



Champion Breweries Plc

Half Year Reports and Financial Statements
for the period ended 30 June 2025

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

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Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Corporate Information

Country of incorporation and domicile	Nigeria
Date of Incorporation:	31 July 1974
Registration Number:	RC 13388
TIN:	00463544-0001
Company's Website:	www.championbreweries.com
Registered office	Industrial layout, Aka Offot, PMB 1106 Uyo Akwa Ibom State Nigeria

Directors	Name	Position	Status	Appointment/Resignation date
	Mr Jacob Imo-Abasi	- Chairman		
	Dr Adoga Inalegwu	- Managing Director		
	Mrs. Helen Umanah	- Director	Resigned	April 2025
	Mr. Olufunmiyi Alabi	- Director		
	Mr. Thompson Owoka	- Director		
	Alhaji Shuaibu Ottan	- Director		
	Mr. Samson Aigbedo	- Director		
	Mr. Idiahi Ehimare	- Director		
	Mr. Butler David	- Director		
	Mr. Ajayi Oladele	- Director	Appointed	April 2025
	Mrs Akpobome Mary	- Director	Appointed	April 2025
	Mrs Thompson-Shoboiki Jayne Abike	- Director	Appointed	April 2025
	Mr Adebisi Rasheed	- Director	Appointed	April 2025

Company Secretary Chief Tosan Atle Aiboni

Independent Auditor Deloitte & Touche
Chartered Accountants
Civic Towers
Plot G1, Ozumba Mbadiwe Avenue
Victoria Island, Lagos

Registrars African Prudential Registrars Plc
220B, Ikorodu Road
Palmgrove, Lagos
Nigeria
info@africanprudentialregistrars.com

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Corporate Information

Bankers

Access Bank Plc
FBNQuest Merchant Bank
First Bank of Nigeria Limited
First City Monument Bank Plc
Guaranty Trust Bank Plc
Stanbic IBTC Bank
United Bank for Africa Plc
Zenith Bank Plc

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Directors' Report

The Directors are pleased to present the Interim report of Champion Breweries Plc ("the Company"), together with the independent auditor's report for the period ended 30 June 2025.

1. Legal Form and Principal Activity

The Company was incorporated in Nigeria as a limited liability company on 31 July 1974 and was later converted to a public limited liability company on 1 September 1992. The Company's principal activities continue to be brewing and packaging of Champion Lager Beer and Champ Malta. The immediate parent Company is The Raysun Nigeria Limited, a Company incorporated in Nigeria. The ultimate controlling entity of the entity is EnjoyCorp.

2. Operating Results

A summary of the Company's operating results is shown below:

	30 June 2025	Unaudited 30 June 2024
	N.'000	N.'000
Revenue	15,932,134	9,544,943
Operating profit	4,486,131	692,262
Profit/(loss) before tax	4,040,821	(232,676)
Taxation	(1,305,396)	(53,659)
Profit/(loss) after income tax	2,735,425	(286,335)
Other comprehensive loss, net of tax	(30,168)	-

3. Dividend

The Directors did not recommend any dividend during the period (June 2024: Nil)

4. Board of Directors

The Directors are responsible for oversight of the business, long-term strategy, objectives, and the Company's risks. The Directors are also responsible for evaluating and directing the implementation of the Company's controls and procedures including, in particular, maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets.

5. Directors and their Interests

The names of directors who held office during the period as well as their interest in the issued shares of the Company as recorded in the Register of Members and / or notified by the Directors in compliance with Section 301 of the Companies and Allied Matters Act, 2020 were as follows:

Directors	Position	Nationality	30 June 2025	Unaudited 30 June 2024
			Number of Ordinary Shares	
Mr Jacob Imo-Abasi**	Chairman	Nigerian	-	-
Dr Adoga Inalegwu*	Managing Director	Nigerian	-	-
Mr. Thompson Owoka**	Director	Nigerian	571,428	500,000
Alhaji Shuaibu Ottan***	Director	Nigerian	189,618	165,916
Mr. Olufunminiyi Alabi**	Director	Nigerian	-	-
Mrs. Helen Umanah**	Director	Nigerian	-	8,110
Mr. Samson Aigbedo**	Director	Nigerian	-	-
Mr. Idiahi Ehimare**	Director	Nigerian	-	-
Mr. Butler David**	Director	South African	-	-
Mr. Ajayi Oladele**	Director	Nigerian	1,000,000	-
Mrs Akpobome Mary**	Director	Nigerian	1,000,000	-
Mrs Thompson-Shoboiki Jayne Abike**	Director	Nigerian	-	-
Mr Adebisi Rasheed*	Director	Nigerian	-	-

*Executive Director

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Directors' Report (Continued)

5. Directors and their Interests (continued)

** Non-executive Director

*** Independent Non-executive Director

In accordance with Section 303 of the Companies and Allied Matters Act, 2020, none of the Directors notified the Company of any declarable interest in any contract in which the Company was involved during the period under review (June 2024: Nil).

6. Analysis of Shareholding

As at prior and current reporting dates, the Company's ordinary shares were held as follows:

	30 June 2025		Unaudited 30 June 2024			
	%	Ordinary shares of 50K each Number '000	Share capital N.'000	%	Ordinary shares of 50K each Number '000	Share capital N.'000
Enjoycorp Nigeria Limited	76.3	6,827,330	3,413,665	86.4	6,761,283	3,380,641
Akwa Ibom Investment Corporation	10.1	899,893	449,947	10.1	787,407	393,703
Other shareholders	13.6	1,220,773	610,386	3.5	280,806	140,403
Subtotal	100	8,947,996	4,473,998	100	7,829,496	3,914,747

7. Property, plant and equipment

Information relating to movement in property, plant and equipment during the period is disclosed in Note 17 to the financial statements.

8. Donations and sponsorship

The Company gave donations and provided sponsorship as follows:

	Unaudited	
	30 June 2025	30 June 2024
	N.'000	N.'000
Community Bursary Award	-	460
Donation for Safety Book launch	-	150
Free Issues of company products	-	600
Scholarship of sports tournament	-	139
Donation to Manufacturers Association of Nigeria	-	400
Graduate trainee	-	600
Health Care Center facilities	2,859	-
ITF Vocational Training	-	20,850
	2,859	23,199

In accordance with Section 43(2) of the Companies and Allied Matters Act, 2020 ("CAMA"), the Company did not make any donation or give gifts to any political party, political association or for any political purpose during the period (June 2024: Nil).

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Directors' Report (Continued)

9. Business Review and Future Development

The Company intends to continue the fulfilment of its objectives as indicated in its Memorandum and Articles of Association.

10. Corporate Governance

The Directors are committed to ensuring that best practices in corporate governance are adopted in all areas of the Company's business. The Company's policies on corporate governance are continually reviewed with focus on high ethical standards of transparency, integrity, accountability and honesty. The Board continues to formulate policies aimed at creating a well-positioned Company that is keen on constantly harmonizing the interests of various stakeholders to the business.

11. Code of Business Conduct

The Company has in place a Code of Business Conduct ('the Code') which provides guidance to all its users on the importance of high ethical values in sustainable business growth. The Code is subscribed to by all members of the Board of Directors and all employees of the Company.

12. Distribution of Company's Products

The Company's products are sold by distributors within the country. The list containing names of such distributors is available at the Commercial Department of the Company.

13. Employment and Employees

(a) Employment of physically challenged persons.

It is the policy of the Company that there should be no discrimination in considering applications for employment, including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers. There was no physically challenged person in employment as at June 2025 (June 2024: Nil).

(b) Employee training and consultation

The Company is committed to keeping employees fully informed as far as possible regarding the Company's performance and seeking employees' views when necessary.

In-house and external training and development programs are organized for employees to meet the Company's growth strategy.

The Company continues to place premium on its Human Capital Development arising from the fact that this would ensure improved efficiency of the business and maintain strategic advantage over competition.

(c) Health, safety at work and welfare of employees

The Company maintains a clinic within the brewery which provide medical services to employees. Severe medical conditions are referred to designated hospitals whose services are retained by the Company through its health management organization. Such hospitals are located in areas within the convenient reach of employees.

The Company ensures that safety standards, procedures and regulations are in place in all locations of the Company through clear policies and employees are well informed about compliance with and development of safety regulations.

The Company has a canteen where employees are served good and nutritious meals on a daily basis.

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Directors' Report (Continued)

14. Independent Auditors

Deloitte & Touche Nigeria was appointed by the Board at the 2022 annual general meeting as the Company's Independent Auditors. The SEC Code of Corporate Governance requires that Independent Auditors be retained for ten years; thus, Deloitte & Touche will continue in office as the Company's Independent Auditors for the next 7 years.

By Order of the Board



Chief Tosan Atle Aiboni

Company Secretary

FRC/2014/PRO/NBA/002/00000006228

12th November 2025

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Statement of Directors' Responsibilities

The Directors of Champion Breweries plc accept responsibility for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 30 June 2025, and the results of its operations, cash flows and changes in equity for the period then ended, in compliance with IFRS® Accounting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011 (now amended 2023).

In preparing the financial statements, the Directors are responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance.

Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

The interim financial statements for the period ended 30 June 2025 were approved by the Board of Directors on 12th November 2025.

Signed on behalf of the Board of Directors By:



Mr Jacob Imo-Abasi (Chairman)
FRC/2018/PRO/FORM C07/00000018401
12th November 2025



Dr Adoga Inalegwu (Managing Director)
FRC/2023/PRO/IODN/002/264925
12th November 2025

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Certification of financial statements

In accordance with section 405 of the Companies and Allied Matters Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

(a) Audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and

(b) Audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the periods covered by the audited financial statements.

We state that management and directors:

(a) Are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to the officer by other officers of the Company, particularly during the period in which the audited financial statement report is being prepared.

(b) Has evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of its audited financial statements, and

(c) Certifies that the Company's internal controls are effective as of that date

We have disclosed:

(a) All significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and has identified for the Company's auditors any material weaknesses in internal controls, and

(b) Whether or not, there is any fraud that involves management or other employees who have a significant role in the Company's internal control; and

(c) As indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses

The financial statements of the Company for the period ended 30 June 2025 were approved by the directors on 12th November 2025



Dr Adoga Inalegwu (Managing Director)
FRC/2023/PRO/IODN/002/264925
12th November 2025



Mr Rasheed Adebisi (Finance Director)
FRC/2023/PRO/ICAN/001/423509
12th November 2025



Champion Breweries Plc.

Industrial Layout, Aka Offot, P.M.B. 1106, Uyo, Akwa Ibom State, Nigeria. RC 13388

Email: info.cbplc@championbreweries.com

www.championbreweries.com

CHAMPION BREWERIES PLC

Audit Committee's Report

To the members of Champion Breweries Plc

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2020, we, the Members of the Audit Committee of Champion Breweries Plc, having carried out our statutory functions under the Act, hereby report that:

- (a) The scope and planning of both the independent audit and internal audit for the half year ending 30 June 2025 are satisfactory. The internal audit programmes reinforce the Company's internal control system;
- (b) Having reviewed the independent auditors' management letter on accounting procedures and internal controls, we are satisfied with management's responses thereon;
- (c) The accounting and reporting policies for the half year ending 30 June 2025 are in accordance with regulatory requirements and agreed ethical practices.

The Independent auditors confirmed, having received full cooperation from the Company's Management, that the scope of their work was not restricted in any way.

Mr. Thompson Owoka
Chairman of the Audit Committee

Dated 11th November 2025

Members of the Audit Committee

Mr. Thompson Owoka	- Chairman/Director
Mrs. Mary Atunyota Akpobome	- Member/Director
Mr. Olayemi Olatunde	- Member/Shareholder
Mr. Adebayo Abayomi	- Member/Shareholder
Chief Peter Mgbeahuru	- Member/Shareholder

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Champion Breweries Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Champion Breweries Plc** (the Company) set out on pages 15 to 63, which comprise the statement of financial position as at 30 June 2025, the statement of profit or loss, statement and other comprehensive income, statement of changes in equity and statement of cash flows for the 6 months period then ended, the notes to the financial statements, including a summary of material accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of **Champion Breweries Plc** as at 30 June 2025, its financial performance and cash flows for the 6 months period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act and Financial Reporting Council of Nigeria (Amendment) Act 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of Financial Statements in Nigeria.

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, is of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.



Key Audit Matter	How the matter was addressed in the audit
<p>Returnable Packaging Materials</p> <p>Included in Trade and Other Payables as disclosed in Note 33 to the financial statements is Deposit for Returnable Packaging Materials (RPMs) of about N153 million received as deposits from customers for breakable bottles and crates used to distribute products sold to them.</p> <p>The Company provides RPMs to its customers in which products are distributed and in most instances the Company collects deposits. The deposit is in turn refunded to the customer upon return of these packaging materials to the Company. In cases where RPMs are not returned, the deposit is forfeited by the customer and released to the statement of profit or loss of the company.</p> <p>Significant Judgement is required by the directors in assessing the carrying value of the outstanding customers' deposit liability for RPMs. Accordingly, for the purpose of our audit, we identified the assessment of outstanding customers' deposit liability for RPMs as a key audit matter.</p> <p>The assumptions with the most significant impact in the assessment of outstanding liability for returnable packaging materials were:</p> <ul style="list-style-type: none"> • The market loss rate, which is subjective since it is based on the directors' experience and expectations in addition to lack of readily available market data. The market loss rates are estimated for bottle/crate sizes. • The cycle time of RPMs, i.e. the time it takes for RPM to be returned to the entity, which is based on the directors' estimates. RPMs are not tagged and are interchangeable, which makes the calculation of the cycle time subjective. 	<p>In evaluating the value of the outstanding deposit liability, we performed the following procedures:</p> <ul style="list-style-type: none"> • Assess management judgement applied in determining the relevant base month to perform annual re-assessment of market loss and testing reasonability of data inputs (mainly market loss rates and cycle times) applied by management, in comparison to the company's policy in respect of the returnable packaging material. • Confirmed reasonability of the base month by determining that the correct peak season was used. • The accuracy and completeness of the data input for market loss and cycle times which includes volume shipped, returns, and finished products were tested independently. • Re-compute market loss rate and perform a retrospective assessment of market loss rate to assess the reasonability of the assumptions and ensure consistency in the judgements applied by management. • Reassess the adequacy of the closing balance of deposit liability reported at period end. • Assess the adequacy of relevant disclosures in the financial statements. <p>The market loss rates used in the valuation were determined to be appropriate. The rates used appeared to be reasonable in line with the supporting information provided. Overall, no material misstatement was noted.</p>

Other Matter

We draw attention to Note 1.5 to the financial statements, which describes that the corresponding disclosures on the profit or loss and other comprehensive income for the six-month period ended 30 June 2024 are unaudited. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report, the Corporate Social Responsibility Report, Statement of Directors Responsibilities, Certification of the Financial Statements, Management's Report, Management's Report on the Effectiveness of Internal Control over Financial Reporting and Other National Disclosures (Value-Added Statement and Five-Year Financial Summary) as required by the Financial Reporting Council of Nigeria which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the / or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Fifth Schedule of the Companies and Allied Matters Act, we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.



Chigozie Okoro, FCA - FRC/2013/PRO/ICAN/004/00000004457

For: Deloitte & Touche (FRC/2022/Coy/091021)

Lagos, Nigeria

18 November 2025



Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	30 June 2025 N. '000	Unaudited 30 June 2024 N. '000
Revenue	5	15,932,134	9,544,943
Cost of sales	7.1	(7,481,574)	(5,968,980)
Gross profit		8,450,560	3,575,963
Other income	6	43,086	29,800
Impairment (loss)/gain on financial assets	8	(10,793)	8,387
Selling and distribution expenses	7.2	(2,238,717)	(1,856,446)
Administrative expenses	7.3	(1,758,005)	(1,065,442)
Operating profit		4,486,131	692,262
Finance income	9	139,973	-
Finance costs	10	(585,283)	(924,938)
Profit/(loss) before taxation		4,040,821	(232,676)
Taxation	14	(1,305,396)	(53,659)
Profit/(loss) for the period		2,735,425	(286,335)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of defined benefit liability, net of tax	24.2	(30,168)	-
Other comprehensive income for the period net of taxation		(30,168)	-
Total comprehensive income for the period		2,705,257	(286,335)
Earnings per share			
Basic and diluted earnings per share (kobo)	13	30.6	(3.7)

The accompanying notes on pages 19 to 63 form an integral part of the half year reports and financial statements.

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Statement of Financial Position as at 30 June 2025

	Note(s)	30 June 2025 N. '000	31 December 2024 N. '000
Assets			
Non-Current Assets			
Property, plant and equipment	17	14,730,904	13,826,723
Right-of-use assets	18	104,269	194,645
Deferred tax assets	16	316,877	-
		15,152,050	14,021,368
Current Assets			
Inventories	21	3,843,806	2,855,624
Trade and other receivables	19	779,864	155,360
Prepayments	23	604,617	2,088
Contract asset	20	680,374	-
Cash and cash equivalents	22	4,074,304	4,310,757
		9,982,965	7,323,829
Total Assets		25,135,015	21,345,197
Equity and Liabilities			
Equity			
Share capital	27	4,473,998	4,473,998
Other reserve	28	3,701,612	3,701,612
Retained earnings		6,048,853	3,880,476
		14,224,463	12,056,086
Liabilities			
Non-Current Liabilities			
Lease liabilities	32	-	17,507
Retirement benefit obligation	24	462,794	380,995
Long service award	26	38,616	39,052
Deferred tax liabilities	16	-	14,696
		501,410	452,250
Current Liabilities			
Trade and other payables	33	3,808,039	6,278,823
Short term employee benefits	25	436,223	428,736
Borrowings	30	3,624,101	-
Lease liabilities	32	117,316	191,360
Contract liabilities	31	315,665	439,484
Current tax payable	15	1,622,108	1,048,799
Provisions	29	485,690	449,659
		10,409,142	8,836,861
Total Liabilities		10,910,552	9,289,111
Total Equity and Liabilities		25,135,015	21,345,197

The half year reports and financial statements were approved by the board of directors on the 12th November 2025 and were signed on its behalf by:


Mr Jacob Imo-Abasi
Chairman

FRC/2018/PRO/FORM C07/00000018401


Dr Adoga Inalegwu
Managing Director

FRC/2023/PRO/IODN/002/264925


Mr Rasheed Adebisi
Finance Director

FRC/2023/PRO/ICAN/001/423509

The accompanying notes on pages 19 to 63 form an integral part of the half year reports and financial statements.

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Statement of Changes in Equity

	Share capital	Share premium	Other reserve	Retained earnings	Total equity
	N. '000	N. '000	N. '000	N. '000	N. '000
Balance at 01 January 2024	3,914,748	519,100	3,701,612	3,059,839	11,195,299
Loss for the period	-	-	-	(286,335)	(286,335)
Total comprehensive Loss for the period	-	-	-	(286,335)	(286,335)
Balance at 30 June 2024	3,914,748	519,100	3,701,612	2,773,504	10,908,964
Balance at 01 January 2025	4,473,998	-	3,701,612	3,880,476	12,056,086
Profit for the period	-	-	-	2,735,425	2,735,425
Other comprehensive income	-	-	-	(30,168)	(30,168)
Total comprehensive income for the period	-	-	-	2,705,257	2,705,257
Dividends	-	-	-	(536,880)	(536,880)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	(536,880)	(536,880)
Balance at 30 June 2025	4,473,998	-	3,701,612	6,048,853	14,224,463

The accompanying notes on pages 19 to 63 form an integral part of the half year reports and financial statements.

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Statement of Cash Flows

	Note(s)	30 June 2025 N. '000	Unaudited 30 June 2024 N. '000
Cash flows from operating activities			
Profit before taxation		4,040,821	(232,676)
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	17	1,108,982	965,236
Depreciation of right of use asset	18	90,376	56,728
Unrealized foreign exchange loss/(gain)	6	342	(657)
Impairment (gain)/loss on trade receivables	8	10,793	(8,387)
Defined benefit obligation service cost	24	11,137	120,895
Long service award service cost	26	734	16,572
Provision charge on inventories	21	35,130	16,534
Loss on disposal of Property, plant and equipment	6	-	1,192
Adjust for items which are presented separately:			
Interest income	9	(139,973)	-
Finance costs	10	585,283	924,282
Changes in working capital:			
Increase in inventories		(1,023,312)	(499,613)
(Increase)/decrease in trade and other receivables		(635,297)	23,069
Increase in prepayments		(602,529)	(104,614)
Increase in short term employee benefit		8,993	-
Increase/(decrease) in trade and other payables		620,283	(645,691)
Increase in contract liabilities		(123,819)	(1,391)
Increase in provision		36,031	79,978
(Increase)/decrease in contract assets		(680,374)	60,229
Cash generated from operations		3,343,601	771,686
Defined benefit paid	24	(11,383)	(3,995)
Tax paid	15	(1,048,800)	(120,847)
Long service awards paid	26	(5,735)	-
Short term employee benefit paid	25	(1,506)	-
Net cash from operating activities		2,276,177	646,844
Cash flows from investing activities			
Purchase of property, plant and equipment	17	(2,013,163)	(278,566)
Proceeds from sale of property, plant and equipment		-	94,479
Interest received	9	139,973	-
Net cash used in investing activities		(1,873,190)	(184,087)
Cash flows from financing activities			
Repayment of Lease liabilities	32	(91,551)	(58,644)
Payment of interest on lease liabilities	32	(10,667)	(14,200)
Repayment of borrowings- principal	30	-	(1,647,723)
Interest paid on borrowings	30	-	(304,212)
Dividends paid	40	(536,880)	-
Net cash used in financing activities		(639,098)	(2,024,779)
Total cash movement for the period		(236,111)	(1,562,022)
Cash and cash equivalents at the beginning of the period		4,310,757	2,444,615
Effect of foreign exchange rate changes on cash and cash equivalents		(342)	657
Cash and cash equivalents at the end of the period	22	4,074,304	883,250

The accompanying notes on pages 19 to 63 form an integral part of the half year reports and financial statements.

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Notes to the Financial Statements

1 Corporate information

Champion Breweries Plc ('the company') was incorporated in Nigeria as a limited liability company on 31 July 1974 and was later converted to a public limited liability company on 1 September 1992. The address of the Company's registered office is Industrial Layout, Aka Uffot, Uyo, Akwa Ibom State, Nigeria.

1.1 Principal activity

The Company is involved in the brewing and marketing of Champion Lager Beer and Champ Malta. The Company also provides contract brewing and packaging services to Nigerian Breweries Plc. The Ultimate parent Company of Champion Breweries Plc is EnjoyCorp. The immediate parent Company is The Raysun Nigeria Limited, a subsidiary of EnjoyCorp.

1.2 Statement of compliance

These financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 (now amended 2023). Details of the Company's accounting policies are included in Note 2. These financial statements were authorised for issue by the Board of Directors on 12th November 2025.

1.3 Basis of preparation

The interim financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following items, which are measured on an alternative basis on each reporting date:

- defined benefit obligations - measured at present value of obligation
- inventory - lower of cost and net realisable value
- lease liabilities- measured at present value of future lease payments
- provisions - measured at present value of the obligations

1.4 Functional and presentation currency

These financial statements are presented in Naira (N.), which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand, except when otherwise indicated.

1.5 Financial period

These financial statements cover the financial period ended 30 June 2025, with unaudited comparative amounts for the financial period ended 30 June 2024.

1.6 Composition of financial statements

The financial statements of Champions Breweries Plc for the period ended 30 June 2025 comprise:

- Statement of profit or loss and other comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Notes to the Financial Statements

2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Foreign currency transactions

Transactions in foreign currencies are translated to Naira at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to Naira at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Naira at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss.

2.2 Financial instruments

2.2.1 Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2.2.2 Classification and subsequent measurement

All financial assets and liabilities are initially recognized at fair value, which is usually the transaction price including, where appropriate, transaction costs, with the exception of trade receivables without a significant financing component, which are measured at their transaction price, determined in accordance with the Company's accounting policies for revenue. Subsequently, measurement depends on the financial assets are measured as follows:

– *Financial assets measured at amortized cost (AC)*

Financial assets are held at amortized cost when they arise from contracts which give rise to contractual cash flows which are solely principal and interest and are held in a business model which mainly holds the assets to collect contractual cash flows.

These assets are measured at amortized cost using the effective interest method and are also subject to impairment losses. Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated on the amortized cost (i.e. gross carrying amount less loss allowance). Interest income is included in finance income. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Notes to the Financial Statements

2. Accounting policies (continued)

2.2.3 Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2.2.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.3 Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.4 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Notes to the Financial Statements

2.5 Property, plant and equipment

2.5.1 Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. If significant part of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

2.5.2 Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. The cost of routine maintenance of property, plant and equipment is recognised in profit or loss when incurred.

2.5.3 Derecognition

The carrying amount of disposed items of property, plant and equipment are derecognised. Any gain or loss on sale of an item of property, plant and equipment is recognised in profit or loss.

2.5.4 Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values on a straight-line basis over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land and capital work-in-progress are not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The estimated useful lives of property plant and equipment for current and comparative periods are as shown below:

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Item	Depreciation method	Average useful life
Buildings	Straight line	40 to 50 years
Plant and machinery	Straight line	5 to 30 years
Furniture and fittings	Straight line	3 to 5 years
Motor vehicles:		
- Cars and trucks	Straight line	5 years
- Forklifts	Straight line	5 years
Returnable packaging materials:		
- Bottles	Straight line	5 years
- Crates	Straight line	8 years

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Notes to the Financial Statements

2.6 Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process. Inventories are measured at the lower of cost and net realisable value. The cost of inventory includes expenditure incurred in acquiring the inventory, production or conversion costs incurred in bringing them to their existing location and condition. Cost incurred on each product is based on:

Raw and packaging materials	– weighted average cost including transportation costs
Finished products and Products-in-process	– weighted average cost of direct materials and labour plus a reasonable proportion of manufacturing overheads based on normal levels of activity
Engineering spares	– purchase cost on a weighted average cost basis, including transportation and clearing costs

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion and selling expenses.

Inventories are regularly assessed for obsolescence, or whether their carrying amount exceeds their net realizable value (sales price less costs to sell) and appropriate provisions are recognized. Inventory values are adjusted for obsolete, slow-moving or defective items.

After write-down has been made, net realizable value should be re-assessed in each subsequent period. If the circumstances that caused the write-down cease to exist, such that all or part of the write-down is no longer needed, it should be reversed to that extent. Similarly, if there is a clear evidence that the net realizable value has increased because of changed economic circumstances, the write-down is reversed. The new carrying value of the inventory would then be the lower of cost and the revised net realizable value.

2.7 Returnable Packaging Materials and Deposit Liability

Returnable packaging materials (RPM) may be classified as property, plant and equipment or inventory. The classification mainly depends on whether ownership is transferred and if the company has the legal or constructive obligation to buy back the materials. The assumptions to classify as property plant and equipment is that the Company have it included on customer contracts, the ownership of the RPM is not transferred to the customer and the Company has a legal or constructive obligation to buy back, hence concluding that the RPM is treated as property plant and equipment. The recognition of deposit liabilities for RPM items occurs when the company becomes obligated, either contractually or constructively, to refund cash to the customer or issue a credit note upon the return of the RPM item. The initial measurement of the deposit liability is based on the nominal amount expected to be refunded to the customer upon return of the RPM item, without any discounting applied. Subsequent measurement of the RPM deposit liability involves accounting for market loss using reliable Supply Chain measurements spanning at least 12 months. This ensures a robust estimation of market loss, with adjustments made to account for seasonality.

Once sufficient reliable data is available and the market loss percentage is deemed reasonable, the deposit liability is released monthly to reflect the estimated market loss based on the monthly sales volume. Additionally, the company assess the reasonableness of the deposit liability at least annually, particularly during peak seasons when circulation time is measured. This assessment is conducted in collaboration with the Supply Chain department to ensure reliability. Depending on local circumstances, a threshold may be applied before the release is recorded to account for estimation uncertainty.

2.8 Impairment

2.8.1 Non-derivative financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs. The ECLs for trade and other receivables are estimated using a provision matrix based on the Company's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both current as well as the forecast direction of conditions at the reporting date.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

Champion Breweries Plc

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Notes to the Financial Statements

2.8 Impairment (continued)

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the non derivative financial asset at the reporting date. Non derivative financial assets are then grouped in such a manner that they share similar credit risk characteristics.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

An impairment loss is recognized if the carrying amount of a financial asset exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

2.8.2 Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of the other assets or CGUs.

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Notes to the Financial Statements

2.8 Impairment (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss and are allocated to reduce the carrying amounts of assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9 Borrowings and loans

Recognition and measurement

Borrowings and loans are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (Note 10.)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to Note 35 for details of risk exposure and management thereof.

2.10 Employee benefits

2.10.1 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.10.2 Defined contribution plans

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for its permanent staff. Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is recognised in profit or loss as personnel expense in the periods during which services are rendered by employees. Under this scheme, employees contribute 8% of their basic salary, transport and housing allowances to a fund on a monthly basis. The Company's contribution is 10% of each employee's basic salary, transport and housing allowances to the fund.

Obligations for contributions to defined contribution plans are recognised as personnel expense in profit or loss in the periods during which related services are rendered by employees.

2.10.3 Defined benefit plans

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

Champion Breweries Plc

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Notes to the Financial Statements

2.10 Employee benefits (continued)

The calculation of defined benefit obligations is performed annually by Alexander Forbes Consulting Actuaries Nigeria Limited using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income.

The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2.10.4 Other long-term employee benefits (Long service awards)

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise. The calculation of defined benefit obligations is performed annually by Alexander Forbes Consulting Actuaries Nigeria Limited using the projected unit credit method.

2.11 Provisions and contingent liabilities

Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

In determining the amount of provisions to be recognised, the Company takes into account the impact of exposures and whether additional fines and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing provisions; such changes to provisions will impact profit or loss in the period that such determination is made.

Contingent liabilities

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligations is neither a provision nor a contingent liability and no disclosure is made.

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Notes to the Financial Statements

2.11 Provisions and contingent liabilities (continued)

- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 38.

2.12 Revenue

The Company principally generates revenue from the sale and delivery of its products. Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

Nature and timing of satisfaction of performance obligation

Customer gain control of goods when the goods have been delivered and accepted at their premises or when the goods are picked up by the customer. Invoices are generated at that point in time. Invoices are usually payable within 30 days. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Product Sales

The sale and delivery of products are identified as one performance obligation and are not separately identifiable. Revenue from product sales is recognised at a point in time when the goods are delivered and have been accepted by customers at their premises or when the goods are picked up by the customer.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

2.13 Operating profit

Foreign currency transactions

Operating profit is the result generated from the continuing principal revenue-producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs or income taxes.

Champion Breweries Plc

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Notes to the Financial Statements

2.14 Tax

Current tax assets and liabilities

Income tax expense comprises current tax (Company Income Tax, Tertiary Education Tax and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unutilised tax losses, unutilised tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets and liabilities are offset if, and only if the Company:

- i. has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Notes to the Financial Statements

2.14 Tax (continued)

Minimum tax

The Company is subject to the Finance Act of 2021 which amended the Company Income Tax Act (CITA). Total amount of tax payable under the Finance Act is determined based on the higher of two components; Company Income Tax (based on taxable income (or loss) for the year); and Minimum tax (determined based on 0.5% of qualifying Company's turnover less franked investment income). Taxes based on taxable profit for the period are treated as income tax in line with IAS 12.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

2.15 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

2.16 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term as this is the shorter of lease term and the estimated useful life of the assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets below N5m

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases, including its property rental for key management personnel. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company is not a lessor in any lease arrangement.

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Notes to the Financial Statements

2.16 Leases (continued)

2.17 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognized in profit or loss on a time proportion basis using the effective interest method.

Finance costs comprise interest expense on lease liabilities, unwinding of the discount on provisions, interest expense on defined benefit obligation, interest expense on factoring of trade receivables recognized on financial assets, except finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalized as part of the related assets, are recognized in income statement using the effective interest method.

2.18 Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in items on the statement of financial position that have not resulted in actual cash flows are eliminated. Interest received is included in investing activities.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for monitoring, allocating resources and assessing performance of the operating segments and has been identified as the Managing Director.

An operating segment is a distinguishable component of the Company that earns revenue and incurs expenditure from providing related products or services (business segment), or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.

The Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.

All operating segments' operating results are reviewed regularly by the Executive Committee, which is considered to be the chief operating decision maker for the Group/Company to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Where applicable, Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. As the Company do not operate on different business segments, segmentation is not presented.

Nigeria is the Company's primary geographical segment as the revenue is entirely earned from sales of similar product in Nigeria. The Company has only one business operating segment namely- sale of goods.

Accordingly, no business or geographical segment information is reported.

Notes to the Financial Statements

3. Significant judgements and sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3.1 Critical judgements in applying accounting policies

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Capitalisation of borrowing cost

The company capitalizes borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets. Management deems capitalization appropriate to the tune of incurred amount as at the date of capitalization. Borrowing costs incurred post capitalization date are expensed in the income statement.

Leases

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

The Company applies the following practical expedients for the recognition of leases:

- The short-term lease exemption, meaning that leases with a duration of less than a year are expensed in the income statement on a straight-line basis.
- The low value lease exemption, meaning that leased assets with an individual value of N5m or less if bought new, are expensed in the income statement on a straight-line basis.

3.2 Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties at 30 June 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Retirement benefit plan

The defined benefit obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields, if the return on plan asset is below this rate, it will create a plan deficit. Currently the scheme does not have a plan asset.

The Company also sponsors a long service award plan for all its confirmed employees. Under the plan, the employees are entitled to cash award, service plaque as well as other non cash benefit on attainment of 5 years of service. The current number of employees covered under this plan is 150 (2024: 150) and there are no segregated fund assets as benefit payment are met on a pay-as-you go basis.

Notes to the Financial Statements

3. Significant judgements and sources of estimation uncertainty (continued)

Calculation of loss allowance

Management has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Under the credit policies all customers requiring credit over a certain amount are reviewed and new customers analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's credit assessment process includes specified cash deposits by new customers. Credit limits are established for qualifying customers and these limits are reviewed regularly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

The Credit Committee reviews each customer's credit limit in line with the customers' performance in the preceding quarter and perceived risk factor assigned to the customer.

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Estimated useful lives of property, plant and equipment

Management reviews the useful lives of tangible and intangible assets on an annual basis. Estimates are based on historical experience and expectations of the manner in which assets are to be used, together with expected proceeds likely to be realized when assets are disposed of at the end of their useful lives. Changes in estimated useful lives are accounted for on a prospective basis.

Liability for returnable packaging material

The Company sells its products in returnable bottles and crates for which it collects a fixed amount as deposit from customers. The Company has an obligation to refund this deposit when the customers return the crates and bottles. In the current period, the management assessed the deposits to determine the estimates of breakages and other losses of returnable packaging materials in trade using an average market loss rate. The market loss rate of returnable packaging material is calculated using the historical loss rate and a reliable estimate of customer behaviour with sufficient data for a reliable estimation. Based on this estimate, an amount is released to Selling and distribution expense to account for the losses and breakages. A yearly assessment of the RPM deposit liability account is also carried out and Deposit liability amount adjusted to the assessed amount of goods net movement.

Provision

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that the reimbursement will be received, and the amount of the receivable can be measured reliably.

Notes to the Financial Statements

4. New Standards and Interpretations

4.1 New and amended IFRS Accounting Standards that are effective for the current period

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so. When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented. In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The impact of this amendment is not material.

4.2 New and revised IFRS Accounting Standards in issue but not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2026 or later periods:

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation

Notes to the Financial Statements

4. New Standards and Interpretations (continued)

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the company anticipate that the application of these amendments may have an impact on the company's financial statements in future periods.

Amendments to IFRS 9 and IFRS 7—Amendments to the Classification and Measurement of Financial Instruments

The amendments in Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) are:

Derecognition of a financial liability settled through electronic transfer

The amendments permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognised) before the settlement date if specified criteria are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.

Classification of financial assets

- Contractual terms that are consistent with a basic lending arrangement.

The amendments provide guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.

- Assets with non-recourse features.

The amendments enhance the description of the term 'non-recourse', in particular to specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

- Contractually linked instruments.

The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

Disclosures

- Investments in equity instruments designated at FVTOCI.

The requirements in IFRS 7 are amended to require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

- Contractual terms that could change the timing or amount of contractual cash flows.

The amendments require an entity to disclose the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or FVTOCI and each class of financial liability measured at amortised cost. The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted. If an entity elects to apply these amendments for an earlier period, it is required to either:

- apply all the amendments at the same time and disclose that fact or
- apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.

The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions. The directors of the entity anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

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Notes to the Financial Statements

	Notes(s)	30 June 2025 N. '000	Unaudited 30 June 2024 N. '000
5. Revenue			
Sale of goods		15,932,134	9,544,943
The Company generates revenue primarily from the sales of the Company's products (Champion Lager Beer and Champ Malta).			
6. Other income			
Sale of scrap materials		19,835	7,465
Sale of by-products		23,593	22,043
loss on derecognition of leased asset		-	827
Loss on disposal of Property, plant and equipment		-	(1,192)
Unrealised foreign exchange loss		(342)	657
		43,086	29,800
7. Analysis of expenses by nature			
Raw materials and consumables		4,780,690	3,634,995
Provision charge on inventories		35,130	16,535
Advertising and promotion		519,228	209,905
Depreciation of property, plant and equipment		1,108,982	965,236
Depreciation of Right of use asset		90,376	56,728
Personnel expenses		1,025,374	1,021,175
Outsourced staff		149,393	71,056
Stationeries, rates and licences		46,913	60,829
Audit fee	7(c)	76,000	22,000
Management fees		361,560	-
Professional fees	7(b)	294,141	46,638
Electricity		63,937	132,570
Gas for boiler		807,753	801,834
Utilities - Diesel fuel		236,327	226,276
Fuel - Vehicles and Equipment		355,012	339,764
Meetings and conferences		83,042	91,933
Donations		2,859	23,199
Cleaning, catering and other administrative expenses		123,398	92,457
Insurance, subscription and publication		50,179	43,825
Short term leases*	7(a)	-	2,778
Repairs and maintenance		773,449	461,259
Security and IT infrastructure		203,316	157,556
Transportation and delivery		640,834	534,645
RPM deposit liability release	33.2	(349,597)	(122,325)
Total cost of sales, selling and administrative expenses		11,478,296	8,890,868

7(a) Short term lease relates to lease expense on leases with a lease term of 12 months and below for which the recognition exemption in line with IFRS 16 has been applied.

7(b) No other services were performed by the external auditors. As of 30 June 2024, Deloitte & Touche, the company's auditors, performed a non-audit service involving an ICFR review. The fee earned for this service, amounting to 7.5 million, has been accrued and included within professional fees.

7(c) The audit fees include N46 million recognized for the half-year audit and an accrued amount of N30 million accrued to the full-year audit.

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Notes to the Financial Statements

	Notes(s)	30 June 2025 N. '000	Unaudited 30 June 2024 N. '000
7. Analysis of expenses by nature (continued)			
These expenses are further analysed as follows:			
Cost of sales		7,481,574	5,968,980
Selling and distribution expenses		2,238,717	1,856,446
Administrative expenses		1,758,005	1,065,442
		11,478,296	8,890,868
7.1 Cost of Sales			
Raw materials and consumables		4,780,690	3,634,995
Provision charge on inventory		35,130	16,534
Personnel expenses		401,490	386,508
Outsourced staff		149,393	71,056
Depreciation- property, plant and equipment		283,491	276,168
Depreciation right of use asset		82,241	51,622
Utilities-electricity, gas and diesel fuel		1,108,017	1,160,682
Repair and Maintenance		640,934	371,415
Utilities - fuel for motor vehicles		188	-
		7,481,574	5,968,980
7.2 Selling and distribution expenses			
Advertising and promotion		519,228	209,905
Personnel expenses		308,138	292,786
Depreciation- property, plant and equipment		784,079	651,182
Transportation and delivery		595,977	497,220
Utilities - fuel motor vehicles		248,377	237,834
Repair & maintenance		132,515	89,844
RPM deposit liability release		(349,597)	(122,325)
		2,238,717	1,856,446

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Notes to the Financial Statements

	Notes(s)	30 June 2025 N. '000	Unaudited 30 June 2024 N. '000
7. Analysis of expenses by nature (continued)			
7.3 Administrative expenses			
Personnel expenses		315,746	341,881
Depreciation- property, plant and equipment		41,412	37,885
Depreciation- right of use assets		8,134	5,106
Audit fees		76,000	22,000
Professional fees		294,141	46,638
Utilities - electricity and fuel motor vehicles		106,447	101,929
Meetings and conferences		83,042	91,933
Stationeries, rates and licences		46,913	60,829
Short term leases		-	2,778
Transport & accommodation		44,858	37,425
Insurance, subscription and publication		50,179	43,825
Cleaning, catering and other expenses		123,398	92,457
Security and IT infrastructure		203,316	157,557
Donations		2,859	23,199
Management fees		361,560	-
		1,758,005	1,065,442
8. Impairment loss/(gain) on financial assets			
Trade receivables	19.3	10,793	(8,387)
9. Finance income			
Interest income on call deposits		139,973	-
10. Finance costs			
Exchange difference on foreign currency letter of credit	30	-	606,526
Interest expense on lease liabilities	32	10,667	14,200
Interest expense on Retirement Benefit	24	37,018	-
Interest expense on Long service award	26	4,565	-
Interest on loan	30	533,033	304,212
Total finance costs		585,283	924,938

Champion Breweries Plc

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Notes to the Financial Statements

	Notes(s)	30 June 2025 N. '000	Unaudited 30 June 2024 N. '000
11. Profit before taxation			
Profit before taxation for the period is stated after charging (crediting) the following, amongst others:			
Audit fees		76,000	22,000
Employee costs			
Personnel expenses		1,025,374	1,021,175
Outsourced staff		149,393	71,056
Average number of persons employed during the year			
Production		79	83
Logistics		14	14
Sales and marketing		35	35
Administration		30	27
		158	159
Depreciation and amortisation			
Depreciation of property, plant and equipment		1,108,982	965,236
Depreciation of right-of-use assets		90,376	56,728
Movement in credit loss allowances			
Trade and other receivables		10,793	(8,387)
Other			
Finance cost		585,283	924,938

Champion Breweries Plc

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Notes to the Financial Statements

	Notes(s)	30 June 2025 N. '000	Unaudited 30 June 2024 N. '000
12. Employee costs			
Direct employee costs			
Salaries and wages		645,436	648,432
Pension		53,982	37,710
Defined benefit obligation service cost		11,137	120,895
Long service award service cost		735	16,572
Other personnel related expenses		223,504	134,265
Medical fees		81,587	63,301
Short term employee cost		8,993	-
		1,025,374	1,021,175
Indirect employee costs			
Outsourced staff		149,393	71,056
Total employee costs			
Direct employee costs		1,025,374	1,021,175
Indirect employee costs		149,393	71,056
		1,174,767	1,092,231

Average number of persons employed during the period

	Number	Number
Production	79	83
Logistics	14	14
Sales and marketing	35	35
Administration	30	27
	158	159

The table shows the number of employees (excluding directors) whose earnings during the period fell within the ranges shown below:

	30 June 2025	30 June 2024
	Number	Number
N1,600,001 - N1,800,000	-	5
N1,800,001 - N2,000,000	-	-
N2,000,001 - N2,500,000	13	6
N2,500,001 - N3,000,000	8	12
N3,000,001 - N3,500,000	13	15
N3,500,001 - N4,000,000	21	16
N4,000,001 - N4,500,000	18	15
N4,500,001 - N5,000,000	8	13
Above N5,000,000	77	77
	158	159

13. Earnings per share

	30 June 2025	30 June 2024
Profit/(loss) for the period (A)	2,735,425	(286,335)
Weighted number of shares at the end of the period (B)	8,947,995	7,829,496
Basic and diluted earnings per share (A/B)	30.6	(3.7)

Champion Breweries Plc

Half Year Reports And Financial Statements for the period ended 30 June 2025

Notes to the Financial Statements

	Notes(s)	30 June 2025 N. '000	Unaudited 30 June 2024 N. '000
14. Taxation			
Major components of the tax expense			
Current			
Income tax		1,467,304	-
Minimum tax		-	53,659
Tertiary education tax		154,603	-
Nigeria Police Trust Fund Levy (NPTF)		202	-
		1,622,109	53,659
Deferred			
Originating and reversing temporary differences		(316,713)	-
Income tax charged to Profit or Loss		1,305,396	53,659
Items that will not be reclassified to profit or loss			
- Amount recognised in other comprehensive income	24.2	(14,859)	
Reconciliation of the tax expense			
Reconciliation between accounting profit and tax expense.			
Accounting profit/(loss)		4,040,821	(232,676)
Tax at the applicable tax rate of 30% (2024: 30%)		1,212,246	(69,803)
Minimum tax		-	53,659
Nigerian Police Trust Fund Levy		202	-
Tertiary education tax		154,603	-
Tax effect of adjustments on taxable income			
Effect of income that is exempt from taxation		(104,879)	-
Effect of expenses that are not deductible in determining taxable profit		68,492	106,500
Adjustment recognised due to difference in tax rates		(25,268)	-
		1,305,396	90,356

Champion Breweries Plc

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Notes to the Financial Statements

	30 June 2025	31 December 2024
	Notes(s)	N. '000
		N. '000
15. Current tax payable		
Balance beginning of the period/year		1,048,799
Tax expense		1,622,109
Tax Credit		-
Payments during the period/year		(1,048,800)
		1,622,108
		1,048,799

16. Deferred tax

Deferred tax liability	316,877	(14,696)
------------------------	---------	----------

Movement in deferred tax balances

	Net balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Net	Deferred tax assets	Deferred tax liabilities
	N.'000	N.'000	N.'000	N.'000	N.'000	N.'000
30 June 2025						
Property, plant and equipment	(428,358)	305,305	-	(123,053)	-	(123,053)
Defined benefit	18,066	-	14,859	32,925	32,925	-
Provisions	436,418	41,505	-	477,924	477,924	-
Revaluations	(109,514)	-	-	(109,514)	-	(109,514)
Exchange difference	(234)	114	-	(120)	-	(120)
Other deferred tax items/lease liabilities	68,926	(30,211)	-	38,715	38,715	-
	(14,696)	316,713	14,859	316,877	549,564	(232,687)

	Net balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Net	Deferred tax assets	Deferred tax liabilities
	N.'000	N.'000	N.'000	N.'000	N.'000	N.'000
31 December 2024						
Property, plant and equipment	(800,394)	372,036	-	(428,358)	-	(428,358)
Defined benefit	39,635	-	(21,569)	18,066	18,066	-
Provisions	225,050	211,368	-	436,418	436,418	-
Revaluations	(109,514)	-	-	(109,514)	-	(109,514)
Other Deferred tax items/Lease liabilities	41,930	26,996	-	68,926	68,926	-
Exchange difference	18,426	(18,659)	-	(234)	-	(234)
	(584,867)	591,741	(21,569)	(14,696)	523,410	(538,106)

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Notes to the Financial Statements

17. Property, plant and equipment

	Land	Buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	Returnable Packaging Materials	Capital - Work in progress	Total
	N.'000	N.'000	N.'000	N.'000	N.'000	N.'000	N.'000	N.'000
Cost								
At 01 January 2024	954,100	3,186,605	8,526,294	768,746	1,091,278	9,188,297	1,787,960	25,503,280
Additions	-	22,038	99,675	16,797	-	646,253	48,324	833,087
Disposals	-	-	(3,088)	(18,731)	(80,821)	-	-	(102,640)
Transfers	-	123,816	71,332	14,686	73,625	-	(283,459)	-
At 31 December 2024	954,100	3,332,459	8,694,213	781,498	1,084,082	9,834,550	1,552,825	26,233,727
At 01 January 2025	954,100	3,332,459	8,694,213	781,498	1,084,082	9,834,550	1,552,825	26,233,727
Additions	-	-	28,040	24,729	-	1,960,394	-	2,013,163
At 30 June 2025	954,100	3,332,459	8,722,253	806,227	1,084,082	11,794,944	1,552,825	28,246,890
Accumulated Depreciation								
At 01 January 2024	-	(1,534,150)	(3,955,034)	(532,986)	(747,347)	(3,616,479)	-	(10,385,996)
Depreciation	-	(166,010)	(393,841)	(80,744)	(136,166)	(1,282,161)	-	(2,058,922)
Disposals	-	-	2,567	17,289	73,404	-	-	93,260
Impairment	-	-	(55,346)	-	-	-	-	(55,346)
At 31 December 2024	-	(1,700,160)	(4,401,654)	(596,441)	(810,109)	(4,898,640)	-	(12,407,004)
At 01 January 2025	-	(1,700,160)	(4,401,654)	(596,441)	(810,109)	(4,898,640)	-	(12,407,004)
Depreciation	-	(84,247)	(199,245)	(41,411)	(66,729)	(717,350)	-	(1,108,982)
At 30 June 2025	-	(1,784,407)	(4,600,899)	(637,852)	(876,838)	(5,615,990)	-	(13,515,986)
Carrying amount								
Cost	954,100	3,332,459	8,694,213	781,498	1,084,082	9,834,550	1,552,825	26,233,727
Accumulated depreciation	-	(1,700,160)	(4,401,654)	(596,441)	(810,109)	(4,898,640)	-	(12,407,004)
At 31 December 2024	954,100	1,632,299	4,292,559	185,057	273,973	4,935,910	1,552,825	13,826,723
Cost	954,100	3,332,459	8,722,253	806,227	1,084,082	11,794,944	1,552,825	28,246,890
Accumulated depreciation	-	(1,784,407)	(4,600,899)	(637,852)	(876,838)	(5,615,990)	-	(13,515,986)
At 30 June 2025	954,100	1,548,052	4,121,354	168,375	207,244	6,178,954	1,552,825	14,730,904

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Notes to the Financial Statements

17. Property, plant and equipment (continued)

Borrowing costs capitalised

During the period, no borrowing cost was capitalised to property, plant and equipment (31 December 2024: 148.66 million calculated at an average interest rate of 14%.)

Impairment loss

During the period, there was no impairment on Property, plant and machinery of the business. (31 December 2024: N55 million).

Capital work-in-progress

Capital work in progress includes packer and unpacker machine and others under construction.

Assets pledged as security

There were no lien or encumbrances on any asset during the period (31 December 2024: Nil).

18. Right of Use Assets

	Buildings	Plant and machinery	Total
	N. '000	N. '000	N. '000
Cost			
At 1 January 2024	23,786	315,951	339,737
Lease modification	(2,017)	143,876	141,859
At 31 December 2024	21,769	459,827	481,596
At 01 January 2025	21,769	459,827	481,596
At 30 June 2025	21,769	459,827	481,596
Depreciation and impairment			
At 01 January 2024	(9,953)	(96,541)	(106,494)
Depreciation	(6,079)	(174,378)	(180,457)
At 31 December 2024	(16,032)	(270,919)	(286,951)
At 01 January 2025	(16,032)	(270,919)	(286,951)
Depreciation	(3,186)	(87,190)	(90,376)
At 30 June 2025	(19,218)	(358,109)	(377,327)
Carrying amount			
Cost	21,769	459,827	481,596
Accumulated depreciation and impairment	(16,032)	(270,919)	(286,951)
At 31 December 2024	5,737	188,908	194,645
Cost	21,769	459,827	481,596
Accumulated depreciation and impairment	(19,218)	(358,109)	(377,327)
At 30 June 2025	2,551	101,718	104,269

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Notes to the Financial Statements

		30 June 2025	31 December 2024
	Notes(s)	N. '000	N. '000
19. Trade and other receivables			
Financial instruments:			
Trade receivables		711,288	167,719
Less: Impairment loss allowance on trade receivables		(53,037)	(42,244)
Trade receivables at amortised cost		<u>658,251</u>	<u>125,475</u>
Non-financial instruments:			
Other receivables	19.1	<u>121,613</u>	<u>29,885</u>
Total trade and other receivables		<u>779,864</u>	<u>155,360</u>
19.1 Other receivables			
Staff car grant		104,346	15,899
Withholding tax on fixed deposit placement		13,904	13,986
Dividend receivable		3,363	-
		<u>121,613</u>	<u>29,885</u>

19.2 Exposure to credit risk for trade receivables

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due. Trade receivables are non-interest bearing and are generally on terms of 0 - 30 days.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

30 June 2025	Not Past due	30 days past due	31 - 60 days past due	61 - 90 days past due	91 - 180 days past due	More than 180 days past due	Total
	N.'000	N.'000	N.'000	N.'000	N.'000	N.'000	N.'000
Estimated gross carrying amount at default	408,029	238,686	8,956	2,861	8,201	44,555	711,288
Loss allowance	-	-	2,239	1,431	6,150	43,217	53,037
Expected credit loss rate	- %	- %	25.00 %	50.02 %	74.99 %	97.00 %	7.46 %
31 December 2024	Not Past due	30 days past due	31 - 60 days past due	61 - 90 days past due	91 - 180 days past due	More than 180 days past due	Total
	N.'000	N.'000	N.'000	N.'000	N.'000	N.'000	N.'000
Estimated gross carrying amount at default	116,723	1,940	7,837	444	13	40,762	167,719
Loss allowance	379	24	2,045	226	9	39,561	42,244
Expected credit loss rate	0.32 %	1.24 %	26.09 %	50.90 %	69.23 %	97.05 %	25.19 %

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Half Year Reports And Financial Statements for the period ended 30 June 2025

Notes to the Financial Statements

	30 June 2025	31 December 2024
	Notes(s)	N. '000
		N. '000
19. Trade and other receivables (continued)		
19.3 Movement in loss allowances on trade receivables		
The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:		
Opening balance		(42,244)
Changes in loss allowance		(10,793)
Closing balance		(53,037)
		(54,637)
		12,393
		(42,244)
20. Contract asset		
Advances to suppliers		680,374
		-
Contract asset relates to advances to vendors for raw materials supplied.		
21. Inventories		
Raw materials		1,613,775
Work in progress		400,141
Finished goods		245,478
Packaging materials		724,124
Engineering spares		931,956
		3,915,474
		588,870
		426,106
		223,161
		605,205
		1,048,820
		2,892,162
Provision for obsolete stock		
Raw materials		(32,730)
Engineering spares		(38,938)
		-
		(36,538)
		3,843,806
		2,855,624
Movement in provision for obsolete stock		
Opening balance		(36,538)
Provision during the year		(35,130)
Closing balance		(71,668)
		(29,993)
		(6,545)
		(36,538)
22. Cash and cash equivalents		
Cash at bank		2,980,865
Cash call deposits		1,093,439
		3,296,727
		1,014,030
		4,074,304
		4,310,757
23. Prepayments		
Prepaid insurance		51,011
Prepaid Employee medical expenses (HMO)		396,183
Prepaid Housing		106,052
Prepayment for capital raise		51,371
		1,240
		-
		848
		-
		604,617
		2,088

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Notes to the Financial Statements

24. Retirement benefit obligation

Defined benefit plan

The Company sponsors a retirement benefit obligation (defined benefit plan) and Long service award for its qualifying employees. The Company operates an unfunded defined benefit scheme for its employees which is remeasured using the Projected Unit Credit method by an Actuarial Consultant, Paul Monday Odofin FRC/2024/PRO/NAS/002/974208 of Giant Consultants Limited for the 30 June 2025 and Wayne van Jaarsveld FRC/2021/PRO/DIR/003/00000024507 of Alexander Forbes Consulting Actuaries Nigeria: FRC/2012/0000000000504 for 31 December 2024.

Gratuity benefit	Years of service
Senior management staff	
7 weeks basic salary for each completed year of service	5<10 years
7 weeks of total emolument (Basic salary + Transport allowance + Housing allowance + Meal allowance) for each completed year of service.	10 years and above
Junior staff	
5 weeks basic salary for each completed year of service	5<10 years
7 weeks of total emolument (Basic salary + Transport allowance + Housing allowance + Meal allowance) for each completed year of service.	10 years and above

The gratuity scheme for non-management employees has been confirmed as stopped and therefore their liabilities should no longer be part of the scheme as at 31 December 2024. Management employees have not officially signed off on the cessation of the gratuity scheme. Hence, it is assumed that they will still be considered part of the scheme as of 31 December 2024. No payments were made for the non-management staff during the 31 December 2024 year end and the liability has transferred out of the scheme to short term employee benefits. The removal of the non-management staff effective 1 June 2024 has therefore been shown as a gain under profit and loss.

The plans typically expose the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the scheme does not have plan asset.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used in determining defined benefit obligations for the Company's plans are shown below:

	30 June 2025	31 December 2024
Discount rate (p.a)	17.50 %	21.10 %
Salary Increase Rate	17.50 %	12.00 %

The Movement in present value of defined benefit obligation are set out below:

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Notes to the Financial Statements

24. Retirement benefit obligation (continued)

	Note(s)	30 June 2025	31 December 2024
		N. '000	N. '000
Opening defined benefit obligation		380,995	629,808
Current service cost		11,137	24,370
Past service cost		-	146,644
Interest cost	10	37,018	77,853
Transfer to short term employee benefits		-	(428,736)
Remeasurements arising from changes in economic assumptions		-	44,078
Remeasurements arising from demographic assumptions		45,027	(109,439)
Payments		(11,383)	(3,583)
		462,794	380,995
Non-current liabilities		462,794	380,995

The Association of Food, Beverage and Tobacco Employers issued a communication regarding the discontinuation of gratuity, effective January 1, 2025, following several meetings with stakeholders. Based on this development, the retirement benefit obligation for the Food, Beverage and Tobacco Senior Staff Association (FOBTOB) was discontinued and reclassified to current liabilities in the financial records as of December 2024. However, since the collective agreement has not yet been signed by the union, there remains no definitive date for its formalization. Consequently, it is necessary to reclassify the recognition back to long-term liabilities until the agreement is officially executed.

24.1 Amounts recognised in profit or loss

	Note(s)	30 June 2025	30 June 2024
		N. '000	N. '000
Service cost		11,137	120,895
Interest expense	10	37,018	-
		48,155	248,867

24.2 Amounts recognised in other comprehensive income:

Actuarial (gain)/loss arising from:

Changes in demographic assumptions		45,027	-
Related tax	14	(14,859)	-
Remeasurement of the net defined benefit liability		30,168	-

Demographic assumptions

Mortality in service

The rates of mortality assumed for employees are the rates published in the A67/70 (two years select) Permanent Assurances, Males, Combined Table, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample age	Number of deaths per 1,000 lives
25	7
30	7
35	9
40	14
45	26

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Notes to the Financial Statements

	30 June 2025	31 December 2024
Notes(s)	N. '000	N. '000

24. Retirement benefit obligation (continued)

Withdrawal from Service

We have assumed a withdrawal rate for the current valuation at a rate of 15% for all ages up to age 29 years and reduces till nil at age 60.

Age Band (years)	Withdrawal Rate
Up to 29	15.0%
30 - 34	10.0%
35 - 39	7.0%
40 - 44	5.0%
45 - 49	4.0%
50 - 54	3.5%
55	3.0%
56	2.5%
57	2.0%
58	1.5%
59	1.0%
60	-

24.3 Pension liabilities

Balance on the pension payable account represents the amount due to the Pension Fund Administrators which was yet to be remitted as at the period ended 30 June 2025. This is presented under trade and other payables (Note 33.1). The movement on this account during the year was as follows:

	30 June 2025	31 December 2024
	N.'000	N.'000
1 January	3,779	-
Charge for the year & Staff deduction	95,438	149,882
Remittances	(81,022)	(146,103)
included in trade and other payables	18,195	3,779

25. Short term employee benefits

	30 June 2025	31 December 2024
	N.'000	N.'000
Current liabilities	436,223	428,736

With the discontinuation of the gratuity scheme for non management employee during in 2024, the current obligation attributable for non-management staff have been recognized as short term employee benefit.

	30 June 2025	31 December 2024
	N. '000	N. '000
Opening balance	428,736	-
Payment	(1,506)	-
Transfer from retirement benefit obligation	-	428,736
Short term employee cost	8,993	-
	436,223	428,736

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Notes to the Financial Statements

26. Long service awards

The Company sponsors a long service award plan for all confirmed employees. Under the plan, the employees are entitled to the following based on the attainment of milestone years of service:

Long service awards

N50,000 in lieu of gift item, 12 crates of Company's products and plaque	5 years
1-month basic salary, N200,000 in lieu of gift item, plaque and 17 crates of Company's products	10 years
1.5 months basic salary, N250,000 in lieu of gift item, plaque and 22 crates of Company's products	15 years
2 months basic salary, N300,000 in lieu of gift item, plaque and 27 crates of Company's products	20 years

The most recent actuarial valuations of the long service award were carried out at 30 June 2025 by an Actuarial Consultant, Paul Monday Odofin FRC/2024/PRO/NAS/002/974208 of Giant Consultants Limited and Wayne van Jaarsveld FRC/2021/PRO/DIR/003/00000024507 of Alexander Forbes Consulting Actuaries Nigeria: FRC/2012/000000000504 for 31 December 2024. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used in determining long service obligations for the Company's plans are shown below: The assumptions used are financial and demographic assumptions.

	30 June 2025	31 December 2024
Financial assumptions		
Discount rate (p.a)	17.50 %	21.10 %
Salary Increase Rate Non-Management	17.50 %	14.00 %
Salary Increase Rate Management	10.00 %	10.00 %
Benefit increase rate	7.50 %	7.50 %

Demographic assumptions

Mortality in service

The rates of mortality assumed for employees are the rates published in the A67/70 (two years select) Permanent Assurances, Males, Combined Table, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample age	Number of deaths per 1,000 lives
25	7
30	7
35	9
40	14
45	26

Withdrawal from service

Age Band (years)	Withdrawal Rate
Up to 29	15.0%
30 - 34	10.0%
35 - 39	7.0%
40 - 44	5.0%
45 - 49	4.0%
50 - 54	3.5%
55	3.0%
56	2.5%
57	2.0%
58	1.5%
59	1.0%
60	-

The same mortality assumption was used in the 2024 valuation .

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Notes to the Financial Statements

		30 June 2025	31 December 2024
	Notes(s)	N. '000	N. '000
26. Long service awards (continued)			
Sensitivity analysis on long service awards:			
Base		44,351	39,052
Discount rate:			
1% increase		(36,679)	(37,642)
1% decrease		(40,720)	(40,556)
Future salary increase:		-	-
1% increase		(39,550)	(40,606)
1% decrease		(37,736)	(37,578)

The reconciliation of the changes in present value of long service award are set out below:

Opening balance		39,052	47,637
Current service cost		3,043	6,710
Interest cost	10	4,565	6,365
Payment of Long service award		(5,735)	(23,834)
Remeasurements arising from demographic assumptions		(11,438)	13,395
Remeasurements arising from changes in economic assumptions		9,129	(11,221)
		38,616	39,052

Amount recognised in profit or loss in respect to long service awards are as follows:

		30 June 2025	30 June 2024
		N. '000	N. '000
Current service cost		3,043	16,572
Actuarial (gains) arising from changes in economic assumptions		9,129	-
Actuarial (gains) arising from demographic assumptions		(11,438)	-
		734	16,572
Interest cost	10	4,565	-
		5,299	16,572

Long service award has been presented separately for fair presentation.

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Notes to the Financial Statements

	30 June 2025	31 December 2024
Notes(s)	N. '000	N. '000
27. Share capital and share premium		
Authorised		
8,947,995,892 (December 2024: 8,947,995,892) Ordinary shares at 50k each	4,473,998	4,473,998
Reconciliation of number of shares issued:	30 June 2025	31 December 2024
	Number	Number
Reported as at 01 January	8,947,995,892	7,829,496,464
Bonus issue (One for every seven ordinary shares in issue)	-	1,118,499,428
	8,947,995,892	8,947,995,892
Issued	N.'000	N.'000
8,947,995,892 (December 2024: 8,947,995,892) ordinary shares of 50k each	4,473,998	4,473,998

The shareholders of the Company, by an ordinary resolution passed at the Extraordinary General Meeting held on 21st May 2024, approved the bonus issue of 1,118,499,428 new ordinary shares on the basis of one (1) bonus share for every seven (7) existing ordinary shares held. The issued and fully paid-up ordinary share capital of the Company was increased from 7,829,496,464 to 8,947,995,892. The bonus shares were issued as fully paid, at nil consideration and the differences in authorized shares capital were cancelled.

The bonus share issue was financed mainly from the share premium account, with the residual amount of 40m sourced from retained earnings.

Reconciliation of share premium

Reported as at 01 January	-	519,100
Bonus issue	-	(519,100)
	-	-

27(a) Dividend

The Directors did not recommend any dividend during the period. In 2024, The Board of Directors proposed a dividend of 6k per share for the financial year ended 31st December 2024 which has been paid in the current period and is reflected in the interim financial statement.

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Notes to the Financial Statements

28. Other reserve

On 1 January 2011 (date of transition to IFRS Accounting Standards), the Company applied optional exemptions of deemed cost for measurement of property, plant and equipment. Other reserve was created to recognise differences between the carrying amounts and fair value of property, plant and equipment on the date of transition to IFRS Accounting Standards.

29. Provisions

Provisions represent the Directors' best estimate of the amount of resources embodying economic benefits that may be required to settle regulatory-related, staff related and other exposures.

	30 June 2025	31 December 2024
	N.'000	N.'000
Regulatory related	235,290	233,599
Staff related	123,348	126,872
Others	127,052	89,188
Closing balance	485,690	449,659

Management expects the cash outflows relating to the provisions to occur within the next financial year based on expected timing of settlement of the related matters. Accordingly, the provision has not been discounted. Provision during the period have been recognised in respective expense heads.

30. Borrowings

	30 June 2025	31 December 2024
	N.'000	N.'000
Held at amortised cost		
Loan	3,624,101	-
Letter of credit	-	-
Non-current liabilities	-	-
Current liabilities	3,624,101	-
	3,624,101	-

Loan

The loan relates to the amount due to Nigerian Breweries as at 30 June 2025. The payable balance to Nigerian Breweries Plc as of 2025 was converted into a loan, attracting interest at 30% per annum. This resulted in a reclassification from trade payables to borrowings. Due to the change in ultimate parent company from Heineken to EnjoyCorp in 2024, the related party relationship between Champion Breweries and Nigerian Breweries Plc ended.

Letter of Credit

A cash Back/clean line letter of credit with 18% interest rate was acquired to fund the purchase of Marsh filter and accessories from Lehui Engineering Equipment West Africa Ltd. The LC was \$1.3 million and issued in January 2023. In July 2024, The obligation was completely cleared with the bank.

Champion Breweries Plc

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Notes to the Financial Statements

	30 June 2025	31 December 2024
Notes(s)	N. '000	N. '000
30. Borrowings (continued)		
30.1 Movements in Borrowings		
Opening balance	-	1,346,065
Addition	3,091,068	-
Accrued interest	533,033	237,233
Repayment- principal	-	(1,902,707)
Effect of exchange difference	-	708,425
Interest paid	-	(389,016)
Closing balance	3,624,101	-
31. Contract liabilities		
Summary of contract liabilities		
Contract liabilities	315,665	439,484
Split between non-current and current portions		
Non-current liabilities	-	-
Current liabilities	315,665	439,484
	315,665	439,484
Movement in contract liabilities		
Opening balance	439,484	308,355
Additional deposit by customer	2,748,002	3,258,119
Utilization of deposit	(2,871,821)	(3,126,990)
Closing balance	315,665	439,484

Contract liabilities relates to the company's obligation to transfer goods to a customer for which consideration has been received.

Champion Breweries Plc

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32. Lease Liability

Lease liabilities relate to the present value of future lease payment on the Company's rented gas generator and properties.

The Company leases a Gas generator equipment and apartment (building) for its key management personnel for the purpose of accommodation.

Gas generator equipment

The management recognised right-of-use assets and lease liabilities with respect to a gas generator after assessing that the Company will continue to demand for power from the lessor of the gas generator for the foreseeable future.

The movement in the lease liability during the period/year is as follows:

	30 June 2025	31 December 2024
	N.'000	N.'000
Balance as at 1 January	208,867	245,146
Accrued lease interest	10,667	39,666
Payment of lease liabilities	(91,551)	(178,137)
Payment of lease interest	(10,667)	(39,666)
Lease Modification	-	141,858
Balance	117,316	208,867

In 2024, the lease agreement for the property, plant, and equipment experienced an upward rate review, while the lease duration remained unchanged. However, there was a change in the duration of the building lease, resulting in a lease modification

	30 June 2025	31 December 2024
	N.'000	N.'000
Maturity analysis:		
Less than 1 year	121,385	206,096
Between 1 - 2 years	-	17,507
	117,316	208,867
Analysed as:		
Current	117,316	191,360
Non-current	-	17,507
Balance	117,316	208,867

Management elected not to recognise right-of-use assets and lease liabilities for leases of one year or below for which it is not reasonably certain the tenor will be extended. These have been classified as prepayments in the statement of financial position.

32.1 Amounts recognised in profit or loss

	2025	2024
	N.'000	N.'000
Interest on lease liabilities	10,667	14,200
Expenses relating to short-term leases	-	2,778
Depreciation of right of use asset	90,376	56,728
	101,043	73,706

Notes to the Financial Statements

32. Lease Liability (continued)

32.2 Extension options

The generator and building leases contain extension options exercisable by the Company at the end of the non-cancellable contract periods. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

33. Trade and other payables

Financial instruments:

		30 June 2025	31 December 2024
		N.'000	N.'000
Trade payables		2,436,009	4,695,585
Amounts due to related parties	34	39,742	295,968
Unclaimed dividend		3,363	-
		2,479,114	4,991,553

Non-financial instruments:

Liabilities for returnable packaging materials	33.2	152,950	336,666
Accrued expenses		928,609	527,577
Other payables	33.1	247,366	423,027
		3,808,039	6,278,823

33.1 Other payables

Value added taxes payable		104,288	226,585
Excise duties		59,103	121,810
Vendor withholding tax payable		58,717	70,853
Pension payable		18,195	3,779
Other payables		7,063	-
		247,366	423,027

33.2 Liabilities for returnable packaging materials

The refund liability relates to customers' right to return packaging materials within 30 days of purchase. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

Reconciliation of changes in returnable packaging materials liability.

	30 June 2025	31 December 2024
	N.'000	N.'000
Opening balance	336,666	391,473
Additional customer deposit during the period/year	2,355,055	4,746,090
Returns during the period/year	(2,189,174)	(4,679,804)
Release of liability	(349,597)	(121,093)
Closing balance	152,950	336,666

The Company has the legal or constructive obligation to take back the materials from the market. A deposit value is generally charged upon sale of the finished product, which is reimbursed when the empty returnable packaging material is returned. The company apply judgement to assess the carrying value of the outstanding customer's deposit liability. The most significant assumptions are on market loss rate, which is estimated based on measurements on a monthly basis, market possession and circulation times of the returnable packaging material. The measurements and estimates are monitored on a monthly basis and the deposit liability assessment is done annually.

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34. Related parties

Relationships	30 June 2025	31 December 2024
Ultimate holding company	EnjoyCorp	EnjoyCorp
Holding company	Enjoycorp Limited (Nigeria) formerly known as "The Raysun Nigeria Limited"	Enjoycorp Limited (Nigeria) formerly known as "The Raysun Nigeria Limited"

Following the change in ultimate parent company from Heineken N.V. to Enjoycorp in August 2024, the related party relationship between Nigerian Breweries Plc and Champion Breweries ceased to exist

The company's parent company is Raysun Nigeria Limited, which owns 80.21% of the company's share capital as of the reporting date, December 31, 2024. Enjoycorp Limited is the ultimate parent company of Champion Breweries Plc. The company has a related party transaction in the form of 2% of gross revenue as management fees payable to Enjoycorp Limited (Nigeria), net of all expenses not directly connected to board functions, such as travel, accommodation, and sitting fees for board or committee meetings. Raysun Nigeria Limited provides expertise, technical know-how, training, among other services to the company. These transactions are conducted on terms comparable to those with third parties.

Related party balances

	30 June 2025	31 December 2024
	N.'000	N.'000
Amounts owed to related parties		
Enjoycorp Limited	39,742	295,968
	39,742	295,968

Related party transactions

Purchases from (sales to) related parties		
Enjoycorp Limited	-	295,968
Management fee:		
Enjoycorp Limited	361,560	-

Compensation to directors and other key management

	30 June 2025	30 June 2024
	N.'000	N.'000
Directors' fees	28,550	18,060
Key management remuneration	33,694	21,721
	62,244	39,781

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Notes to the Financial Statements

35. Financial instruments and risk management

35.1 Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of its equity balance. The capital structure of the Company comprises issued share capital and retained earnings.

The capital structure and gearing ratio of the company at the reporting date was as follows:

	Note(s)	30 June 2025	31 December 2024
		N.'000	N.'000
Borrowings	30	3,624,101	-
Cash and cash equivalents	22	(4,074,304)	(4,310,757)
Net borrowings		(450,203)	(4,310,757)
Equity		14,224,463	12,056,086
Gearing ratio		(3)%	(36)%

Champion Breweries Plc

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Notes to the Financial Statements

35. Financial instruments and risk management (continued)

35.2 Categories of financial instruments

30 June 2025

Financial assets

	Note(s)	Carrying value	
		Amortised cost	Total
Cash and cash equivalents	22	4,074,304	4,074,304
Trade and other receivables	19	779,864	779,864
		4,854,168	4,854,168

Financial liabilities

Trade and other payables	33	2,479,114	2,479,114
Borrowings	30	3,624,101	3,624,101
		6,103,215	6,103,215

31 December 2024

Financial assets

	Note(s)	Amortised cost	Total
Cash and cash equivalents	22	4,310,757	4,310,757
Trade and other receivables	19	155,360	155,360
		4,466,117	4,466,117

Financial liabilities

Trade and other payables	33	4,991,553	-
		4,991,553	4,074,304

The carrying amounts of the financial assets and financial liabilities, which are calculated at amortized cost are approximate of the fair value of the financial instruments.

Notes to the Financial Statements

35. Financial instruments and risk management (continued)

35.3 Financial risk management

35.3.1 Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Company has a Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies which are established to identify and analyse the risks faced by the Company, to set appropriate risk limit and controls, and monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee and Risk Management Committee.

35.3.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and related parties.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting year represented below is the worst case scenario of credit risk exposure

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit sales limits are established for each customer and are reviewed regularly. The concentration of credit risk is limited due to the large and unrelated customer base. The company has pledged no trade receivables during the year.

The Company reviews amounts due in respect of other receivables on a periodic basis taking into consideration factors such as continued employment relationship. All employee advances are recovered through payroll deductions and there has been no history of default. Accordingly management considers employee advances as recoverable.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The Company's exposure to credit risk on its financial assets at the reporting date are concentrated in a geographical region; Southern Nigeria.

Loss rates are based on actual credit loss experience over the years. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The increase in loss allowance is mainly attributable to the increase in the gross carrying amounts of trade receivables that are aged above 180 days. The methodology for the calculation of ECL is the same as described in the last annual financial statements.

Notes to the Financial Statements

35. Financial instruments and risk management (continued)

Cash and cash equivalents

The Company held cash and cash equivalents of N.4.31 billion at 30 June 2025 (31 December 2024: N.2.44 billion), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with commercial banks. The Company manages the risk associated with its cash and cash equivalents by selecting banks with strong financial position and history of good performance.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment Nil in current period (31 December 2024; Nil) was immaterial. The assessment is based on various bank ratings

The maximum exposure to credit risk is presented in the table below:

	Note(s)	30 June 2025			31 December 2024		
		Gross carrying amount N.'000	Credit loss allowance N.'000	Amortised cost / fair value N.'000	Gross carrying amount N.'000	Credit loss allowance N.'000	Amortised cost / fair value N.'000
Trade and other receivables	19	832,901	(53,037)	779,864	197,604	(42,244)	155,360
Cash and cash equivalents	22	4,074,304	-	4,074,304	4,310,757	-	4,310,757
		4,907,205	(53,037)	4,854,168	4,508,361	(42,244)	4,466,117

35.3.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for addressing its short-, medium- and long-term liquidity requirements and makes monthly cash flow projections which assists in monitoring cash flow requirements and optimizing cash return on investments.

To ensure that the company continually meets its current and future operating cash flow obligations, the board has approved long-term security facilities from the Bank of Industry.

The maturity profile of contractual cash flows of non-derivative financial liabilities and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

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Notes to the Financial Statements

35. Financial instruments and risk management (continued)

30 June 2025

	Note(s)	Less than 3 months	3 to 12months	1 to 2 years	Total	Carrying amount
Non-derivative financial liabilities						
Trade and other payables	33	6,292,462	-	-	6,292,462	2,479,114
Borrowings	30	-	3,624,101	-	3,624,101	3,624,101
Lease liabilities	32	51,955	69,462	-	121,417	117,316
Contract Liabilities	31	-	315,665	-	315,665	315,665
		6,344,417	4,009,228	-	10,353,645	6,536,196
Non-derivative financial assets						
Trade and other receivables	19	-	740,137	-	740,137	740,137
Cash and cash equivalents	22	4,074,304	-	-	4,074,304	4,074,304
		4,074,304	740,137	-	4,814,441	4,814,441
		(2,270,113)	(3,269,091)	-	(5,539,204)	(1,721,755)

31 December 2024

		Less than 3 months	3 to 12 months	1 to 2 years	Over 2 years	Total	Carrying amount
Non-derivative financial liabilities							
Trade and other payables	33	-	4,991,553	-	-	4,991,553	4,991,553
Lease liabilities	32	50,826	51,390	103,881	17,506	223,603	208,867
Contract liabilities	31	439,484	-	-	-	439,484	439,484
		490,310	5,042,943	103,881	17,506	5,654,640	5,639,904
Non-derivative financial assets							
Trade and other receivables	19	135,161	20,199	-	-	155,360	155,360
Cash and cash equivalents	22	4,310,757	-	-	-	4,310,757	4,310,757
		4,445,918	20,199	-	-	4,466,117	4,466,117
		3,955,608	(5,022,744)	(103,881)	(17,506)	(1,188,523)	(1,173,787)

35.3.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, exchange rates and other prices.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimizing the return.

The Company manages market risks by keeping costs low through various cost optimization programmes. Moreover, market developments are monitored and discussed regularly and mitigating actions are taken where necessary.

Notes to the Financial Statements

35. Financial instruments and risk management (continued)

35.3.5 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies.

The company is exposed to foreign currency risk as a result of borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the company deals primarily is US Dollars.

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

US Dollar exposure:

		30 June 2025	31 December 2024
		\$	\$
Current assets:			
Cash and cash equivalents	22	744	744
Net US Dollar exposure		744	744

Euro exposure:

Current assets:			
Cash and cash equivalents	22	100	100
Net Euro exposure		100	100

Exchange rates

	30 June 2025	31 December 2024
US Dollar	1,529.08	1,535.00
Euro	1,794.00	1,595.00

Foreign currency sensitivity analysis

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	30 June 2025	30 June 2025	31 December 2024	31 December 2024
	N.'000	N.'000	N.'000	N.'000
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
US Dollar 10% (2024: 10%)	74	(74)	74	(74)
Euro 10% (2024: 10%)	10	(10)	10	(10)
	84	(84)	84	(84)

Notes to the Financial Statements

35. Financial instruments and risk management (continued)**35.3.6 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Interest rate sensitivity analysis

The Company does not account for any fixed or variable rate financial assets and liabilities, therefore a change in interest rates at the reporting date would not affect profit or loss.

36. Fair value information**Fair value hierarchy**

The table in note 35.2 analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

37. Commitments**Authorised capital expenditure**

The Company has capital commitments towards capital expenditure of N2,237 million as at 30 June 2025 (30 June 2024: Nil).

38. Contingencies

The Company is a defendant in various lawsuits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigation at as June 2025 amounted to N2.87 billion (30 June 2024:N2.423 billion). In the opinion of the Directors, none of the lawsuits will result in a liability, thus no provision was made for them in these financial statements.

39. Events after the reporting period

There are no other events which could have had a material effect on the financial position of the Company as at 30 June 2025. However the following events commenced before the interim financial statements were authorized.

Acquisition of Bullet brand

Champion Breweries Plc entered into an Asset Purchase Agreement dated 19 August 2025 to acquire all brand assets and intellectual property of the Bullet range of ready-to-drink (RTD) alcoholic and energy beverages from Sun Mark Gulf DMCC. The consolidated financial statements that would include bullet acquisition will be affected post regulatory approval. Foreign currency transactions related to asset acquisition will be translated using the spot rate at the date of transaction. Exchange differences arising from monetary items will be recognized in profit or loss.

Borrowing

The Company established a N15billion Commercial Paper Programme to support its short-term funding needs. The difference between the issue price and face value will be recognized as finance cost using the effective interest method. The Company monitors liquidity risk associated with the CP Programme and therefore will be committed to its timely redemption.

40. Dividends paid

Dividends	(536,880)	-
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Other national disclosures

Champion Breweries Plc

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Statement of Value Added

	30 June 2025	30 June 2025	Unaudited 30 June 2024	Unaudited 30 June 2024
	N. '000	%	N. '000	%
Value Added				
Value added by operating activities				
Revenue	15,932,134		9,544,943	
Locally procured materials and services	(9,560,274)		(7,693,226)	
	6,371,860	99.3 %	1,851,717	98.4 %
Other income	43,086	-	29,800	
	43,086	0.7 %	29,800	1.6 %
Value Added	6,414,946	100 %	1,881,517	100 %
Distribution of Value Added				
To Pay Government				
Income tax	1,622,109		53,659	
	1,622,109	25.3 %	53,659	2.9 %
To Pay Employees				
Personnel expenses	1,025,374		1,021,175	
Outsourced staff	149,393		71,056	
	1,174,767	18.3 %	1,092,231	58.1 %
To be retained in the business for expansion and future wealth creation:				
For expansion and future growth				
- Depreciation of Property, plant and equipment	1,108,983		965,236	
- Depreciation of right of use asset	90,375		56,728	
- Deferred tax	(316,713)		-	
	882,645	13.8 %	1,021,964	54.3 %
Value retained				
Retained profit	2,735,425		(286,337)	
	2,735,425	42.6 %	(286,337)	(15.2)%
Value Distributed	6,414,946	100 %	1,881,517	100 %

Value added represents the additional wealth which the company has been able to create by its own and employees efforts.

Champion Breweries Plc

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Five Year Financial Summary

	30 June 2025	31 December 2024	31 December 2023	Restated 31 December 2022	Restated 2021
	N. '000	N. '000	N. '000	N. '000	N. '000
Statement of Financial Position					
Assets					
Non-current assets	15,152,050	14,021,368	15,350,527	10,781,172	9,406,727
Current assets	9,982,965	7,323,829	5,202,552	4,672,413	4,066,367
Total assets	25,135,015	21,345,197	20,553,079	15,453,585	13,473,094
Liabilities					
Non-current liabilities	501,410	452,250	1,389,374	1,612,164	844,310
Current liabilities	10,409,142	8,836,861	7,968,406	2,926,961	3,096,400
Total liabilities	10,910,552	9,289,111	9,357,780	4,539,125	3,940,710
Net assets	14,224,463	12,056,086	11,195,299	10,914,460	9,532,384
Equity					
Share capital	4,473,998	4,473,998	3,914,748	3,914,748	3,914,748
Share premium	-	-	519,100	519,100	519,100
Other Reserves	3,701,612	3,701,612	3,701,612	3,701,612	3,701,612
Retained earnings	6,048,853	3,880,476	3,059,839	2,779,000	1,396,924
Total equity	14,224,463	12,056,086	11,195,299	10,914,460	9,532,384
Total equity and liabilities	25,135,015	21,345,197	20,553,079	15,453,585	13,473,094

Statement of Profit or Loss and Other Comprehensive Income

	30 June 2025	30 June 2024	31 December 2023	Restated 31 December 2022	Restated 31 December 2021
Revenue	15,932,134	9,544,943	9,544,943	-	-
Operating profit	4,486,131	692,262	603,966	2,271,277	1,874,474
Profit /(loss) before taxation	4,040,821	(232,676)	445,344	2,248,908	1,842,177
Profit /(loss) for the period/year	2,735,425	(286,335)	370,563	1,407,663	1,046,784
Total comprehensive income/(loss) for the period/year	2,705,257	(286,335)	280,839	1,382,076	1,239,200

Per share data

Earnings per share (Basic)	30.6	(3.7)	5.0	18.0	13.4
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