

**Bevco Lux S.à r.l.**

**Société à responsabilité limitée**

**Financial Statements at December 31, 2016**

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## Audit report

To the Board of Managers of  
**Bevco Lux S.à r.l.**

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We have audited the accompanying financial statements of Bevco Lux S.à r.l., which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### *Board of Managers' responsibility for the financial statements*

The Board of Managers is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the "Réviseur d'entreprises agréé"*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Bevco Lux S.à r.l. as of 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

*Other matter*

The financial statements of the Company as at 31 December 2015 and 2014 have not been audited in accordance with International Standards of Auditing.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 12 July 2017

A handwritten signature in black ink, appearing to read 'Malik Lekehal'.

Malik Lekehal

**Bevco Lux S.à r.l.**  
**Statement of financial position**  
**As at December 31, 2016**  
**(in EUR)**

	Notes	December 31, 2016	December 31, 2015	January 1, 2015
		EUR	EUR	EUR
			<i>unaudited</i>	<i>unaudited</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Financial assets</b>				
Investment securities	5	7,481,715,468	12,432,874,242	9,736,698,638
<b>Total non-current assets</b>		<b>7,481,715,468</b>	<b>12,432,874,242</b>	<b>9,736,698,638</b>
<b>Current assets</b>				
Derivative financial instruments	6	-	21,267,015	-
Other current assets	11	396,385	-	-
Cash and cash equivalents	7	154,028,360	33,574,578	13,315,696
<b>Total current assets</b>		<b>154,424,745</b>	<b>54,841,593</b>	<b>13,315,696</b>
<b>Total assets</b>		<b>7,636,140,213</b>	<b>12,487,715,835</b>	<b>9,750,014,334</b>
<b>EQUITY</b>				
	8			
Share capital		76,706,354	8,680	8,680
Share premium		6,458,777,755	262,151,246	-
Special reserve account		1,137,480,851	-	-
Available-for-sale revaluation reserve		(910,159,659)	-	-
Currency translation adjustment		690,302,868	966,892,100	-
Retained earnings		(757,016,198)	9,753,254,526	8,690,248,678
<b>Total equity</b>		<b>6,696,091,971</b>	<b>10,982,306,552</b>	<b>8,690,257,358</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Loans and borrowings	9	890,138,045	1,505,409,283	1,059,756,976
Other current liabilities	10	49,910,197	-	-
<b>Total liabilities</b>		<b>940,048,242</b>	<b>1,505,409,283</b>	<b>1,059,756,976</b>
<b>Total equity and liabilities</b>		<b>7,636,140,213</b>	<b>12,487,715,835</b>	<b>9,750,014,334</b>

The explanatory to the Financial Statements notes on pages 10 to 41 are an integral part of these Financial Statements.

**Bevco Lux S.à r.l.**  
**Statement of profit or loss**  
**For the financial year ended December 31, 2016**  
**(in EUR)**

	Notes	2016	2015 <i>unaudited</i>
<b>Income</b>			
Interest income		2,863	12,152
Dividend income	5	344,348,785	233,560,831
Gains/losses on derivative financial instruments		7,565,319	4,260,890
Change in fair value of investment securities	5	(839,901,840)	1,546,809,151
Realised loss on investment securities disposal	5	(897,884,128)	-
Net result on foreign currency operations		5,284,176	29,304,336
<b>Total net (loss)/income</b>		<b>(1,380,584,825)</b>	<b>1,813,947,360</b>
<b>Expenses</b>			
Administrative expenses	12	(3,976,687)	(852,694)
<b>Operating (loss)/profit</b>		<b>(1,384,561,512)</b>	<b>1,813,094,666</b>
<b>Finance cost</b>	13	(38,843,990)	(31,982,571)
<b>(Loss)/profit before tax</b>		<b>(1,423,405,502)</b>	<b>1,781,112,095</b>
Withholding tax on dividend income	14	(2,633,891)	-
<b>(Loss)/profit for the year</b>		<b>(1,426,039,393)</b>	<b>1,781,112,095</b>

The explanatory to the Financial Statements notes on pages 10 to 41 are an integral part of these Financial Statements.

**Bevco Lux S.à r.l.**  
**Statement of comprehensive income**  
**For the financial year ended December 31, 2016**  
**(in EUR)**

	Notes	2016	2015 <i>unaudited</i>
(Loss)/profit for the year		<u>(1,426,039,393)</u>	<u>1,781,112,095</u>
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Available-for-sale financial assets - net change in fair value	5	(910,159,659)	-
Currency translation adjustment	8	<u>(276,589,232)</u>	<u>966,892,100</u>
Other comprehensive income for the year		<u>(1,186,748,891)</u>	<u>966,892,100</u>
Total comprehensive (loss)/income for the year		<u><u>(2,612,788,284)</u></u>	<u><u>2,748,004,195</u></u>

The explanatory to the Financial Statements notes on pages 10 to 41 are an integral part of these Financial Statements.

**Bevco Lux S.à r.l.**  
**Statement of changes in equity**  
**For the financial year ended December 31, 2016**  
**(in EUR)**

	Notes	Share capital	Share premium	Special reserve account	Available-for-sale revaluation reserve	Currency translation reserve	Retained earnings	Total equity
<b>Balance as at January 1, 2015 (unaudited)</b>		<b>8,680</b>	-	-	-	-	<b>8,690,248,678</b>	<b>8,690,257,358</b>
Result for the year		-	-	-	-	-	1,781,112,095	1,781,112,095
Capital contributions for the year		-	262,151,246	-	-	-	-	262,151,246
Distributions for the year		-	-	-	-	-	(718,106,247)	(718,106,247)
Other comprehensive income		-	-	-	-	966,892,100	-	966,892,100
<b>Balance as at December 31, 2015 (unaudited)</b>	<b>8</b>	<b>8,680</b>	<b>262,151,246</b>	-	-	<b>966,892,100</b>	<b>9,753,254,526</b>	<b>10,982,306,552</b>
Allocation to share premium upon company reorganisation	1	-	6,069,958,953	-	-	-	(6,069,958,953)	-
Capital contributions for the year		-	126,667,556	-	-	-	-	126,667,556
Capital distributions for the year		-	-	-	-	-	(3,014,259,513)	(3,014,259,513)
Conversion of promissory note to special equity reserves		-	-	1,214,165,660	-	-	-	1,214,165,660
Share capital increase		76,697,674	-	(76,684,809)	-	-	(12,865)	-
Result for the year		-	-	-	-	-	(1,426,039,393)	(1,426,039,393)
Other comprehensive income		-	-	-	(910,159,659)	(276,589,232)	-	(1,186,748,891)
<b>Balance as at December 31, 2016</b>	<b>8</b>	<b>76,706,354</b>	<b>6,458,777,755</b>	<b>1,137,480,851</b>	<b>(910,159,659)</b>	<b>690,302,868</b>	<b>(757,016,198)</b>	<b>6,696,091,971</b>

The explanatory to the Financial Statements notes on pages 10 to 41 are an integral part of these Financial Statements.



**Bevco Lux S.à r.l.**  
**Statement of cash flows**  
**For the financial year ended December 31, 2016**  
**(in EUR)**

	Notes	2016	2015 <i>unaudited</i>
<b>Cash flows from operating activities</b>			
(Loss)/profit before tax for the year		(1,423,405,502)	1,781,112,095
<i>Adjustments for:</i>			
Interest income		(2,863)	(12,152)
Dividend income	5	(344,348,785)	(233,560,831)
Change in fair value of derivative financial instruments		(7,565,319)	(4,260,890)
Finance cost	13	38,843,990	31,982,571
Change in fair value of investment securities	5	839,901,840	(1,546,809,151)
Realised loss on investment securities disposal	5	897,884,128	-
Other non-cash transactions		(186,048)	(182,601,545)
		<u>1,121,441</u>	<u>(154,149,903)</u>
<i>Changes in:</i>			
Derivative financial instruments		28,832,334	(17,006,125)
Other current assets	11	(396,385)	-
Other liabilities	10	49,910,197	-
		<u>79,467,587</u>	<u>(171,156,028)</u>
Cash generated from (used in) operating activities			
Withholding tax paid	14	(2,633,891)	-
		<u>76,833,696</u>	<u>(171,156,028)</u>
<b>Net cash generated from (used in) operating activities</b>			
<b>Cash flows from investing activities</b>			
Acquisitions of financial assets	5	(247,883,797)	-
Interest received		2,863	12,152
Dividend received	5	344,348,785	233,560,831
Proceeds from sale of financial assets	5	2,281,893,900	-
		<u>2,378,361,751</u>	<u>233,572,983</u>
<b>Net cash generated from investing activities</b>			
<b>Cash flows from financing activities</b>			
Capital contributions for the year	8	126,667,556	262,151,246
Distributions for the year	8	(3,014,259,513)	(718,106,247)
Proceeds from borrowings - credit institutions	9	1,248,826,343	1,093,372,500
Repayment of borrowings - credit institutions	9	(755,467,726)	(647,720,194)
Proceeds from borrowings - related parties	16	100,861,398	-
Interest and other non-investment expenses paid	13	(33,983,535)	(31,982,571)
		<u>(2,327,355,477)</u>	<u>(42,285,266)</u>
<b>Net cash used in financing activities</b>			
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the year	7	33,574,578	13,315,696
Effects of foreign currency translation differences		(7,386,188)	127,193
Cash and cash equivalents at the end of the year	7	<u>154,028,360</u>	<u>33,574,578</u>

The explanatory to the Financial Statements notes on pages 10 to 41 are an integral part of these Financial Statements.

**Bevco Lux S.à r.l.**  
**Notes to the financial statements**  
**For the financial year ended December 31, 2016**  
**(in EUR)**

**1. General information**

Bevco Lux S.à r.l. ("the Company" or "Bevco Lux"), was transferred from Bermuda to Luxembourg on October 14, 2016 and adopted the form of a Luxembourg "société à responsabilité limitée" for an unlimited period (RCS number B 209913).

On the same date, the articles of the Company were amended and fully restated to conform to Luxembourg laws. In the notarized migration deed dated October 14, 2016 the share capital of Bevco Lux has been redenominated into EUR (see Note 8).

Since then, the registered office and effective place of management is located in the City of Luxembourg and have been operating with standard processes including majority of Luxembourg resident managers, joint signatures, leased office space, holding periodic board meetings, preparation of commercial accounts and tax returns in Luxembourg, operating through Luxembourg bank accounts.

The financial statements are presented in Euro ("EUR"), which is the functional currency of the Company.

The registered office of the Company is located at 37A, Avenue J.F. Kennedy, L-1855 Luxembourg.

The purpose of the Company is the acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such participations. In particular, the Company may acquire by subscription, purchase, and exchange or in any other manner any securities, shares and other equity securities, bonds, debts, certificates of deposit and other debt instruments and more generally any securities or financial instruments issued by any public or private entity. It may participate in the creation, development, management and control of any company or enterprise. It may also invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any kind or origin whatsoever.

The Company may also use its funds to invest in real estate, as well as the reinstatement, management, development and disposal of its assets according to their composition over time. In the course of its business, the Company may borrow in any form whatsoever. It may issue notes, bonds and any other representative security of borrowings and / or claims. However, the Company may not publicly proceed to the raising of equity capital in any form whatsoever.

As at December 31, 2016, December 31, 2015 and January 1, 2015, the Company's current liabilities exceed its current assets resulting to a negative working capital. However, the Company is fully committed in meeting its current obligations by maintaining adequate cash flows by alternative means, such as sale of unrestricted investment securities and/or additional capital contribution from its sole shareholder.

The financial year of the Company begins on January 1 and ends on December 31.

***Company Milestone***

The former name of the entity was Bevco Ltd. acted in Bermuda (Company number 40536) and a subsidiary of Aguila Ltd. by 100%. The Company was a holder of 225,000,000 shares in SABMiller plc ("SABMiller").

On November 11, 2015, the Boards of AB InBev and SABMiller plc announced that they had reached an agreement on the terms of the proposed business combination between SABMiller and AB InBev (the "Combination"). The Combination was implemented through a series of steps and completed on October 10, 2016. During the final step of the proposed structure, Anheuser Busch InBev SA/NV, the holding of the AB InBev group, merged into Newbelco SA/NV ("Newbelco"), which was formed for the purpose of effecting the Combination, so that following completion of the Combination, Newbelco became the new holding company for the combined AB InBev and SABMiller group. Newbelco has been renamed Anheuser-Busch InBev SA/NV.

**Bevco Lux S.à r.l.**  
**Notes to the financial statements**  
**For the financial year ended December 31, 2016**  
**(in EUR)**

**1. General information (cont.)**

Under the terms of the Combination, each SABMiller shareholder was entitled to elect to receive GBP 45 (EUR 49.81) in cash in respect of each SABMiller share. The Combination also included a partial share alternative (the "Partial Share Alternative"), under which SABMiller shareholders could elect to receive GBP 4.6588 (EUR 5.1833) in cash and 0.483969 restricted shares in respect of each SABMiller share in lieu of the full cash consideration to which they would otherwise be entitled under the Combination.

The Partial Share Alternative was limited to a maximum of 326,000,000 restricted shares and GBP 3.1 billion (EUR 3.43 billion) in cash. At the time of the Combination, Bevco Ltd. held approximately 13.9% of the ordinary share capital of SABMiller had given irrevocable undertakings to AB InBev to elect for the Partial Share Alternative in respect of their entire beneficial holdings in SABMiller.

Under this scheme Bevco Ltd. received 96,862,718 restricted shares. Due to the threshold of the issue of restricted share (326 million) Bevco Ltd. received the GBP 45 (EUR 50.07) cash consideration for 24,857,598 shares which is equivalent to GBP 1,118,591,910 (EUR 1,244,509,489). Bevco Ltd. received furthermore GBP 932,423,422 (EUR 1,037,384,400) on the cash component of the Partial Share Alternative scheme. The aggregated amount of cash received was GBP 2,051,015,332 (EUR 2,281,893,889), which was entirely paid out as dividend to the sole shareholder prior to migration.

On October 10, 2016, AB InBev announced completion of the Belgian merger and the successful completion of the business combination with SABMiller.

The shares in the former AB InBev were delisted from Euronext Brussels, the Bolsa Mexicana de Valores and the Johannesburg Stock Exchange. The new ordinary shares were admitted to listing and trading on Euronext Brussels, the Johannesburg Stock Exchange and the Bolsa Mexicana de Valores at the opening of business in each market on October 11, 2016.

The restricted shares in AB InBev held by Bevco Lux are unlisted, not admitted to trading on any stock exchange, and are subject to, among other things, restrictions on transfer until converted into new ordinary shares. Subject to limited exceptions, the restricted shares will only be convertible at the election of the holder into new ordinary shares on a one-for-one basis with effect from the fifth anniversary of completion of the Combination. From completion of the Combination, such restricted shares rank equally with the new ordinary shares with respect to dividends and voting rights.

Due to the restriction of the received shares, Bevco Lux. has undertaken a restricted stock valuation exercise, resulting in an applied discount of 26.3% (EUR 2,561,500,675) as at December 31, 2016, as compared to the publicly-listed price of equivalent shares. As a result, Bevco Lux now holds shares in Anheuser-Busch InBev SA/NV ("AB InBev") in exchange for shares held in SABMiller (see Note 5).

*Post-Migration*

As a result of the re-domiciliation of Bevco Lux on October 14, 2016, Luxembourg entities ultimately controlled by Aguila Ltd. ("the Group") underwent reorganisation which resulted to incorporation of a new company. USD Bevco S.à r.l. ("USD Bevco") was incorporated under Luxembourg law on August 12, 2016 as a "société à responsabilité limitée". In addition, Aguila Ltd. contributed all its shares in Bevco Lux to SNI International Holdings S.à r.l. ("SNI") which is the parent company of USD Bevco in exchange for newly issued shares and preferred equity certificates (PECs). In turn, SNI contributed the shares in Bevco Lux to USD Bevco in exchange for newly issued shares.

At December 31, 2016 Bevco Lux has only loan facilities outstanding denominated in EUR or committed financing facilities that can be drawn down in EUR. It is the intention that Bevco Lux utilises EUR denominated financing to fund EUR denominated investment assets.

**Bevco Lux S.à r.l.**  
**Notes to the financial statements**  
**For the financial year ended December 31, 2016**  
**(in EUR)**

**1. General information (cont.)**

The Company is included in the consolidated accounts of USD Bevco which is the undertaking that prepares the consolidated accounts of the smallest body of undertakings of which the Company forms part as a subsidiary undertaking. The registered office of this Company is located at 37, avenue J.F. Kennedy, L-1855 Luxembourg and the consolidated accounts can be obtained at this registered office.

**2. Summary of significant accounting policies**

**2.1 Basis of preparation and adoption of IFRS**

The financial statements include statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows and explanatory notes.

The financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, issued and effective as at December 31, 2016.

For all periods up to and including the year ended December 31, 2015, the Company prepared its financial statements in accordance with its previous local generally accepted accounting principles ("GAAP") in Bermuda. These financial statements for the year ended December 31, 2016 are the first time for the Company adopting and preparing the financial statements in accordance with IFRS. See Note 2.2 for information on how the Company adopted IFRS.

The financial statements were approved for issuance by the Board of Managers of the Company on July 12, 2017.

The financial statements have been prepared on a historical cost basis, except for financial assets, including derivative financial instruments that have been measured at fair value.

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires the use of certain critical accounting estimates. The areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

**New and amended standards and interpretations issued, effective and adopted by the Company**

The Company has adopted all the new or amended standards in preparing these financial statements.

**New and amended standards and interpretations issued but not effective at the date of issuance of the Company's financial statements**

Relevant Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company intends to adopt those standards when they become effective.

**IFRS 9 Financial Instruments**

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments:

*Recognition and Measurement and all previous versions of IFRS 9.*

IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

**Bevco Lux S.à r.l.**  
**Notes to the financial statements**  
**For the financial year ended December 31, 2016**  
**(in EUR)**

**2. Summary of significant accounting policies (cont.)**

**2.1 Basis of preparation and adoption of IFRS (cont.)**

The Company is currently assessing the impact of IFRS 9 and plans to adopt the new standard on the required effective date.

**IFRS 15 Revenue from Contracts with Customers**

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

**2.2 First-time adoption of IFRS**

The Company has prepared financial statements which comply with IFRS as adopted by the EU applicable for periods ending on or after December 31, 2016, together with the comparative information as at and for the year ended December 31, 2015, as described in the accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at January 1, 2015, the Company's date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its local GAAP statement of financial position as at January 1, 2015 and its previously published local GAAP financial statements as at and for the year ended December 31, 2015.

**Bevco Lux S.à r.l.**  
**Notes to the financial statements**  
**For the financial year ended December 31, 2016**  
**(in EUR)**

**2. Summary of significant accounting policies (cont.)**

**2.2 First-time adoption of IFRS (cont.)**

Following adoption of IFRS for the first time for the year ended December 31, 2016, the Company presents a reconciliation of its equity attributable to its owners as at December 31, 2015 as follows:

December 31, 2015 <i>(unaudited)</i>		Effect of transition to		IFRS	
Local GAAP	Local GAAP	Reclassification	IFRS	IFRS	IFRS
	USD	USD	USD	USD	EUR IFRS
<b>ASSETS</b>					
<i>Non-current assets</i>					
Investments, at fair value	13,526,083,364	(13,526,083,364)	-	-	-
	-	13,502,985,873	-	13,502,985,873	12,432,874,242
Total non-current assets	13,526,083,364	(23,097,491)	-	13,502,985,873	12,432,874,242
<i>Current assets</i>					
Cash and cash equivalents	36,464,379	23,097,491	-	23,097,491	21,267,015
	-	-	-	36,464,379	33,574,578
Total current assets	36,464,379	23,097,491	-	59,561,870	54,841,593
<b>Total assets</b>	<b>13,562,547,743</b>	<b>-</b>	<b>-</b>	<b>13,562,547,743</b>	<b>12,487,715,835</b>
<b>NET ASSETS &amp; LIABILITIES</b>					
<i>Net assets</i>					
Net assets	11,927,566,179	(11,927,566,179)	-	-	-
	-	12,000	-	12,000	8,680
	-	297,688,200	-	297,688,200	262,151,246
	-	-	-	-	966,892,100
	-	11,629,865,979	-	11,629,865,979	9,753,254,526
Total net assets	11,927,566,179	-	-	11,927,566,179	10,982,306,552
<i>Liabilities</i>					
<i>Current liabilities</i>					
Short-term debt	1,634,981,564	-	-	1,634,981,564	1,505,409,283
Total liabilities	1,634,981,564	-	-	1,634,981,564	1,505,409,283
<b>Total net assets and liabilities</b>	<b>13,562,547,743</b>	<b>-</b>	<b>-</b>	<b>13,562,547,743</b>	<b>12,487,715,835</b>

**Bevco Lux S.à r.l.**  
**Notes to the financial statements**  
**For the financial year ended December 31, 2016**  
**(in EUR)**

**2. Summary of significant accounting policies (cont.)**

**2.2 First-time adoption of IFRS (cont.)**

The Company presents a reconciliation of profit or loss for the year ended December 31, 2015:

December 31, 2015 <i>(unaudited)</i>		Effect of transition to		IFRS	
Local GAAP	Local GAAP	Reclassification	IFRS	IFRS	IFRS
	USD	USD	USD	USD	EUR IFRS
<b>Gross income/(loss) from investments</b>					<b>Income</b>
Unrealized gains/(losses) on investments	2,421,408,204	(2,421,408,204)	-	-	-
Foreign currency gains/(losses), net	(666,786,811)	699,322,149	-	32,535,338	29,304,336
Dividends	259,312,500	-	-	259,312,500	233,560,831
Interest	13,493	-	-	13,493	12,152
	-	4,730,682	-	4,730,682	4,260,890
	-	1,717,355,373	-	1,717,355,373	1,546,809,151
<b>Total gross income/(loss) from investments</b>	<b>2,013,947,386</b>	<b>-</b>	<b>-</b>	<b>2,013,947,386</b>	<b>1,813,947,360</b>
					<b>Total net income</b>
<b>Expenses</b>					<b>Expenses</b>
Credit facilities	35,518,637	(35,518,637)	-	-	-
Travel	427,478	(427,478)	-	-	-
Legal	385,768,00	(385,768)	-	-	-
Custody and Bank	123,694	(123,694)	-	-	-
	-	946,710	-	946,710	852,694
<b>Total expenses</b>	<b>36,455,577</b>	<b>(35,508,867)</b>	<b>-</b>	<b>946,710</b>	<b>852,694</b>
					<b>Total operating expenses</b>
	-	35,508,867	-	35,508,867	31,982,571
					<b>Net finance cost</b>
<b>Net income/(loss) from operations</b>	<b>1,977,491,809</b>	<b>-</b>	<b>-</b>	<b>1,977,491,809</b>	<b>1,781,112,095</b>
					<b>Profit before tax</b>
	<b>1,977,491,809</b>	<b>-</b>	<b>-</b>	<b>1,977,491,809</b>	<b>1,781,112,095</b>
					<b>Profit for the year</b>

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**2. Summary of significant accounting policies (cont.)**

**2.2 First-time adoption of IFRS (cont.)**

**Reconciliation of equity as at January 1, 2015**

January 1, 2015 *(unaudited)*

	Local GAAP	Local GAAP	Reclassification	Effect of transition to		IFRS	IFRS	IFRS
		USD	USD	USD	EUR	USD	EUR	EUR
	<b>ASSETS</b>							<b>ASSETS</b>
	<i>Non-current assets</i>							<i>Non-current assets</i>
	Investments, at fair value	11,785,630,500	(11,785,630,500)		-	-	-	<i>Financial assets</i>
		-	11,785,630,500		-	11,785,630,500	9,736,698,638	Investment securities
	Total non-current assets	11,785,630,500	-		-	11,785,630,500	9,736,698,638	Total non-current assets
	<i>Current assets</i>							<i>Current assets</i>
	Cash and cash equivalents	16,117,770	-		-	16,117,770	13,315,696	Cash and cash equivalents
	Total current assets	16,117,770	-		-	16,117,770	13,315,696	Total current assets
	<b>Total assets</b>	<b>11,801,748,270</b>	<b>-</b>		<b>-</b>	<b>11,801,748,270</b>	<b>9,750,014,334</b>	<b>Total assets</b>
	<b>NET ASSETS &amp; LIABILITIES</b>							<b>EQUITY &amp; LIABILITIES</b>
	<i>Net assets</i>							<i>Equity</i>
	Net assets	10,518,982,469	(10,518,982,469)		-	-	-	Share capital
		-	12,000		-	12,000	8,680	Retained earnings
		-	10,518,970,469		-	10,518,970,469	8,690,248,678	Total equity
	Total net assets	10,518,982,469	-		-	10,518,982,469	8,690,257,358	
	<i>Liabilities</i>							<i>Liabilities</i>
	Short-term debt	1,282,765,801	-		-	1,282,765,801	1,059,756,976	<i>Current liabilities</i>
	Total liabilities	1,282,765,801	-		-	1,282,765,801	1,059,756,976	Loans and borrowings
	<b>Total net assets and liabilities</b>	<b>11,801,748,270</b>	<b>-</b>		<b>-</b>	<b>11,801,748,270</b>	<b>9,750,014,334</b>	<b>Total equity and liabilities</b>



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**2. Summary of significant accounting policies (cont.)**

**2.2 First-time adoption of IFRS (cont.)**

*Notes to reconciliation of equity, profit or loss and other comprehensive income*

Reclassifications in presentation were made in the statements of financial position, profit or loss and other comprehensive income from local GAAP to comply with IFRS as adopted by the EU. No statements of cash flow and other comprehensive income were presented as this was not a requirement in the Company's previous local GAAP and thus the Company prepared for the first time the statement of cash flow for the year ended December 31, 2016.

**2.3 Foreign currency translation**

These financial statements are presented in Euro ("EUR"), which is the functional and presentation currency of the Company as at December 31, 2016.

*Change of functional and presentation currency:*

Previously, Bevco Lux (formerly Bevco Ltd.) had transactions in multiple currencies, however since the relocation from Bermuda to Luxembourg and the acquisition of the AB InBev shares, most of the current transactions are denominated in Euro. The investment strategy currently adopted by the Company is to compound capital on a long-term basis with absolute returns over inflation, through investment in businesses that benefit from industry fundamentals of branded products on a global basis or in selected industries such as infrastructure or real estate. Such investments are intended to be denominated in EUR. The Company is intended to act as the wider European financing centre to fund investing activities. Moreover, Euro is the currency in which funds from financing activity are generated.

Considering above circumstances, the management decided to change its functional and presentation currency from US Dollars ("USD") to Euro ("EUR") on October 14, 2016. All items in the primary statements were translated into new functional currency using the rate determined on that date (EUR/USD 1.1139).

For the purpose of presenting comparative figures, the results and financial position of the Company (previously presented in USD) were translated into EUR using the following procedures:

- Assets and liabilities for each statement of financial position presented were translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement presenting profit or loss were translated at average exchange rate for the year; and
- All resulting exchange differences were recognised in other comprehensive income as currency translation adjustment in other comprehensive income.

*Translation of foreign currency transactions and balances:*

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the date of the transactions which might comprise:

- the average spot exchange rate for a given currency as at the date preceding the date of transaction – in case of settlements of receivables and payables and other transactions,
- the actual spot rate applied as at this date resulting from the type of transaction - in case of foreign currency purchases and sales.

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**2. Summary of significant accounting policies (cont.)**

**2.3 Foreign currency translation (cont.)**

At the end of the reporting year monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate determined at that date:

	Average rate - EUR		Year end spot rate - EUR		
	December 31 2016	December 31 2015	December 31 2016	December 31 2015	January 1 2015
USD 1	0.9037	0.9007	0.9487	0.9208	0.8262
GBP 1	1.2245	1.3766	1.1680	1.3578	1.2875

The foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of profit or loss.

**2.4 Financial assets**

**a) Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**b) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; or
- Available-for-sale financial assets ("AFS").

The Company's financial assets include mainly equity instruments that are initially recognised at fair value. These are classified as either financial assets at fair value through profit or loss or available-for-sale.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are financial assets held for trading or financial assets designated at fair value through profit or loss at inception.

Derivatives are categorised as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current. They are subsequently measured at fair value with gains or losses recognised in the profit or loss statement.

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**2. Summary of significant accounting policies (cont.)**

**2.4 Financial assets (cont.)**

***b) Subsequent measurement (cont.)***

Available-for-sale financial assets:

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Available-for-sale financial assets are subsequently measured at fair value with changes in fair value, other than impairment losses, recognised directly in other comprehensive income (in "available-for-sale revaluation reserve"). When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss statement.

***c) Derecognition***

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the assets have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

***d) Impairment***

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

Available-for-sale financial assets

The Company assesses at each reporting date whether there is objective evidence that an AFS financial asset is impaired. If any such evidence exists, impairment losses on AFS financial assets are recognised by reclassifying the losses accumulated in the AFS revaluation reserve to profit or loss. The amount reclassified is the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as AFS are not reversed through profit or loss.

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**2. Summary of significant accounting policies (cont.)**

**2.4 Financial assets (cont.)**

**d) Impairment (cont.)**

*Financial assets measured at amortised cost*

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the Statement of profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of profit or loss.

**2.5 Derivative financial instruments and hedging**

The Company uses derivative financial instruments, such as GBP Put/USD Call options and FX forward contracts to hedge its currency risk. Without qualifying for hedge accounting, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The fair value of such contracts is determined by reference to market values for similar instruments.

At the purchase of GBP Put/USD Call options and FX forward contract, the premium paid is accounted for as an asset and remeasured at fair value. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are recognised in the statement of profit or loss as unrealised gains or losses.

**2.6 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, cash at bank, short-term deposits with original maturities of three months or less and restricted cash.

Cash and cash equivalents are carried at nominal value in the statement of financial position.

**2.7 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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**2. Summary of significant accounting policies (cont.)**

**2.8 Taxation**

**a) Current tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the relevant taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the reporting date.

**b) Deferred tax**

Deferred tax is provided using the statement of financial position liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary and associates, where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused taxable tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiary and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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**2. Summary of significant accounting policies (cont.)**

**2.8 Taxation (cont.)**

***b) Deferred tax (cont.)***

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The exemption on the initial recognition of the deferred tax may need to be revised ("eroded") in the subsequent periods.

Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

**2.9 Dividend distribution**

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved until such time as they are distributed.

**2.10 Financial liabilities**

***a) Initial recognition and measurement***

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include loans and borrowings and other current liabilities.

***b) Subsequent measurement***

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (except for future losses related to loan granting) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

This category generally applies to loans and borrowings and other current liabilities. For more information, see Note 9 & 10, respectively.

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**2. Summary of significant accounting policies (cont.)**

**2.10 Financial liabilities (cont.)**

**c) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**2.11 Share capital**

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

**2.12 Interest income**

Interest income or expense is recognised using the effective interest method.

**2.13 Dividend income**

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

**2.14 Available-for-sale revaluation reserve**

The available-for-sale revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

No impairments were recognized during the years ended December 31, 2016 and 2015.

**3. Financial risk management**

**3.1 Financial risk factors**

The Company's overall risk management program focuses on minimizing the potential adverse effects of the financial risks on the performance of the Company. The financial risk is managed under policies covering specific areas such as currency risk, interest rate risk and liquidity risk, as well as covenants provided in financing agreements.

**a) Market risk**

*Foreign exchange risk*

Currency risk management is aimed at managing within acceptable limits both the volatility of cash flows arising from fluctuations in the exchange rate of the functional currency against other currencies, and the adverse effect of movements in exchange rates on the earnings.

Before October 2016, Company had borrowings in USD and EUR, derivatives in USD, the investment was in GBP and the functional currency was USD. Table below summarises the Company's monetary assets and liabilities which are denominated in a currencies other than the current functional currency.

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**3. Financial risk management (cont.)**

**3.1 Financial risk factors (cont.)**

**a) Market risk (cont.)**

*Foreign exchange risk (cont.)*

	December 31, 2016		December 31, 2015		January 1, 2015	
	USD	GBP	USD	GBP	USD	GBP
<b>Assets</b>						
Derivative financial instruments	-	-	21,267,015	-	-	-
Cash and cash equivalents	12,498	-	28,549,568	4,275,729	2,275,540	10,792,300
<b>Liabilities</b>						
Loans and borrowings	-	-	(1,360,309,266)	-	(782,309,726)	-
<b>Net currency exposure</b>	<b>12,498</b>	<b>-</b>	<b>(1,310,492,683)</b>	<b>4,275,729</b>	<b>(780,034,186)</b>	<b>10,792,300</b>

As at December 31, 2016, had the exchange rate between the USD to EUR increased or decreased by 10% compared to actual rate of 0.9487 as at December 31, 2016 (December 31, 2015: 0.9208; January 1, 2015: 0.8262) with all other variables held constant, the increase or decrease respectively in profit or loss/equity or currency translation reserve would amount to approximately EUR 1,250 (December 31, 2015: EUR 131,049,268; January 1, 2015: EUR 78,003,419). This would have been mainly as a result of foreign exchange gains/losses on translation of USD denominated transactions as shown above.

As at December 31, 2016, had the exchange rate between GBP to EUR increased or decreased by 8% compared to actual rate of 1.1680 as at December 31, 2016 (December 31, 2015: 1.3578; January 1, 2015: 1.2875) with all other variables held constant, the increase or decrease respectively in profit or loss/equity or currency translation reserve would amount to approximately nil (December 31, 2015: EUR 342,058; January 1, 2015: EUR 863,384).

Currency risk of the Company is regularly monitored by the Company. The following instruments may be used to minimize the currency risk relating to the Company's foreign exchange transactions:

- forward foreign exchange contracts (also Non Delivery Forwards);
- foreign currency swaps;
- foreign currency options with an approved currency option hedging plan.
- 

At December 31, 2016 Bevco Lux has investment securities and outstanding loan facilities denominated only in EUR which limits the Company's exposure to foreign currency risk.

*Price risk*

The Company's exposure to equity securities price risk arises from investment securities held by the Company and classified in the financial position as either available for sale (AB Inbev shares in 2016) or at fair value through profit and loss (SABMiller shares in 2015). The exposures are presented in the following table:

	Fair value December 31 2016 EUR	Fair value December 31 2015 EUR	Fair value January 1 2015 EUR
<b>Financial assets</b>	<b>7,481,715,468</b>	<b>12,432,874,242</b>	<b>9,736,698,638</b>



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**3. Financial risk management (cont.)**

**3.1 Financial risk factors (cont.)**

**a) Market risk (cont.)**

*Price risk (cont.)*

The sensitivity analysis shows effect of capital market events on the fair value of investment securities:

Year	Confidence level	Market price movements (EUR)	Number of shares	Impact on equity (EUR)	
				Increase (+)	Decrease (-)
December 31, 2016*	95%	37.99	99,882,806	3,794,547,800	(3,794,547,800)
	90%	29.47	99,882,806	2,943,546,293	(2,943,546,293)
December 31, 2015**	95%	17.68	225,000,000	3,978,000,000	(3,978,000,000)
	90%	13.71	225,000,000	3,084,750,000	(3,084,750,000)
January 1, 2015**	95%	17.99	225,000,000	4,047,750,000	(4,047,750,000)
	90%	13.95	225,000,000	3,138,750,000	(3,138,750,000)

\*Pertains to AB InBev shares

\*\*Pertains to SABMiller shares

As at December 31, 2016 the implied volatility of the shares for one year was 22.9% with the assumption that the return on the shares are normally distributed.

As at December 31, 2015 and January 1, 2015 the 90 days historical volatility of the SABMiller shares were 19.4% and 25.2%, respectively, with the assumption that the return on the shares are normally distributed.

*95% confidence level*

This means with a likelihood of 95%, the share price will not increase or decrease more than EUR 37.99 (December 31, 2015: EUR 17.68; January 1, 2015: EUR 17.99) in a one year period.

*90% confidence level*

This means with a likelihood of 90%, the share price will not increase or decrease more than EUR 29.47 (December 31, 2015: EUR 13.71; January 1, 2015: EUR 13.95) in a one year period.

*Interest rate risk*

The Company is subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates. Loans and borrowings have floating interest rates on top of the agreed margins of the drawn amounts. However, the Company has limited exposure to such risk since loans and borrowings are short-term in nature. Hence, changes in basis points with all other variables remain constant are not expected to have a material impact.

	December 31 2016 EUR	December 31 2015 EUR	January 1 2015 EUR
<b>Non-derivative financial liabilities</b>			
Loans and borrowings	890,138,045	1,505,409,283	1,059,756,976

The Company's financial assets are non-interest bearing.

**Bevco Lux S.à r.l.**  
**Notes to the financial statements**  
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**3. Financial risk management (cont.)**

**3.1 Financial risk factors (cont.)**

**a) Market risk (cont.)**

*Interest rate risk (cont.)*

The table below summarises the Company's exposure to interest rate risks:

Sensitivity parameter	Impact on the Statement of profit or loss		
	December 31	December 31	January 1
	2016	2015	2015
	EUR	EUR	EUR
+15 BP	1,335,207	2,258,114	1,589,635
-15 BP	(1,335,207)	(2,258,114)	(1,589,635)
+5 BP	445,069	752,705	529,878
-5 BP	(445,069)	(752,705)	(529,878)

The above reflects the last movements of the ECB rates and can be assumed to be the most likely maximum interest change within a one year period.

**b) Credit risk**

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to Bevco Lux in relation to lending, hedging, settlement and other financial activities. The company has a credit policy in place and the exposure to counterparty credit risk is monitored.

Bevco Lux mitigates its exposure to counterparty credit risk through minimum counterparty credit guidelines, diversification of counterparties and working within agreed counterparty limits.

Bevco Lux has established minimum counterparty credit ratings and enters into transactions only with financial institutions of investment grade. The company monitors counterparty credit exposures closely and reviews any downgrade in credit rating immediately.

Based on these factors, the Company considers the risk of counterparty default per December 31, 2016 to be limited.

*Credit quality of financial assets*

The Company's financial assets are placed with a number of quality financial institutions, thereby reducing the concentration of counterparty credit risk to an acceptable level. None of these were in default at the reporting date.

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**3. Financial risk management (cont.)**

**3.1 Financial risk factors (cont.)**

**b) Credit risk (cont.)**

*Credit quality of financial assets (cont.)*

The total assets bearing credit risk are the following:

	<b>December 31 2016 EUR</b>	<b>December 31 2015 EUR</b>	<b>January 1 2015 EUR</b>
Investment securities	7,481,715,468	12,432,874,242	9,736,698,638
Derivative financial instruments	-	21,267,015	-
Other current assets	396,385	-	-
Cash and cash equivalents	154,028,360	33,574,578	13,315,696
<b>Total</b>	<b>7,636,140,213</b>	<b>12,487,715,835</b>	<b>9,750,014,334</b>

The carrying amounts disclosed above represents the maximum exposure to credit risk.

These assets are analysed in the table below using Standard & Poor's rating:

	<b>December 31 2016 EUR</b>	<b>December 31 2015 EUR</b>	<b>January 1 2015 EUR</b>
A+	2,698,717	-	-
A	151,329,643	12,466,448,820	9,750,014,334
A-	7,481,715,468	-	-
Not rated	396,385	21,267,015	-
<b>Total</b>	<b>7,636,140,213</b>	<b>12,487,715,835</b>	<b>9,750,014,334</b>

Based on the latest available rating assigned by S&P & Fitch, which are international rating agency, shares of AB InBev are rated A- & BBB, respectively.

**c) Liquidity risk**

Liquidity risk management implies maintaining sufficient cash as well as availability of funding through an adequate amount of committed debt facilities with financial institutions. The Company ensures to maintain the level of its cash and cash equivalents in excess of expected cash outflows on financial liabilities through a cash management policy. In addition, the Company optimises the cash return on investments to monitor and meet cash flow requirements.

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**3. Financial risk management (cont.)**

**3.1 Financial risk factors (cont.)**

**c) Liquidity risk (cont.)**

The following are details of the contractual cash flows of non-derivative financial liabilities:

	Carrying amount	Contractual cash flows*			Total
		1 - 3 months	3 - 6 months	7 - 12 months	
<i>As at December 31, 2016 (in EUR)</i>					
Loans and borrowings	890,138,045	548,039,699	345,347,760	-	893,387,459
Other current liabilities	49,910,197	49,910,197	-	-	49,910,197
	<b>940,048,242</b>	<b>597,949,896</b>	<b>345,347,760</b>	-	<b>943,297,656</b>
Guarantee	-	515,449,045	-	-	515,449,045
Irrevocable commitment	-	296,113,632	-	-	296,113,632
<b>Total</b>	<b>940,048,242</b>	<b>1,409,512,573</b>	<b>345,347,760</b>	-	<b>1,754,860,333</b>

	Carrying amount	Contractual cash flows*			Total
		1 - 3 months	3 - 6 months	7 - 12 months	
<b>As at December 31, 2015 (in EUR)</b>					
Loans and borrowings	1,505,409,283	489,670,204	523,481,826	508,722,169	1,521,874,198
<b>Total</b>	<b>1,505,409,283</b>	<b>489,670,204</b>	<b>523,481,826</b>	<b>508,722,169</b>	<b>1,521,874,198</b>

		Contractual cash flows*			
	Carrying amount	1 - 3 months	3 - 6 months	7 - 12 months	Total
As at January 1, 2015 (in EUR)					
Loans and borrowings	1,059,756,976	207,619,967	-	864,572,890	1,072,192,857
<b>Total</b>	<b>1,059,756,976</b>	<b>207,619,967</b>	<b>-</b>	<b>864,572,890</b>	<b>1,072,192,857</b>

\*Above amounts are gross and undiscounted until maturity

The current loans and borrowings drawdowns are due within one year from the end of both the current and comparative year (see Note 9).

The Company maintains various lines of credit, denominated in USD and EUR, aggregated to an amount equivalent to USD 2,663,582,946 (EUR 2,526,878,803).

In 2016, the Company along its parent, USD Bevco S.à r.l., entered into "Amendment and restatement agreements" in respect of these credit facilities, enabling the Company access committed facilities with termination dates staggered from 2017 to 2021. The Company has pledged part of the shares in AB InBev as collateral (see Note 9 for details).

The facilities can be accessed to meet liquidity needs of both the Company and its parent in accordance with specific terms outlined the agreements. There are no restrictions on the use of the facilities.

The Company does not foresee exposure to liquidity risk in the short to medium term given the amount of the collateralised committed credit line in place.

In addition, the information below is considered to have an impact to the gross and undiscounted contractual cashflows above:

**Guarantee**

In order to secure an acquisition made by the sister entity, Park S.à r.l. ("Park"), the Company agreed to issue a stand-by letter of credit ("SBLC") through a financial institution in favour of the seller by which it engages to settle the second instalment of the purchase price for EUR 118,988,585 (December 31, 2015: nil; January 1, 2015: nil) on behalf of its sister entity in the case Park is not able to face its obligations. This SBLC bears interest at a rate of 1.40% plus implementation fees of EUR 120,000 for 2016 (December 31, 2015: nil; January 1, 2015: nil).

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**3. Financial risk management (cont.)**

**3.1 Financial risk factors (cont.)**

***c) Liquidity risk (cont.)***

*Guarantee (cont.)*

During the year, the Company and its shareholder signed a cross-guarantee with some credit institutions. The maximum exposure which the Company could potentially become liable amounted to EUR 396,460,460 as at December 31, 2016. Refer to Note 9 for more details.

*Irrevocable commitment*

In November 2016, the Company entered into an irrevocable commitment to purchase of up to 6 million additional shares in AB InBev (December 31, 2015: nil; January 1, 2015: nil). The transaction for the purchase of additional shares is expected to be completed on or before February 3, 2017. As at December 31, 2016, the Company holds 3,020,088 common shares for a cost of EUR 295,543,921 and with a fair value of EUR 303,669,848 (see Note 5).

**3.2 Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the sole shareholder and benefits for other stakeholders. The Company was not regulated for capital requirements purposes and the Company utilises debt provided by related parties and other financial institutions to fund its activities.

There were no covenant breaches as at December 31, 2016, December 31, 2015, January 1, 2015 and as at the date of approval of these financial statements.

**4. Critical accounting estimates and judgments**

Estimates and judgments are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

***a) Estimate of fair value of assets***

The best evidence of fair value is current prices in an active market for similar assets. In the absence of such information, the Company determines the amount within a range of reasonable fair value estimates. In making its judgement, the Company considers information from a variety of sources including:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Use of a model with inputs (other than quoted prices included in Level 1) that are directly or indirectly observable market data.
- Level 3 – Use of a model with inputs that are not based on observable market data.

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**4. Critical accounting estimates and judgments (cont.)**

**a) Estimate of fair value of assets (cont.)**

December 31, 2016 (in EUR)	Level 1	Level 2	Level 3	Total
<b>Available-for-sale:</b>				
- Equity securities*	303,669,848	-	7,178,045,620	7,481,715,468
<b>Total assets measured at fair value</b>	<b>303,669,848</b>	<b>-</b>	<b>7,178,045,620</b>	<b>7,481,715,468</b>

December 31, 2015 (in EUR)	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss:</b>				
- Equity securities**	12,432,874,242	-	-	12,432,874,242
- Derivatives	-	21,267,015	-	21,267,015
<b>Total assets measured at fair value</b>	<b>12,432,874,242</b>	<b>21,267,015</b>	<b>-</b>	<b>12,454,141,257</b>

January 1, 2015 (in EUR)	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss:</b>				
- Equity securities**	9,736,698,638	-	-	9,736,698,638
<b>Total assets measured at fair value</b>	<b>9,736,698,638</b>	<b>-</b>	<b>-</b>	<b>9,736,698,638</b>

\*Pertains to AB InBev shares

\*\*Pertains to SABMiller shares

Financial instruments	Level of fair value hierarchy	Valuation techniques and key inputs
<b>AB InBev common shares</b>	Level 1	Shares in AB InBev which are unrestricted are quoted in an active market (see Note 5).
<b>AB InBev restricted shares***</b>	Level 3	Restricted shares for a period of 5 years are valued under the Black-Scholes Option Pricing Model.
<b>SABMiller PLC</b>	Level 1	The SABMiller shares are quoted in an active market.
<b>Derivative financial instrument</b>	Level 2	Derivatives are valued by external party, using the discounted cash flow method.

\*\*\* The Company is not able to sell these investments until expiry of the restriction. In addition, the Company is exposed to the volatility of the share price over the holding period to which it took into consideration the risk caused by this illiquidity in determining the fair market value of the restricted shares. On acquisition, the Company took the fair value of AB InBev shares which is the trading price of unrestricted shares adjusted by the percentage due to lack of marketability.

Bevco Lux received from AB InBev irrevocable consent to pledge their holding of restricted shares and any rights thereto as security in respect of any bona fide loan, credit facility, note, surety bond, letter of credit or other arrangement.

This letter of consent allowed the Company to pledged AB InBev shares as collateral for committed facilities against both its drawdown loans and committed borrowing facilities (see Note 9).

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**4. Critical accounting estimates and judgments (cont.)**

***b) Principal assumptions for management's estimation of fair value***

The Company used assumptions that are mainly based on market conditions existing at the reporting date.

The Company engaged an independent consultancy firm to determine the fair market value of investment in shares of AB InBev. They prepared an analysis comparing results from different valuation models (e.g. Black-Scholes, Finnerty) and historical records or studies to arrive at the most reasonable fair value of the shares. Based on their valuation report, the discount for lack of marketability (DLOM) arrived at using the Black-Scholes Option Pricing Model is the most appropriate. The indicated value for each restricted shares of AB InBev was obtained by applying a DLOM of 26.4% (EUR 2,896,001,543 discount) to the trading price of an unrestricted share at acquisition date. The indicative value as at December 31, 2016 for the restricted shares was obtained by applying a revised DLOM of 26.3% (EUR 2,561,500,675 discount) on the trading price of the unrestricted shares at year-end.

For purposes of the valuation, in determining the fair value at December 31, 2016 the following assumptions were made: (i) the hypothetical buyer is prudent but without synergistic benefit; (ii) the business will continue as a going concern and not be liquidated; (iii) the hypothetical sale will be for cash; (iv) there is a readily available and willing buyer; (v) volatility of 22.1% was implied; (vi) a risk free rate of 0.05% was used; (vii) the time to expiration was based on the time remaining between the valuation date and the date of expiration of the restriction on the sale of the subject AB InBev shares; and (viii) the dividend yield of 3.58% was assumed. Had the DLOM increased or decreased by 1% pp. compared to the actual discount used (to 27.3% or 25.3% respectively), with all other variables held constant, the increase or decrease in profit or loss and equity would amount to EUR 97,395,463.

The carrying amount of other current assets approximates their fair value. No impairment was recognised during the year.

Management believes that the carrying amount of financial assets and financial liabilities not measured at fair value recognised in the financial statements approximated their fair values.

***c) Determination of functional currency***

Functional currency is the currency of the primary economic environment in which the Company operates. When indicators of the primary economic environment are mixed, management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

As a result of the re-domiciliation from Bermuda to Luxembourg, management has determined and decided to change the functional currency of the Company from USD to EUR with the intention to further grow the business in the European market which is the primary economic environment (see Note 2.3). Business transactions entered into by the Company are denominated in EUR.

***d) Deferred Tax***

Significant judgment is required in determining the total provision for deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain during the ordinary course of business.

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**4. Critical accounting estimates and judgments (cont.)**

**d) Deferred Tax (cont.)**

The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which the determination is made.

Deferred tax assets on tax losses are recognised in those circumstances where it has been deemed there is reasonable certainty that these amounts will be recovered in the foreseeable future against taxable profit. The estimate of these amounts has been made on the basis of the Company's tax plan.

**e) Financial instruments**

*Fair value of financial instruments*

If a quoted market price is available for an instrument, the fair value is calculated based on the market price. When valuation parameters are not observable in the market or cannot be derived from observable market prices, the fair value is derived through analysis of other observable market data appropriate for each product and pricing models which use a mathematical methodology based on accepted financial theories. Pricing models take into account the contractual terms of the securities as well as market-based valuation parameters, such as interest rates, volatility, exchange rates and credit rating of a counterparty. Where market-based valuation parameters are not available, management makes a judgment as to its best estimate of that parameter in order to determine a reasonable reflection of how the market would be expected to price the instrument. In exercising this judgment, a variety of tools is used, including similar observable data, historical data and extrapolation techniques.

The Company considers that the accounting estimates and assumptions related to valuation of financial instruments where quoted markets prices are not available is a key source of estimation uncertainty because: (a) they are highly susceptible to change from period to period because they require that management make assumptions about interest rates, volatility, exchange rates, the credit rating of the counterpart, valuation adjustments and specific feature of the transactions and (b) the impact that recognising a change in the valuations would have on the assets reported in the statement of financial position as well as its income/(expense) could be material. Had management used different assumptions regarding interest rates, volatility, exchange rates, credit rating of a counterparty, offer date and valuation adjustments, a larger or smaller change in the valuation of financial instruments where quoted market prices are not available would have resulted in a material impact on the Company's net profit and loss reported in the financial statements.

Note (4a) summarizes details on the valuation techniques applied and key assumptions used in determining the fair value of financial instruments.

**f) Estimation uncertainty**

Except for the fair values of derivative financial instruments and equity investments, there is no other key assumption concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



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**5. Investment securities**

Investment securities are summarised by measurement category in the table below:

	December 31, 2016 EUR	December 31, 2015 EUR	January 1, 2015 EUR
<b>Financial assets</b>			
Available-for-sale	7,481,715,468	-	-
Financial assets at fair value through profit or loss	-	12,432,874,242	9,736,698,638
	<u><b>7,481,715,468</b></u>	<u><b>12,432,874,242</b></u>	<u><b>9,736,698,638</b></u>

As at December 31, 2016 available-for-sale financial assets are represented by the 96,862,718 restricted shares and 3,020,088 common shares of AB InBev representing 4.94% of the share capital of this entity with a fair value of EUR 7,178,045,620 for the restricted shares (see Note 4b) and EUR 303,669,848 for the common shares. As at December 31, 2015 and 2014, Bevco Lux (formerly Bevco Ltd.) holds 225,000,000 shares (13.9%) of SABMiller with the fair value of EUR 12,432,874,242 and EUR 9,736,698,638, respectively.

*Investment securities transactions during the year:*

In October 2016, according to the Combination and Partial Share Alternative scheme, the Company, in exchange of 225,000,000 shares of SABMiller with the fair value of EUR 11,250,982,279, has received 96,862,718 AB InBev restricted shares with the fair value of EUR 8,073,701,271 and the cash consideration of GBP 2,051,015,345 (EUR 2,281,893,900). The Company recognised a loss on this transaction in the amount of EUR 897,884,128.

In addition to the shares acquired in AB InBev as agreed in the Partial Share Alternative, the Company entered during Q4 2016 into a share acquisition programme to acquire 6 million listed common shares in AB InBev. As at December 31, 2016, the Company holds 3,020,088 common shares for a cost of EUR 295,543,921 and with fair value of EUR 303,669,848.

*Changes in fair value of investment securities:*

Changes in fair value of SABMiller shares till the date of exchange in the amount of EUR (839,901,840) (December 31, 2015: 1,546,809,151) have been recorded in the profit or loss.

Changes in fair value of AB InBev shares have been recorded in other comprehensive income in available-for-sale revaluation reserve and amounted to EUR (910,159,659) as at December 31, 2016 (December 31, 2015: nil, January 1, 2015: nil).

*Dividends received during the year:*

Prior to migration, the Company received dividends from SABMiller which amounted to EUR 189,368,436 (2015: EUR 233,560,831) based on the total shares held by Bevco Ltd. prior to the business combination on October 13, 2016.

In November 2016, based on the total shares held as at November 17, 2016 the Company received a dividend from AB InBev of EUR 1.60 per share for a total gross amount of EUR 154,980,349 subject to a withholding tax of 1.6995%. The final net amount received is EUR 152,346,458.

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**6. Derivative financial assets**

On December 3, 2015, the Company acquired GBP Put/USD Call options with strike price 1.511, cost USD 18,366,809 (EUR 17,211,891) with a December 5, 2016 expiration date for the notional amount of GBP 300,000,000 (EUR 356,421,528). The fair value of this option is EUR 21,267,015 as at December 31, 2015.

**7. Cash and cash equivalents**

The cash and cash equivalents are composed of cash at bank and on hand in an amount of EUR 154,028,360 (2015: EUR 33,574,578, 2014: EUR 13,315,696).

The carrying value of cash and cash equivalents approximate their fair value.

**8. Equity**

**a) Share capital**

	No. of shares	EUR
<i>Ordinary shares issued and fully paid</i>		
Outstanding at January 1, 2016 (prior to migration)	12,000	8,680
Additional issuance pursuant to increase in share capital (12,000 shares)	12,000	12,865
Outstanding at the migration date of October 14, 2016	24,000	
Conversion of the outstanding 24,000 shares to 21,545 shares denominated in EUR	21,545	21,545
Conversion of other reserve to new shares on October 20, 2016	76,684,809	76,684,809
Outstanding at December 31, 2016	76,706,354	76,706,354

Before the migration, the initial share capital amounted to USD 12,000 represented by twelve thousand shares with a par value of USD 1 per share. After translation to euro, the initial share capital amounted to EUR 8,680. To comply with the laws of Luxembourg the Company issued additional 12,000 shares on October 14, 2016 (migration date). At the migration date, the outstanding shares of the Company amounted to 24,000 which were converted to 21,545 shares denominated in EUR with a par value of EUR 1 per share.

On October 20, 2016 the Company issued 76,684,809 new shares to the sole shareholder all having a nominal value of EUR 1 each, fully paid by way of conversion of part of the special reserve account in an amount of EUR 76,684,809.

**b) Share premium**

	2016 EUR	2015 EUR
As at January 1	262,151,246	-
Capital contributions for the year	126,667,556	262,151,246
Allocation to share premium upon company migration	6,069,958,953	-
As at December 31	6,458,777,755	262,151,246

As at October 14, 2016, migration date, the total retained earnings of the Company was capitalised and allocated to share premium account which amounted to EUR 6,069,958,953. Additional capital contributions were received by the Company during the year from its sole shareholder.

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**8. Equity (cont.)**

**c) Special reserve account**

	<b>2016</b>	<b>2015</b>
	<b>EUR</b>	<b>EUR</b>
<b>As at January 1</b>	-	-
Conversion of promissory note to special equity reserves	1,214,165,660	-
Share capital increase	(76,684,809)	-
<b>As at December 31</b>	<b>1,137,480,851</b>	<b>-</b>

On October 14, 2016 the shareholder of the Company resolved to make a contribution in kind consisting of a receivable held the shareholder in a form of promissory note in amount of EUR 1,214,165,660 to the special reserve account without issuance of new shares of the Company (refer to Note 9 for more information on the promissory notes).

On October 20, 2016 the Company issued 76,684,809 new shares to the sole shareholder all having a nominal value of EUR 1 each, fully paid by way of conversion of part of the special reserve account in the amount of EUR 76,684,809.

**d) Currency translation reserve**

	<b>2016</b>	<b>2015</b>
	<b>EUR</b>	<b>EUR</b>
<b>As at January 1</b>	966,892,100	-
Currency translation adjustment in Other Comprehensive Income	(276,589,232)	966,892,100
<b>As at December 31</b>	<b>690,302,868</b>	<b>966,892,100</b>

Currency translation adjustment pertains to foreign currency exchange differences of translating USD balances (which was the previous functional and presentation currency of the Company) including comparative information to EUR, see Note 2.3 for further information. Any exchange differences arising in the process are recognised in other comprehensive income. Currency translation adjustment from January 1, 2016 up to the date of the Company's change in functional currency ("migration date") amounted to (EUR 276,589,232) (December 31, 2015: EUR 966,892,100).

**e) Retained earnings**

	<b>2016</b>	<b>2015</b>
	<b>EUR</b>	<b>EUR</b>
<b>As at January 1</b>	9,753,254,526	8,690,248,678
Distributions for the year	(3,014,259,513)	(718,106,247)
Profit for the year	(1,426,039,393)	1,781,112,095
Allocation to share premium upon company reorganisation	(6,069,958,953)	-
Allocation to share capital due to issuance of new shares	(12,865)	-
<b>As at December 31</b>	<b>(757,016,198)</b>	<b>9,753,254,526</b>

Interim dividends declared and distributed during the year amounted to EUR 3,014,259,513 (2015: EUR 718,106,247).

At migration date, the total retained earnings of the Company were capitalised and allocated to share premium account which amounted to EUR 6,069,958,953. In addition, EUR 12,865 were allocated to increase share capital in form of newly issued shares to comply with the laws of Luxembourg.

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**9. Loans and borrowings**

As at December 31, 2016, 2015 and January 1, 2015 the terms and conditions on loans and borrowings draw down are shown in the table below:

December 31, 2016

	Currency	Interest rate	Maturity date	Principal Amount	Carrying amount
				EUR	EUR
<b><u>Third parties</u></b>					
Financial Institution 1	EUR	EURIBOR + margin	24/02/2017	145,463,638	146,233,575
Financial Institution 2	EUR	EURIBOR + margin	02/02/2017	-	203,123
Financial Institution 3	EUR	EURIBOR + margin	02/03/2017	300,000,000	300,298,700
Financial Institution 4	EUR	EURIBOR + margin	18/05/2017	300,000,000	302,837,500
Financial Institution 5	EUR	EURIBOR + margin	18/05/2017	40,000,000	40,554,889
				<b>785,463,638</b>	<b>790,127,787</b>
<b><u>Related Party Transactions</u></b>					
Aguila Ltd.	EUR	EURIBOR + margin	23/03/2017	100,000,000	100,010,258
				<b>100,000,000</b>	<b>100,010,258</b>
<b><u>Total Loans and borrowings</u></b>				<b>885,463,638</b>	<b>890,138,045</b>

Prior to migration, Bevco Ltd. had five (5) UK law governed credit facilities in both USD and EUR currency. Subsequent to migration those credit facilities have been converted into single and multi-currency committed revolving loan facilities allowing Bevco Lux and USD Bevco to drawdown on the same credit facilities. The multi-currency facilities are cross guaranteed which means that Bevco Lux and USD Bevco provide reciprocal guarantees for each other's liabilities, fulfilment of promises or obligations. Therefore a creditor of any one Bevco Lux or USD Bevco becomes the creditor of the other. Therefore Bevco Lux acts as a guarantor for USD Bevco as it holds the AB InBev shares which are pledged as guarantee for the loans. The maximum exposure which the Company could potentially become liable amounted to USD 417,908,971 (EUR 396,460,460) as at December 31, 2016.

On October 14, 2016, Bevco Lux, upon receiving approval from lenders, transferred all USD denominated bank loans of net book value EUR 1,214,165,660 to USD Bevco. Further agreed between both parties that the sole shareholder will hold an interest free receivable from the Company as a consideration for the assumed USD debt.

As evidence of the transaction, the parties involved signed a promissory note whereas, USD Bevco holds a receivable from Bevco Lux amounting to EUR 1,214,165,660. Thereafter, the sole shareholder opted to make a contribution in kind for the same amount it holds as a receivable from the Company which is the consideration recognised for the assumed USD debt. The promissory note was immediately cancelled and fully contributed to the special reserve account.

The bank borrowings included in above table are carried at amortised cost, their fair value approximates to their carrying values as at December 31, 2016, December 31, 2015 and January 1, 2015.

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**9. Loans and borrowings (cont.)**

December 31, 2015

	Currency	Interest rate	Maturity date	Principal Amount	Carrying amount
				EUR	EUR
<b>Third parties</b>					
Financial Institution 1	USD	LIBOR + margin	23/12/2016	130,746,500	130,867,635
Financial Institution 2	USD	LIBOR + margin	15/12/2016	46,037,500	46,037,500
Financial Institution 3	EUR	EURIBOR + margin	17/06/2016	145,000,000	145,100,010
Financial Institution 4	USD	LIBOR + margin	07/03/2016	299,243,750	300,006,063
Financial Institution 5	EUR	EURIBOR + margin	09/05/2016	69,056,250	69,056,250
Financial Institution 6	USD	LIBOR + margin	18/12/2016	92,075,000	92,075,000
Financial Institution 7	USD	LIBOR + margin	09/07/2016	230,187,500	230,187,500
Financial Institution 8	USD	LIBOR + margin	02/02/2016	138,112,500	138,112,500
Financial Institution 9	USD	LIBOR + margin	02/02/2016	46,037,500	49,958,952
Financial Institution 10	EUR	EURIBOR + margin	23/06/2016	276,225,000	276,225,000
Financial Institution 11	EUR	EURIBOR + margin	23/06/2016	27,622,500	27,782,873
				<b>1,500,344,000</b>	<b>1,505,409,283</b>
<b>Total Loans and borrowings</b>				<b>1,500,344,000</b>	<b>1,505,409,283</b>

January 1, 2015

	Currency	Interest rate	Maturity date	Principal Amount	Carrying amount
				EUR	EUR
<b>Third parties</b>					
Financial Institution 1	USD	LIBOR + margin	23/12/2015	158,620,800	158,690,516
Financial Institution 2	USD	LIBOR + margin	12/03/2015	206,537,500	206,609,664
Financial Institution 3	USD	LIBOR + margin	11/07/2015	206,537,500	206,537,500
Financial Institution 4	USD	LIBOR + margin	07/08/2015	206,537,500	210,472,046
Financial Institution 5	EUR	EURIBOR + margin	28/07/2015	250,000,000	252,447,250
Financial Institution 6	EUR	EURIBOR + margin	28/07/2015	25,000,000	25,000,000
				<b>1,053,233,300</b>	<b>1,059,756,976</b>
<b>Total Loans and borrowings</b>				<b>1,053,233,300</b>	<b>1,059,756,976</b>

Bank Loan facilities are secured by the pledge of shares presented in the table below:

December 31, 2016*		December 31, 2015**		January 1, 2015**	
Number	Fair value***	Number	Fair value	Number	Fair value
42,420,219	3,143,565,176	83,288,000	4,602,245,016	110,688,000	4,789,912,512

\*Shares pledged pertain to shares held in AB InBev

\*\*Shares pledged pertain to shares held in SABMiller

\*\*\*Fair value includes a discount for lack of marketability (DLOM) in respect of shares in AB InBev. In the event a lender commences an enforcement action the restriction on the share will not apply.

**10. Other current liabilities**

This account pertains to outstanding debt as at December 31, 2016 payable to various suppliers which amounted to EUR 1,334,173 (December 31, 2015: nil, January 1, 2015: nil). In addition, purchased of shares were accrued amounting to EUR 47,660,124 which were subsequently paid in January 2017.

The audit fee payables amounted to EUR 54,500 as at 31 December 2016 (December 31, 2015: nil, January 1, 2015: nil). Finally, the amount of EUR 861,400 corresponds to payable to the parent company, following cash transfer to fund commitment and structure fees related to USD Bevco.

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**11. Other current assets**

As at 31 December 2016 other current assets are composed of advances to Park SARL which amounted to EUR 396,385 (31 December 2015: nil, January 1, 2015: nil) relating to commitment and structuring fees on the Stand by Letter of Credit (SBLC), see Note 15 for further information.

**12. Administrative expenses**

Administrative expenses for the year ended 31 December 2016 and 31 December 2015 are presented in the table below:

	<b>2016</b>	<b>2015</b>
	<b>EUR</b>	<b>EUR</b>
Legal and other professional fees	3,682,658	347,458
Travel expenses	105,858	385,027
Custody and bank	133,671	120,209
Audit fee	54,500	-
	<b>3,976,687</b>	<b>852,694</b>

The significant increase in legal and other professional fees is due to the cost incurred in relation to migration of the Company from Bermuda to Luxembourg which occurred on October 14, 2016 (see Note 1).

**13. Finance costs**

Finance costs can be detailed as follows:

	<b>2016</b>	<b>2015</b>
	<b>EUR</b>	<b>EUR</b>
Interest expense	(30,424,392)	(28,296,671)
Other expenses - non investment	(8,419,598)	(3,685,900)
	<b>(38,843,990)</b>	<b>(31,982,571)</b>

**14. Withholding tax on dividend income**

The Company incurs withholding tax imposed by the country where AB InBev is principally located and registered. Dividend income is recorded at gross of withholding tax with withholding tax being shown as a separate item in the statement of profit or loss.

Withholding tax on dividend amounted to EUR 2,633,891 for the year 2016 (2015: EUR nil).

The Company is subject to Luxembourg taxation as from the migration date of October 14, 2016.

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**15. Commitments**

*Pledge*

Some AB InBev shares are pledged in favour of the international financial institutions (see Note 9). Basically, the condition of the pledges in place is that the Company must request approval from lenders prior to selling any of the pledged shares. The Company may request a release of pledged securities to the lender with a Margin Return Notice, an instruction to the custodian to be counter-signed by the lender in relation to the transfer of those pledged securities, or any release documentation in respect of the relevant security documents to be counter-signed by the lender in relation to the release of such pledged securities.

The facility agreements with lenders are cross-guaranteed by Bevco Lux and USD Bevco. Furthermore under these facilities Bevco Lux acts as a guarantor for USD Bevco as its hold the AB InBev shares which are pledged as guarantee on the loans. Refer to Note 9 for more information.

*Guarantee*

In order to secure an acquisition made by the sister entity, Park S.à r.l., and more precisely the second payment of EUR 118,988,585 due in April 2019, the Company agreed to issue a stand-by letter of credit ("SBLC") from a financial institution in favour of the seller by which it engages to settle the second instalment of the purchase price for EUR 118,988,585 on behalf of its sister entity in the case Park is not able to face its obligations. This SBLC bears interest at 1.40% plus implementation fees of EUR 120,000 charged to the Company.

There is also a guarantee provided by Aguila Ltd. in connection with the SBLC by which Aguila Ltd. guarantees the obligations, if any, of Park in favour of the Company in case of the Company should assume the obligations of Park in favour of the seller.

Finally, the Company recharges the EUR 120,000 and 1.40% to Park by virtue of an agreement including the calculation schedule noting that the interest rate was amended to 1.44% so that the 120,000 are recharged over the 30 months period (i.e.: from purchase date to second instalment due date). A Transfer Pricing margin will also be added to the 1.44% afterwards.

The amendment to the facility agreement with a financial institution signed on February 16, 2017, also involved USD Bevco as guarantor of the Company.

*Irrevocable commitment*

In November 2016, the Company entered into an irrevocable commitment to purchase of up to 6 million additional shares in AB InBev (December 31, 2015: nil; January 1, 2015: nil). The transaction for the purchase of additional shares is expected to be completed on or before February 3, 2017. As at December 31, 2016, the Company holds 3,020,088 common shares for a cost of EUR 295,543,921 and with a fair value of EUR 303,669,848 (see Note 5).

**16. Related party transactions**

Major transactions and balances with related parties are summarised below:

**a) Transactions with USD Bevco (a direct parent)**

On October 14, 2016, Bevco Lux transferred all USD denominated bank loans of net book value EUR 1,214,165,660 to USD Bevco. Further agreed between both parties that the sole shareholder will hold an interest free receivable from the Company as a consideration for the assumed USD debt. As evidence of the transaction, the parties involved signed a promissory note whereas, USD Bevco S.à r.l. holds a receivable from Bevco Lux amounting to EUR 1,214,165,660.

Thereafter, the sole shareholder opted to make a contribution in kind for the same amount it holds as a receivable from the Company which is the consideration recognised for the assumed USD debt.

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**16. Related party transactions (cont.)**

***a) Transactions with USD Bevco (a direct parent) (cont.)***

The promissory note was immediately cancelled and fully contributed to the share premium account, see Note 9 for further information.

At December 31, 2016 the sole shareholder, USD Bevco, has advanced an amount of EUR 861,398 (December 31, 2015: nil, January 1, 2015: nil), unsecured, interest-free and with no fixed date of repayment.

Dividends were declared and distributed to USD Bevco during the year amounting to EUR 152,346,458 (2015: n/a, 2014: n/a), see Note 8 for details.

***b) Transaction with Aguila Ltd. (ultimate parent)***

At December 31, 2016, the Aguila Ltd., has granted to the Company loans amounting to EUR 300,000,000 out of which EUR 100,000,000 is drawn the following terms and conditions: interest rate of Euribor +1.55% p.a. unsecured and repayable on or before March 23, 2017.

During the year, Bevco Ltd. opted for the partial share alternative (PSA) offer made by AB InBev. As part of this agreement Bevco Ltd. received cash proceeds for its SABMiller shares in exchange to AB InBev shares. The proceeds received amounted to GBP 2,051,015,345 (equivalent USD 2,548,890,090 or EUR 2,281,893,900). At the same time Bevco Ltd. entered into a forward agreement with a financial institution, whereby the Company would deliver pounds and the financial institution would deliver directly USD to the former parent Aguila Ltd. The settlement of the forward represents a distribution amounting EUR 2,281,893,900 (equivalent USD 2,548,890,090) which was done in the functional currency of Bevco Ltd.

Aguila Ltd. is the ultimate parent of the Company with registered office located in Clarendon House 2, Church Street, Hamilton, Bermuda.

***c) Transaction with Park S.à r.l. (a related party)***

An agreement relating to a Stand by Letter of Credit (SBLC) was entered into by the Company with Park S.à r.l. in 2016. Under this agreement, Park S.à r.l. shall repay fees on the SBLC at a rate of 1.44% p.a. Fees recharged by Bevco Lux to Park S.à r.l. in the year amounted to EUR 276,385.36.

No compensation has been paid or is payable to key management personnel in 2016 and 2015.

The average number of employees employed by the Company amounted to nil.

**17. Subsequent events**

***a) Investing activity***

From January 3 to January 31, 2017, the Company had purchased 2,979,912 shares of AB InBev amounting to EUR 296,113,632.

As at May 4, 2017, the Company received a dividend from AB InBev of EUR 2.00 per share for a total gross amount of EUR 205,725,436 subject to a withholding tax of 1.6995%. The final net amount received is EUR 202,229,132.



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**17. Subsequent events (cont.)**

***b) Borrowings***

As at January 12, 2017, there was a second drawdown on the Aguila Loan for EUR 120,000,000. The loan has been fully repaid on January 25, 2017 for an amount of EUR 220,145,322 (EUR 220,000,000 principal and EUR 145,322 interests).

As at February 24, 2017, a financial institution facility has been repaid for EUR 145,463,638 plus EUR 1,078,855 interest and EUR 68,196 commitment fees. The Company Amended the facility terms by way of an eighteen month extension of the maturity and a new drawdown of EUR 145,000,000.

As at March 2, 2017, the Company refinanced a financial institution loan facility of EUR 300,000,000 with a new one, having the same terms and maturity three months later. The loan facility replacing the one valid as at December 31, 2016, was also refinanced with a new one as at June 2, 2017, with the same terms and maturity three months later (September 2, 2017).

As at April 28, 2017, the company drew down EUR 55,000,000 from the financial institution facility and used these proceeds to lend EUR 50,000,000 to its sister company SNI Luxembourg S.à r.l. to finance its investments in Inmobiliaria Colonial for a similar amount.

On May 5, 2017, in order to develop its activities, the Company (the "lender") entered into a loan agreement for an undetermined period with Aguila Ltd. (the "borrower") amounting to EUR 175,000,000. In accordance to Luxembourg law, the agreement can be terminated by either party at any time subject to giving a customary notice to the other party. Proceeds from the loan will be used to fund general operating expenses and working capital needs of the borrower. On June 20, 2017, the lender further granted to the borrower a revolving loan in the aggregate principal amount of up to EUR 500,000,000 which shall be available for the duration of the loan agreement.

As at May 18, 2017, the Company rolled over available facilities with financial institutions as at December 31, 2016 (facility A of EUR 300,000,000 and facility B of EUR 40,000,000), with new ones having the same terms and maturity June 30, 2017. As at May 18, 2017, interest of EUR 4,562,500 has been paid for facility A and EUR 892,929 for facility B. On June 30, 2017, EUR 17,669,369 was paid on the principal amount of facility B. Furthermore both facilities were then rolled over, having new maturity on September 30, 2017 (facility A EUR 300,000,000 and facility B EUR 22,330,63).

On June 20, 2017, the interest rate on the EUR 300,000,000 loan from Aguila Ltd. was amended to EURIBOR + 0.51% p.a. instead of EURIBOR +1.55% p.a. (see Note 16b).

***c) Contributions***

As at February 6, 2017 it was resolved to approve a contribution in cash by USD Bevco, the sole shareholder, of EUR 298,007,078, made as at January 25, 2017 to be transferred to the special reserve account without issuance of new shares.

As at April 10, 2017 it was resolved to approve a contribution in cash by USD Bevco, the sole shareholder, of EUR 987,770, made as at February 28, 2017 to be transferred to the special reserve account of the Company without issuance of new shares.

Other than the above, there are no material events after the statement of financial position that has a bearing on the understanding of these financial statements.