HEINEKEN

MEDIA RELEASE

Heineken N.V. reports 2022 half year results

Amsterdam, 1 August 2022 – Heineken N.V. (EURONEXT: HEIA; OTCQX: HEINY) announces:

Key Highlights

- Revenue growth 37.0%
- Net revenue (beia) 24.3% organic growth; per hectolitre 15.6%
- Beer volume organic growth 7.6%; premium beer volume 10.2% organically
- Heineken® volume 13.8% growth
- Operating profit growth 20.6%; operating profit (beia) organic growth 24.6%
- Net profit growth 22.3%; net profit (beia) organic growth 40.2%
- Diluted EPS €2.20; diluted EPS (beia) €2.30
- Full year 2022 expectations unchanged. 2023 guidance revised

CEO Statement

Dolf van den Brink, CEO and Chairman of the Executive Board, commented:

"We are encouraged by the results for the first half of the year. We benefitted from the recovery in Asia Pacific and the on-trade in Europe as consumers returned to the bars, with demand resilient until now despite mounting inflationary pressures on consumers' disposable income.

Our business performed well in the first half of 2022. We grew ahead of the industry in more than half of our markets and the Heineken® brand again showed strong momentum, boosted by stepped up brand support. Our actions on pricing, revenue management and productivity offset significant inflationary pressures in our cost base. As a result, operating profit is now firmly ahead of 2019.

We continue to face an uncertain outlook for consumers and businesses alike. Remaining vigilant, we are fully committed to drive our EverGreen transformation for sustained, long-term value creation. In terms of outlook, we reiterate our 2022 goals. For 2023, we move from an operating margin objective towards delivering operating profit (beia) organic growth. Our medium-term aspiration remains to deliver superior, balanced growth with operating leverage over time."

Financial Summary[1]

IFRS Measures	€ million	Total growth	BEIA Measures	€ million	Organic growth[2]
Revenue	16,401	37.0%	Revenue (beia)	16,401	22.4%
Net revenue	13,485	34.7%	Net revenue (beia)	13,485	24.3%
Operating profit	2,070	20.6%	Operating profit (beia)	2,155	24.6%
			Operating profit (beia) margin	16.0%	
Net profit	1,265	22.3%	Net profit (beia)	1,326	40.2%
Diluted EPS (in €)	2.20	22.2%	Diluted EPS (beia) (in €)	2.30	48.0%
			Free operating cash flow	1,122	
			Net debt / EBITDA (beia)[3]	2.4x	

1 Consolidated figures are used throughout this report unless otherwise stated; please refer to the Glossary for an explanation of non-GAAP measures and other terms used throughout this report.
2 Organic growth shown, except for Diluted EPS (beia), which is total growth.
3 Includes acquisitions and excludes disposals on a 12 month pro-forma basis.

Operational Review

SUPERIOR TOP-LINE GROWTH

Our ambition is to deliver superior growth with a good balance between volume- and value-driven revenue expansion, positioning us among the fastest growing global beverage companies. We aim to achieve this by sharp consumer and customer orientation, leveraging our leading premium brands, developing winning consumer propositions in fast-growing segments and continuously shaping our geographic and portfolio footprint.

Revenue for the first half of 2022 was 16,401 million (2021: 11,970 million). **Net revenue (beia)** increased 24.3% organically, driven by a 7.7% increase in total consolidated volume and a 15.6% increase in net revenue (beia) per hectolitre. The underlying price-mix on a constant geographic basis was up 15.3%, driven by pricing across all markets, covering input cost inflation on a euro-for-euro basis, a positive channel mix and premiumisation. Compared to 2019, total consolidated volume increased organically by 0.8% and net revenue (beia) is 14.4% ahead, excluding consolidation changes, driven by post-COVID volume recovery, growth of our premium brands and the impact of inflation-led pricing.

Beer volume increased 7.6% organically versus last year and came 4.2% ahead of 2019 on an organic basis. The growth was faster in the second quarter as beer volume grew 9.7%, led by strong growth in the Americas, the continued recovery of Asia Pacific and the on-trade in Europe and modest growth in the Africa, Middle East and Eastern Europe (AMEE) region. We gained or held market share in more than half of our markets.

Beer volume *(in mhl)*	**2Q22**	2Q21	Organic growth	**HY22**	HY21	Organic growth
Heineken N.V.	**70.4**	59.6	9.7%	**126.9**	109.9	7.6%
Africa Middle East & Eastern Europe	**9.8**	9.7	1.4%	**19.6**	19.1	3.5%
Americas	**23.1**	20.9	10.7%	**42.8**	40.3	6.2%
Asia Pacific	**13.1**	5.9	35.7%	**24.6**	13.6	17.0%
Europe	**24.4**	23.1	5.7%	**39.9**	36.9	7.9%

Driving premiumisation at scale, led by Heineken®

Premium beer volume grew by 10.2%, driving close to half of our organic growth in beer volume, led by Heineken®.

Heineken® continued its strong performance and grew volume by 14.6% in the second quarter to close the first half with a 13.8% increase, up 32.9% versus 2019. The brand grew double-digits in more than 50 markets, notably in Brazil, China, Vietnam, South Africa, the Netherlands, Spain, Italy, Laos and the United Arab Emirates. **Heineken® Silver**, now present in 22 markets, has nearly doubled its volume, driven by strong growth in Vietnam and China and its rollout across Europe and Asia. As the next step of its global roll-out, we introduced Heineken® Silver in Mexico this month.

As per the Kantar BrandZ 2022 global survey, **Heineken®** was the fastest growing in 'Brand Value' among top alcohol brands, driven by its strong growth momentum, innovations and creativity. The latter was further recognised at this year's Cannes Lions, the prestigious Festival of Creativity, as the most awarded alcohol brand. The brand's most recent campaign, "The Closer", aims to spark conversation on work-life imbalance, with a smile. **Heineken®** supports inclusion in the bar and on the football field and is a proud sponsor of the UEFA Women's EURO football tournament.

Heineken® volume *(in mhl)*	**2Q22**	Organic growth	**HY22**	Organic growth
Total	**14.0**	14.6%	**25.9**	13.8%
Africa Middle East & Eastern Europe	**1.4**	0.6%	**3.2**	6.6%
Americas	**5.4**	23.1%	**10.3**	17.4%
Asia Pacific	**2.1**	28.1%	**4.1**	20.6%
Europe	**5.1**	6.4%	**8.3**	9.4%

Amstel volume grew in the high-twenties, bringing a taste of Amsterdam to the world. More than 20 markets grew double-digits, with especially strong results in Brazil, South Africa, Spain, the UK, the Netherlands, Mexico, Argentina, India and China. Amstel Ultra continued its expansion in the Americas to reach 12 markets. **Birra Moretti** continued to share the true taste of Italy across Europe and grew volume in the mid-twenties. All European markets contributed to the growth with particularly strong momentum in the UK, Ireland, the Netherlands, Romania and Switzerland. **Sol** grew volume by a low-single-digit, led by strong growth in Brazil, Chile and South Africa, partially offset by declines in Mexico and Europe. In the year of the **Tiger,** we are uncaging the growth of our brand in Vietnam and beyond. The brand volume grew in the mid-teens, driven by the recovery in the second quarter of Vietnam, Cambodia, and Malaysia, a continued strong performance in Nigeria and the launch in Brazil last year. Tiger Crystal is now introduced in 19 markets. **Edelweiss** grew volume in the sixties, bringing a taste of the Alps to Asia, reaching 7 markets and we have started a local production hub in Vietnam. **Lagunitas** volume grew by a low-single-digit as double-digit growth in Europe was partially offset by a decline in the USA. The non-alcoholic line extensions of Lagunitas, IPNA and Hoppy Refresher, continue their momentum and grew volume in the high-teens.

Pioneer choice in low & no-alcohol (LONO)

Our **LONO** portfolio grew volume by a low-single-digit, with double-digit growth in more than 20 markets, most noticeably Brazil, Mexico, Spain, Germany, Panama and Ethiopia, partially offset by declines in Poland, Russia and Egypt.

The **non-alcoholic beer and cider portfolio** grew volume by a high-single-digit, led by **Heineken® 0.0**. Despite stopping sales in Russia, **Heineken® 0.0** grew in the low-teens, with a particularly strong performance in Brazil and Spain.

We are in the process of extending our industry-leading LONO portfolio to serve the needs of consumers looking for adult refreshment with lower or no-alcohol content and a great taste.

Intentionally expand beyond beer

We see plenty of opportunities to expand our product portfolio **beyond beer** to better meet the needs of more consumers. Overall, our portfolio of flavoured alcoholic beverages (FABs), including ciders and hard seltzers, grew volume by a high-single-digit to 6.4 million hectolitres and is ahead of 2019 in the low-teens.

Desperados continued its momentum, particularly in its core European markets and more than doubling its volume in Nigeria. For consumers looking for a trendy alternative to beer at a similar alcohol level, we launched Desperados Alcoholic Sparkling Water with Tequila in the Netherlands in May.

Cider was back to growth in the UK and Ireland and saw double-digit growth in South Africa, Vietnam, Spain and Portugal. For consumers who desire a more balanced lifestyle, we launched Strongbow Ultra Dark Fruit in the UK, a low-calorie cider that does not compromise great taste.

We are learning from our experiments across markets and continue to introduce new propositions. We are increasingly leveraging our strongest brands for these propositions, next to new brands like Pure Piraña. For example, we launched Dos Equis Classic Lime Margarita and Disorderly Tea House in the USA.

Building a future-fit digital route-to-consumer

Our ambition is to be the best-connected brewer, so we have been stepping up our investments behind our digital transformation to build a future-ready HEINEKEN, especially strengthening our digital route-to-consumer:

- Our **business-to-business (B2B) digital platforms** continued to develop at pace. We captured €2.8 billion in digital sales value in the first half of this year, close to 3x the same period last year and to the entire value captured in 2021, with close to 430 thousand active customers in fragmented, traditional channels. The digitisation of customer relationships enables us to provide better services, leverage data insights, and capture meaningful increases in efficiency. For example, in Italy we have realised the equivalent of an extra day of sales visits per sales representative, whilst in Ethiopia we have seen an over threefold increase in weekly outlet engagements to optimise assortment and product availability. The remarkable growth in digital sales value was balanced across both our direct and indirect distribution markets, notably Nigeria, Vietnam, Mexico, Brazil and Europe. Vietnam observed the fastest growth, more than 6x last year, covering now close to 55% of the fragmented trade.
- The net revenue of **Beerwulf**, our digital direct-to-consumer (eD2C) platform in Europe, was more than 50% ahead of pre-pandemic levels, despite the shift in consumption from in-home to the on-trade as it reopened. Our active consumer base for our home draught systems is close to 40% ahead of pre-pandemic levels, and the transaction data we collect provides valuable insights.
- Our eD2C platform in Mexico **GLUP** is growing fast with very positive feedback from users on its value proposition of delivering orders in less than 60 minutes and its use of brand assets. The platform was launched in Monterrey last year, and we are expanding into other large cities in the country.

Strengthen and optimise our footprint

We continuously review how we can further strengthen our portfolio and geographical footprint and enhance our long-term, sustained growth advantage.

At the end of 2021, HEINEKEN announced its proposed transaction with Distell Group Holdings Limited ('Distell') and Namibia Breweries Limited ('NBL'). We continue in the process of obtaining regulatory approvals to complete the transaction and expect to close it in the second half of 2022.

On 28 March, HEINEKEN announced its decision to leave Russia. We are making good progress to secure an orderly transfer of our business to a new owner in full compliance with international and local laws and expect to reach an agreement during the second half of this year. For more details on the financial implications of this decision, please refer to page 12.

FUNDING THE GROWTH

Given the current inflationary environment, we are taking significant pricing and revenue management actions to offset the input and other cost inflation on a euro-for-euro basis. In addition, we are structurally addressing our cost base and building a cost-conscious culture to mitigate cost pressures, to invest behind our growth and gear our business to deliver operating leverage over time.

We continue to make significant progress in our **productivity programme,** targeting €2 billion of structural gross savings by 2023, relative to our cost base of 2019. We have now collected more than 9,000 ideas through our systematic process, some going beyond 2023. We are working on embedding this process further so ideas can travel across the organisation to learn, share and reapply. Some of these ideas require significant change and are packaged into transformational programmes. By the end of 2022, we expect to have captured €1.7 billion of these savings, well on track to deliver on our objective.

The progress in the delivery of these savings has helped us to accelerate investments behind our growth agenda, digital transformation and sustainability initiatives. In addition, we are reversing the significant **cost mitigation actions** taken to partially offset the financial impact of lockdowns and other restrictions on operating during the pandemic. Last year the full cost mitigation actions represented a reduction of expenses (beia) of circa €0.5 billion for the full year relative to 2019. For example, marketing and sales expenses (beia) in the first half of the year increased organically by €264 million or 28.5%, bringing the absolute level close to pre-pandemic levels.

Operating profit increased to €2,070 million. **Operating profit (beia)** increased 24.6% organically, driven by the volume recovery, pricing and revenue management actions and continued strong delivery of gross savings from our productivity programme, more than offsetting significant inflationary pressures, the reversal of our cost mitigation actions and a step-up in investments. All in all, operating profit (beia) is 21.6% ahead of 2019, excluding consolidation effects. **Operating profit margin (beia)** declined to 16.0%, 35 bps below the first half of 2021, driven by consolidation changes; excluding those, operating profit margin would have remained stable.

Net profit increased to €1,265 million. **Net profit (beia)** increased 40.2% organically, driven by the growth in operating profit, lower interest and net financing expenses, and the normalisation of the effective tax rate.

RAISING THE BAR ON SUSTAINABILITY AND RESPONSIBILITY

We are making steady progress against our Brew a Better World strategy, focusing on three areas: raising the bar on climate action, accelerating our social sustainability agenda and driving our brands to advance the moderate consumption of alcohol.

Environmental: Path to zero impact

Along our journey to become net zero in our entire value chain by 2040, roadmaps have been developed with our largest operating companies, which account for 75% of our total emissions. In South Africa, we launched the largest solar plant in the African beer industry, reducing the brewery's carbon impact by 30%.

Regarding healthy watersheds, two new wastewater treatment plants were installed at our breweries in Serbia and Haiti. Meoqui in Mexico is our most water efficient brewery, using less than 2 litres of water for one litre of beer.

Social: Path to an inclusive, fair and equitable world

Currently, 26% of our senior managers are women and we aim to increase this to at least 30% by 2025 and 40% by 2030 on the path to gender balance.

The Heineken® brand revealed a new direction for its sponsorship in football, making its entire football campaign across both the men's and women's games about tackling gender bias affecting both players and fans of the sport.

Responsible: Path to moderate and no harmful use

Heineken® 0.0 is being introduced on draught in hundreds of pubs across the country in the UK. Through a partnership with ITV, it is now part of the UK's two largest television soap series helping to normalise the consumption of non-alcoholic beer.

We also launched a new episode of our 'When You Drive, Never Drink' campaign, addressing the issue of overconfidence when drinking alcohol, with the help of F1 drivers Daniel Ricciardo and Sergio Perez.

Governance

We have aligned our long-term incentive (LTI) policy with our sustainability ambitions by including three Brew a Better World metrics representing 25% of the total LTI: carbon emissions reduction in production, water efficiency worldwide and the percentage of women at the senior manager level.

Outlook Statements

Our multi-year EverGreen strategy aims to deliver superior, balanced growth for sustainable, long-term value creation. We are encouraged by the speed and progress made so far on our key strategic programmes, and by the strong post-COVID recovery of our business.

At the same time, we continue to observe a challenging global environment and an uncertain economic outlook. Whilst consumer demand in aggregate has been resilient in the first half, there is increasing risk that mounting pressure on consumer purchasing power will affect beer consumption.

We expect significant inflationary pressures on our cost base and ongoing investment in our business to continue and impact the second half of 2022 and into 2023. The recent softening in some commodities is being offset by the unprecedented price levels and availability risk of natural gas, most notably affecting Europe, our biggest region. Our pricing and revenue management actions have effectively offset these inflationary pressures so far in absolute terms, and we remain committed to continuing to do so. In addition, our productivity programme continues at pace, lifting the aggregate gross savings contribution to €1.7 billion by end of 2022 compared to the cost base of 2019. This will continue to offset cost pressures and enable increased investments in brand support, our digital transformation and sustainability initiatives.

For 2022, we keep our outlook unchanged and expect a stable to modest sequential improvement in operating profit margin (beia) versus last year. We are changing our previous guidance for 2023. We will move from an operating profit margin objective towards delivering operating profit (beia) organic growth, in the range of a mid- to high-single digit, excluding any major unforeseen macroeconomic and political developments. Over the medium term, we reconfirm our aspiration to deliver superior, balanced growth with operating leverage over time.

Translational Calculated Currency Impact

Based on the impact to date, and applying spot rates of 28 July 2022 to the 2021 financial results as a baseline for the remainder of the year, the calculated positive currency translational impact would be approximately €1.5 billion in net revenue (beia), €210 million at consolidated operating profit (beia), and €140 million at net profit (beia).

Interim Dividend 2022

HEINEKEN's dividends are paid in the form of an interim dividend and a final dividend. The interim dividend is fixed at 40% of the total dividend of the previous year. As a result, an interim dividend of €0.50 per share (2021: €0.28) will be paid on 11 August 2022. The shares will trade ex-dividend on 3 August 2022.

Regional Overview

Net revenue (beia)

(in € million)	**HY22**	HY21	Organic growth
Heineken N.V.	**13,485**	9,971	24.3%
Africa Middle East & Eastern Europe	**1,856**	1,472	24.4%
Americas	**4,288**	3,344	15.8%
Asia Pacific	**2,232**	1,310	23.4%
Europe	**5,518**	4,216	30.0%
Head Office & Eliminations	**-409**	-371	

Operating profit (beia)

(in € million)	**HY22**	HY21	Organic growth
Heineken N.V.	**2,155**	1,628	24.6%
Africa Middle East & Eastern Europe	**279**	209	44.4%
Americas	**582**	639	-16.3%
Asia Pacific	**637**	452	18.9%
Europe	**625**	380	63.4%
Head Office & Eliminations	**32**	-51	

Developing markets HY22

(in mhl or € million unless otherwise stated)	Group beer volume	Group net revenue (beia)	Group operating profit (beia)[1]
Developing markets in:	98.1	7,820	1,376
Africa Middle East & Eastern Europe	20.5		
Americas	39.7		
Asia Pacific	34.0		
Europe	3.9		
% of Group	67%	53%	60%

[1] Excludes Head Office & Eliminations

Africa Middle East & Eastern Europe

Key financials

(in mhl or € million unless otherwise stated)	**HY22**	HY21	Total growth	Organic growth
Net revenue (beia)	**1,856**	1,472	26.1%	24.4%
Operating profit (beia)	**279**	209	33.4%	44.4%
Operating profit (beia) margin	**15.0%**	14.2%	83 bps	
Total consolidated volume	**25.3**	24.5	3.3%	4.1%
Beer volume	**19.6**	19.1	2.6%	3.5%
Non-Beer volume	**5.6**	5.3	6.2%	6.6%
Third party products volume	**—**	—	—	—
Licensed beer volume	*1.1*	*1.1*		
Group beer volume	*21.0*	*20.4*		

Our **Africa, Middle East & Eastern Europe** region presents substantial growth opportunities derived from its growing population and urbanisation trends. We are expanding and enhancing our strong market positions with assertive commercial strategies, disciplined cost management and capital efficiency to ensure we deliver balanced and profitable growth.

Beer volume grew 3.5% organically with double-digit growth in South Africa, Ethiopia, Egypt, Rwanda and Mozambique among others, partially offset by declines in Nigeria and Ivory Coast. Beer volume is ahead of 2019 by 1.3% organically. The premium portfolio grew low-single-digit, with a remarkable performance in South Africa, Nigeria and the United Arab Emirates.

Net revenue (beia) grew 24.4% organically, with total consolidated volume up 4.1% and net revenue (beia) per hectolitre up 19.5%. The price-mix was up 19.2% on a constant geographic basis, mainly driven by assertive pricing in Nigeria, Ethiopia, the Democratic Republic of Congo (DRC) and South Africa. Currency translation positively impacted net revenue by €80 million, mainly from the Nigerian Naira.

Operating profit (beia) increased organically by 44.4%, with good cost discipline contributing to the operating leverage. Most of our operation saw strong growth, particularly South Africa, Nigeria and Ethiopia. Currency translation positively impacted operating profit by €6 million, mainly from the Nigerian Naira.

In **Nigeria,** net revenue (beia) grew in the low-thirties, driven by assertive pricing and the strong performance of our premium portfolio, led by Heineken®, Tiger and Desperados. Total volume declined by a mid-single-digit, driven mainly by capacity constraints, but remains ahead of 2019. Additional capacity will come on stream in the third quarter of this year. The low-and non-alcoholic portfolio was broadly stable, led by the performance of Maltina.

In **South Africa,** net revenue (beia) grew in the thirties, driven by the recovery in volume cycling the COVID measures last year and assertive price increases ahead of the industry. Total volume is now ahead of 2019 by a high-single-digit despite supply chain challenges. The volume growth was particularly strong in Amstel, Windhoek and Strongbow.

In **Ethiopia,** net revenue (beia) increased by more than half with beer volume growth significantly ahead of the industry, establishing the leadership position for the first time since we entered the market in 2011. The growth was led by our full mainstream portfolio, with Harar, Bedele, Walia and Sofi Malt all performing strongly.

In **Egypt,** net revenue (beia) increased by a high-single-digit, driven by beer volume growth in the low-teens following the continued recovery of the tourism industry. Total volume was in line with last year, as the growth in beer was offset by the decline of our non-alcoholic portfolio.

In the **DRC**, net revenue (beia) grew organically in the mid-teens, led by the strong performance of Primus in the mainstream segment and Heineken® in the premium segment.

Americas

Key financials

(in mhl or € million unless otherwise stated)	HY22	HY21	Total growth	Organic growth
Net revenue (beia)	**4,288**	3,344	28.2%	15.8%
Operating profit (beia)	**582**	639	-8.8%	-16.3%
Operating profit (beia) margin	**13.6%**	19.1%	-552 bps	
Total consolidated volume	**43.9**	42.6	3.1%	3.1%
Beer volume	**42.8**	40.3	6.2%	6.2%
Non-Beer volume	**1.0**	2.2	-54.9%	-54.9%
Third party products volume	**0.1**	0.0	73.9%	73.9%
Licensed beer volume	*1.4*	*1.4*		
Group beer volume	*47.9*	*45.8*		

The **Americas** represent over 40% of the value of the global beer market and HEINEKEN is well represented, yet a distant number two. We have momentum and are driving growth in our key markets, expanding our footprint and building new consumer-relevant propositions.

Beer volume grew 6.2% organically, driven by the strong results in Brazil and Mexico. The premium portfolio grew in the mid-teens, led by Heineken®. The low- and non-alcoholic portfolio grew in the mid-teens, with strong performance from Heineken® 0.0. **Non-beer volume** declined 54.9%, driven by the delisting of low-margin pack types in Brazil.

Net revenue (beia) increased 15.8% organically, with total consolidated volumes up 3.1% and net revenue (beia) per hectolitre up 12.8%. Price-mix was up 14.3% on a constant geographic basis, driven by strong growth in Brazil and Mexico. Currency translation positively impacted net revenue by €414 million, mainly driven by the Brazilian Real, the Mexican Peso and the US Dollar.

Operating profit (beia) declined 16.3% organically, as the region was disproportionally impacted by higher input and logistic costs, particularly ocean freight into HEINEKEN USA where our competitive position does not allow to offset this fully in price. Furthermore, we stepped up investments to support growth in key markets such as Brazil and Mexico. Currency translation positively impacted operating profit (beia) by €37 million, mainly driven by the Mexican Peso.

In **Mexico,** net revenue (beia) increased organically in the mid-teens, driven by pricing ahead of the industry and mid-single-digit volume growth. The premium portfolio grew volume in the mid-teens, led by the success of Bohemia Cristal and the continued momentum of Amstel Ultra. Heineken® 0.0 momentum continues as the #1 non-alcoholic brand in the market, growing volume in the low-teens. For consumers craving new flavours and experiences, we launched Sol Mangoyada, a combination of Sol, mango and chamoy, further strengthening our leadership position in FABs. Our SIX stores continue to accelerate their growth and we aim to close the year with more than 16,000 stores. Heishop, our eB2B platform, captured close to 90% of the net revenue from fragmented, traditional channels.

In **Brazil,** net revenue (beia) grew organically in the mid-thirties, driven by pricing ahead of the industry, premiumisation and volume growth. Beer volume outperformed the market, accelerating its growth in the second quarter to the low-twenties and growing in the low-teens for the first half. Our premium and mainstream portfolios grew volume in the thirties, while Tiger continues to develop its presence in the market since its launch last year. Heineken® remains the #1 brand by value in the off-trade. Heineken® 0.0 grew more than 60%, driving the growth of the entire non-alcoholic beer category to become the #1 brand in the segment by value. Baden Baden grew volume by a high-single-digit and continues to lead the craft segment. Our economy beer portfolio declined in the low-twenties. Heishop captured around 40% of the net revenue from fragmented, traditional channels in our own route-to-market.

In the **USA**, HEINEKEN USA net revenue (beia) declined slightly on an organic basis, as lower volume impacted by supply-chain disruptions and a softer market were mostly offset by pricing. The disruptions disproportionately impacted brand Heineken® and are expected to stabilize in the fourth quarter. Heineken® 0.0 continued to grow and lead the non-alcoholic beer category, while the non-alcoholic line extensions of Lagunitas, IPNA and Hoppy Refresher grew volume in the high-teens. Dos Equis grew volume in the low-teens, benefiting from the recovery of the on-trade and the performance of Dos Equis Lime and Salt. HEINEKEN USA launched its first ready-to-drink cocktail Dos Equis Classic Lime Margarita and Lagunitas introduced Disorderly Tea House.

We observed strong growth across most of our other markets in the Region, especially in **Panama**, **Peru**, **Ecuador** and across the **Caribbean** following the recovery of tourism.

Asia Pacific

Key financials

(in mhl or € million unless otherwise stated)	**HY22**	HY21	Total growth	Organic growth
Net revenue (beia)	**2,232**	1,310	70.4%	23.4%
Operating profit (beia)	**637**	452	41.0%	18.9%
Operating profit (beia) margin	**28.5%**	34.5%	-596 bps	
Total consolidated volume	**25.0**	14.1	78.2%	16.4%
Beer volume	**24.6**	13.6	81.0%	17.0%
Non-Beer volume	**0.4**	0.4	-2.3%	-2.3%
Third party products volume	**—**	—	—	—
Licensed beer volume	*1.9*	*1.6*		
Group beer volume	*35.9*	*27.6*		

The **Asia Pacific** region offers significant growth potential and we remain well-positioned to capture it. We are expanding our beer brands to serve more consumers that prefer less bitter variants, non-alcoholic beer and modern wheat. In this year of the Tiger, we are uncaging our growth in Vietnam while broadening our base with investments in future growth markets.

Beer volume increased 17.0% organically versus last year and is ahead of 2019 by 9.6% organically, following the relaxation of all major COVID restrictions and subsequent recovery in the second quarter. The strong performance was driven by double-digit growth in the majority of our markets, including Cambodia, Vietnam, Indonesia, Malaysia, Singapore and Laos. The premium portfolio grew volume in the low-thirties in the second quarter, driven by strong growth in the same markets. The low-and non-alcoholic portfolio grew in the low-teens.

Net revenue (beia) increased 23.4% organically as total volume increased by 16.4%, whilst net revenue (beia) per hectolitre increased by 6.3%. The price-mix was up 8.8% on a constant geographic basis, driven by pricing across all markets. Currency translation positively impacted net revenue by €123 million, mainly from Vietnam.

Operating profit (beia) increased 18.9% organically, with strong profit recovery in Vietnam, Cambodia, Indonesia and Malaysia. Positive currency movements impacted operating profit by €46 million, mainly from Vietnam.

In **Vietnam,** net revenue (beia) grew organically in the low-twenties, driven by the strong volume recovery ahead of the market in the second quarter and pricing ahead of the industry. Having regained our market leadership position at the end of last year, our premium portfolio outperformed in the second quarter, led by strong momentum of Heineken® Silver and Tiger Crystal. Bia Viet grew by more than 50%, driving our expansion in regions outside of our strongholds.

In **India**, volume recovered ahead of pre-pandemic levels, despite supply chain restrictions during the peak season and pricing ahead of the industry. The premium portfolio outperformed, led by Kingfisher Ultra and Amstel. Integration of United Breweries Limited (UBL) is progressing, including the roll-out of HEINEKEN's operating principles and best practices.

In **China,** Heineken® Original and Heineken® Silver continued their strong momentum. Both grew volume in the thirties, despite lockdowns impacting the South West region.

In **Cambodia,** net revenue (beia) was up organically by more than half, significantly outperforming the market and benefiting from the lifting of restrictions and the gradual return of international tourism. Our premium portfolio outperformed, up more than 70%, led by Tiger. We launched ABC Reserve, a super-premium whisky-flavoured beer.

In **Indonesia,** net revenue (beia) grew organically in the high-teens, with tourism gradually returning to Bali from April with no travel restrictions. The premium portfolio continued to perform strongly, led by Heineken® growing in the low-teens.

In **Malaysia,** beer volume increased organically in the high-thirties, primarily driven by a strong activation of the year of the Tiger in the first quarter and the lifting of restrictions and on-trade reopening in the second quarter. Premium outperformed our broader portfolio, led by Heineken® and Edelweiss. Revenue management, premiumisation and positive channel mix effects contributed to a strong revenue performance.

Europe

Key financials

(in mhl or € million unless otherwise stated)	**HY22**	HY21	Total growth	Organic growth
Net revenue (beia)	**5,518**	4,216	30.9%	30.0%
Operating profit (beia)	**625**	380	64.5%	63.4%
Operating profit (beia) margin	**11.3%**	9.0%	232 bps	
Total consolidated volume	**47.9**	42.9	11.6%	11.4%
Beer volume	**39.9**	36.9	8.1%	7.9%
Non-Beer volume	**4.5**	4.1	8.0%	8.0%
Third party products volume	**3.6**	1.9	85.3%	85.3%
Licensed beer volume	*0.3*	*0.3*		
Group beer volume	*41.3*	*38.3*		

Europe is our largest region, and as market leaders we aim to grow the category and market share by tailoring our products to emerging consumer trends and winning in premium whilst leveraging our scale. Our unique footprint enables us to connect our iconic brands with consumers looking to spark quality connections, from a premium pint in the pub to a Heineken® Silver experience in the metaverse.

Beer volume increased organically by 7.9% versus last year and was ahead of 2019 by a low-single-digit. Beer volume in the on-trade was up in the high-seventies as the channel reopened across the region but remains below 2019 by a high-single-digit. Off-trade beer volume declined by a mid-single-digit versus last year and remains ahead of 2019 by a high-single-digit. The premium portfolio grew by a high-single-digit, led by Birra Moretti and the launch of Heineken® Silver. The non-alcoholic beer and cider portfolio grew by a mid-single-digit, despite the category over indexing to the off-trade. We gained or held share in more than two-thirds of our markets.

Net revenue (beia) increased by 30.0% organically, with total consolidated volume growing 11.4% and net revenue (beia) per hectolitre up 18.2%. Price-mix was up 17.0% on a constant geographic basis, reflecting a positive mix effect from the reopening of the on-trade, and furthermore driven by inflation-led pricing and premiumisation.

Operating profit (beia) increased by 63.4% organically, with almost all markets contributing to the recovery, particularly the UK, the Netherlands, France, Spain and Italy. The reversal of cost mitigations and higher input and logistics costs were offset by pricing and strong delivery on cost savings from our productivity programme.

In the **UK,** net revenue (beia) grew organically in the thirties, with total volume in the on-trade more than doubling and in the off-trade declining in the high teens. The premium portfolio grew volume in the high-teens, led by the continued success of Birra Moretti. The non-alcoholic beer and cider portfolio grew volume in the mid-teens, driven by Heineken® 0.0. For consumers who desire a more balanced lifestyle, we launched Strongbow Ultra Dark Fruit, a low-calorie cider that doesn't compromise on great taste.

In **France,** net revenue (beia) grew in the mid-forties. On-trade volume more than doubled while the off-trade declined by a mid-single-digit. Our premium portfolio outperformed, driven by the strong growth of Desperados and Gallia.

In **Spain,** net revenue (beia) grew in the high-twenties, with the on-trade volume growing more than 30%, partially offset by a mid-single-digit volume decline in the off-trade. The premium portfolio grew volume close to 30%, led by El Águila and Heineken®. The non-alcoholic beer and cider portfolio grew volume in the mid-teens, led by Heineken® 0.0.

In **Italy,** net revenue (beia) grew in the high-twenties, driven by the recovery of on-trade volume growing in the mid-fifties while off-trade volume declined by a high-single-digit. The premium portfolio grew by a high-single-digit, led by Heineken® Silver and Messina Cristalli di Sale. The non-alcoholic beer and cider portfolio volume grew in the high-teens, led by Birra Moretti Zero.

In **Poland,** net revenue (beia) grew organically in the low-teens, with volume down by a low-single-digit more than offset by pricing and positive mix effects. The premium portfolio was down by a mid-single-digit and was broadly stable in the second quarter driven by the growth of Zywiec Jasne Lekkie aimed at rejuvenating lagers among millennials and Gen Z. The non-alcoholic beer and cider portfolio volume declined by a mid-single-digit, impacted by the sugar tax.

In the **Netherlands,** net revenue (beia) grew in the low-forties, driven by volume growth as the on-trade recovered, positive channel mix effects, premiumisation and lower promotional spend in line with the new minimum pricing standard set mid-last year. Beer volume almost tripled in the on-trade, while it declined in the high-teens in the off-trade. Our premium portfolio grew volume by a high-single-digit, led by Birra Moretti, Affligem and Texels.

Interim Financial Review

Key figures

(in mhl or € million unless otherwise stated)	HY21	Currency translation	Consolidation impact	Organic growth	**HY22**	Organic growth
Revenue	11,970				**16,401**	
Eia	—				**—**	
Revenue (beia)	11,970	695	1,058	2,678	**16,401**	22.4%
Excise tax expense (beia)	-2,000	-57	-604	-256	**-2,917**	-12.8%
Net revenue (beia)	9,971	638	454	2,422	**13,485**	24.3%
Total net other expenses (beia)	-8,343	-539	-427	-2,022	**-11,330**	-24.2%
Operating profit (beia)	1,628	99	28	400	**2,155**	24.6%
Net interest income/(expenses) (beia)	-201	-2	6	12	**-185**	6.0%
Other net finance income/(expenses) (beia)	-53	6	15	56	**24**	105.3%
Share of net profit of assoc./ JVs (beia)	96	10	-28	25	**103**	26.3%
Income tax expense (beia)	-424	-26	-8	-116	**-574**	-27.3%
Non-controlling interests (beia)	-149	-14	-16	-17	**-197**	-11.6%
Net profit (beia)	896	73	-3	360	**1,326**	40.2%
Eia	138				-61	
Net profit	1,034				**1,265**	

Note: due to rounding, this table will not always cast

Main changes in consolidation

As part of the organisational redesign of EverGreen, HEINEKEN merged its export business units of Europe and Africa, Middle East & Eastern Europe into a single unit, which is now reported under Europe as of 1 April 2021.

On 23 June 2021, HEINEKEN acquired additional ordinary shares in UBL, taking its shareholding from 46.5% to 61.5%. On 29 July 2021, HEINEKEN obtained control and consolidated UBL as of that date.

On 23 December 2021, HEINEKEN reduced its shareholding in Brasserie Almaza in Lebanon to a minority position.

Revenue

Revenue was €16,401 million, an increase of 37.0% (2021: €11,970 million). Revenue (beia) increased organically 22.4% to €16,401 million (2021: €11,970 million).

Net revenue increased 34.7% to €13,485 million. Net revenue (beia) increased 24.3% organically to €13,485 million, with total consolidated volume up 7.7% and an increase in net revenue (beia) per hectolitre of 15.6%. Currency developments had a positive impact of €638 million, mainly driven by favourable development versus the Euro of the Brazilian Real and the Mexican Peso. The positive impact of consolidation changes was €454 million.

Total net other expenses

Total net other expenses (beia) were €11,330 million, up 24.2% on an organic basis driven by the increase in volume, inflationary pressures, incremental investments and the reversal of cost mitigation actions during lockdowns, partially offset by cost savings from our productivity programme.

Input costs increased organically in the high-teens on a per hectolitre basis, mainly driven by the inflation in commodity prices and premiumisation, partially mitigated by channel mix effects from the re-opening of the on-trade and structural cost savings.

Marketing and selling expenses (beia) increased organically €264 million or 28.5%, bringing the absolute level close to pre-pandemic levels. The investment represented 9.4% of net revenue (beia) (2021: 9.3%), benefiting from operating leverage and structural effectiveness gains.

Personnel expenses (beia) increased organically by 11.9% to €1,930 million (2021: €1,640 million), driven by the increase in salaries, the expansion of our route-to-market in Brazil and the discontinuation of furlough schemes.

Depreciation & amortisation expenses (beia) increased organically by 1.1% to €795 million (2020: €742 million). The relatively low growth was due to the partial suspension of CAPEX in 2020 due to COVID.

Operating profit

Operating profit increased 20.6% to €2,070 million. Operating profit (beia) was €2,155 million, up 24.6% organically. Currency translation had a positive impact of €99 million, mainly from Vietnam, Mexico and Brazil. Consolidation changes had a positive impact of €28 million.

Net finance expenses (beia)

Net interest expenses (beia) decreased organically by 6.0% to €185 million, reflecting a lower average net debt position. The average effective interest rate (beia) in the first half of 2022 was 2.7% (2021: 2.7%).

Other net finance income (beia) amounted to €24 million, up €56 million on an organic basis, driven by the positive valuation of derivatives and positive foreign exchange impact.

Share of net profit of associates and joint ventures (beia)

The share of net profit of associates and joint ventures (beia) amounted to €103 million, including the attributable profit from China Resources Beer (Holdings) Co. Ltd. (CR Beer) with a two month delay (November 2021 to April 2022). The organic increase was €25 million, reflecting the recovery mainly coming from CR Beer and UBL (on the 46.5% shareholding pre-consolidation) partially offset by Compania Cervecerias Unidas S.A (CCU).

Income tax expense (beia)

The effective tax rate (beia) was 28.8% (2021: 30.9%). The decrease is mainly driven by the substantial increase on the profit before tax basis. As a result, the effect of permanent items is relatively lower.

Net profit

Net profit for 2022 was €1,265 million (2021: €1,034 million). Net profit (beia) was €1,326 million, up 40.2% organically. The impact of currency translation was positive by €73 million, and consolidation changes had a negative impact of €3 million.

Exceptional items & amortisation of acquisition-related intangibles (eia)

Exceptional items are defined as items of income and expense of such size, nature or incidence that, in the view of management, their disclosure is relevant to explain the performance of HEINEKEN for the period. Exceptional items include, amongst others, impairments (and reversal of impairments) of goodwill and fixed assets, gains and losses from acquisitions and disposals, redundancy costs following a restructuring, past service costs and curtailments, the tax impact on exceptional items and tax rate changes (the one-off impact on deferred tax positions).

The impact of eia on net profit amounted to an expense of €61 million (2021: €138 million, benefit). On operating profit, the impact of eia amounted to an expense of €85 million (2021: €89 million, benefit).

Amortisation of acquisition-related intangibles recorded in operating profit amounted to €161 million (2021: €126 million). Exceptional net benefits in operating profit amounted to €76 million (2021: €215 million), of which:

- €44 million exceptional net benefit recorded as a reduction in marketing expenses related to tax credits in Brazil (2021: €174 million exceptional net benefit recorded in other income related to tax credits in Brazil)
- Net restructuring expenses of €2 million (2021: €5 million)
- Net reversal of impairments of €25 million (2021: €2 million)
- €9 million of other exceptional net benefits (2021: €44 million)

On 28 March 2022, HEINEKEN announced its decision to leave Russia. At that moment, HEINEKEN expected an impairment and other non-cash exceptional charges of approximately €0.4 billion. As of 30 June 2022, no impairment was recorded due to updated assumptions. Progress has been made on an orderly transfer of our business to a new owner and an agreement is expected to be reached in the second half of the year. For more details, please refer to page 26.

Please refer to page 25 for a description of the exceptional items and amortisation of acquisition-related intangibles below operating profit.

Capital expenditure and cash flow

Capital expenditure related to property, plant and equipment and intangible assets amounted to €1,026 million (2021: €909 million). The investments of the year amounted to €672 million (2021: €665 million). Main investments this year include capacity extensions in Brazil, Nigeria, Vietnam, Mexico, Italy, Malaysia, and Rwanda.

Free operating cash flow amounted to €1,122 million (2021: €650 million) mainly due to increased cash flow from operating activities.

Financial structure

Total gross debt amounted to €16,582 million (31 December 2021: €16,873 million). Net debt decreased slightly to €13,644 million (31 December 2021: €13,658 million) as the positive free operating cash flow was mostly offset by the dividend and the negative foreign currency impact on debt.

Including the effect of cross-currency swaps, 70% of net debt is Euro-denominated, and 19% is US dollar and US dollar proxy currencies. The pro-forma 12-month rolling net debt/EBITDA (beia) ratio was 2.4x on 30 June 2022 (31 December 2021: 2.6x), in line with the Company's long-term target net debt/EBITDA (beia) ratio of below 2.5x.

The centrally available financing headroom at Group level was approximately €3.9 billion as of 30 June 2022 (31 December 2021: €4.6 billion) and consisted of the undrawn committed revolving credit facility and cash minus short-term bank borrowings.

Average number of shares

HEINEKEN has 576,002,613 shares in issue as of 30 June 2022. In the calculation of basic EPS, the weighted average number of shares outstanding in the first half of 2022 was 575,601,454 (30 June 2021: 575,740,075).

In the calculation of diluted EPS (beia), shares to be delivered under the employee incentive programme (133,819 shares) are excluded from the weighted average number of diluted shares outstanding. The weighted average diluted number of shares outstanding in the first half of 2022 was 575,735,273 (30 June 2021: 575,800,763).

Main risks

The Annual Report 2021 outlines HEINEKEN's main risks and mitigation activities at the time of closing the 2021 financial year. For a detailed description of HEINEKEN's risks and risk control systems, please refer to pages 34 to 39 of the Annual Report 2021.

An increased exposure on risks related to supply chain continuity, cyber security incidents, regulatory changes, foreign exchange volatility, commodity prices and macro-economic downturn in general can adversely impact HEINEKEN's results. There may also be risks the Company is not aware of or currently deems immaterial but which could, at a later stage, have a material impact on the Company's business. As new risks emerge and existing immaterial risks evolve, they will be assessed and managed in a timely manner.

Interim Consolidated Metrics: Half Year 2022

In mhl or €million unless otherwise stated & consolidated figures unless otherwise stated	HY21	Currency translation	Consolidation impact	Organic growth	**HY22**	Organic growth
Africa, Middle East & Eastern Europe						
Net revenue (beia)	1,472	80	-55	359	**1,856**	24.4%
Operating profit (beia)	209	6	-29	93	**279**	44.4%
Operating profit (beia) margin	14.2%				**15.0%**	
Total consolidated volume	24.5		-0.2	1.0	**25.3**	4.1%
Beer volume	19.1		-0.2	0.7	**19.6**	3.5%
Non-beer volume	5.3		—	0.3	**5.6**	6.6%
Third party products volume	—		—	—	**—**	—
Licensed beer volume	*1.1*				*1.1*	
Group beer volume	*20.4*				*21.0*	
Americas						
Net revenue (beia)	3,344	414	—	529	**4,288**	15.8%
Operating profit (beia)	639	37	10	-104	**582**	-16.3%
Operating profit (beia) margin	19.1%				**13.6%**	
Total consolidated volume	42.6		—	1.3	**43.9**	3.1%
Beer volume	40.3		—	2.5	**42.8**	6.2%
Non-beer volume	2.2		—	-1.2	**1.0**	-54.9%
Third party products volume	—		—	—	**0.1**	73.9%
Licensed beer volume	*1.4*				*1.4*	
Group beer volume	*45.8*				*47.9*	
Asia Pacific						
Net revenue (beia)	1,310	123	492	306	**2,232**	23.4%
Operating profit (beia)	452	46	54	85	**637**	18.9%
Operating profit (beia) margin	34.5%				**28.5%**	
Total consolidated volume	14.1		8.7	2.3	**25.0**	16.4%
Beer volume	13.6		8.7	2.3	**24.6**	17.0%
Non-beer volume	0.4		—	—	**0.4**	-2.3%
Third party products volume	—		—	—	**—**	—
Licensed beer volume	*1.6*				*1.9*	
Group beer volume	*27.6*				*35.9*	
Europe						
Net revenue (beia)	4,216	19	20	1,263	**5,518**	30.0%
Operating profit (beia)	380	2	3	241	**625**	63.4%
Operating profit (beia) margin	9.0%				**11.3%**	
Total consolidated volume	42.9		0.1	4.9	**47.9**	11.4%
Beer volume	36.9		0.1	2.9	**39.9**	7.9%
Non-beer volume	4.1		—	0.3	**4.5**	8.0%
Third party products volume	1.9		—	1.7	**3.6**	85.3%
Licensed beer volume	*0.3*				*0.3*	
Group beer volume	*38.3*				*41.3*	
Head Office & Eliminations						
Net revenue (beia)	-371	1	-3	-36	**-409**	n.a.
Operating profit (beia)	-51	8	-10	85	**32**	n.a.
Heineken N.V.						
Net revenue (beia)	9,971	638	454	2,422	**13,485**	24.3%
Total expenses (beia)	-8,343	-539	-427	-2,022	**-11,330**	-24.2%
Operating profit (beia)	1,628	99	28	400	**2,155**	24.6%
Operating profit (beia) margin	16.3%				**16.0%**	
Share of net profit of associates /JVs (beia)	96	10	-28	25	**103**	26.3%
Net Interest income / (expenses) (beia)	-201	-2	6	12	**-185**	6.0%
Other net finance income / (expenses) (beia)	-53	6	15	56	**24**	105.3%
Income tax expense (beia)	-424	-26	-8	-116	**-574**	-27.3%
Non-controlling Interests	-149	-14	-16	-17	**-197**	-11.6%
Net profit (beia)	896	73	-3	360	**1,326**	40.2%
Total consolidated volume	124.1		8.6	9.5	**142.2**	7.7%
Beer volume	109.9		8.6	8.4	**126.9**	7.6%
Non-beer volume	12.1		—	-0.6	**11.5**	-4.6%
Third party products volume	2.1		—	1.7	**3.8**	81.5%
Licensed beer volume	*4.4*				*4.8*	
Group beer volume	*132.1*				*146.1*	

Note: due to rounding, this table will not always cast

Second Quarter 2022 Metrics

In mhl unless otherwise stated & consolidated figures unless otherwise stated	2Q21	Currency translation	Consolidation impact	Organic growth	**2Q22**	Organic growth
Africa, Middle East & Eastern Europe						
Net revenue (beia)	746	76	-28	181	**974**	24.2%
Total consolidated volume	12.5		-0.1	0.3	**12.8**	2.5%
Beer volume	9.7		—	0.1	**9.8**	1.4%
Non-beer volume	2.8		—	0.2	**2.9**	6.5%
Third party products volume	—		—	—	**—**	—
Licensed beer volume	*0.6*				*0.5*	
Group beer volume	*10.4*				*10.4*	
Americas						
Net revenue (beia)	1,779	293	—	362	**2,434**	20.4%
Total consolidated volume	22.0		—	1.7	**23.7**	7.8%
Beer volume	20.9		—	2.2	**23.1**	10.7%
Non-beer volume	1.1		—	-0.5	**0.5**	-51.8%
Third party products volume	—		—	—	**—**	—
Licensed beer volume	*0.6*				*0.6*	
Group beer volume	*23.2*				*25.2*	
Asia Pacific						
Net revenue (beia)	578	78	292	239	**1,188**	41.4%
Total consolidated volume	6.1		5.1	2.1	**13.3**	34.0%
Beer volume	5.9		5.1	2.1	**13.1**	35.7%
Non-beer volume	0.2		—	—	**0.2**	-7.9%
Third party products volume	—		—	—	**—**	—
Licensed beer volume	*0.8*				*1.0*	
Group beer volume	*13.5*				*18.9*	
Europe						
Net revenue (beia)	2,761	4	—	592	**3,357**	21.4%
Total consolidated volume	27.0		—	2.2	**29.2**	8.1%
Beer volume	23.1		—	1.3	**24.4**	5.7%
Non-beer volume	2.5		—	0.2	**2.7**	6.6%
Third party products volume	1.4		—	0.7	**2.1**	51.9%
Licensed beer volume	*0.2*				*0.2*	
Group beer volume	*23.9*				*25.3*	
Heineken N.V.						
Net revenue (beia)	5,664	452	265	1,351	**7,732**	23.9%
Total consolidated volume	67.6		5.1	6.3	**79.0**	9.3%
Beer volume	59.6		5.1	5.8	**70.4**	9.7%
Non-beer volume	6.6		—	-0.2	**6.3**	-3.3%
Third party products volume	1.5		—	0.7	**2.2**	50.3%
Licensed beer volume	*2.2*				*2.2*	
Group beer volume	*71.1*				*79.8*	

Note: due to rounding, this table will not always cast

Quarterly Revenue 2021

Net revenue (beia) - €million	1Q21	2Q21	1H21	3Q21	4Q21	2H21	**FY21**
Africa, Middle East & Eastern Europe	726	746	1,472	815	873	1,687	**3,159**
Americas	1,565	1,779	3,344	1,849	2,034	3,882	**7,226**
Asia Pacific	732	578	1,310	557	898	1,455	**2,764**
Europe	1,455	2,761	4,216	3,003	2,276	5,279	**9,494**
Head Office & Eliminations	-172	-199	-371	-194	-179	-373	**-744**
Heineken N.V.	4,307	5,664	9,971	6,029	5,901	11,930	**21,901**

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Investor Calendar Heineken N.V.

Trading Update for Q3 2022	26 October 2022
Capital Markets Event in Amsterdam	1-2 December 2022
Full Year 2022 Results	15 February 2023

Conference Call Details

HEINEKEN will host an analyst and investor conference call in relation to its 2022 Half Year results today at 14:00 CET/ 13:00 GMT. The call will be audio cast live via the company's website: www.theheinekencompany.com. An audio replay service will also be made available after the conference call at the above web address. Analysts and investors can dial-in using the following telephone numbers:

United Kingdom (Local): 020 3936 2999

Netherlands (Local): 085 888 7233

USA: 1 646 664 1960

All other locations: +44 203 936 2999

Participation password for all countries: 810785

Editorial information:

HEINEKEN is the world's most international brewer. It is the leading developer and marketer of premium and non-alcoholic beer and cider brands. Led by the Heineken® brand, the Group has a portfolio of more than 300 international, regional, local and specialty beers and ciders. With HEINEKEN's over 85,000 employees, we brew the joy of true togetherness to inspire a better world. Our dream is to shape the future of beer and beyond to win the hearts of consumers. We are committed to innovation, long-term brand investment, disciplined sales execution and focused cost management. Through "Brew a Better World", sustainability is embedded in the business. HEINEKEN has a well-balanced geographic footprint with leadership positions in both developed and developing markets. We operate breweries, malteries, cider plants and other production facilities in more than 70 countries. Most recent information is available on our Company's website and follow us on LinkedIn, Twitter and Instagram..

Market Abuse Regulation

This press release contains price-sensitive information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Disclaimer:

This press release contains forward-looking statements with regard to the financial position and results of HEINEKEN's activities. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond HEINEKEN's ability to control or estimate precisely, such as future market and economic conditions, developments in the ongoing COVID-19 pandemic and related government measures, the behaviour of other market participants, changes in consumer preferences, the ability to successfully integrate acquired businesses and achieve anticipated synergies, costs of raw materials, interest-rate and exchange-rate fluctuations, changes in tax rates, changes in law, change in pension costs, the actions of government regulators and weather conditions. These and other risk factors are detailed in HEINEKEN's publicly filed annual reports. You are cautioned not to place undue reliance on these forward-looking statements, which speak only of the date of this press release. HEINEKEN does not undertake any obligation to update these forward-looking statements contained in this press release. Market share estimates contained in this press release are based on outside sources, such as specialised research institutes, in combination with management estimates.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

HEINEKEN

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six-month period ended 30 June

In millions of €	Note	**2022**	2021
Revenue	7	**16,401**	11,970
Excise tax expense	7	(2,916)	(1,960)
Net revenue	7	**13,485**	10,010
Other income		**31**	194
Raw materials, consumables and services		(8,580)	(5,972)
Personnel expenses		(1,934)	(1,645)
Amortisation, depreciation and impairments		(932)	(870)
Total other expenses		**(11,446)**	(8,487)
Operating profit	7	**2,070**	1,717
Interest income		29	24
Interest expenses		(214)	(226)
Other net finance income		37	24
Net finance expenses		**(148)**	(178)
Share of profit of associates and joint ventures	7	80	70
Profit before income tax	7	**2,002**	1,609
Income tax expenses		(547)	(440)
Profit		**1,455**	1,169
Attributable to:			
Shareholders of the Company (net profit)		1,265	1,034
Non-controlling interests		190	135
Profit		**1,455**	1,169
Weighted average number of shares – basic	10	575,601,454	575,740,075
Weighted average number of shares – diluted	10	575,735,273	575,800,763
Basic earnings per share (€)		2.20	1.80
Diluted earnings per share (€)		2.20	1.80

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June

In millions of €	**2022**	2021
Profit	**1,455**	1,169
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-retirement obligations	155	99
Net change in fair value through OCI investments - Equity investments	1	11
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences	1,209	433
Change in fair value of net investment hedges	(73)	(27)
Change in fair value of cash flow hedges	(130)	42
Cash flow hedges reclassified to profit or loss	17	(7)
Net change in fair value through OCI investments - Debt investments	(1)	—
Cost of hedging	(1)	(3)
Share of other comprehensive income of associates/joint ventures	21	6
Other comprehensive income, net of tax	**1,198**	554
Total comprehensive income	**2,653**	1,723
Attributable to:		
Shareholders of the Company	2,375	1,573
Non-controlling interests	278	150
Total comprehensive income	**2,653**	1,723

HEINEKEN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at

In millions of €	Note	**30 June 2022**	31 December 2021
Intangible assets		21,357	20,762
Property, plant and equipment		12,697	12,401
Investments in associates and joint ventures		4,412	4,148
Loans and advances to customers		200	209
Deferred tax assets		642	682
Other non-current assets		1,276	1,070
Total non-current assets		**40,584**	39,272
Inventories		3,143	2,438
Trade and other receivables		4,966	3,662
Current tax assets		107	97
Derivative assets		68	96
Cash and cash equivalents		2,889	3,248
Assets classified as held for sale	8	550	37
Other current assets		**42**	—
Total current assets		**11,765**	9,578
Total assets		**52,349**	48,850

In millions of €	Note	**30 June 2022**	31 December 2021
Shareholders' equity	10	19,144	17,356
Non-controlling interests	10	2,412	2,344
Total equity		**21,556**	19,700
Borrowings	11	13,026	13,640
Post-retirement obligations		555	668
Provisions		636	636
Deferred tax liabilities		2,078	1,971
Other non-current liabilities		179	141
Total non-current liabilities		**16,474**	17,056
Borrowings	11	3,556	3,233
Trade and other payables		9,091	7,750
Returnable packaging deposits		590	476
Provisions		257	301
Current tax liabilities		344	268
Derivative liabilities		158	46
Liabilities associated with assets classified as held for sale	8	323	20
Total current liabilities		**14,319**	12,094
Total equity and liabilities		**52,349**	48,850

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June

In millions of €	**2022**	2021
Operating activities		
Profit	1,455	1,169
Adjustments for:		
Amortisation, depreciation and impairments	932	870
Net interest expenses	185	202
Other income	(31)	(20)
Share of profit of associates and joint ventures and dividend income on fair value through OCI investments	(85)	(75)
Income tax expenses	547	440
Other non-cash items	97	(9)
Cash flow from operations before changes in working capital and provisions	**3,100**	2,577
Change in inventories	(611)	(330)
Change in trade and other receivables	(1,150)	(1,167)
Change in trade and other payables and returnable packaging deposits	1,545	1,185
Total change in working capital	**(216)**	(312)
Change in provisions and post-retirement obligations	(100)	(148)
Cash flow from operations	**2,784**	2,117
Interest paid	(236)	(271)
Interest received	17	22
Dividends received	60	37
Income taxes paid	(456)	(324)
Cash flow related to interest, dividend and income tax	**(615)**	(536)
Cash flow from operating activities	**2,169**	1,581

In millions of €	**2022**	2021
Investing activities		
Proceeds from sale of property, plant and equipment and intangible assets	51	35
Purchase of property, plant and equipment	(958)	(728)
Purchase of intangible assets	(68)	(181)
Loans issued to customers and other investments	(89)	(70)
Repayment on loans to customers and other investments	17	13
Cash flow (used in)/from operational investing activities	**(1,047)**	(931)
Free operating cash flow	**1,122**	650
Acquisition of subsidiaries, net of cash acquired	(7)	(1)
Acquisition of/additions to associates, joint ventures and other investments	(37)	(662)
Disposal of subsidiaries, net of cash disposed of	—	(4)
Disposal of associates, joint ventures and other investments	—	8
Cash flow (used in)/from acquisitions and disposals	**(44)**	(659)
Cash flow (used in)/from investing activities	**(1,091)**	(1,590)
Financing activities		
Proceeds from borrowings	301	721
Repayment of borrowings	(986)	(2,275)
Payment of lease commitments	(148)	(150)
Dividends paid	(652)	(579)
Purchase own shares and shares issued	(23)	26
Acquisition of non-controlling interests	(8)	(10)
Cash flow (used in)/from financing activities	**(1,516)**	(2,267)
Net cash flow	**(438)**	(2,276)
Cash and cash equivalents as at 1 January	2,556	3,519
Effect of movements in exchange rates	28	10
Cash and cash equivalents as at 30 June	**2,146**	1,253

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

In millions of €	Share capital	Share premium	Translation reserve	Hedging reserve	Cost of hedging reserve	Fair value reserve	Other legal reserves	Reserve for own shares	Retained earnings	Shareholders of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2021	922	2,701	(4,940)	28	(2)	54	1,171	(25)	13,483	13,392	1,000	14,392
Profit	—	—	—	—	—	—	69	—	965	1,034	135	1,169
Other comprehensive income/(loss)	—	—	397	35	(3)	11	—	—	99	539	15	554
Total comprehensive income/(loss)	—	—	397	35	(3)	11	69	—	1,064	1,573	150	1,723
Realised hedge results from non-financial assets	—	—	—	(36)	—	—	—	—	—	(36)	—	(36)
Transfer to retained earnings	—	—	2	—	—	(8)	(60)	—	66	—	—	—
Dividends to shareholders	—	—	—	—	—	—	—	—	(403)	(403)	(204)	(607)
Purchase own shares or contributions received from NCI shareholders	—	—	—	—	—	—	—	—	—	—	28	28
Own shares delivered	—	—	—	—	—	—	—	2	(2)	—	—	—
Share-based payments	—	—	—	—	—	—	—	—	18	18	—	18
Acquisition of non-controlling interests	—	—	—	—	—	—	—	—	(7)	(7)	(4)	(11)
Balance as at 30 June 2021	922	2,701	(4,541)	27	(5)	57	1,180	(23)	14,219	14,537	970	15,507

In millions of €	Share capital	Share premium	Translation reserve	Hedging reserve	Cost of hedging reserve	Fair value reserve	Other legal reserves	Reserve for own shares	Retained earnings	Shareholders of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2022	**922**	**2,701**	**(4,003)**	**56**	**(8)**	**56**	**1,128**	**(37)**	**16,541**	**17,356**	**2,344**	**19,700**
Profit	—	—	—	—	—	—	81	—	1,184	1,265	190	1,455
Other comprehensive income/(loss)	—	—	1,068	(112)	(1)		—	—	155	1,110	88	1,198
Total comprehensive income/(loss)	**—**	**—**	**1,068**	**(112)**	**(1)**	**—**	**81**	**—**	**1,339**	**2,375**	**278**	**2,653**
Realised hedge results from non-financial assets	—	—	—	(23)	—	—	—	—	—	(23)	—	(23)
Transfer to retained earnings	—	—	—	—	—	—	(115)	—	115	—	—	—
Dividends to shareholders	—	—	—	—	—	—	—	—	(553)	(553)	(208)	(761)
Purchase own shares or contributions received from NCI shareholders	—	—	—	—	—	—	—	(23)	—	(23)	—	(23)
Own shares delivered	—	—	—	—	—	—	—	20	(20)	—	—	—
Share-based payments	—	—	—	—	—	—	—	—	16	16	—	16
Acquisition of non-controlling interests	—	—	—	—	—	—	—	—	(4)	(4)	(2)	(6)
Balance as at 30 June 2022	**922**	**2,701**	**(2,935)**	**(79)**	**(9)**	**56**	**1,094**	**(40)**	**17,434**	**19,144**	**2,412**	**21,556**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

Heineken N.V. (the 'Company') is a public company domiciled in the Netherlands, with its head office in Amsterdam. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2022, includes the financial statements of the Company and its consolidated subsidiaries (together referred to as 'HEINEKEN') and HEINEKEN's interest in joint ventures and associates.

The consolidated financial statements of HEINEKEN as at and for the year ended 31 December 2021 are available at www.theheinekencompany.com.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements are:

- Prepared in accordance with IAS 34 'Interim Financial Reporting' of the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The condensed consolidated interim financial statements do not meet the full requirements for annual financial statements required by IFRS and should be read in conjunction with the consolidated financial statements of HEINEKEN as at and for the year ended 31 December 2021. HEINEKEN's consolidated financial statements for the year ended 31 December 2021 were adopted by the Annual General Meeting of shareholders on 21 April 2022 and an unqualified auditor's opinion was issued by Deloitte Accountants B.V. thereon.
- Prepared by the Executive Board of the Company and authorised for issue on 29 July 2022. The condensed consolidated interim financial statements have been reviewed by Deloitte Accountants B.V., refer to page 30.
- Prepared on a historical cost basis unless otherwise stated.
- Presented in Euro, which is the Company's functional currency.
- Rounded to the nearest million unless stated otherwise.

3. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

On 28 March 2022, HEINEKEN announced its decision to leave Russia. The Russian business was classified as a disposal group held for sale as at 30 June 2022. For more information refer to note 8 'Russia disposal group classified as held for sale'.

HEINEKEN has assessed the impact of its main risks including increased exposure on risks related to supply chain continuity, cyber security incidents, commodity prices and macro-economic downturn in general, on its estimates and judgements. Areas containing the most significant estimates and judgements are referred to in note 4.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the condensed consolidated interim financial statements in accordance with IFRS requires management to make estimates, judgements and assessments that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

The areas that involve significant estimates and judgements are described in the consolidated financial statements of HEINEKEN for the year ended 31 December 2021. There has been no material change to these areas during the six months ended 30 June 2022, except relating to the classification and measurement of the Russian disposal group held for sale.

Area involving significant estimates and judgements	Note
Judgement used in the classification and measurement of the disposal group held for sale	8 Russia disposal group held for sale

5. SIGNIFICANT ACCOUNTING POLICIES

(a) General

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in HEINEKEN's consolidated financial statements for the year ended 31 December 2021. HEINEKEN has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(b) Income tax

Income tax expenses are recognised based on the expected full year effective tax rate per country.

(c) IFRS standards and interpretations effective on or after 1 January 2022

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of HEINEKEN.

6. SEASONALITY

The performance of HEINEKEN is usually subject to seasonal fluctuations for example as a result of weather conditions. HEINEKEN's full-year results and volumes are dependent on the performance in the peak-selling seasons (May to August and December). The impact from this seasonality is also noticeable in several working capital related items such as inventory, trade receivables and payables.

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7. OPERATING SEGMENTS

For the six-month period ended 30 June

In millions of €	Europe 2022	Europe 2021	Americas 2022	Americas 2021	Africa, Middle East & Eastern Europe 2022	Africa, Middle East & Eastern Europe 2021	Asia Pacific 2022	Asia Pacific 2021	Head Office & Other/eliminations 2022	Head Office & Other/eliminations 2021	Consolidated 2022	Consolidated 2021
Third party revenue	6,506	5,094	4,372	3,413	2,235	1,792	3,278	1,668	10	3	16,401	11,970
Interregional revenue	405	359	14	14	—	—	—	1	(419)	(374)	—	—
Revenue	**6,911**	5,453	**4,386**	3,427	**2,235**	1,792	**3,278**	1,669	**(409)**	(371)	**16,401**	11,970
Excise tax expense[2]	(1,393)	(1,201)	(98)	(83)	(379)	(316)	(1,046)	(360)	—	—	(2,916)	(1,960)
Net revenue	**5,518**	4,252	**4,288**	3,344	**1,856**	1,476	**2,232**	1,309	**(409)**	(371)	**13,485**	10,010
Other income	14	13	15	175	2	5	—	1	—	—	31	194
Operating profit	**588**	416	**586**	773	**282**	193	**592**	381	**22**	(46)	**2,070**	1,717
Net finance expenses											(148)	(178)
Share of profit of associates and joint ventures	10	2	25	36	16	15	29	17	—	—	80	70
Income tax expense											(547)	(440)
Profit											**1,455**	1,169
Operating profit reconciliation												
Operating profit	588	416	586	773	282	193	592	381	22	(46)	2,070	1,717
Eia[1]	37	(36)	(4)	(134)	(3)	16	45	71	10	(5)	85	(89)
Operating profit (beia)[1]	**625**	380	**582**	639	**279**	209	**637**	452	**32**	(51)	**2,155**	1,628
For the six-month period ended 30 June 2022 and as at 31 December 2021												
Total segment assets	**16,029**	14,879	**12,253**	10,905	**4,258**	3,718	**16,939**	15,894	**2,001**	2,599	**51,480**	47,995
Unallocated assets											**869**	855
Total assets											**52,349**	48,850

[1] Note that this is a non-GAAP measure. Due to rounding, this balance will not always cast.
[2] In addition to the €2,916 million of excise tax expense included in revenue (30 June 2021: €1,960 million) €1,081 million of excise tax expense is collected on behalf of third parties and excluded from revenue (30 June 2021: €816 million).

Reconciliation of segment profit or loss

Operating segments are reported consistently with the internal reporting provided to the Executive Board, which is considered to be HEINEKEN's chief operating decision-maker. HEINEKEN measures its segmental performance primarily based on operating profit and operating profit beia (before exceptional items and amortisation of acquisition-related intangible assets) as included in internal management's reports.

Exceptional items are defined as items of income and expenses of such size, nature or incidence, that in the view of management their disclosure is relevant to explain the performance of HEINEKEN for the period. Exceptional items include, amongst others, impairments (and reversal of impairments) of goodwill and fixed assets, gains and losses from acquisitions and disposals, redundancy costs following a restructuring, past service costs and curtailments, the tax impact on exceptional items and tax rate changes (the one-off impact on deferred tax positions).

Operating profit beia is a non-GAAP measure not calculated according to IFRS. Beia adjustments are also applied to other metrics. The presentation of these financial measures may not be comparable to similarly titled measures reported by other companies due to differences in the ways the measures are calculated.

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

For the six-month period ended 30 June

In millions of €	**2022**	2021
Operating profit (beia)	**2,155**	1,628
Amortisation of acquisition-related intangible assets included in operating profit	(161)	(126)
Exceptional items included in operating profit	76	215
Share of profit of associates and joint ventures	80	70
Net finance expenses	(148)	(178)
Profit before income tax	**2,002**	1,609
Profit attributable to shareholders of the Company (net profit)	**1,265**	1,034
Amortisation of acquisition-related intangible assets included in operating profit	161	126
Exceptional items included in operating profit	(76)	(215)
Exceptional items included in net finance expenses	(13)	(75)
Exceptional items and amortisation of acquisition-related intangible assets included in share of profit of associates and joint ventures	23	25
Exceptional items included in income tax expense	(27)	15
Allocation of exceptional items and amortisation of acquisition-related intangibles to non-controlling interests	(7)	(14)
Net profit (beia)	**1,326**	896

The exceptional items and amortisation of acquisition-related intangibles in net profit for the six-month period ended 30 June 2022 amounts to €61 million expenses (2021: €138 million benefit). This amount consists of:

- €161 million (2021: €126 million) of amortisation of acquisition-related intangibles recorded in operating profit.
- €76 million of exceptional net benefits recorded in operating profit (2021: €215 million). This includes €44 million exceptional net benefit recorded as a reduction in marketing expenses related to tax credits in Brazil (2021: €174 million exceptional net benefit recorded in other income related to tax credits in Brazil), net restructuring expense of €2 million (2021: €5 million), net reversal of impairments of €25 million (2021: €2 million) and €9 million other exceptional net benefits (2021: €44 million).
- €13 million of exceptional net benefits in net finance expenses, mainly related to the recognition of interest over tax receivables (2021: €75 million, mainly related to interest on tax credits in Brazil).
- €23 million of exceptional net expenses included in share of profit of associates and joint ventures (2021: €25 million).
- €27 million of exceptional net benefit in income tax expense, mainly related to the tax benefit on exceptional items and amortisation of acquisition-related intangibles (2021: €15 million exceptional net expense).
- Total exceptional net benefit allocated to non-controlling interest amounts to €7 million (2021: €14 million).

8. RUSSIA DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 28 March 2022, HEINEKEN announced its decision to leave Russia. Efforts to sell the disposal group have commenced and HEINEKEN expects to reach an agreement during the second half of 2022. The disposal group is included in the reportable segment Africa, Middle East & Eastern Europe (refer to note 7).

The following assets and liabilities of Russia were classified as held for sale in relation to the disposal group as at 30 June 2022:

In millions of €	**2022**
Current assets	166
Property, plant and equipment	287
Intangible assets	12
Other non-current assets	10
Assets of disposal group held for sale	475
Current liabilities	(260)
Non-current liabilities	(15)
Liabilities associated with assets classified as held for sale	(275)

At the moment the decision to leave Russia was announced, HEINEKEN expected an impairment. Based on the current assessment, the recoverable amount of the Russia business exceeded the carrying amount. No impairment loss was therefore recognised in relation to Russia for the period ended 30 June 2022.

During the six-month period ended 30 June 2022, there were no other significant assets and liabilities classified as held for sale.

9. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Financial risk management

The consolidated financial statements of HEINEKEN for the year ended 31 December 2021 describe the financial risks that HEINEKEN is exposed to in the normal course of business, as well as the policies and processes that are in place for managing these risks. Those risks, policies and processes remain valid and should be read in conjunction with these interim financial statements.

(b) Fair value

For bank loans and other interest-bearing liabilities, the carrying amount is a reasonable approximation of fair value. The fair value of the unsecured bond issued as at 30 June 2022 was €12,242 million (31 December 2021: €14,665 million) and the carrying amount measured at amortised cost was €13,034 million (31 December 2021: €13,535 million).

(c) Fair value hierarchy

During the six-month period ended 30 June 2022, there have been no material changes related to the fair value hierarchy.

10. EQUITY

(a) Reserves

Reserves consist of a translation reserve, hedging reserve, fair value reserve, other legal reserves and reserve for own shares. The main variance in comparison to prior year is driven by foreign currency translation in the translation reserve.

(b) Weighted average number of shares - basic and diluted

For the six-month period ended 30 June	**2022**	2021
Total number of shares issued	576,002,613	576,002,613
Effect of own shares held	(401,159)	(262,538)
Weighted average number of basic shares outstanding	**575,601,454**	575,740,075
Dilutive effect of share-based payment plan obligations	133,819	60,687
Weighted average number of diluted shares outstanding	**575,735,273**	575,800,763

(c) Dividends

The following dividends have been declared and paid by HEINEKEN:

For the six-month period ended 30 June

In millions of €	**2022**	2021
Final dividend previous year €0.96, respectively €0.70 per qualifying share	**553**	403

After the reporting date, the Executive Board announced the following interim dividend that has not yet been provided for:

For the six-month period ended 30 June

In millions of €	**2022**	2021
Interim dividend per qualifying share €0.50 (2021: €0.28)	**288**	161

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11. BORROWINGS

As at *In millions of €*	30 June 2022	31 December 2021
Unsecured bond issues	13,034	13,535
Lease liabilities	1,128	1,106
Bank loans	814	767
Other interest-bearing liabilities	270	211
Deposits from third parties[1]	594	562
Bank overdrafts	742	692
Total borrowings	**16,582**	16,873
Market value of cross-currency interest rate swaps	9	33
Other investments	(58)	—
Cash and cash equivalents	(2,889)	(3,248)
Net debt	**13,644**	13,658

[1]Mainly employee deposits

HEINEKEN has cash pooling arrangements with legally enforceable rights to offset cash and overdraft balances. As at 30 June 2022, Bank overdrafts and Cash and cash equivalents both include an amount of €462 million with legally enforceable rights to offset (31 December 2021: €412 million).

Financing headroom

The committed financing headroom at Group level was approximately €3.9 billion as at 30 June 2022 (31 December 2021: €4.6 billion) and consisted of the undrawn revolving credit facilities minus commercial paper in issue and centrally managed overdrafts.

12. SUBSEQUENT EVENTS

No material subsequent events have occurred.

STATEMENT OF THE EXECUTIVE BOARD

Statement ex Article 5:25d Paragraph 2 sub c Financial Markets Supervision Act ("Wet op het financieel toezicht").

To our knowledge:

1. The condensed consolidated interim financial statements for the six-month period ended 30 June 2022, which have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU, give a true and fair view of the assets, liabilities, financial position, and profit or loss of Heineken N.V. and the businesses included in the consolidation as a whole;
2. The management report of the Executive Board for the six-month period ended 30 June 2022 (as set out on pages 9-21 of this press release) includes a fair review of the information required pursuant to article 5:25d paragraphs 8 and 9 of the Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht").

Executive Board

Dolf van den Brink (Chairman/CEO)

Harold van den Broek (CFO)

Amsterdam, 29 July 2022

INDEPENDENT ACCOUNTANT'S REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Executive Board and Supervisory Board of Heineken N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Heineken N.V., Amsterdam, which comprise the condensed consolidated interim statement of financial position as at June 30, 2022, the related condensed consolidated interim income statement and the condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the 6-months period then ended, and the notes to the condensed consolidated interim financial statements.

Management's responsibility

Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these interim financial statements based on our review. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's responsibility

Our responsibility is to express a conclusion on the accompanying condensed consolidated interim financial statements. We conducted our review in accordance with Dutch law including the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". This requires that we comply with ethical requirements and that we plan and perform the review to be able to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements, are not prepared in all material respects, in accordance with the applicable financial reporting framework. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at June 30, 2022 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amsterdam, July 29, 2022

Deloitte Accountants B.V.

M.J. van der Vegte

GLOSSARY

Acquisition-related intangible assets

Acquisition-related intangible assets are assets that HEINEKEN only recognises as part of a purchase price allocation following an acquisition. This includes, among others, brands, customer-related and certain contract-based intangibles.

Beia

Before exceptional items and amortisation of acquisition-related intangible assets.

Cash conversion ratio

Free operating cash flow/net profit (beia) before deduction of non-controlling interests.

Cash flow (used in)/from operational investing activities

This represents the total of cash flow from sale and purchase of Property, plant and equipment and Intangible assets, proceeds and receipts of Loans to customers and Other investments.

Centrally available financing headroom

This consists of the undrawn part of revolving credit facility and cash minus commercial paper and other short-term borrowings.

Consolidation changes

Changes as a result of acquisitions and disposals.

Depletions

Sales by distributors to the retail trade.

Dividend payout

Proposed dividend as percentage of net profit (beia).

Digital sales value

Value of the digital transactions with our customers for our products via our eB2B platforms at outlet level, including our net revenue and the margin captured by third-party distributors.

Earnings per share (EPS)

Basic

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

Diluted

Net profit divided by the weighted average number of shares – diluted – during the year.

EBITDA

Earnings before interest, taxes, net finance expenses, depreciation and amortisation. EBITDA includes HEINEKEN's share in net profit of joint ventures and associates.

Effective tax rate

Income tax expense expressed as a percentage of the profit before income tax, adjusted for share of profit of associates and joint ventures.

Eia

Exceptional items and amortisation of acquisition-related intangible assets.

Exceptional items

Items of income and expenses of such size, nature or incidence, that in the view of management their disclosure is relevant to explain the performance of HEINEKEN for the period.

Free operating cash flow

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

Group net revenue (beia)

Consolidated net revenue (beia) plus attributable share of net revenue (beia) from joint ventures and associates.

Group operating profit (beia)

Consolidated operating profit (beia) plus attributable share of operating profit (beia) from joint ventures and associates, excluding Head Office and eliminations.

Net debt

Non-current and current interest-bearing borrowings (incl. lease liabilities), bank overdrafts and market value of cross-currency interest rate swaps less cash, cash equivalents and other investments.

Net profit

Profit after deduction of non-controlling interests (profit attributable to shareholders of the Company).

Net revenue

Revenue as defined in IFRS 15 (after discounts) minus the excise tax expense for those countries where the excise is borne by HEINEKEN.

Net revenue per hectolitre

Net revenue divided by total consolidated volume.

Organic growth

Growth excluding the effect of foreign currency translational effects, consolidation changes, exceptional items and amortisation of acquisition-related intangible assets.

Organic volume growth

Growth in volume, excluding the effect of consolidation changes.

Price-mix on a constant geographic basis

Refers to the different components that influence net revenue per hectolitre, namely the changes in the absolute price of each individual sku and their weight in the portfolio. The weight of the countries in the total revenue in the base year is kept constant.

Profit

Total profit of HEINEKEN before deduction of non-controlling interests.

®

All brand names mentioned in this report, including those brand names not marked by an ®, represent registered trademarks and are legally protected.

Region

A region is defined as HEINEKEN's managerial classification of countries into geographical units.

Volume

Brand specific volume (Heineken® volume, Amstel volume, etc.)

Brand volume produced and sold by consolidated companies plus 100% of brand volume sold under licence agreements by joint ventures, associates and third parties.

Beer volume

Beer volume produced and sold by consolidated companies.

Premium beer

Beer sold at a price index equal or greater than 115 relative to the average market price of beer.

Non-beer volume

Cider, soft drinks and other non-beer volume produced and sold by consolidated companies.

Third party products volume

Volume of third party products (beer and non-beer) resold by consolidated companies.

Total consolidated volume

The sum of beer volume, non-beer volume and third party products volume.

Licensed volume

100% of volume from HEINEKEN's beer brands sold under licence agreements by joint ventures, associates and third parties.

Group beer volume

The sum of beer volume, licensed beer volume and attributable share of beer volume from joint ventures and associates.

LONO

Low- and non-alcoholic beer, cider & brewed soft drinks with an ABV<=3.5%.

Flavoured alcoholic beverages (FAB)

All flavoured alcoholic beverages in the segments of alcoholic soft drinks, pre-mixed spirits, wine coolers, beer mixes, flavoured beer and cider.

Weighted average number of shares

Basic

Weighted average number of outstanding shares.

Diluted

Weighted average number of outstanding shares and the weighted average number of shares that would be issued on conversion of the dilutive potential shares into shares as a result of HEINEKEN's share-based payment plans.

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