



Unilever Nigeria Plc
Unaudited Interim Financial Statements
For the Six Months Ended 30 June 2024

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Unaudited Interim Financial Statements for the Six Months Ended 30 June
2024

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Statement of Profit or Loss and Other Comprehensive Income
For three months ended 30 June

| | Note | 2024 N'000 | 2023 N'000 |
|--|------|-------------------------|----------------------|
| Revenue | | 31,592,953 | 24,874,325 |
| Cost of sales | | <u>(18,875,695)</u> | <u>(21,506,981)</u> |
| Gross profit | | 12,717,258 | 3,367,344 |
| Selling and distribution expenses | | (1,303,381) | (890,132) |
| Marketing and administrative expenses | | (8,709,528) | (2,555,228) |
| Impairment write back / (loss) on trade & other receivables | | (3,170,671) | (1,398,346) |
| Other income | | <u>79,967</u> | <u>25,632</u> |
| Operating profit / (loss) | | (386,355) | (1,450,729) |
| Finance income | | 2,102,742 | 1,362,360 |
| Finance costs | | <u>207,424</u> | <u>1,442,981</u> |
| Net finance income | | 2,310,166 | 2,805,342 |
| Profit before taxation | | <u>1,923,811</u> | <u>1,354,612</u> |
| Taxation | | <u>(842,898)</u> | <u>(78,461)</u> |
| Profit from continuing operations | | 1,080,913 | 1,276,151 |
| Discontinued operations | | | |
| Loss from discontinued operations | | <u>-</u> | <u>(1,184,673)</u> |
| Profit for the period | | <u><u>1,080,913</u></u> | <u><u>91,478</u></u> |
| Attributable to: | | | |
| Equity holders | | <u><u>1,080,913</u></u> | <u><u>91,478</u></u> |
| Earnings per share for profit attributable to equity holders: | | | |
| Basic and diluted earnings per share (Naira) - continuing operations | | <u><u>0.19</u></u> | <u><u>0.22</u></u> |

The prior year comparative figures have been restated to reflect the impact of discontinued operations as a single amount in the income statement (Note 25.1).

The accompanying notes from page 11-25 form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income
For six months ended 30 June

| | Note | 2024 N'000 | 2023 N'000 |
|--|------|-------------------------|-------------------------|
| Revenue | 7 | 63,908,687 | 45,350,421 |
| Cost of sales | 8 | <u>(37,690,292)</u> | <u>(32,258,446)</u> |
| Gross profit | | 26,218,395 | 13,091,975 |
| Selling and distribution expenses | | (2,703,503) | (1,798,719) |
| Marketing and administrative expenses | 9 | (16,996,735) | (6,472,585) |
| Impairment (loss)/write back on trade & other receivables | 10 | (3,166,787) | (1,661,102) |
| Other income | 11 | <u>105,281</u> | <u>48,281</u> |
| Operating profit | | 3,456,651 | 3,207,849 |
| Finance income | 12 | 4,102,481 | 4,445,134 |
| Finance costs | 12 | <u>(1,276,038)</u> | <u>(1,799,668)</u> |
| Net finance Income | 12 | <u>2,826,443</u> | <u>2,645,467</u> |
| Profit before taxation | | 6,283,094 | 5,853,316 |
| Taxation | 12 | <u>(1,845,753)</u> | <u>(1,756,815)</u> |
| Profit from continuing operations | | 4,437,341 | 4,096,501 |
| Discontinued operations | | | |
| Loss from discontinued operations | 25.1 | <u>-</u> | <u>(1,334,767)</u> |
| Profit for the period | | <u><u>4,437,341</u></u> | <u><u>2,761,734</u></u> |
| Attributable to: | | | |
| Equity holders | | <u><u>4,437,341</u></u> | <u><u>2,761,734</u></u> |
| Earnings per share for profit attributable to equity holders: | | | |
| Basic and diluted earnings per share (Naira) - continuing operations | | <u><u>0.77</u></u> | <u><u>0.71</u></u> |

The prior year comparative figures have been restated to reflect the impact of discontinued operations as a single amount in the income statement (Note 25.1)

The accompanying notes from page 11-25 form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income (Continued)

For three months ended 30 June

| | 2024 | 2023 |
|-----------------------------------|-------------------------|----------------------|
| | N'000 | N'000 |
| Other comprehensive income | - | - |
| Profit for the period | <u>1,080,913</u> | <u>91,478</u> |
| Total comprehensive income | <u><u>1,080,913</u></u> | <u><u>91,478</u></u> |
| Attributable to: | | |
| Equity holders | <u><u>1,080,913</u></u> | <u><u>91,478</u></u> |

For six months ended 30 June

| | 2024 | 2023 |
|--|-------------------------|-------------------------|
| | N'000 | N'000 |
| Other comprehensive (Loss) / income | - | - |
| Profit for the period | <u>4,437,341</u> | <u>2,761,734</u> |
| Total comprehensive income | <u><u>4,437,341</u></u> | <u><u>2,761,734</u></u> |
| Attributable to: | | |
| Equity holders | <u><u>4,437,341</u></u> | <u><u>2,761,734</u></u> |

The accompanying notes from page 11-25 form an integral part of these financial statements.

Statement of Financial Position
As at 30 June 2024

| | | 30 June 2024 | 31 December 2023 |
|---|------|---------------------------|---------------------------|
| | Note | N'000 | N'000 |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 14 | 18,640,602 | 18,770,920 |
| Intangible assets | | 2,503 | 2,696 |
| Investment property | 14.1 | 200,834 | 209,257 |
| Other financial assets | 14.2 | 1,517,020 | 1,240,056 |
| | | <u>20,360,958</u> | <u>20,222,929</u> |
| Current assets | | | |
| Inventories | 15 | 26,984,610 | 13,021,361 |
| Trade and other receivables | 16 | 13,949,002 | 12,284,377 |
| Advance and prepayments | 17 | 31,627,622 | 14,030,577 |
| Cash and cash equivalents | 18 | 34,955,301 | 56,698,640 |
| Other financial assets | | 50,684 | 44,460 |
| | | <u>107,567,220</u> | <u>96,079,415</u> |
| Total assets | | <u><u>127,928,178</u></u> | <u><u>116,302,344</u></u> |
| Liabilities | | | |
| Current liabilities | | | |
| Current tax liabilities | | 3,935,450 | 1,493,572 |
| Trade and other payables | 19 | 42,855,263 | 32,075,796 |
| Deferred income | | 216,056 | 227,678 |
| | | <u>47,006,769</u> | <u>33,797,046</u> |
| Non-current liabilities | | | |
| Loans and borrowings | 21 | 2,668,837 | 1,539,968 |
| Unfunded retirement benefit obligations | 20 | 391,824 | 380,449 |
| Retirement benefit obligations | 20 | 30,126 | 425,988 |
| Long service award obligations | 20 | 604,455 | 558,955 |
| Deferred income | | - | 216,056 |
| Deferred tax liabilities | | 2,588,477 | 4,874,779 |
| | | <u>6,283,719</u> | <u>7,996,195</u> |
| Total liabilities | | <u><u>53,290,488</u></u> | <u><u>41,793,241</u></u> |

Statement of Financial Position (continued)
As at 30 June 2024

| | Note | 30 June 2024 | 31 December 2023 |
|-------------------------------------|------|--------------------|--------------------|
| | | N'000 | N'000 |
| Equity | | | |
| Ordinary share capital | 24 | 2,872,503 | 2,872,503 |
| Share premium | 24 | 56,812,810 | 56,812,810 |
| Retained earnings | | 14,952,377 | 14,823,790 |
| Total equity | | <u>74,637,690</u> | <u>74,509,103</u> |
| Total equity and liabilities | | <u>127,928,178</u> | <u>116,302,344</u> |

The financial statements were approved for issue by the Board of Directors on 18 July 2024 and signed on its behalf by:



Bolaji Balogun
Chairman
 FRC/2013/CISN/00000004945



Tim Kleinebenne
Managing Director
 FRC/2024/PRO/DIR/008/723464



Folake Ogundipe
National Finance Director
 FRC/2019/ICAN/00000019604

The accompanying notes from page 11-25 form an integral part of these financial statements.

Statement of Changes in Equity
For six months ended 30 June

| | Share capital N'000 | Share premium N'000 | Retained earnings N'000 | Total N'000 |
|--|------------------------------------|------------------------------------|--|--------------------------|
| Balance at 1 January 2023 | 2,872,503 | 56,812,810 | 7,879,403 | 67,564,716 |
| Total comprehensive income for the period | | | | |
| Profit for the period | - | - | 8,439,895 | 8,439,895 |
| Other comprehensive income | | | | |
| Remeasurement on post employment benefit obligations, net of tax | | | (88,444) | (88,444) |
| Tax effect | | | 29,187 | 29,187 |
| | <u>-</u> | <u>-</u> | <u>8,380,638</u> | <u>8,380,638</u> |
| Transactions with owners | | | | |
| Dividend declared | <u>-</u> | <u>-</u> | <u>(1,436,251)</u> | <u>(1,436,251)</u> |
| Balance at 31 December 2023 | <u>2,872,503</u> | <u>56,812,810</u> | <u>14,823,790</u> | <u>74,509,103</u> |
| Balance at 1 January 2024 | 2,872,503 | 56,812,810 | 14,823,790 | 74,509,103 |
| Total comprehensive income for the period | | | | |
| Profit for the period | - | - | 4,437,341 | 4,437,341 |
| Other comprehensive income | | | | |
| Remeasurement on post employment benefit obligations, net of tax | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> | <u>4,437,341</u> | <u>4,437,341</u> |
| Transactions with owners | | | | |
| Dividend declared | <u>-</u> | <u>-</u> | <u>(4,308,754)</u> | <u>(4,308,754)</u> |
| | | | <u>(4,308,754)</u> | <u>(4,308,754)</u> |
| Balance at 30 June 2024 | <u>2,872,503</u> | <u>56,812,810</u> | <u>14,952,377</u> | <u>74,637,690</u> |

The accompanying notes from page 11-25 form an integral part of these financial statements.

Statement of Cash Flows
For six months ended 30 June

| | Note | 2024 N'000 | 2023 N'000 |
|---|------|--------------------------|--------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 22 | (14,108,903) | 18,626,530 |
| Retirement benefits paid | | (146,943) | (136,309) |
| Long service award obligations paid | | (31,103) | (34,922) |
| Tax paid | | (1,500,332) | (2,934,709) |
| Net cash flow (utilized) / generated from operating activities | | <u>(15,787,280)</u> | <u>15,520,590</u> |
| Cash flows from investing activities | | | |
| Interest received | 12 | 809,730 | 1,754,138 |
| Purchase of property, plant and equipment | 14 | (1,026,109) | (481,707) |
| Proceeds from sale of property, plant and equipment | | 51,213 | 16,596 |
| Net cash flows from investing activities | | <u>(165,165)</u> | <u>1,289,026</u> |
| Cash flows from financing activities | | | |
| Interest paid on employee benefits | | 106,677 | (82,155) |
| Interest paid on trade obligations with banks | | 1,169,361 | - |
| Dividend paid | | (3,882,027) | (311,816) |
| Net cash used in financing activities | | <u>(2,605,989)</u> | <u>(393,971)</u> |
| Net (decrease)/increase in cash and cash equivalents | | (18,558,434) | 16,415,646 |
| Impact of foreign exchange movement on cash balance | | (3,184,905) | - |
| Cash and cash equivalents at the beginning of the period | | 56,698,640 | 66,317,783 |
| Cash and cash equivalents at the end of the period | 18 | <u><u>34,955,301</u></u> | <u><u>82,733,429</u></u> |

The accompanying notes from page 11-25 form an integral part of these financial statements.

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1. General information

Unilever Nigeria Plc. is incorporated in Nigeria as a public limited liability company under the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, 2004 and is domiciled in Nigeria. The Company's shares are listed on the Nigerian Exchange Group. The Company is principally involved in the manufacture and marketing of Food, Beauty and personal care products. It has manufacturing sites in Oregun, Lagos State and Agbara, Ogun State.

2. Dealings in Unilever Nigeria Plc. Shares

The Company has adopted a code of conduct regarding securities transactions by its directors on terms no less exacting than the required standard set out in the rules of the Nigerian Exchange Group.

Having made specific enquiry of all directors, Unilever Nigeria Plc directors have complied with the required standard set out in the rules of the Nigerian Exchange Group and in the Unilever Nigeria Plc code of conduct regarding securities transactions by directors.

3. Basis of preparation

These financial statements for the the period ended 30 June 2024 have been prepared in accordance with IAS 1, and other IFRS guidelines. The financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

4. Significant accounting policies

The accounting policies adopted are consistent with those of the previous audited financial year.

5. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2023.

6. Financial risk management

Financial risk factors

Unilever's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. Unilever's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Unilever's financial performance.

Risk management is carried out by a Treasury Department under policies approved by the Board of Directors. Unilever's Treasury Department identifies, evaluates and manages financial risks in close co-operation with Unilever's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. These policies are mostly Unilever Global Policies adopted for local use.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as at 31 December 2023. There have been no changes in the risk management structure since year end or in any risk management policy.

6.1. Financial risk factors

(a) Market risk

(i) Currency risk - Transactions in foreign currency

Unilever is exposed to foreign exchange risk arising from various currency exposures. The currencies in which these transactions are primarily denominated are US dollars, Pound sterling, Euro and Rand. The currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company manages this risk mainly by hedging through foreign exchange currency contracts.

(ii) Cash flow and fair value interest rate risk

Unilever's interest rate risk arises from bank overdrafts and bank loans. Overdrafts issued at variable rates expose Unilever to cash flow interest rate risk. Borrowings issued at fixed rates expose Unilever to fair value interest rate risk.

Unilever analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, Unilever calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

(b) Credit risk

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

Concentration of credit risk with respect to trade receivables is limited, due to the Company's customer base being diverse. Credit terms for customers are determined on individual basis. Credit risk relating to trade receivables is managed by reference to the customers' credit limit, inventory balance, cash position and secondary sales to final consumers.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

(c) Liquidity risk

Liquidity risk is the risk that Unilever will face difficulty in meeting its short-term obligations associated with its financial liabilities. Unilever's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine Unilever's credibility, impair investor confidence and also restrict Unilever's ability to raise funds.

Cash flow from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis. Unilever seeks to manage its liquidity requirements by maintaining relationships with different financial institutions through short-term and long-term credit facilities.

Cash flow forecasting is performed in Unilever. Unilever's finance team monitors rolling forecasts of Unilever's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that Unilever does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration Unilever's debt financing plans, covenant compliance and compliance with gearing ratios.

Where current liabilities exceed current assets, the Company seeks to manage its liquidity requirements by maintaining access to bank lending which are renewable annually.

At the reporting date, Unilever held cash in bank at N34.9 billion (31 December 2023: N56.6 billion).

7. Segment reporting

The Chief Operating decision-maker has been identified as the Leadership Team (LT) of Unilever Nigeria Plc. The Leadership Team reviews Unilever's monthly financial and operational information in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Leadership Team consider the business from a product category perspective. Unilever is segmented into Food Products (FP), Beauty & Wellbeing (B&W) and Personal Care (PC).

Food Products – includes sale of savoury.

Personal Care - includes sale of oral care and deodorant products

Beauty & Wellbeing - includes sales of skin care products.

There are no intersegmental sales and Nigeria is the company's primary geographical segment as it comprises 97% of the company's sales.

3 months ended 30 June 2024

| | Food Products | Personal Care | Beauty & Wellbeing | Total |
|-------------------------------|----------------------|----------------------|-------------------------------|-------------------------|
| | N'000 | N'000 | N'000 | N'000 |
| Revenue | 18,944,937 | 10,525,743 | 2,122,273 | 31,592,953 |
| Depreciation and amortisation | (364,665) | (202,606) | (40,851) | (608,122) |
| Operating profit/ (loss) | (231,680) | (128,721) | (25,954) | (386,355) |
| Finance income | 1,260,924 | 700,565 | 141,253 | 2,102,742 |
| Finance cost | 124,383 | 69,107 | 13,934 | 207,424 |
| Profit before taxation | | | | <u>1,923,811</u> |

3 months ended 30 June 2023

| | Food Products | Personal Care | Beauty & Wellbeing | Total |
|-------------------------------|----------------------|----------------------|-------------------------------|-------------------------|
| | N'000 | N'000 | N'000 | N'000 |
| Revenue | 14,719,933 | 8,745,529 | 1,408,863 | 24,874,325 |
| Depreciation and amortisation | (273,060) | (155,655) | (25,075) | (453,789) |
| Operating profit | (1,628,888) | 153,440 | 24,719 | (1,450,729) |
| Finance income | 781,200 | 500,528 | 80,633 | 1,362,360 |
| Finance cost | 932,205 | 439,909 | 70,867 | 1,442,981 |
| Profit before taxation | | | | <u>1,354,612</u> |

6 months ended 30 June 2024

| | Food Products | Personal Care | Beauty & Wellbeing | Total |
|-------------------------------|----------------------|----------------------|-------------------------------|-------------------------|
| | N'000 | N'000 | N'000 | N'000 |
| Revenue | 37,127,212 | 22,205,864 | 4,575,611 | 63,908,687 |
| Depreciation and amortisation | (670,853) | (401,238) | (82,677) | (1,154,768) |
| Operating profit/ (loss) | 2,008,112 | 1,201,056 | 247,483 | 3,456,651 |
| Finance income | 2,383,302 | 1,425,458 | 293,722 | 4,102,481 |
| Finance cost | (741,303) | (443,375) | (91,359) | (1,276,038) |
| Profit before taxation | | | | <u>6,283,094</u> |

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6 months ended 30 June 2023

| | Food Products | Personal Care | Beauty & Wellbeing | |
|-------------------------------|----------------------|----------------------|-------------------------------|-------------------------|
| | N'000 | N'000 | N'000 | N'000 |
| Revenue | 28,049,374 | 14,738,216 | 2,562,831 | 45,350,421 |
| Depreciation and amortisation | (565,531) | (297,152) | (51,672) | (914,355) |
| Operating profit/ (loss) | 663,165 | 2,167,736 | 376,948 | 3,207,849 |
| Finance income | 907,699 | 3,013,430 | 524,006 | 4,445,134 |
| Finance cost | 767,311 | (2,186,728) | (380,251) | (1,799,668) |
| Profit before taxation | | | | <u>5,853,316</u> |

Turnover by geographical location

| | Domestic (within Nigeria) | Export (outside Nigeria) | Total |
|-----------------------------|----------------------------------|---------------------------------|--------------|
| | N'000 | N'000 | N'000 |
| 3 Months ended 30 June 2024 | 30,420,854 | 1,172,099 | 31,592,953 |
| 3 Months ended 30 June 2023 | 24,396,815 | 477,511 | 24,874,325 |
| 6 Months ended 30 June 2024 | 61,952,406 | 1,956,280 | 63,908,687 |
| 6 Months ended 30 June 2023 | 44,688,819 | 661,603 | 45,350,421 |

The Company recognises revenue at a point in time when it transfers control over a product or service to a customer.

The Company has 83 key distributors, and one key distributor accounted for more than 4% of the Company's revenue.

8. Cost of Sales

| | 2024 | 2023 |
|--|--------------------------|--------------------------|
| | N'000 | N'000 |
| Cost of goods sold | 40,440,948 | 15,537,745 |
| Revaluation (Gain)/Loss (Note 8.1) | (2,449,418) | 14,361,756 |
| Restructuring (Writeback)/ Cost (Note 8.2) | (301,238) | 2,358,945 |
| | <u>37,690,292</u> | <u>32,258,446</u> |

8.1. Revaluation (gain)/ loss arising from foreign currencies denominated balances.

8.2. Write back on restructuring cost provision.

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9. Marketing and administrative expenses

| | 2024 | 2023 |
|--|-------------------|------------------|
| | N'000 | N'000 |
| Brand and marketing (Note 9.1) | 7,938,122 | 2,846,755 |
| Overheads (Note 9.2) | 7,168,064 | 2,052,017 |
| Royalties and Service Fees (Notes 9.3) | 1,890,549 | 1,573,814 |
| | <u>16,996,735</u> | <u>6,472,585</u> |

- 9.1 The 2024 brand and marketing is driven by increase in media expense for personal care and nutrition categories to support various projects and campaign. Costs also include investment across brands to improve product visibility in trade.
- 9.2 The 2024 overheads is driven by impact of naira devaluation on foreign denominated obligations, investment in capability development and general inflation on goods and services.
- 9.3 In previous years, Unilever Nigeria Plc had agreements with Unilever Plc United Kingdom for Technology and Trade Mark licences. In consideration of this, a royalty of 2% of net sales value and 0.5% of net sales value was payable by Unilever Nigeria Plc to Unilever Plc, United Kingdom for Technology and Trade Mark licenses respectively. Effective February 2023, the exclusive intellectual property (IP) rights for Trademark and Technology licenses, previously held by Unilever Plc, are now vested in Unilever Global IP Limited and Unilever IP Holdings B.V. The new agreements executed with Unilever Global IP Limited and Unilever IP Holdings B.V. are pending approval by the National Office for Technology Acquisition and Promotion (NOTAP).

Also, Unilever Nigeria has a central support and management services agreement with Unilever Europe Business Centre B.V for the provision of corporate strategic direction, and expert advice/support on legal, tax, finance, human resources and information technology matters. In consideration of this, a fee of 2% of profit before tax is payable as service fees. The agreement expired on 31 December 2022, renewal is in progress.

10. Impairment on trade & other receivables

| | 2024 | 2023 |
|--|------------------|------------------|
| | N'000 | N'000 |
| Impairment loss on trade & other receivables | 3,166,787 | 1,661,102 |
| | <u>3,166,787</u> | <u>1,661,102</u> |

Movement in impairment loss on trade and other receivables is driven by additional impairment provision on intercompany receivables.

11. Other income

| | 2024 | 2023 |
|---|----------------|---------------|
| | N'000 | N'000 |
| Transitional Service Agreement income (Note 11.1) | - | 48,281 |
| Manufacturing Services Agreement (Note 11.1) | 79,620 | - |
| Rental income | 11,730 | - |
| Others | 13,931 | - |
| | <u>105,281</u> | <u>48,281</u> |

- 11.1 Subsequent to the disposal of the Tea business in October 2021, Unilever Nigeria entered into a Transitional Service Agreement ("the Agreement") with the new owner (Ekatererra Plant based Ltd) until June 2023. Effective 1st July, 2023, Unilever Nigeria entered into a Manufacturing Services Agreement (MSA) for production of tea with Ekatererra Plant based Ltd in exchange for a fee.

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12 Net Finance income / (cost)

| | 2024 | 2023 |
|----------------------------|------------------|------------------|
| Finance income (Note 12.1) | 4,102,481 | 4,445,134 |
| Finance cost (Note 12.2) | (1,276,038) | (1,799,668) |
| | <u>2,826,443</u> | <u>2,645,467</u> |

12.1 Finance income

| | 2024 | 2023 |
|---|------------------|------------------|
| | N'000 | N'000 |
| Exchange difference on bank balances | 3,292,751 | 2,934,053 |
| Interest on call deposits and bank accounts | 809,730 | 1,511,081 |
| | <u>4,102,481</u> | <u>4,445,134</u> |

12.2 Finance cost

| | 2024 | 2023 |
|------------------------------------|--------------------|--------------------|
| | N'000 | N'000 |
| Interest on third-party bank loans | (1,169,361) | (1,717,513) |
| Employee benefit charge | (106,677) | (82,155) |
| | <u>(1,276,038)</u> | <u>(1,799,668)</u> |

13. Taxation

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the period.

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14. Property, plant and equipment (PPE)

| | Capital work- in-progress N'000 | Lease hold land N'000 | Buildings N'000 | Plant and machinery N'000 | Furniture and equipment N'000 | Motor vehicles N'000 | Total N'000 |
|---|--|--|----------------------------|--|--|-------------------------------------|------------------------|
| Cost | | | | | | | |
| 1 January 2023 | 1,779,628 | 433,640 | 12,952,741 | 25,909,091 | 1,436,741 | 1,383,610 | 43,895,452 |
| Additions | 2,209,979 | - | - | 35,895 | - | - | 2,245,874 |
| Disposals | - | - | - | (85,499) | (118,219) | (115,819) | (319,537) |
| Transfers | (2,223,703) | - | 184,642 | 830,362 | 403,256 | 805,443 | - |
| Reclassification to investment properties | - | - | (326,318) | - | - | - | (326,318) |
| Reclassification to lease receivables | - | - | - | (2,599,280) | (144,075) | - | (2,743,355) |
| At 31 December 2023 | 1,765,905 | 433,640 | 12,811,065 | 24,090,569 | 1,577,703 | 2,073,234 | 42,752,116 |
| Additions | 1,026,109 | - | - | - | - | - | 1,026,109 |
| Disposals | - | - | - | (7,909) | (28,552) | (130,013) | (166,474) |
| Transfers | (1,657,404) | - | 83,299 | 773,761 | 256,704 | 543,639 | - |
| Reclassification to investment properties | - | - | - | - | - | - | - |
| Reclassification to lease receivables | - | - | - | - | - | - | - |
| At 30 June 2024 | 1,134,610 | 433,640 | 12,894,364 | 24,856,422 | 1,805,855 | 2,486,860 | 43,611,750 |
| <u>Depreciation / impairment</u> | | | | | | | |
| 1 January 2023 | - | 3,190 | 4,146,872 | 16,131,765 | 1,176,331 | 946,725 | 22,404,883 |
| Depreciation charge for the period | - | 49,095 | 369,499 | 1,753,740 | 371,189 | 265,608 | 2,809,131 |
| On disposals | - | - | - | (85,428) | (118,040) | (115,522) | (318,990) |
| Asset write down | - | - | 24,099 | 1,348,977 | 4,818 | 1,520 | 1,379,414 |
| Transfer between classes | - | 4,461 | (4,461) | - | - | - | - |
| Reclassification to investment properties | - | - | (115,797) | - | - | - | (115,797) |
| Reclassification to lease receivables | - | - | - | (2,033,370) | (144,075) | - | (2,177,445) |
| At 31 December 2023 | - | 56,746 | 4,420,213 | 17,115,684 | 1,290,224 | 1,098,330 | 23,981,197 |
| Depreciation charge for the period | - | 2,230 | 182,031 | 735,174 | 30,170 | 204,970 | 1,154,575 |
| On disposals | - | - | - | (7,909) | (26,701) | (130,013) | (164,623) |
| At 30 June 2024 | - | 58,976 | 4,602,244 | 17,842,949 | 1,293,693 | 1,173,287 | 24,971,149 |
| <u>Net book value:</u> | | | | | | | |
| At 1 January 2023 | 1,779,628 | 430,450 | 8,805,869 | 9,777,326 | 260,410 | 436,886 | 21,490,568 |
| At 31 December 2023 | 1,765,905 | 376,894 | 8,390,852 | 6,974,886 | 287,479 | 974,904 | 18,770,920 |
| At 30 June 2024 | 1,134,610 | 374,664 | 8,292,120 | 7,013,473 | 512,162 | 1,313,573 | 18,640,602 |

14.1 Investment Property

| | Factory Building | Total |
|---|-----------------------------|-------------------------|
| | N'000 | N'000 |
| Cost: | | |
| 1 January 2023 | | |
| Reclassification from property, plant and equipment | 326,318 | 326,318 |
| At 31 December 2023 | <u>326,318</u> | <u>326,318</u> |
| Additions | - | - |
| At 30 June 2024 | <u>326,318</u> | <u>326,318</u> |
| Accumulated depreciation and impairment: | | |
| 1 January 2023 | | |
| Reclassification from property, plant and equipment | (115,797) | (115,797) |
| Charge for the year | (1,264) | (1,264) |
| Closing balance as at 31 December 2023 | <u>(117,061)</u> | <u>(117,061)</u> |
| Charge for the year | (8,423) | (8,423) |
| Closing balance as at 30 June 2024 | <u>(125,484)</u> | <u>(125,484)</u> |
| Carrying amount: | | |
| At 31 December 2023 | <u>209,257</u> | <u>209,257</u> |
| At 30 June 2024 | <u>200,834</u> | <u>200,834</u> |

Investment Property primarily comprises factory buildings owned by the Unilever Nigeria Plc, which were utilized for the Home Care and Skin Cleansing business categories now discontinued.

Subsequent to the company's exit from the Home Care and Skin Cleansing categories, the factory buildings have been leased to a third party for a duration of 10 years, with annual rental payments.

Income from operating leases, where the company serves as the lessor, are recognized in the income statement using a straight-line basis over the entire lease term.

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14.2 Other financial assets
Non current

| | 30 June 2024 | 31 December |
|---|---------------------|--------------------|
| | N'000 | 2023 |
| | N'000 | N'000 |
| Non current net investment in lease (See note 14.2.a) | 355,875 | 362,099 |
| Other non current receivables (See note 14.2.b) | 1,254,755 | 971,567 |
| Less impairment | (93,610) | (93,610) |
| | <u>1,517,020</u> | <u>1,240,056</u> |

Current

| | 30 June 2024 | 31 December |
|---|---------------------|--------------------|
| | N'000 | N'000 |
| Non current net investment in lease (See note 14.2.a) | <u>50,684</u> | <u>44,460</u> |
| | <u>50,684</u> | <u>44,460</u> |

14.2.a The Company entered into Finance Lease contract for its Plant and Machinery with a third party. These plant and machineries were previously used in the Home Care business categories. The lease term is for a period of 10 years after which ownership transfers to the lessee.

14.2.b Movement in other non current receivables is driven by revaluation of foreign denominated receivables.

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| | | | |
|---|---|---------------------|-------------------------|
| 15. Inventories | | 30 June 2024 | 31 December 2023 |
| | | N'000 | N'000 |
| Raw and packaging materials (Note 15.1) | | 20,884,501 | 9,663,241 |
| Work in progress | | 326,882 | 193,391 |
| Finished goods | | 4,576,270 | 2,173,688 |
| Engineering spares and other inventories | | 1,196,957 | 829,238 |
| Right to recover returned goods | | - | 161,803 |
| | | <u>26,984,610</u> | <u>13,021,361</u> |
| 15.1 | Increase in raw and packaging materials is driven by build up stocks to leverage favorable pricing opportunities for raw and packaging materials. | | |
| 16 Trade and other receivables | | 30 June 2024 | 31 December 2023 |
| | | N'000 | N'000 |
| Trade receivables: gross | | 9,510,900 | 8,309,456 |
| Less: rebate accruals | | (949,749) | (707,697) |
| Less impairment | | <u>(933,890)</u> | <u>(1,258,856)</u> |
| Trade receivables: net | | 7,627,261 | 6,342,903 |
| Cash with registrar | | 408,579 | 419,455 |
| Interest receivable | | 22,547 | 304,552 |
| Other receivables | | 1,552,959 | 452,446 |
| Due from related parties (Note 23 (ii)) | | 4,337,656 | 4,765,021 |
| | | <u>13,949,002</u> | <u>12,284,377</u> |
| 17. Advance and prepayments | | 30 June 2024 | 31 December 2023 |
| | | N'000 | N'000 |
| Advances and prepayments (Note 17.1) | | 25,653,644 | 12,524,790 |
| Deposit for imports (Note 17.2) | | <u>5,973,978</u> | <u>1,505,787</u> |
| | | <u>31,627,622</u> | <u>14,030,577</u> |
| 17.1 | An amount of N25.6 billion is included in advances and prepayments, representing advance payments made to suppliers. This aims to leverage favorable pricing opportunities for raw and packaging materials. | | |
| 17.2 | Deposit for imports represents foreign currencies purchased for funding letters of credit in respect of imported raw materials. | | |
| 18. Cash and cash equivalents | | 30 June 2024 | 31 December 2023 |
| | | N'000 | N'000 |
| Cash at bank and in hand | | 28,522,115 | 25,609,620 |
| Fixed deposit | | 6,433,186 | 31,089,019 |
| Cash and bank balances | | <u>34,955,301</u> | <u>56,698,640</u> |
| 19. Trade and other payables | | 30 June 2024 | 31 December 2023 |
| | | N'000 | N'000 |
| Trade payables | | 23,555,076 | 12,037,626 |
| Trade finance facility (Note 19.2) | | 485,402 | 2,022,651 |
| Amount due to related companies (Note 23) | | 5,995,638 | 4,986,002 |
| Dividend payable (Note 19.1) | | 3,678,164 | 3,689,040 |
| Accrued liabilities | | 5,603,790 | 5,044,027 |
| Accrued brand and marketing expenses | | 1,644,265 | 1,062,994 |
| Accrued shipping and freight charges | | 908,931 | 736,513 |
| | | <u>41,871,266</u> | <u>29,578,852</u> |

19. Trade and other payables (continued)

| | 30 June 2024 | 31 December |
|---|--------------------------|--------------------------|
| | N'000 | 2023 |
| | | N'000 |
| <i>Other payables:</i> | | |
| Statutory deductions | 19,020 | 1,448,533 |
| Non trade payables | <u>964,977</u> | <u>1,048,411</u> |
| | 983,997 | 2,496,944 |
| Total trade and other payables | <u>42,855,263</u> | <u>32,075,796</u> |
| | 30 June 2024 | 31 December |
| | N'000 | 2023 |
| | | N'000 |
| 19.1 Dividend payable | | |
| As at 1 January | 3,689,040 | 8,543,166 |
| Dividend declared | 4,308,754 | 1,436,251 |
| Withholding tax payable | (426,727) | (115,223) |
| Cash paid to registrar in maintaining statutory minimum balance | - | (208,811) |
| Dividend unclaimed by shareholders | (10,876) | 169,644 |
| Dividend paid | <u>(3,882,027)</u> | <u>(6,135,987)</u> |
| As at period/ year end | <u>3,678,164</u> | <u>3,689,040</u> |

19.2 The Company is involved in trade financing arrangements with some local banks where the banks agree to pay amounts to foreign vendors in respect of invoices owed by the Company and receive settlement from the Company at a later date. The principal purpose of the arrangement is to facilitate efficient payment processing to foreign vendors. The arrangement enables the Company settle its foreign obligations in a timely manner to facilitate receipt of key input materials required in the production of finished goods.

20. Retirement benefit obligations

The amounts recognised in the statement of financial position are determined as follows:

| | 30 June 2024 | 31 December |
|--|---------------------------|---------------------------|
| | N'000 | 2023 |
| | | N'000 |
| Present value of funded retirement benefit obligations | (1,536,405) | (1,561,320) |
| Fair value of plan assets | <u>1,506,279</u> | <u>1,135,332</u> |
| Retirement benefit deficit | (30,126) | (425,988) |
| Present value of unfunded retirement benefit obligations | (391,824) | (380,449) |
| Long service award obligations | <u>(604,455)</u> | <u>(558,955)</u> |
| Net liability in the statement of financial position | <u>(1,026,405)</u> | <u>(1,365,392)</u> |

21 Loans and borrowings

Loans and borrowings relate to investment in foreign currency from Wecyclers outcomes partnership for the innovative "Development Impact Bond" structured by French investment bank, Societe Generale, which will allow Wecyclers to expand plastic waste collection in Nigeria.

22 Cash flows from operating activities

| | 30 June 2024 | 30 June 2023 |
|--|---------------------|---------------------|
| | N'000 | N'000 |
| Profit before tax | 6,283,094 | 5,853,316 |
| Loss before tax - discontinued operations (Note 25.1) | - | (1,334,767) |
| Adjustment for non-cash items: | | |
| - Depreciation of property, plant and equipment | 1,154,575 | 1,092,701 |
| - Depreciation of Investment properties | 5,796 | - |
| - Amortisation of intangible assets | 193 | 194 |
| - Loss on disposal of property, plant and equipment | 1,851 | 368 |
| - Net impairment charge on receivables | 3,166,787 | - |
| - Interest on call deposits and bank accounts - continuing operation | (809,730) | (1,511,081) |
| - Interest on call deposits and bank accounts - discontinued operation | - | (243,057) |
| - Employee benefit charge | (106,677) | - |
| - Interest expense on trade obligations with banks | (1,169,361) | 82,155 |
| - Net change in retirement benefit obligations | (237,544) | 170,589 |
| - Long service award obligations | 76,603 | 34,729 |
| - Foreign exchange loss on loan and borrowing | 397,689 | - |
| - Other employee benefits | | |
| Changes in working capital: | | |
| - (Increase)/decrease in trade and other receivables | (1,664,626) | 6,957,589 |
| - (Increase)/decrease in advance and prepayments | (17,597,045) | (18,098,090) |
| - Increase in inventory | (13,963,249) | 4,814,382 |
| - Increase in trade and other payables | 10,352,740 | 20,807,501 |
| Cash flows generated from operating activities | <u>(14,108,903)</u> | <u>18,626,530</u> |

23 Related party transactions

(i) Sale of finished goods to related parties

| | 30 June 2024 | 30 June 2023 |
|--------------------------------|---------------------|---------------------|
| | N'000 | N'000 |
| Unilever Asia Private Limited | - | 19,066 |
| Unilever Cote D'Ivoire Limited | 1,956,280 | 1,498,685 |
| | <u>1,956,280</u> | <u>1,517,752</u> |

(ii) Outstanding related party balances as at:

| | 30 June 2024 | 31 December 2023 |
|--|---------------------|-------------------------|
| | N'000 | N'000 |
| <i>Receivables from related parties:</i> | | |
| Unilever Cote D'Ivoire Limited | 7,246,299 | 4,380,711 |
| Unilever Ghana Limited | - | 189,761 |
| Unilever Asia Private Limited | 203,690 | 327,815 |
| Unilever Europe Business Center BV | 665,222 | 543,249 |
| Unilever Ethiopia Plc | 125,845 | - |
| Other related parties | 61,384 | 115,485 |
| Gross receivables | 8,302,439 | 5,557,021 |
| Less impairment | (3,964,782) | (792,000) |
| Amount due from related companies | <u>4,337,656</u> | <u>4,765,021</u> |

23 Related party transactions continued

| | 30 June 2024 | 31 December 2023 |
|---|---------------------|-----------------------------|
| | N'000 | N'000 |
| <i>Payables to related parties:</i> | | |
| Unilever Plc | 764,736 | 1,314,425 |
| Unilever Europe IT Limited | 63,669 | 351,639 |
| Unilever Cote D'Ivoire Limited | 449,180 | 945,443 |
| Unilever Ghana Limited | 6,014 | 33,669 |
| Unilever U.K. Central Resources Limited | 319,460 | - |
| Unilever Supply Chain Company AG | 134,807 | - |
| Unilever Industries Private Limited | 29,398 | - |
| Unilever Global Services, Inc. | 4,890 | - |
| Unilever Global IP Limited | 1,758,560 | - |
| Unilever Europe Business Center BV | 2,413,814 | 2,166,837 |
| Other related parties | 51,110 | 173,989 |
| Amount due to related parties | 5,995,638 | 4,986,002 |

24 Share capital and share premium

| | Number of ordinary shares (thousands) | Ordinary shares N'000 | Share premium N'000 |
|---|--|--------------------------------------|------------------------------------|
| Balance as at 31 December 2023 and 30 June 2024 | 5,745,005 | 2,872,503 | 56,812,810 |

The share capital of the Company is Two Billion, Eight Hundred and Seventy-Two Million, Five Hundred and Two Thousand, Seven Hundred and Eight Naira, Fifty Kobo (N2,872,502,708.50) divided into Five Billion, Seven Hundred and Forty-Five Million, Five Thousand, Four Hundred and Seventeen (5,745,005,417) Ordinary shares of 50 Kobo each

(a) Shareholding Pattern as at 30 June, 2024

| Shareholders | Number of Ordinary Shares | Percentage Holdings |
|-------------------------------|--|--------------------------------|
| Unilever Overseas Holdings BV | 4,364,161,812 | 75.96 |
| Stanbic Nominees Limited | 252,259,044 | 4.39 |
| Free float | 1,128,584,561 | 19.64 |
| Total | 5,745,005,417 | 100.00 |
| Total Free Float | 1,380,843,605 | 24.04 |

Compliance with Free float Requirements

Unilever Nigeria Plc as at 30 June, 2024 is compliant with the Free float requirement of the Nigerian Exchange Group.

25 Discontinued Operations

On the 17th of March, 2023, Unilever Nigeria Plc announced its intention to exit the Home care business categories in Nigeria. The Company exited homecare business category in September 2023. All production of Home Care products ceased in June 2023 and sales ceased in September 2023, following a strategic decision to place greater focus on the Company's margin accretive products. The business categories have been evaluated by management for reporting in line with IFRS 5, Non-current assets held for Sale and Discontinued Operations. The Home care segment does not meet the requirement for a disposal group or held for sale, as the assets were not sold but leased out. However, it represents a separate major line of business and has been reported as discontinued operations. The home care segment was not previously classified as a discontinued operation. The comparative statement of profit or loss and OCI has been re-presented to show the discontinued operation separately from continuing operations. The financial information relating to the discontinued operations for the period ended 30 June 2023 is set out below:

25.1 Results of Discontinued Operations

Income Statement

| | 30 June 2024 | 30 June 2023 |
|--|---------------------|---------------------|
| | N'000 | N'000 |
| Turnover | - | 8,855,305 |
| Cost of sales | - | (8,856,839) |
| Gross Profit | <u>-</u> | <u>(1,534)</u> |
| | | - |
| Selling and distribution expenses | - | (760,100) |
| Marketing and administrative expenses | - | (1,169,093) |
| Other income | - | 4,451 |
| Operating loss | <u>-</u> | <u>(1,926,275)</u> |
| Finance income | - | 243,057 |
| Finance cost | - | 348,452 |
| Loss before taxation | <u>-</u> | <u>(1,334,767)</u> |
| Taxation | - | - |
| Loss for the year from discontinued operations (net of tax) | <u>-</u> | <u>(1,334,767)</u> |
| | | |
| Earnings per share for profit attributable to equity holders: | | |
| Basic and diluted earnings per share (Naira) - discontinued operations | <u>-</u> | <u>(0.23)</u> |