plant and equipment and intangible assets	181	42
	<b>299</b>	<b>165</b>

The collateral given for own liabilities of 118 million US dollar as at 30 June 2023 and 123 million US dollar as at 31 December 2022 includes South Korea's collateral on property in favor of the excise tax authorities. The Group has entered into commitments to purchase property, plant and equipment, intangible assets and lease contracts for an amount of 181 million US dollar as at 30 June 2023 and 42 million US dollar as at 31 December 2022.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 18. Related parties

### Transactions with other AB InBev entities

An overview of related party transactions with other AB InBev entities is as follows:

	30 June 2023 US\$'million	30 June 2022 US\$'million
Sales of finished goods to AB InBev	4	–
Purchases of finished goods from AB InBev	17	22
Service fees, procurement fees and royalties	87	77
Other transactions with AB InBev	8	4
Derivative hedge (loss)/gain from AB InBev	(14)	29

The majority of the transactions in the table above are continuing connected transactions, in respect of which the Company has complied with the disclosure requirements of Chapter 14A of the Listing Rules.

An overview of related party balances with other AB InBev entities is as follows:

	30 June 2023 US\$'million	31 December 2022 US\$'million
Trade receivables with AB InBev	15	13
Cash pooling deposits to AB InBev	39	67
Derivative financial assets	8	7
Payables with AB InBev	(100)	(74)
Derivative financial liabilities	(25)	(27)

### Transactions with associates

The Group did not have transactions with associates during the six months ended 30 June 2023 and 2022, except for the dividend of 11 million US dollar and 12 million US dollar from an associate to the Group during the six months ended 30 June 2023 and 2022 respectively.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 19. Subsequent events

There are no material subsequent events after the reporting period.

## 20. Earnings per share

The calculation of basic and diluted earnings per share are computed in the tables below.

	30 June 2023	30 June 2022
Profit attributable to equity holders of Bud APAC (Million US Dollar)	575	625
Weighted average number of ordinary shares in issue	13,218,684,620	13,222,389,042
<b>Basic earnings per share (cent USD)</b>	<b>4.35</b>	<b>4.73</b>

	30 June 2023	30 June 2022
Profit attributable to equity holders of Bud APAC (Million US Dollar)	575	625
Weighted average number of ordinary shares (diluted)	13,283,240,782	13,237,661,636
<b>Diluted earnings per share (cent USD)</b>	<b>4.33</b>	<b>4.72</b>

The calculation of normalized basic and diluted earnings per share are computed in the tables below.

	30 June 2023	30 June 2022
Normalized profit attributable to equity holders of Bud APAC (Million US Dollar)	579	575
Weighted average number of ordinary shares in issue	13,218,684,620	13,222,389,042
<b>Normalized basic earnings per share (cent USD)</b>	<b>4.38</b>	<b>4.35</b>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

	30 June 2023	30 June 2022
Normalized profit attributable to equity holders of Bud APAC (Million US Dollar)	579	575
Weighted average number of ordinary shares (diluted)	13,283,240,782	13,237,661,636
<b>Normalized diluted earnings per share (cent USD)</b>	<b>4.36</b>	<b>4.34</b>

The difference between the weighted average number of ordinary shares in issue and the diluted weighted average number of ordinary shares in issue is attributable solely to the effect of share options and restricted stock units.

The reconciliation of basic and diluted earnings per share to normalized basic and diluted earnings per share are shown in the tables below.

	30 June 2023	30 June 2022
<b>Basic earnings per share (cent USD)</b>	<b>4.35</b>	<b>4.73</b>
Non-underlying items, before tax	0.04	0.04
Non-underlying taxes	(0.01)	(0.42)
<b>Normalized basic earnings per share (cent USD)</b>	<b>4.38</b>	<b>4.35</b>

	30 June 2023	30 June 2022
<b>Diluted earnings per share (cent USD)</b>	<b>4.33</b>	<b>4.72</b>
Non-underlying items, before tax	0.04	0.04
Non-underlying taxes	(0.01)	(0.42)
<b>Normalized diluted earnings per share (cent USD)</b>	<b>4.36</b>	<b>4.34</b>

# CORPORATE INFORMATION

## **Budweiser Brewing Company APAC Limited**

Incorporated in the Cayman Islands with limited liability

## **BOARD OF DIRECTORS**

### **Executive Director**

Jan Craps *(Co-Chair of the Board)*

### **Non-executive Directors**

Michel Doukeris *(Co-Chair of the Board, John Blood and David Almeida as his alternates)*

Katherine Barrett *(John Blood and David Almeida as her alternates)*

Nelson Jamel *(John Blood and David Almeida as his alternates)*

### **Independent Non-executive Directors**

Martin Cubbon

Marjorie Mun Tak Yang

Katherine King-suen Tsang

### **Audit and Risk Committee**

Martin Cubbon *(Chair)*

Katherine King-suen Tsang

Nelson Jamel

### **Nomination Committee**

Michel Doukeris *(Chair)*

Marjorie Mun Tak Yang

Martin Cubbon

### **Remuneration Committee**

Marjorie Mun Tak Yang *(Chair)*

Katherine King-suen Tsang

Michel Doukeris

### **Authorized Representatives**

Bryan Warner

Ho Wing Tsz Wendy

### **Joint Company Secretaries**

Bryan Warner

Ho Wing Tsz Wendy (FCG, HKFCG(PE))

### **Registered Office**

Cricket Square, Hutchins Drive

P. O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

### **Principal Place of Business in Hong Kong**

Suites 3012-16

Tower Two, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

(until 12 September 2023)

Room 2701

27th Floor Hysan Place

500 Hennessy Road

Causeway Bay

Hong Kong

(as of 13 September 2023)

### **Cayman Islands Principal Share Registrar and Transfer Agent**

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

P. O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

### **Hong Kong Share Registrar**

Computershare Hong Kong Investor

Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

### **Auditor and Reporting Accountant**

PricewaterhouseCoopers

*Certified Public Accountants and Registered PIE Auditor*

### **Stock Code**

1876

### **Website**

[www.budweiserapac.com](http://www.budweiserapac.com)

# DEFINITIONS

“1H22”	the six months ended 30 June 2022
“1H23”	the six months ended 30 June 2023
“AB InBev”	Anheuser-Busch InBev SA/NV (Euronext: ABI; NYSE: BUD; MEXBOL: ANB; JSE: ANH), a company incorporated for an unlimited duration under the laws of Belgium and the controlling shareholder of the Company
“Ambev”	Ambev S.A., a Brazilian company listed on the New York Stock Exchange (NYSE: ABEV) and on the São Paulo Stock Exchange (BVMF: ABEV3), and successor of Companhia de Bebidas das Américas – Ambev and a non-wholly-owned subsidiary of AB InBev
“APAC East”	one of the Group’s two operating and reporting segments, comprising primarily South Korea, Japan and New Zealand
“APAC West”	one of the Group’s two operating segments, comprising China, India, Vietnam and exports elsewhere in Asia Pacific
“APAC Territories”	(1) Australia; (2) Bangladesh; (3) Bhutan; (4) Brunei Darussalam; (5) Burma (Myanmar); (6) Cambodia; (7) China (including Hong Kong, Macau and Taiwan); (8) Cook Islands; (9) Federated States of Micronesia; (10) Fiji; (11) India; (12) Indonesia; (13) Japan; (14) Kiribati; (15) Laos; (16) Malaysia; (17) Maldives; (18) Marshall Islands; (19) Mongolia; (20) Nauru; (21) Nepal; (22) New Caledonia; (23) New Zealand; (24) Niue; (25) Palau; (26) Papua New Guinea; (27) Philippines; (28) Republic of Korea (South Korea); (29) Samoa; (30) Singapore; (31) Solomon Islands; (32) Sri Lanka; (33) Thailand; (34) Timor Leste (35) Tonga; (36) Tuvalu; (37) Vanuatu; (38) Vietnam; and (39) Wallis and Futuna
“Articles” or “Articles of Association”	the articles of association of the Company (as amended from time to time), conditionally adopted on 9 September 2019 and which became effective upon Listing and was amended and restated on 6 May 2022
“Board” or “Board of Directors”	the board of directors of the Company
“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business

“COVID”	coronavirus disease
“Company” or “Bud APAC”	Budweiser Brewing Company APAC Limited, a company incorporated under the laws of the Cayman Islands with limited liability on 10 April 2019
“Corporate Governance Code”	Appendix 14 to the Listing Rules, as amended or supplemented from time to time
“Director(s)”	the director(s) of the Company
“EBIT”	earnings before interest and taxes
“EBITDA”	earnings before interest, taxes, depreciation and amortization
“EPS”	earnings per Share
“ESG”	environmental, social and governance
“EUR” or “EURO”	euros, the lawful currency of the European Union
“FY” or “financial year”	financial year ended or ending 31 December
“GDP”	gross domestic product
“Group,” “we,” “our” or “us”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollar”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	30 September 2019, being the date on which the Shares were first listed and from which dealings in the Shares were permitted to take place on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time

“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules, as amended or supplemented from time to time
“Non-executive Directors”	the non-executive directors of the Company
“normalized”	performance measures (EBITDA and EBIT) excluding non-recurring items
“Normalized effective tax rate”	effective tax rate adjusted for non-recurring items
“PRC” or “China”	the People’s Republic of China, but for the purposes of this interim report only, except where the context requires, references in this interim report to PRC or China exclude Hong Kong, Macau and Taiwan
“Prospectus”	the Company’s prospectus dated 18 September 2019
“RSUs”	restricted stock units, being contingent rights to receive from the Company Shares which are granted pursuant to the Share Award Schemes
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share Award Schemes”	(1) the Discretionary Restricted Stock Units Plan, the Share-Based Compensation Plan, the People Bet Plan and the Discretionary Long-Term Incentive Plan of the Company approved by the Board and by the Shareholders on 9 September 2019 and (2) the New Restricted Stock Units Plan approved by the Board on 25 November 2020, which were renewed and approved by the Shareholders on 8 May 2023, for the grant of, among others, RSUs and share options to eligible participants
“Shareholder(s)”	holder(s) of Shares
“Shares”	Ordinary shares in the share capital of the Company with a nominal value of USD0.00001 each
“South Korea”	the Republic of Korea
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“UK” the United Kingdom

“USD”, “US\$” or “US dollar” dollars, the lawful currency of the United States of America

In this interim report, unless the context otherwise requires, the terms “associate”, “close associate”, “connected person”, “core connected person”, “connected transaction”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules.

Certain amounts and percentage figures included in this interim report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

This glossary contains explanations of certain terms used in this interim report in connection with the Group and its business. The terminologies and their meanings may not correspond to standard industry meanings or usage of those terms.

“hl” Hectoliter



BUDWEISER BREWING COMPANY APAC LIMITED

百威亞太控股有限公司