Bevco Lux S.à r.l.

Société à responsabilité limitée

Interim financial statements for the nine months ended September 30, 2017

Bevco Lux S.à r.l.
37 A, Avenue J.F. Kennedy,
L-1855 Luxembourg
RCS B209913

TABLE OF CONTENTS

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Report on Review of Interim Financial Statements

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

We have reviewed the accompanying interim financial statements of Bevco Lux S.à r.l. (the "Company"), which comprise the statement of financial position as at 30 September 2017, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Board of Managers' responsibility for the interim financial statements

The Board of Managers is responsible for the preparation and fair presentation of these interim financial statements in accordance with International Accounting Standard 34 'Interim financial reporting' as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of interim 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 a conclusion on these interim financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410) as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. The "Réviseur d'entreprises agréé" performs procedures, primarily consisting of making inquiries of management and others within the Company, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the financial position of Bevco Lux S.à r.l. as of 30 September 2017, and of its financial performance and its cash flows for the nine-month period then ended in accordance with International Accounting Standard 34 'Interim financial reporting' as adopted by the European Union.

Other matter

The comparative information for the statement of financial position is based on the audited financial statements as at 31 December 2016. The comparative information for the statements of profit or loss, comprehensive income, changes in equity and cash flows, and related explanatory notes, for the periods ended 30 September 2016 has not been audited or reviewed.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 16 January 2018

Malik Lekehal

Bevco Lux S.à r.l.
Statement of financial position
(in EUR)

	Notes	September 30, 2017 *unaudited* EUR	December 31, 2016 EUR
ASSETS			
Non-current assets			
Financial assets			
Investment securities	5	8,437,930,280	7,481,715,468
Total non-current assets		**8,437,930,280**	**7,481,715,468**
Current assets			
Loans granted	6	226,265,159	-
Other current assets	7	1,980,180	396,385
Cash and cash equivalents	8	2,357,470	154,028,360
Total current assets		**230,602,809**	**154,424,745**
TOTAL ASSETS		**8,668,533,089**	**7,636,140,213**
EQUITY	9		
Share capital	9a	76,706,354	76,706,354
Share premium	9b	6,446,428,384	6,458,777,755
Special reserve account	9c	1,436,475,699	1,137,480,851
Available-for-sale revaluation reserve	5	(250,058,479)	(910,159,659)
Currency translation adjustment	9d	690,302,868	690,302,868
Retained earnings	9e	(552,503,750)	(757,016,198)
Total equity		**7,847,351,076**	**6,696,091,971**
LIABILITIES			
Current liabilities			
Loans and borrowings	10	819,749,869	890,138,045
Other current liabilities	11	1,432,144	49,910,197
Total current liabilities		**821,182,013**	**940,048,242**
Total liabilities		**821,182,013**	**940,048,242**
TOTAL EQUITY AND LIABILITIES		**8,668,533,089**	**7,636,140,213**

The accounting policies and notes on pages 10 to 37 form part of, and should be read in conjunction with, these interim financial statements.

Bevco Lux S.à r.l.
Statement of profit or loss
(in EUR)

	Notes	for nine months ended September 30: 2017 unaudited EUR	for nine months ended September 30: 2016 unaudited EUR	for three months ended September 30: 2017 unaudited EUR	for three months ended September 30: 2016 unaudited EUR
Income					
Interest income		1,768,158	2,857	725,570	732
Dividend income	5	205,725,436	188,978,907	-	188,978,907
Change in fair value of derivative financial instruments		-	7,549,757	-	7,549,757
Change in fair value of investment securities	5	-	(298,806,040)	-	87,724,131
Net result on foreign currency operations		32,034	(7,110,497)	1,598	(6,577,633)
Total net income/(loss)		207,525,628	(109,385,016)	727,168	277,675,894
Expenses					
Administrative expenses	12	(1,083,087)	(1,998,938)	(183,188)	(710,567)
Operating income/(loss)		**206,442,541**	**(111,383,954)**	**543,980**	**276,965,327**
Finance cost		(10,778,345)	(33,928,069)	(3,322,941)	(14,160,828)
Profit/(loss) before tax		**195,664,196**	**(145,312,023)**	**(2,778,961)**	**262,804,499**
Withholding tax on dividend income	13	(3,496,304)	-	-	-
Other taxes	13	(4,815)	-	-	-
Profit/(loss) for the period		**192,163,077**	**(145,312,023)**	**(2,778,961)**	**262,804,499**

The accounting policies and notes on pages 10 to 37 form part of, and should be read in conjunction with, these interim financial statements.

Bevco Lux S.à r.l.
Statement of comprehensive income
(in EUR)

	Notes	for nine months ended September 30: 2017 unaudited EUR	2016 unaudited EUR	for three months ended September 30: 2017 unaudited EUR	2016 unaudited EUR
Profit/(loss) for the period		**192,163,077**	**(145,312,023)**	**(2,778,961)**	**262,804,499**
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Available-for-sale financial assets - net change in fair value	5	660,101,180	-	616,520,537	-
Currency translation adjustment	9d	-	(299,162,330)	-	(58,259,013)
Other comprehensive income/(loss) for the period		**660,101,180**	**(299,162,330)**	**616,520,537**	**(58,259,013)**
Total comprehensive income/(loss) for the period		**852,264,257**	**(444,474,353)**	**613,741,576**	**204,545,486**

The accounting policies and notes on pages 10 to 37 form part of, and should be read in conjunction with, these interim financial statements.

Bevco Lux S.à r.l.
Statement of changes in equity
(in EUR)

	Notes	Share capital	Share premium	Special reserve account	Available-for-sale revaluation reserve	Currency translation reserve	Retained earnings	Total equity
Balance as at January 1, 2016 *(unaudited)*		**8,680**	**262,151,246**	**-**	**-**	**966,892,100**	**9,753,254,526**	**10,982,306,552**
(Loss) for the period		-	-	-	-	-	(145,312,023)	**(145,312,023)**
Other comprehensive income		-	-	-	-	(299,162,330)	-	**(299,162,330)**
Transactions with owners in their capacity as owners:								
Distributions for the period	9e	-	-	-	-	-	(472,956,571)	**(472,956,571)**
Contributions for the period	9b	-	126,667,556	-	-	-	-	**126,667,556**
Balance as at September 30, 2016 *(unaudited)*		**8,680**	**388,818,802**	**-**	**-**	**667,729,770**	**9,134,985,932**	**10,191,543,184**
Balance as at January 1, 2017		**76,706,354**	**6,458,777,755**	**1,137,480,851**	**(910,159,659)**	**690,302,868**	**(757,016,198)**	**6,696,091,971**
Profit for the period		-	-	-	-	-	192,163,077	**192,163,077**
Other comprehensive income		-	-	-	660,101,180	-	-	**660,101,180**
Transactions with owners in their capacity as owners:								
Share premium reimbursement	9b	-	(12,349,371)	-	-	-	12,349,371	**-**
Contribution to special reserve	9c	-	-	298,994,848	-	-	-	**298,994,848**
Balance as at September 30, 2017*(unaudited)*		**76,706,354**	**6,446,428,384**	**1,436,475,699**	**(250,058,479)**	**690,302,868**	**(552,503,750)**	**7,847,351,076**

The accounting policies and notes on pages 10 to 37 form part of, and should be read in conjunction with, these interim financial statements.

Bevco Lux S.à r.l.
Statement of cash flows
(in EUR)

	Notes	2017	2016
		for nine months ended September 30:	
		unaudited	*unaudited*
Cash flows from operating activities		**EUR**	**EUR**
Profit/(loss) before tax for the period		195,664,196	(145,312,023)
Adjustments for:			
Interest income		(1,768,158)	(2,857)
Dividend income	5	(205,725,436)	(188,978,907)
Change in fair value of derivative financial instruments		-	(7,549,757)
Finance cost		10,778,345	33,928,069
Change in fair value of investment securities	5	-	298,806,040
		(1,051,053)	(9,109,435)
Changes in:			
Other current assets		(297,062)	-
Other current liabilities		(754,741)	-
Cash generated (used in)/from operating activities		(2,102,856)	(9,109,435)
Other taxes paid		(713)	-
Net cash generated (used in)/from operating activities		**(2,103,569)**	**(9,109,435)**
Cash flows from investing activities			
Acquisitions of investment securities	5	(343,773,756)	-
Loans granted	6	(276,000,000)	-
Reimbursement of loans	6	50,000,000	-
Cash received on derivative financial instruments		-	28,245,952
Interest received		339,445	2,857
Dividend received	5	202,229,132	188,978,907
Net cash generated from investing activities		**(367,205,179)**	**217,227,716**
Cash flows from financing activities			
Contributions for the period	9	298,994,848	126,667,556
Distributions for the period	9	-	(472,956,571)
Proceeds from borrowings - credit institutions	10	200,000,000	888,663,638
Proceeds from borrowings - related parties	16	120,000,000	-
Repayment of borrowings - credit institutions	10	(166,666,881)	(575,080,000)
Repayment of borrowings - related parties	16	(220,000,000)	-
Interest and other non-investment expenses paid		(14,658,075)	(26,970,940)
Net cash used in financing activities		**217,669,892**	**(59,676,317)**
Net increase in cash and cash equivalents		**(151,638,856)**	**148,441,964**
Cash and cash equivalents at the beginning of the period	8	**154,028,360**	**33,574,578**
Effects of foreign currency translation differences		(32,034)	3,033,778
Cash and cash equivalents at the end of the period	8	**2,357,470**	**185,050,320**

The accounting policies and notes on pages 10 to 37 form part of and should be read in conjunction with, these interim financial statements.

1. General information

Bevco Lux S.à r.l. (hereinafter the "Company"), is a Société à Responsabilité Limitée having its registered office at 37a, Avenue J.F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the Trade Register and Companies of Luxembourg ("RCS") under the number B 209.913 after migration of its activities from Bermuda to Luxembourg on October 14, 2016.

Prior to re-domiciliation, the Company was registered as Bevco Ltd. (Company number 40536) in Bermuda and used to be a direct subsidiary of Aguila Ltd. by 100%. The Company was a holder of 225,000,000 equity shares in SABMiller plc ("SABMiller") representing 13.9% of share capital of SABMiller.

Starting from October 14, 2016 the Company's immediate 100% shareholder is USD Bevco S.à r.l. ("USD Bevco") that was incorporated on August 12, 2016 under Luxembourg law. The ultimate controlling party of the Company is Aguila Ltd.

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.

In October 2016 as a result of business combination between SABMiller and AB InBev, the Company acquired restricted shares in Anheuser-Busch InBev SA/NV ("AB InBev") which 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 acquisition. From completion of the acquisition, such restricted shares rank equally with the new ordinary shares with respect to dividends and voting rights.

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

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.

These interim financial statements have been prepared for the nine months ended September 30, 2017 and were authorised for issue by the Board of Managers on January 11, 2018.

Comparative data is provided as of December 31, 2016 in respect of the statement of financial position. The comparative information for the statement of profit or loss and statement of comprehensive income are for the nine months ended September 30, 2016 and three months ended September 30, 2016. The statement of changes in equity and statement of cash flows are for the nine months ended September 30, 2016.

2. Basis of preparation and summary of significant accounting policies

2.1 Statement of compliance

These interim financial statements for the nine months ended September 30, 2017 (the "period") have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting as adopted by the European Union and contains a full set of financial statements in accordance with IAS 1 as of September 30, 2017 and for the nine months period then ended.

2.2 Basis of accounting and going concern

The interim financial statements have been prepared under historical cost convention, except for the measurement of investment securities that have been measured at fair value.

These interim financial statements have been prepared under the going concern assumption and the Company is viewed as continuing in business for the foreseeable future. Although as at September 30, 2017 the Company's current liabilities exceed its current assets resulting to a negative working capital, the Company is fully committed in meeting its current obligations by maintaining adequate cash flows through alternative means, such as sale of unrestricted investment securities and/or additional capital contribution from its sole shareholder.

The Company maintains a strong credit standing with various credit facilities, denominated in USD and EUR, having unused capacity which approximates to EUR 2,028,528,560 as at September 30, 2017 and which the Company intends to utilise to support its operations and expansions subject to their respective terms and conditions. Termination dates of the credit facilities are on a staggered basis from 2017 to 2021.

2.3 Use of judgments, estimates, and assumptions

The preparation of interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the interim financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the interim financial statements are disclosed in Note 4.

2.4 Adoption of new and revised IFRSs

<u>New and amended standards and interpretations issued, effective and adopted by the Company</u>
The Company has adopted all new or amended standards in preparing these interim financial statements. None of the accounting pronouncements issued after December 31, 2016 and as of the date of these interim financial statements have a material effect on the Company's financial condition or result of operations.

<u>New and amended standards and interpretations issued but not effective for the date of issuance of the Company's interim financial statements</u>
Relevant Standards issued but not yet effective up to the date of issuance of the Company's interim financial report 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.

Further, the new standard will require the Company to revise its current accounting policies, i.e. classification and impairment methodologies.

Based on its preliminary assessment, the Company does not believe that application of IFRS 9 will have a material impact on the financial statements. The main financial assets, namely equity investments in AB InBev shares, classified as available-for-sale under IAS 39 are expected to be designated at initial recognition at fair value through other comprehensive income ("FVOCI") with only dividend income recognised in profit or loss. The major difference would be that there is no recycling of amount from other comprehensive income to profit or loss (for example, on sale of an equity instrument), nor are there any impairment requirements.

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.

Based on the initial assessment and given the nature of the Company's activity, management does not expect that the application of IFRS 15 will have significant impact on the Company's financial statements except for new disclosure requirements.

2.5 Foreign currency translation

These interim financial statements are presented in Euro ("EUR"), which is the functional and presentation currency of the Company as at September 30, 2017.

<u>Change of functional and presentation currency</u>:

Prior to migration Bevco Ltd. had USD as its functional currency and had transactions in multiple currencies. Afterwards, the functional currency changed to EUR with the majority of transactions denominated in EUR. 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, functional and presentation currency of the Company were changed from US Dollars ("USD") to Euro ("EUR") on October 14, 2016. All items in the primary statements were translated as at October 14, 2016 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 for the period prior to change of functional and presentation currency 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 were translated at average exchange rate for the nine months ended September 30, 2016; and
- all resulting exchange differences were recognised as currency translation adjustment in other comprehensive income.

<u>Translation of foreign currency transactions and balances:</u>

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

- the 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.

At the end of the reporting period 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		Spot rate - EUR		
	September 30, 2017	**September 30, 2016**	**September 30, 2017**	**December 31, 2016**	**September 30, 2016**
USD 1	0.8977	0.8959	0.8470	0.9487	0.8960
GBP 1	1.1460	1.2479	1.1341	1.1680	1.1614

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

2.6 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.

<u>Financial assets at fair value through profit or loss:</u>

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.

<u>Available-for-sale financial assets:</u>

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

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

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.

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.

2.7 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.

2.8 Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

2.9 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.

2.10 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.

2.11 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.

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.

2.12 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.

2.13 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 10 and 11, respectively.

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.

2.14 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.

2.15 Interest income

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

2.16 Dividend income

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

2.17 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 period ended September 30, 2017 and December 31, 2016.

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.

Table below summarises the Company's monetary assets and liabilities which are denominated in currencies other than the current functional currency.

	September 30, 2017*	December 31, 2016*
	unaudited	
	USD	**USD**
Assets		
Cash and cash equivalents	6,321	12,498
Foreign currency exposure	**6,321**	**12,498**

** The amounts represented in the above table are the converted exposure in base currency i.e. EUR*

As at September 30, 2017, had the exchange rate between the USD to EUR increased or decreased by 10% compared to actual rate of 0.8470 as at September 30, 2017 (December 31, 2016: 0.9487) with all other variables held constant, the increase or decrease respectively in profit or loss/equity would amount to approximately EUR 632 (December 31, 2016: EUR 1,250). This is mainly the result of foreign exchange gains/losses on translation of USD denominated transactions as shown above.

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 September 30, 2017 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 available for sale. The exposures are presented in the following table:

	Fair value September 30, 2017	Fair value December 31, 2016
	unaudited	
Financial assets	**8,437,930,280**	**7,481,715,468**

A 17.5% (December 31, 2016: 22%) increase or decrease in the value of the Company's available-for-sale securities as at September 30, 2017 would have increased or decreased equity by EUR 1,476,637,799 (December 31, 2016: EUR 1,645,977,403).

As at September 30, 2017, management estimates the implied volatility of the AB InBev shares for 12 months based on market data.

The Company has only one type of investment which is being regulated and listed in the Euronext Brussels. In addition, its performance is being reviewed by management on a regular basis. Results are reported to the Board of Managers to take necessary actions and/or decisions in order to mitigate any shift in market prices.

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. Most of the loans and borrowings have floating interest rates, however, these are being closely monitored by the Company to determine and remedy financial impact due to sudden changes in applicable rates. In addition, changes in basis points with all other variables remain constant are not expected to have a material impact.

	September 30, 2017	December 31, 2016
	unaudited	
Non-derivative financial assets	**EUR**	**EUR**
Loans granted	**226,265,159**	**-**
Non-derivative financial liabilities		
Loans and borrowings	**819,749,869**	**890,138,045**

The table below summarises the Company's exposure to interest rate risks, measuring rollover interest rate volatility using the below sensitivity parameters:

	Impact on the profit or loss and equity	
	September 30, 2017	December 31, 2016
	unaudited	
Sensitivity parameter	**EUR**	**EUR**
+15 basis points would result to a decrease in the statement of profit or loss	890,227	1,335,207
-15 basis points would result to an increase in the statement of profit or loss	(890,227)	(1,335,207)
+5 basis points would result to a decrease in the statement of profit or loss	296,742	445,069
-5 basis points would result to an increase in the statement of profit or loss	(296,742)	(445,069)

The above reflects the last movements of the European Central Bank (“ECB”) rates and can be assumed to be the most likely maximum interest change within a 12 month time 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 as at September 30, 2017 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.

The total assets bearing credit risk are the following:

	September 30, 2017 *unaudited* **EUR**	**December 31, 2016** **EUR**
Loans granted	226,265,159	-
Other current assets	1,980,180	396,385
Cash and cash equivalents	2,357,470	154,028,360
Total	**230,602,809**	**154,424,745**

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:

	September 30, 2017 *unaudited* **EUR**	**December 31, 2016** **EUR**
A+	-	2,698,717
A	2,355,276	151,329,643
A-	2,194	-
Not rated	228,245,339	396,385
Total	**230,602,809**	**154,424,745**

Not rated financial assets are mainly composed of loans granted to related parties which are neither past due nor impaired.

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.

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

		Contractual cash flows*				
	Carrying amount	**1 - 3 months**	**4 - 6 months**	**7 - 12 months**	**> 12 months**	**Total**
As at September 30, 2017 (in EUR) *(unaudited)*						
Loans and borrowings	819,749,869	302,228,544	321,908,096	204,513,840	-	828,650,480
Other current liabilities	1,432,144	1,432,144	-	-	-	1,432,144
	821,182,013	**303,660,688**	**321,908,096**	**204,513,840**	**-**	**830,082,624**
Guarantee	**-**	254,424,025	**-**	**-**	118,988,585	373,412,610
Irrevocable commitment**	**-**	274,000,000	**-**	**-**	**-**	274,000,000
Total	**821,182,013**	**832,084,713**	**321,908,096**	**204,513,840**	**118,988,585**	**1,477,495,234**

		Contractual cash flows*				
	Carrying amount	**1 - 3 months**	**4 - 6 months**	**7 - 12 months**	**> 12 months**	**Total**
As at December 31, 2016 (in EUR)						
Loans and borrowings	890,138,045	559,176,894	358,983,149	-	-	918,160,043
Other current liabilities	49,910,197	49,910,197	-	-	-	49,910,197
	940,048,242	**609,087,091**	**358,983,149**	**-**	**-**	**968,070,240**
Guarantee	**-**	396,460,460	-	-	118,988,585	515,449,045
Irrevocable commitment	**-**	296,113,632	-	-	-	296,113,632
Total	**940,048,242**	**1,301,661,183**	**358,983,149**	**-**	**118,988,585**	**1,779,632,917**

**Above amounts are gross and undiscounted until maturity*

***Irrevocable commitment represents a loan facility to Aguila Ltd. which has no maturity, however, it can be terminated by either party at any time; hence it is disclosed under 1-3 months in the above table*

Maturities of the loans and borrowings drawdowns are disclosed in Note 10 and split between the current and non-current portion as at September 30, 2017 in the statement of financial position.

As at September 30, 2017, the Company and its parent USD Bevco S.à r.l., maintains various multi-currency credit lines denominated in USD and EUR, aggregated to an amount equivalent to EUR 3,215,381,450 (December 31, 2016: EUR 2,810,486,132).

In 2016, the Company along with 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 10 for details).

The facilities can be accessed to meet liquidity needs of both the Company and its parent in accordance with specific terms outlined in 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 in relation to guarantees and irrevocable commitments which are considered to have an impact to the gross and undiscounted contractual cash flows is disclosed in Note 15.

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 September 30, 2017 and December 31, 2016 and as at the date of approval of these interim financial statements.

Loan covenants being observed by the Company are:

1) submission of quarterly and/or annual primary financial statements to its lenders; and
2) the loan-to-value (LTV) ratio for each of the respective bank loan facilities that in case of breach, i.e. the Lender may give notice (a “Margin Call Notice”) to the Company, could result but not limited to either of the following to cover any margin shortfall:
    - deposit additional cash or cash equivalent collateral, to the relevant collateral accounts at the custodian bank;

- provide additional securities collateral; or
- prepay loan principal so the outstanding financing amount no longer exceeds the borrowing base.

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.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

a) 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.

b) Assessment of significant influence over investee

Management considers that the Company has no significant influence over AB InBev ("the investee") as defined in IAS 28, therefore the investee is not considered an associate.

Lack of significant influence is evidenced by the following:

- the Company owns less than 20 per cent of the voting power of the investee (5.09% of total voting rights at September 30, 2017 and 4.94% at December 31, 2016);
- the Company does not participate in policy-making processes, including participation in decisions about dividends or other distributions;
- there are no material transactions between the Company and the investee;
- with the exception of the restricted shareholder's right to appoint a board member, there are no contractual arrangements or management contracts between the Company and the investee which could indicate the presence of significant influence over the investee;
- there is no interchange of managerial personnel or provision of essential technical information;
- the Company does not own share warrants, share call options, debt or equity instruments that are convertible into ordinary shares of the investee which may give the Company additional voting power.

Although, the Company is represented by one non-executive director in AB InBev Board of Directors, the management believes this does not clearly establish significant influence given all the points above and the fact that the Company has only one seat out of fifteen seats in total.

Management believes that the Company alone cannot absolutely or relatively, at a certain level, influence the financial and operating policy decisions to be taken by the investee. Moreover, the Company has no representatives in other Committees assisting the Board of Directors.

Estimates

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.

c) Estimate of fair value

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.

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.

September 30, 2017 (in EUR) *(unaudited)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale:				
- Equity securities	607,800,000	-	7,830,130,280	8,437,930,280
Total assets measured at fair value	**607,800,000**	**-**	**7,830,130,280**	**8,437,930,280**

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

Financial instruments	Level of fair value hierarchy	Valuation techniques and key inputs
AB InBev common shares	Level 1	Shares in AB InBev which are unrestricted are quoted in an active market (see Note 5).
AB InBev restricted shares *	Level 3	Restricted shares for a period of 5 years are valued under the Black-Scholes Option Pricing Model. The restriction will cease to exist by October 2021.

* The Company is not able to sell these investments until expiry of the restriction i.e. October 2021. 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 discount due to lack of marketability. For each reporting period, a new discount rate for lack of marketability is determined to take the reduction for the restriction period and other market factors into account.

The movements for Level 3 investments for the period are summarised as follows:

	September 30, 2017 *unaudited* **EUR**	**December 31, 2016** **EUR**
Opening net book amount	7,178,045,620	-
Additions	-	8,073,701,271
Net change in fair value - OCI	652,084,660	(895,655,651)
Closing net book amount	**7,830,130,280**	**7,178,045,620**

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 drawndown loans and committed borrowing facilities (See Note 10).

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 indicative value as at September 30, 2017 for the restricted shares was obtained by applying a revised DLOM of 20.2% or EUR 1,982,063,053 discount on the trading price of the unrestricted shares at the end of the period (December 31, 2016: DLOM of 26.3% or EUR 2,561,500,675 discount).

For purposes of the valuation, in determining the fair value as at September 30, 2017 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 17.5% was implied (December 31, 2016: 22.1%):

(vi) a risk free rate of 0.16% was used (December 31, 2016: 0.05%);

(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 3.53% was assumed (December 31, 2016: 3.58%).

Had the DLOM increased or decreased by 1% pp. as at September 30, 2017 compared to the actual discount used (to 21.2% or 19.2% respectively), with all other variables held constant, the increase or decrease in profit or loss and equity would amount to EUR 98,121,933 (December 31, 2016: EUR 97,395,463).

There are no indications that the investment in AB InBev is impaired based on management assessment as at September 30, 2017. Further, AB InBev has been consistently declaring and paying interim dividends to its investors at least twice annually. On November 16, 2017 the Company received EUR 164,580,349 of dividends from AB InBev (See Note 17), subject to withholding tax amounting to EUR 2,797,043.

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

d) 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 period.

5. Investment securities

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

	September 30, 2017 *unaudited* EUR	December 31, 2016 EUR
Financial assets		
Available-for-sale	8,437,930,280	7,481,715,468
	8,437,930,280	**7,481,715,468**

As at September 30, 2017 available-for-sale financial assets are represented by:

	September 30, 2017 *unaudited*	December 31, 2016
No. of restricted AB InBev shares	96,862,718	96,862,718
AB InBev common shares	6,000,000	3,020,088
% of AB InBev share capital	5.09%	4.94%
Fair value in EUR of restricted shares	7,830,130,280	7,178,045,620
Fair value in EUR of common shares	607,800,000	303,669,848

Investment securities transactions during the period:

From January 3 to January 31, 2017, the Company purchased 2,979,912 common shares of AB InBev with an acquisition value amounting to EUR 296,113,632. As at December 31, 2016, an amount was accrued for the purchase of shares amounting to EUR 47,660,124 which was subsequently settled and paid in January 2017, giving a total cash flow in respect of investment securities of EUR 343,773,756 during the period.

Changes in fair value of investment securities:

The negative changes in fair value of SABMiller shares was recorded in profit and loss as the shares were classified as financial assets at fair value through profit or loss. The impact on the result for the nine months ended September 30, 2016 amounted to EUR (298,806,040). The impact for the nine months ended September 30, 2017 was nil since the shares were disposed in October 2016.

Changes in fair value of AB InBev shares have been recorded in the statement of other comprehensive income in available-for-sale revaluation reserve and amounted to EUR 660,101,180 for the nine months ended September 30, 2017 (nine months period ended September 30, 2016: nil).

Dividends received:

During the nine months period ended September 30, 2017, the Company received dividend from AB InBev of EUR 2.00 per share for a total gross amount of EUR 205,725,436 subject to withholding tax of 1.6995%.

During the nine months period ended September 30, 2016, the Company received dividend from SABMiller for a total amount of EUR 188,978,907.

6. Loans granted

As at September 30, 2017 loans granted are composed as follow:

September 30, 2017 *(unaudited)*	**Currency**	**Interest rate**	**Termination date**	**Principal Amount**	**Carrying amount**
				EUR	**EUR**
Related Party Transactions					
Aguila Ltd.- Facility A	EUR	EURIBOR + margin	06/11/2017	175,000,000	175,172,339
Aguila Ltd.- Facility B	EUR	EURIBOR + margin	22/11/2017	51,000,000	51,092,820
Total Loans granted				**226,000,000**	**226,265,159**

As at December 31, 2016, loans granted amounted to nil. Please refer to note 16.

7. Other current assets

As at September 30, 2017 and December 31, 2016, other current assets are composed as follow:

	September 30, 2017	**December 31, 2016**
	unaudited	
	EUR	**EUR**
Advances to Park S.à r.l. (See Note 16)	1,979,467	396,385
Luxembourg wealth tax advances	713	-
	1,980,180	**396,385**

8. Cash and cash equivalents

The cash and cash equivalents are composed of cash at bank and on hand in an amount of EUR 2,357,470 as at September 30, 2017 (December 31, 2016: EUR 154,028,360).

9. Equity

a) Share capital

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.

As at September 30, 2017 the Share capital of the company amounts to EUR 76,706,354.

Ordinary shares issued and fully paid	No. of shares	EUR
Outstanding at January 1, 2016 *(unaudited)*	**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**
Outstanding at September 30, 2017 *(unaudited)*	**76,706,354**	**76,706,354**

Authorised shares are fully subscribed and paid as at September 30, 2017 and December 31, 2016.

b) Share premium

	EUR
As at January 1, 2016 *(unaudited)*	**262,151,246**
Capital contributions for the period	126,667,556
As at September 30, 2016 *(unaudited)*	**388,818,802**
Allocation to share premium upon company migration	6,069,958,953
As at January 1, 2017	**6,458,777,755**
Share premium reimbursement	(12,349,371)
As at September 30, 2017 *(unaudited)*	**6,446,428,384**

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.

The sole shareholder of the Company resolved to make a distribution by way of share premium reimbursement which amounted to EUR 12,349,371 for the nine months period ended September 30, 2017 (December 31, 2016: nil).

c) Special reserve account

	EUR
As at January 1, 2016 *(unaudited)*	**-**
As at September 30, 2016 *(unaudited)*	**-**
Conversion of promissory note to special equity reserves	1,214,165,660
Share capital increase	(76,684,809)
As at January 1, 2017	**1,137,480,851**
Capital contribution for the period	298,994,848
As at September 30, 2017 *(unaudited)*	**1,436,475,699**

The Special reserve account is an alternative way of making or increasing equity contribution to a Luxembourg entity. This involves a contribution of value to a special reserve account in the Company's books which is characterised as equity but which does not involve the issuance of shares.

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 held 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.

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, 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, to be transferred to the special reserve account of the Company without issuance of new shares.

d) Currency translation reserve

	EUR
As at January 1, 2016 *(unaudited)*	**966,892,100**
Currency translation adjustment in Other Comprehensive Income	(299,162,330)
As at September 30, 2016 *(unaudited)*	**667,729,770**
Currency translation adjustment in Other Comprehensive Income	22,573,098
As at January 1, 2017	**690,302,868**
Currency translation adjustment in Other Comprehensive Income	-
As at September 30, 2017 *(unaudited)*	**690,302,868**

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 2.5 for further information. Any exchange differences arising in the process are recognised in other comprehensive income. Currency translation adjustment at the date of the Company’s change in functional currency amounted to EUR 690,302,868.

e) Retained earnings

	EUR
As at January 1, 2016 *(unaudited)*	**9,753,254,526**
Distributions for the period	(472,956,571)
Loss for the period	(145,312,023)
As at September 30, 2016 *(unaudited)*	**9,134,985,932**
Distributions for the period	(2,541,302,942)
Loss for the period	(1,280,727,370)
Allocation to share premium upon company reorganisation	(6,069,958,953)
Allocation to share capital due to issuance of new shares	(12,865)
As at January 1, 2017	**(757,016,198)**
Profit for the period	192,163,077
Share premium reimbursement	12,349,371
As at September 30, 2017 *(unaudited)*	**(552,503,750)**

During the first nine months to September 30, 2016, EUR 472,956,571 of interim dividends were distributed to the shareholder, and EUR 2,541,302,942 were distributed between October 1 and December 31, 2016. Interim dividends declared and distributed during the nine months ended September 30, 2017 amounted to nil.

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.

10. Loans and borrowings

As at September 30, 2017 and December 31, 2016, the terms and conditions on the loans and borrowings drawdown are shown in the table below:

September 30, 2017 *(unaudited)*

	Currency	Interest rate	Roll-over date*	Termination date	Principal amount	Carrying amount**
					EUR	EUR
Third parties						
Financial Institution 1 - Facility A	EUR	1.20%	N/A	16/08/2018	145,000,000	145,178,833
Financial Institution 1 - Facility B	EUR	1.17%	N/A	16/08/2018	55,000,000	55,277,063
Financial Institution 2	EUR	EURIBOR + margin	N/A	05/08/2018	-	221,930
Financial Institution 3	EUR	EURIBOR + margin	04/12/2017	11/10/2019	300,000,000	300,264,550
Financial Institution 4 - Facility A	EUR	EURIBOR + margin	31/12/2017	27/08/2019	300,000,000	300,009,758
Financial Institution 4 - Facility B	EUR	EURIBOR + margin	31/12/2017	26/08/2021	18,796,757	18,797,735
Total Loans and borrowings					**818,796,757**	**819,749,869**

December 31, 2016

	Currency	Interest rate	Roll-over date*	Termination date	Principal amount	Carrying amount**
					EUR	EUR
Third parties						
Financial Institution 1	EUR	EURIBOR + margin	24/02/2017	30/09/2017	145,463,638	146,233,575
Financial Institution 2	EUR	EURIBOR + margin	N/A	05/08/2018	-	203,123
Financial Institution 3	EUR	EURIBOR + margin	02/03/2017	11/10/2019	300,000,000	300,298,700
Financial Institution 4 - Facility A	EUR	EURIBOR + margin	18/05/2017	27/08/2019	300,000,000	302,837,500
Financial Institution 4 - Facility B	EUR	EURIBOR + margin	18/05/2017	26/08/2021	40,000,000	40,554,889
					785,463,638	**790,127,787**
Related Party Transactions						
Aguila Ltd.	EUR	EURIBOR + margin		23/03/2017	100,000,000	100,010,258
					100,000,000	**100,010,258**
Total Loans and borrowings					**885,463,638**	**890,138,045**

**Roll-over date represents the next date on which the revolving loans could be renewed upon meeting certain conditions*

***The carrying value of debt include accrued interests and commitment fees. Furthermore, the Company was in compliance with the terms of all debt obligations as at September 30, 2017 and December 31, 2016 until the respective issuance dates of the interim and year-end financial statements.*

"Financial institution 1"

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 extension of the maturity till August 16, 2018 and made a new drawdown of EUR 145,000,000 ("Facility A").

As at April 28, 2017, the Company drew down EUR 55,000,000 ("Facility B") with a maturity date as at August 16, 2018 and used these proceeds to lend EUR 50,000,000 to SNI Luxembourg S.à r.l. (See Note 16, d).

"Financial institution 3"

On September 4, 2017, the Company rolled over this financial institution loan facility related to the acquisition of AB InBev shares in 2016, of EUR 300,000,000 with a new drawdown, having the same terms and conditions, with a new maturity date on December 4, 2017.

"Financial institution 4"

The Company has a revolver loan facility with guarantees commitments having termination dates in 2019 to 2021. During the period, the Company's financial institution facilities A and B which amounted to EUR 300,000,000 and EUR 18,796,757, respectively, were rolled over both having the same terms and roll-over date on December 31, 2017. Principal amounts can be rolled-over on or before termination date of the revolver loan facility upon meeting certain conditions. Interests are paid on respective due dates.

"Aguila Ltd."

As at September 30, 2017, the Company has no outstanding exposure with Aguila Ltd. (See Note 16, b).

"Unused credit facilities"

The facility agreements with lenders are cross-guaranteed by Bevco Lux and USD Bevco (See Note 15), thus, from a legal perspective the credit facilities denominated in EUR and USD can be drawndown by both companies in either currency.

As at September 30, 2017 and December 31, 2016, the unused credit facilities are disclosed in the table below:

September 30, 2017 *(unaudited)*

	Total Commitment (in EUR)	Guarantees (in EUR)	Current USD Principal amount drawdown* (in EUR)	Current EUR Principal amount drawdown** (in EUR)	Total Principal amount drawdown (in EUR)	Unused Credit facilities (in EUR)
Third parties						
Financial Institution 1	200,000,000	-	-	200,000,000	200,000,000	-
Financial Institution 2 - 1st Tranche	423,500,000	-	-	-	-	423,500,000
Financial Institution 2 - 2nd Tranche	270,831,450	-	-	-	-	270,831,450
Financial Institution 2 - Facility C	169,400,000	-	-	-	-	169,400,000
Financial Institution 3	635,250,000	-	254,100,000	300,000,000	554,100,000	81,150,000
Financial Institution 4 - Facility A	296,450,000	-	-	300,000,000	300,000,000	-
Financial Institution 4 - Facility B	127,050,000	-	-	18,796,757	18,796,757	108,253,243
Financial Institution 5	169,400,000	10,360,633	-	-	-	159,039,367
	2,291,881,450	10,360,633	254,100,000	818,796,757	1,072,896,757	1,212,174,060
Related Party Transactions						
Aguila Ltd.	923,500,000	-	107,145,500	-	107,145,500	816,354,500
	923,500,000	-	107,145,500	-	107,145,500	816,354,500
Total Loans and borrowings	3,215,381,450	10,360,633	361,245,500	818,796,757	1,180,042,257	2,028,528,560

December 31, 2016 *(unaudited)*

	Total Commitment (in EUR)	Guarantees (in EUR)	Current USD Principal amount drawdown* (in EUR)	Current EUR Principal amount drawdown** (in EUR)	Total Principal amount drawdown (in EUR)	Unused Credit facilities (in EUR)
Third parties						
Financial Institution 1	200,000,000	-	-	145,463,638	145,463,638	54,536,362
Financial Institution 2 - 1st Tranche	474,338,298	-	104,354,426	-	104,354,426	369,983,872
Financial Institution 2 - 2nd Tranche	270,831,450	-	-	-	-	270,831,450
Financial Institution 2 - Facility C	189,735,319	-	-	-	-	189,735,319
Financial Institution 3	711,507,447	-	284,602,979	300,000,000	584,602,979	126,904,468
Financial Institution 4 - Facility A	332,036,809	-	-	300,000,000	300,000,000	32,036,809
Financial Institution 4 - Facility B	142,301,489	-	-	40,000,000	40,000,000	102,301,489
Financial Institution 5	189,735,319	5,912,297	-	-	-	183,823,022
	2,510,486,132	5,912,297	388,957,404	785,463,638	1,174,421,042	1,330,152,793
Related Party Transactions						
Aguila Ltd.	300,000,000	-	-	100,000,000	100,000,000	200,000,000
	300,000,000	-	-	100,000,000	100,000,000	200,000,000
Total Loans and borrowings	2,810,486,132	5,912,297	388,957,404	885,463,638	1,274,421,042	1,530,152,793

**Credit facilities drawndown by USD Bevco, original currency of this drawdown is in USD.*
***Credit facilities drawndown by Bevco Lux, original currency of this drawdown is in EUR.*

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

September 30, 2017 *(unaudited)*		December 31, 2016	
Number	**Fair value***	**Number**	**Fair value***
42,420,219	3,429,140,211	42,420,219	3,143,565,176

** Fair value includes a discount for lack of marketability (DLOM) in respect of shares in AB InBev since the Company cannot sell its shares before the end of the restriction period. In the event a lender commences an enforcement action the restriction on the share will not apply.*

11. Other current liabilities

As at September 30, 2017 and December 31, 2016, other current liabilities are composed as follow:

	September 30, 2017 *unaudited* **EUR**	**December 31, 2016** **EUR**
Suppliers	582,050	1,334,175
Audit fees	-	54,500
Accrued costs of AB InBev shares	-	47,660,124
Taxes	4,815	-
Cash advance from Parent Company	823,601	861,398
Accrued Custody fees	19,000	-
Others	2,678	-
	1,432,144	**49,910,197**

As at December 31, 2016, EUR 47,660,124 of purchase costs were accrued in relation to the acquisition of 476,598 shares of AB InBev. These costs were paid in January 2017, and there is no accrued costs in relation to the purchase of AB InBev shares as at September 30, 2017.

12. Administrative expenses

Administrative expenses for the period ended September 30, 2017 and September 30, 2016 are presented in the table below:

	for nine months ended September 30:	
	2017 *unaudited* **EUR**	**2016** *unaudited* **EUR**
Legal and other professional fees	357,222	1,794,756
Custody and bank	21,685	98,542
Accountant fees	42,563	-
Audit fees	79,216	-
SNI - Master service agreement	582,051	-
Other expenses	350	105,640
	1,083,087	**1,998,938**

Refer to Note 16 for further details on the SNI - Master service agreement.

13. Taxes

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 3,496,304 for the nine months period ended September 30, 2017. The withholding tax on the dividends received for the nine months period ended September 30, 2016 was nil due to the local taxation of the Company prior migration date.

The Company is subject to Luxembourg taxation as from the migration date of October 14, 2016. For the nine months period ended September 30, 2017, the Company has accrued EUR 4,815 (nine months period ended September 30, 2016: nil) for net wealth tax.

14. Segment information

Bevco Lux S.à r.l. is a company which invest in securities and mainly derives its revenues and profits from the dividends and appreciation of its shares in AB InBev. Thus, only one reportable segment has been identified for the Company which consist of its investment activity in AB InBev. Measures of profit or loss, total assets and liabilities for the reportable segment that are regularly provided to the management are presented in the primary financial statements.

There are no reconciling items between the amounts in the statement of financial position for the reportable segment and the amounts in the Company's statement of financial position.

Management monitors the operation and on a regular basis, reports to the Board of Managers, which take necessary actions and/or decisions with the intention to further develop or expand the business. AB InBev is listed in several major Stock Exchanges including the Euronext Brussels and New York Stock Exchange (NYSE) hence, financial information are readily available and accessible to Management.

Management takes a long-term perspective when assessing its investment portfolio and as of the date hereof it has no plans to materially divest its investment in the near future. Management is not only analysing the performance of investment in the company but is also monitoring the underlying performance of the fundamental value of the industry and the company.

The investment in AB InBev is viewed as a stable and growing business, thus, management expects dividends to grow over time, although growth in the short term is expected to be modest.

15. Commitments

Pledge

Some AB InBev shares are pledged in favour of the international financial institutions (See Note 10). 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 it holds the AB InBev shares which are pledged as guarantee on the loans. The maximum exposure which the Company could potentially become liable amounted to EUR 254,424,025 as at September 30, 2017 (December 31, 2016: EUR 396,460,460). Refer to Note 16 for more information.

Guarantee

In order to secure an acquisition made by 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 Park S.à r.l. in the case the latter 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. The Company will potentially become liable if Park will not be able to meet its obligation by April 2019, thus, the guarantee is due on a long term basis.

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.

The Company will recharge all the fees incurred plus a margin in compliance with the applicable transfer pricing rules and regulations.

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

The Company opened several margin security accounts with a financial institution. Some of these accounts are subject to pledge agreements granted in favour of financial institutions with which the Company has entered into borrowing facility agreements. The purpose of such security accounts places an obligation on the Company to lodge securities or cash whenever margin-calls are issued by financial institutions in order to secure the obligations of the Company. At this date, no margin-call was ever received by the Company.

Irrevocable commitments

“Commitment as at September 30, 2017”
In relation to the revolving loan granted to Aguila Ltd., the aggregate principal amount of up to EUR 500,000,000 shall remain available for the duration of the loan agreement (See Note 6). As at September 30, 2017, the maximum exposure which the Company could potentially become liable amounted to EUR 274,000,000.

“Commitment as at December 31, 2016”
In November 2016, the Company entered into an irrevocable commitment to purchase of up to 6 million additional shares in AB InBev at the market price per share on the date of actual purchase. The transaction for the purchase of additional shares was completed on January 31, 2017 and shares were purchased for a total amount of EUR 296,113,632 (See Note 5).

16. Related party transactions

Major transactions and balances with related parties are summarised below:

a) Transactions with USD Bevco (direct parent)

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 EUR 254,424,025 as at September 30, 2017 (December 31, 2016: EUR 396,460,460).

As a result of this cross-guarantee commitment, USD Bevco became also guarantor in connection to the SBLC issued by the Company on behalf of Park S.à r.l. (See Note 15).

At September 30, 2017 the sole shareholder, USD Bevco, has advanced an amount of EUR 823,601 (December 31, 2016: EUR 861,398), unsecured, interest-free and with no fixed date of repayment.

No dividends were declared and distributed to USD Bevco during the nine months period ended September 30, 2017 (for the nine months period ended September 30, 2016: nil).

b) Transaction with Aguila Ltd. (ultimate parent)

As at January 12, 2017, there was an additional drawdown on the Aguila Loan for EUR 120,000,000. The total drawdown amount of EUR 220,000,000, including outstanding drawdown exposure of EUR 100,000,000 as at December 31, 2016, has been fully repaid with interest of EUR 145,322 on January 25, 2017. The interest expense for the nine months period ended September 30, 2017 amounted to EUR 11,997 (for the nine months period ended September 30, 2016: nil).

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 500,000,000 which bears interest (i.e. EURIBOR + margin), on the same date Aguila Ltd. made a first drawdown of EUR 175,000,000 with rollover date on August 5, 2017. On August 5, 2017 the first drawdown amounting to EUR 175,000,000 has been rollover, with a new roll over date on November 6, 2017.

On August 22, 2017 Aguila Ltd. made an additional drawdown of EUR 51,000,000. 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. The interest income for the nine months period ended September 30, 2017 amounted to EUR 223,039 (for the nine months period ended September 30, 2016: nil).

On September 13, 2017, the Company (the "borrower") entered into a loan agreement for an undetermined period with Aguila Ltd. (the "lender") amounting to EUR 500,000,000 which bears interest.

Also, a parent guarantee has been provided by Aguila Ltd. in connection with the SBLC by which Aguila Ltd. guarantees the obligations, if any, of Park S.à r.l. in favour of the Company (See Note 15).

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

Park S.à r.l. whose main purpose is the acquisition of participations, in Luxembourg or abroad is a sister entity of the Company. In order to secure acquisitions, a request was made by the Company to BNP Paribas S.A. ("BNP") to issue a Stand-By Letter of Credit ("SBLC") to facilitate an acquisition by 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 nine months to September 30, 2017 amounted to EUR 1,583,082 (for the nine months period ended September 30, 2016: nil).

The Company will potentially become liable if Park will not be able to meet its obligation by April 2019. Management assess on a regular basis such exposure and so far there is no indication that Park will default on its obligation, hence, making the Company liable and requiring it to pay the second payment of EUR 118,988,585, as agreed and executed by virtue of the SBLC (See Note 15).

d) Transaction with SNI Luxembourg S.à r.l. (related party)

During the period, the Company (as "lender") has granted a loan of EUR 50,000,000 to SNI Luxembourg S.à r.l. (as "borrower"). On August 22, 2017 the loan has been fully reimbursed by SNI Luxembourg S.à r.l.. The interests income for the nine months period ended September 30, 2017 amounted to EUR 258,386 (for the nine months period ended September 30, 2016: nil).

e) Transaction with SNI International S.à r.l. (direct parent of USD Bevco)

A management and services agreement (MSA) was signed between the Company, its Parent company, other related entities and SNI International Holdings S.à r.l., whereas the latter will provide services to its affiliated companies such as consultancy and/or advisory services to be procured by SNI International Holdings S.à r.l. through its Finance Director and other employees and, as the case may be, helped or assisted by external advisors. SNI International Holdings S.à r.l. is willing to make its own resources, i.e. the Finance Director and other employees available to its affiliated companies pursuant to the terms and conditions set forth in the MSA. The amount to be paid to SNI International Holdings S.à r.l. by each affiliated company shall be determined on a pro-rata basis in accordance with the terms outlined in the MSA.

The Company has incurred administrative expenses of EUR 582,051 for the nine months period ended September 30, 2017 (for the nine months period ended September 30, 2016: nil) in respect of the above consultancy and/or advisory services provided by SNI International Holdings S.à r.l.

f) Transaction with employees

The average number of employees directly employed by the Company was nil as of September 30, 2017 (September 30, 2016: nil).

17. Subsequent events

a) *Borrowings*

<u>From credit institutions</u>

"Financial institution 2"

On November 22, 2017, the Company made a drawdown which amounted to EUR 75,000,000 which bears interest (i.e. EURIBOR + margin) and matures on February 28, 2017. This drawdown will be used to finance the loan granted to Park S.à r.l. on November 28, 2017.

On December 21, 2017 the Company signed an addendum to the facility agreement with the financial institution 2. As a result, the bank's commitment was increased to EUR 850,000,000 and the availability period of the commitment was extended to year 2024.

"Financial institution 3"

On December 4, 2017, the Company rolled over an existing loan of EUR 300,000,000 under the same terms and new repayment date on March 4, 2018.

"Financial institution 4"

On December 29, 2017, the Company rolled over two existing loans of EUR 300,000,000 ("Facility A") and EUR 18,796,757 ("Facility B") under the same terms and new repayment date on March 30, 2018.

"Financial institution 5"

On December 15, 2017, the Company and USD Bevco have extend the termination date of the existing facility agreement to March 31, 2018.

<u>From/to related parties</u>

"Park S.à r.l."

On November 28, 2017, the Company (the "lender") entered into an interest-bearing loan (IBL) agreement with Park S.à r.l. (the "borrower"). At the same date, Park S.à r.l. made a drawdown which amounted to EUR 75,000,000 with a maturity date on February 20, 2018 bearing interests EURIBOR + margin.

“Aguila Ltd. (ultimate parent)”

On November 6, 2017, the Company (the “lender”) agreed to roll over an existing loan of EUR 175,000,000 with Aguila Ltd. (the “borrower”) under the same terms and new repayment date on December 12, 2017.

On November 14, 2017, the borrower made an additional drawdown which amounted to EUR 151,000,000 which bears interest (i.e. EURIBOR + margin) and with maturity date on December 12, 2017.

On December 12, 2017 both loans were distributed by the Company as dividend in kind to USD Bevco amounting to EUR 326,051,535.

On November 22, 2017, the Company (the “lender”) agreed to roll over an existing loan of EUR 51,000,000 with Aguila Ltd. (the “borrower”), under the same terms and new repayment date on February 22, 2018.

b) Investing activities

On November 16, 2017 AB InBev declared an interim dividend of EUR 1.60 per share subject to 1.6995% withholding tax for a total gross amount of EUR 164,580,349, withholding tax amounted to EUR 2,797,043.