

Nestlé Nigeria Plc
Unaudited Interim Financial Statements
For the Three Months Ended 31 March 2025

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Directors' and other Corporate Information

Board of Directors:	Mr. Gbenga Oyeboode Mr. Wassim Elhousseini (Lebanese) Mr. Namit Mishra (Indian) Mrs. Kemisola Ajasa Mr. Mauricio Alarcón (Mexican) Mr. Martin Kruegel (German) Dr. Juliet Ehimuan Mrs. Adebisi Lamikanra Mrs. Maryam Aliko Mohammed	Chairman Managing Director/Chief Executive Officer Finance & Control Director Executive Director Non-Executive Director Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director
Tax Identification Number:	00389604-0001	
Registered Company Number:	6540	
Company Secretary/ Legal Adviser	Mr. Bode Ayeku	
Registered Office:	22-24 Industrial Avenue Ilupeju, Lagos Tel: 01 – 2798184, 2798188, 2790707	
Registrar:	Greenwich Registrars & Data Solutions Limited 274 Murtala Muhammed Way Alagomeji, Yaba, Lagos Tel: 01- 5803369, 5451399, 5803367	
Independent Auditor:	Ernst & Young 10th & 13th Floors, UBA House 57 Marina Lagos, Nigeria Tel: +234(1)6314500	
Members of the Audit Committee	Mr. Matthew Akinlade Alhaji Kazeem Owonikoko Bello Mr. Christopher Nwaguru Mrs. Adebisi Lamikanra Mrs. Maryam Aliko Mohammed	Chairman/Shareholders' Representative Shareholders' Representative Shareholders' Representative Directors' Representative Directors' Representative

Financial Highlights

	Jan - Mar 2025	Jan - Mar 2024	Increase/ (decrease)
<i>In thousands of naira</i>			
Revenue	294,884,799	183,484,159	111,400,640
Results from operating activities	74,146,563	20,921,710	53,224,853
Profit /(loss) before income tax	51,154,781	(196,085,956)	247,240,736
Profit /(loss) for the period	30,178,034	(142,684,407)	172,862,440
Total comprehensive income for the period, net of tax	30,178,034	7,352,958	22,825,075
Share capital	396,328	396,328	-

Directors' Report

1 Financial Statements

The directors present their annual report on the affairs of Nestlé Nigeria Plc ("the Company") for the period ended ended 31 March 2025.

2 Principal Activities

The principal activities of the Company continue to be the manufacturing, marketing and distribution of food products including purified water throughout the country. The Company also exports some of its products to other countries within and outside Africa.

3 Directors and Their Interests

- (a) The directors who served during the period and their interests in the shares of the Company at 31 March 2025 were as follows:

		Interest in the Ordinary Shares of the Company	
		2025	2024
Mr. Gbenga Oyeboode	- Chairman	Nil	Nil
Mr. Wassim Elhousseini (Lebanese)	- MD/CEO	Nil	Nil
Mr. Namit Mishra (Indian)		Nil	Nil
Mrs. Kemisola Ajasa		Nil	Nil
Mr. Mauricio Alarcón (Mexican)		Nil	Nil
Mr. Martin Kruegel (German)		Nil	Nil
Dr. Juliet Ehimuan		2,146	2,146
Mrs. Adebisi Lamikanra		Nil	Nil
Mrs. Maryam Aliko Mohammed		Nil	Nil

No share of the Company were held by Nestlé S.A. Switzerland and Societe Des Produits Nestlé S.A as indirected holding in favor of Directors. However, as of 31 March 2025, Mr. Wassim Elhousseini has 3,640 shares of Nestlé S.A. Switzerland, Mr. Namit Mishra has 1,177 shares of Nestlé S.A. Switzerland, Mr. Mauricio Alarcón has 10,780 shares of Nestlé S.A. Switzerland, Martin Kruegel has 10,412 shares of Nestlé S.A Switzerland and Mrs. Kemi Ajasa has 293 shares of Nestlé S.A Switzerland. Mr Mauricio Alarcón and Martin Kruegel are representing Nestlé S.A. Switzerland on the board.

- (b) Mr. Gbenga Oyeboode is the Chairman of CFAO Nigeria Plc, one of our vehicle suppliers. Mrs. Adebisi Lamikanra is a director in Standard Chartered Bank Limited, Dr Juliet Ehimuan is a director of Zenith Bank Plc, and Mrs. Maryam Aliko Mohammed is a director of Stanbic IBTC. All these three banks are our bankers. In accordance with Section 303 of the Companies and Allied Matters Act of Nigeria 2020, they have notified the Company of their position with CFAO Nigeria Plc, Standard Chartered Bank Limited, Stanbic IBTC and Zenith Bank Plc respectively.

- (c) No share options were granted to the Directors by Nestlé Nigeria Plc. However, Nestlé S. A. Switzerland, the ultimate parent company has a share based payment scheme offered to certain key management personnel including certain directors of the Company. Information relating to this share based payment scheme is disclosed in Note 16(a)(iii) to the financial statements.

Directors' Report-Continued

4 Analysis of Shareholdings as at 31st March 2025

			Number of shareholders	%	Number of shares	%
1	-	5000	30,292	91.12	21,298,911	2.69
5001	-	10000	1,513	4.56	10,402,685	1.31
10001	-	50000	1,166	3.51	23,048,211	2.93
50001	-	100000	117	0.35	8,186,107	1.02
100001	-	500000	109	0.33	21,994,120	2.64
500001	-	1000000	24	0.07	17,431,795	2.07
1000001	-	5000000	16	0.05	30,462,701	4.78
5000001	-	10000000	4	0.01	23,849,641	2.39
10000001	-	50000000	3	0.01	74,701,775	9.36
			33,244	100.00	231,375,946	29.19
Societe Des Produits Nestlé S.A			1	0.00	561,280,306	70.81
			33,245	100.00	792,656,252	100.00

Apart from Societe Des Produits Nestlé S.A, Switzerland with 561,280,306 ordinary shares (representing 70.81%), no other shareholder held 5% or more of the paid-up capital of the Company as at 31 March 2025.

We hereby confirm that the free float of the Company is in compliance with The Nigerian Exchange Group's free float requirements of the Main Board on which the shares of Nestlé Nigeria Plc are listed.

There were no contraventions of the capital market regulations in the period under review.

Substantial shareholder		
Shareholder	Units held	Percentage
Societe Des Produits Nestlé S.A	561,280,306	70.81

5 Property, plant and equipment

Information relating to changes in property, plant and equipment is disclosed in Note 9 to the financial statements. In the opinion of the Directors, the market value of the Company's property, plant and equipment is not less than the carrying value shown in the financial statements.

6 Donations

In compliance with Section 43(2) of the Companies and Allied Matters Act of Nigeria 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose during the period.

In addition to the above mentioned donations, the Company continued with its strong focus on creating shared values initiatives. Nestlé Nigeria invested in technical and employability skills building for youth and in building the capacity of farmers to increase their productivity and income. The Company also worked alongside partners to improve the household nutrition of local farmers through trainings in grains quality improvement and food transformation/preservation techniques.

7 Nestlé Nigeria Trust (CPFA) Limited ("NNTL")

Nestlé Nigeria Trust (CPFA) Limited ('NNTL') previously called Nestlé Nigeria Provident Fund Limited, was incorporated by the Company and is a duly registered Closed Pension Fund Administrator whose sole activity is the administration of the pension and defined contribution gratuity scheme for employees of Nestlé Nigeria Plc.

8 Local Sourcing of Raw and Packaging Materials

On a continuing basis, the Company explores the use of local raw materials such as salt, sugar, soya bean, maize, cocoa, palm olein, sorghum, cassava, corn starch and packaging materials (Laminate, case, coregated, resin, monofilm) in its production processes and included in a number of its products.

9 Major Distributors

The company's products are distributed through various distributors that are spread across the whole country.

Directors' Report-Continued

10 Suppliers

The company procures all of its raw materials on a commercial basis from overseas and local suppliers. Amongst the overseas suppliers are companies in the Nestlé Group.

11 General Licence Agreement

The company has a general licence agreement with Société des Produits Nestlé S.A., Switzerland. Under the agreement, technological, scientific and professional assistance are provided for the manufacturing, marketing, quality control and packaging of the Company's products, development of new products and training of personnel abroad. Access is also provided to the use of patents, brands, inventions and know-how.

The company obtained the approval of the National Office for Technology Acquisition and Promotion (NOTAP) with certificate No. CR 008318 for the remittance of General Licence Fees to Société des Produits Nestlé S.A., Switzerland. The approval is for a period of three (3) years with effect from 1st January 2024 to 31st December 2026.

12 Acquisition of Own Shares

The company did not purchase any of its own shares during the period ended 31 March 2025 (Dec 2024:Nil).

13 Employment and Employees

(a) Employment of physically challenged persons:

It is the policy of the Company that there is no discrimination in considering applications for employment including those of physically challenged persons. The Company had 14 (Dec 2024:14) physically challenged persons in its employment as at 31 March 2025.

All employees whether physically challenged or not are given equal opportunities to develop their expertise and knowledge and qualify for promotion in furtherance of their careers. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that training, career development and promotion of physically challenged persons should, as far as possible, be identical with that of other employees.

(b) Health and safety at work and welfare of employees

The company invests its resources to ensure that hygiene on its premises is of the highest standard. In this regard, the Company has, on three occasions, won the Manufacturers' Association of Nigeria's award for the best kept factory and on three occasions won the Federal Environmental Protection Agency's environmental performance award as the most environment-friendly company in Nigeria.

The company operates its own clinics which provide quick health care to its employees. In pursuit of efforts to improve health infrastructure and enhance the quality of care for the employees, the company has built an ultra modern clinic at Agbara factory. The clinic which is fully equipped with state-of-the-art medical facilities consists of three consulting rooms, one pharmacy, one laboratory and two observation rooms, amongst others. The modernization of the medical facilities by the Company is in line with Nestlé Corporate Business Principles of promoting safe and healthy work environment for the employee.

The company caters for the recreational needs of its employees by providing them with a wellness center and other games facilities such as Table Tennis, Draughts, etc. Lunch is provided to staff in the Company's canteen.

(c) Employees involvement and training

The company places considerable value on the involvement of its employees and has continued the practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Company. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Circulars and newsletters on significant corporate issues are published. Regular briefing sessions are also held at corporate and operational levels to enhance exchange of information.

Management, professional and technical expertise are the Company's major assets. The company continues to invest in developing such skills. The company has in-house training facilities, complemented, when and where necessary, with external and overseas training for its employees. This has broadened opportunities for career development within the organisation.

Directors' Report-Continued

(c) Employees involvement and training (continued)

The Nestlé Technical Training Center (NTTC) is a multi-skill engineering training program which runs for a period of 18 months. The content of the course is based on the syllabus of City and Guilds of London Technicians Examinations Certificates in Engineering, one of the world's leading vocational education organizations.

As of 31 March, 2025, a total of 229 individuals have successfully completed the program at our Technical Trainee Centers located in Agbara, Abaji, and Flowergate factories since 2011. The training expenses for all batches of graduates were fully covered by our company. In line with our agreement with the Switzerland embassy, the top five (5) trainees from the scheme are selected to participate in an 8-week internship program at our Group's factories in Switzerland. The current batch of trainees began their internship on October 14, 2024.

In the year 2025, a total of 50 trainees successfully graduated from the three centers: Agbara (10 trainees), Abaji (20 trainees), and Flowergate (20 trainees). All of these graduates were offered full-time employment within the company. The first batch of graduates from the scheme at the Flowergate factory, who completed their 18-month program in June 2024, achieved exceptional results similar to the other centers. The highest-performing graduate from this batch obtained 26 distinctions across City and Guilds examinations at levels 3 to 5.

As part of our strategic approach to developing a strong talent pipeline, our company has provided full-time employment to a total of 221 graduates of NTTC so far. However, there are eight graduates from the program who have secured full-time employment with other organizations. Currently, there are a total of 60 trainees enrolled in the three centers: Agbara, Abaji, and Flowergate. Among these trainees, there are 32 females and 28 males.

The breakdown of the beneficiaries of the NTTC is as follows:

BATCH NO.	YEAR OF GRADUATION	SITE	NO. ADMITTED	NO. OF GRADUATES	NO. EMPLOYED BY NESTLE	NO. EMPLOYED BY EXTERNAL PARTY
1	2013	AGBARA	16	13	9	4
2	2015		16	14	12	2
3	2017		20	20	20	0
4	2019		20	20	20	0
5	2021		20	20	20	0
6	2022		20	20	19	1
7A	2023		20	20	20	0
7B	2024		10	10	10	0
8	2025		20	Still in session	N/A	N/A
Total			162	137	130	7
1	2024	FLOWERGATE	20	20	20	0
2	2025		20	Still in session	N/A	N/A
Total			40	20	20	0
1	2019	ABAJI	12	12	11	1
2	2021		20	20	20	0
3	2023		20	20	20	0
4	2024		20	20	20	0
5	2025		20	Still in session	N/A	N/A
Total			92	72	71	1
GRAND TOTAL			294	229	221	8

The success of the NTTC in our Agbara and Abaji factories has encouraged us to establish the NTTC model in our Flowergate factory in Sagamu which was commissioned on 10 February, 2023 with twenty (20) pioneer students.

14 Nomination, Governance and Remuneration Committee

Composition of Board Committees

The Nomination, Governance and Remuneration Committee is made up of three (3) directors appointed to make recommendations on the structure and composition of the Board and its Committees; governance issues and to submit proposals on the salaries of executive directors to the Board for approval. The members of the Committee are Mr. Mauricio Alarcón, Mr. Martin Kruegel and Dr. Juliet Ehimuan.

Directors' Report-Continued

15 Audit Committee

In accordance with section 404 of the Companies and Allied Matters Act of Nigeria 2020, members that served on the audit committee during the period comprise:

Mr. Matthew Akinlade (Chairman)	Shareholders' Representative
Alhaji Kazeem Owonikoko Bello	Shareholders' Representative
Mr. Christopher Nwaguru	Shareholders' Representative
Mrs. Adebisi Lamikanra	Directors' Representative
Mrs. Maryam Aliko Mohammed	Directors' Representative

16 Board Audit and Risk Management Committee

The Committee is to assist the Board in its oversight of audit, risk profile, risk management framework and the risk reward strategy. The Committee is to carry out periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the Company's risk profile. The members of the Committee are Dr. Juliet Ehimuan, Mrs. Adebisi Lamikanra and Mrs. Maryam Aliko Mohammed.

17 Effectiveness of Internal Control System

The board is responsible for maintaining a sound system of internal control to safeguard shareholders' investment and the assets of the Company. The system of internal control is to provide reasonable assurance against material misstatement, prevent and detect fraud and other irregularities.

There is an effective internal control and audit function within the Company which gives reasonable assurance against any material misstatement or loss. The responsibilities include oversight functions of internal audit and control risk assessment and compliance, continuity and contingency planning, and formalisation and improvement of the Company's business processes.

18 Disclosures

(a) Borrowings and Maturity Dates

The details of the borrowings and maturity dates are stated in Note 17 to the financial statements.

(b) Risk Management and Compliance System

The directors are responsible for the total process of risk management as well as expressing their opinion on the effectiveness of the process. The risk management framework is integrated into the day-to-day operations of the business and provides guidelines and standards for administering the acceptance and on-going management of key risks such as operational, reputational, financial, market, technology and compliance risk. The directors are of the view that effective internal audit function exists in the Company and that risk management control and compliance systems are operating efficiently and effectively in all respects.

The company has a structured Risk Management process in place and undertakes at least annually a thorough Risk Assessment covering all aspects of the business. The risk assessment is based on the two criteria "Business Impact" and "Likelihood of Occurrence". For every identified Business risk, mitigating measures are implemented by the Company.

(c) Sustainability Initiatives

The company pays adequate attention to the interest of its stakeholders such as its employees, host community, the consumers and the general public. Also, the Company is sensitive to Nigerian's social and cultural diversity and promotes as much as possible national interests as well as national ethos and values without compromising global aspirations where applicable. The company has a culture of integrity and zero tolerance to corruption and corrupt practices.

(d) Related Party Transactions

The company has contractual relationship with related companies in the ordinary course of business. In addition, the Company (and other operating companies of Nestlé in Central and West Africa) executed a Shared Services Agreement with Nestlé Central and West Africa Limited. The purpose of the agreement is to ensure the provision of common operational shared services to all members of the Nestlé Group of companies operating within the Central and West Africa Region, which each member company had previously provided to itself on standalone basis with the attendant duplication of functions, resources and costs. The allocation of the costs to each company is based on Activity Based Costing.

Directors' Report-Continued

19 Report on Social, Ethical, Safety, Health and Environmental Policies and Practices

Corporate Business Principles

Nestlé is a principle-based company, the Nestlé Corporate Business Principles (NCBP) form the foundation of all we do. NCBP consists of ten principles these are:

(a) Nutrition, Health and Wellness

We encourage Health and Wellness of our employees via Work-Life Balance, provision of gym and other recreational facilities on our premises, provision of baby room, extended maternity leave that is not annual leave consuming and paternity leave.

(b) Quality Assurance and Product Safety

Everywhere in the world, the Nestlé name guarantees to the consumer that the product is safe and of high standard.

(c) We are committed to responsible, reliable consumer communication that empowers consumers to exercise their right to informed choice and promotes healthier diets. We respect consumer privacy.

(d) Human Rights in Our Business Activities

We fully support the United Nations Global Compact's (UNGC) guiding principles on human rights and labour and aim to provide an example of good human rights and labour practices throughout our business activities.

(e) Leadership and Personal Responsibility

Our success is based on our people. We treat each other with respect and dignity and expect everyone to promote a sense of personal responsibility. We recruit competent and motivated people who respect our values. We provide equal opportunities for our employees' development and advancement. We protect our employees' privacy and do not tolerate any form of harassment or discrimination.

The long-term success of the Company depends on its capacity to attract, retain and develop employees able to ensure its growth on a continuing basis. We provide equal opportunity in our resourcing drive. The Nestlé policy is to hire staff with personal attitudes and professional skills enabling them to develop a long-term relationship with the Company.

(f) Safety and Health at Work

We are committed to preventing accidents, injuries and illness related to work, and to protect employees, contractors and others involved along the value chain. We recognise and require that everyone plays an active role in providing a safe and healthy environment, and promote awareness and knowledge of safety and health to employees, contractors and other people related to or impacted by our business activities by setting high standards.

We have Clinics in our Factories, Distribution Centre and Head Office. The Clinics at the factories operate 24 hours service. Also we have Hospitals listed on retainer basis with the Company for our employees and their family use. Efforts are being made by the Management and the Safety, Health and Environment Officers at the various sites to avoid industrial accidents through increased training on safety to both staff and contractors. The target of the Company is to ensure that there is no major accident.

We provide basic HIV/AIDS training to our employees. Also, we provide training and basic information to staff on prevention and treatment of serious diseases. On periodic basis, we invite medical experts and health institutions to make available free screening exercise to enable employees know their status in respect of serious diseases and provide the treatment required. We do not discriminate against or disengage any employee on the basis of his or her HIV/AIDS status. The Company makes the above facilities available to staff through the retained clinics.

(g) Supplier and Customer Relations

We require our suppliers, agents, subcontractors and their employees to demonstrate honesty, integrity and fairness, and to adhere to our non-negotiable standards. In the same way, we are committed to our own customers.

(h) Agriculture and rural development

We contribute to improvements in agricultural production, the social and economic status of farmers, rural communities and in production systems to make them more environmentally sustainable.

(i) Environmental sustainability

We commit ourselves to environmentally sustainable business practices. At all stages of the product life cycle, we strive to use natural resources efficiently, favour the use of sustainably-managed renewable resources and target zero waste.

Directors' Report-Continued

19 Report on Social, Ethical, Safety, Health and Environmental Policies and Practices(continued)

We invest continuously to improve our environmental performance. The Nestlé Policy on Environmental Sustainability incorporates the United Nations Global Compact's three guiding principles on environment (Principle 7 on support for precautionary approach to environmental challenges; Principle 8 on the need to undertake initiatives to promote environmental responsibility and Principle 9 on the need to encourage the development and diffusion of environmentally friendly technologies). Our four priority areas are: water, agricultural raw materials, manufacturing and distribution of our products and packaging. We implement our policy through the Nestlé Environmental Management System. We believe that environmental performance is a shared responsibility and requires the cooperation of all parts of society. We are determined to always provide leadership within our sphere of influence.

(j) Water

We are committed to the sustainable use of water and continuous improvement in water management. We recognise that the world faces a growing water challenge and that responsible management of the world's resources by all water users is an absolute necessity.

20 Number, diversity, training initiatives and development of employees

As of 31 March 2025, the staff strength of the Company was 2,557 (Dec 2024: 2,565). Our employees are made up of male and female from different parts of the country. Every employee is given equal opportunity for promotion purely on the basis of merit. We provide both experienced based learning and classroom trainings in Nigeria and overseas.

Presently, we have 27 (Dec 2024: 26) of our staff on overseas' assignments in Ghana, Cote D' Ivoire, Cameroun, Switzerland, Angola and Malaysia in order to give them the required exposure to enable them take up higher responsibilities.

21 Bribery and corruption

We condemn any form of bribery and corruption. Our employees must never, directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private. Nor must they accept any such advantage in return for any preferential treatment of a third party. Moreover, employees must refrain from any activity or behavior that could give rise to the appearance or suspicion of such conduct or the attempt thereof.

22 Insider Trading

The directors of the Company and senior employees who are in possession of price sensitive information are prohibited from dealing with the shares of the Company in accordance with the provisions of the Investments & Securities Act 2007 and the Listing Rules of the Nigerian Exchange Group. As required by law, the shares held by directors are disclosed in the annual report. Our Company has securities trading policy applicable and circulated to directors, insiders, external advisers and all employees that may at any time possess any inside or material information about our Company. The securities trading policy is also available on the website of the Company.

Our Company has adopted a code of conduct regarding securities transaction by the directors on terms no less exacting than the required standard set out in the Listing Rules of the Nigerian Exchange Group. The Company has made specific enquiry of all directors whether they have complied with the required standard set out in the listing rules and the Company's code of conduct regarding securities transactions by directors and the Company is not aware of any non compliance.

BY ORDER OF THE BOARD



Bode Ayeku, FCIS
Company Secretary/Legal Adviser
FRC/2012/PRO/NBA/002/00000000637
22-24, Industrial Avenue
Ilupeju,
Lagos.

29 April, 2025

Statement of Directors' Responsibilities in relation to the preparation of the financial statements

The directors of Nestlé Nigeria Plc are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 March 2025, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with IFRS Accounting standard as issued by the international Accounting Standards Board, and in a manner required by Financial Reporting Council of Nigeria (Amendment) Act, 2023 and the provision of the Companies And Allied Matter Act, 2020.

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

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

The directors are responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- Maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- Maintaining statutory records in compliance with the legislation of Nigeria and IFRS;
- Taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- Preventing and detecting fraud and other irregularities.

Going Concern:

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

The financial statements of the Company for the period ended 31 March, 2025 were approved by the Directors on 29th April, 2025.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Gbenga Oyeboode
(Chairman)

FRC/2013/PRO/NBA/004/00000002546



Wassim Elhusseini
(Managing Director)

FRC/2020/PRO/DIR/003/00000022041



Namit Mishra
(Finance & Control Director)

FRC/2023/PRO/ANAN/002/864258

Statement of Profit or loss For the period ended 31 March 2025

In thousands of naira

	Notes	Jan - Mar 2025	Jan - Mar 2024
Revenue	5	294,884,799	183,484,159
Cost of sales	7(b)	(175,163,228)	(134,415,401)
Gross profit		119,721,571	49,068,758
Other Income	7(e)	284,451	146,714
Marketing and distribution expenses	7(c)	(34,854,956)	(19,738,538)
Administrative expenses	7(d)	(11,002,675)	(8,432,913)
Impairment on financial assets		(1,828)	(122,311)
Results from operating activities		74,146,563	20,921,710
Finance income	6	474,433	1,760,814
Finance costs	6	(23,466,215)	(218,768,480)
Net finance costs		(22,991,782)	(217,007,666)
Profit /(loss) before income tax		51,154,781	(196,085,956)
Income tax (expense)/credit	8 (a)	(20,976,747)	53,401,549
Profit /(loss) for the period		30,178,034	(142,684,407)
Profit /(loss) for the period is attributable to:			
Owners of the Company		30,178,034	(142,684,407)
Profit /(loss) per share		N	N
Basic profit /(loss) per share	10	38.07	(180.01)
Diluted profit /(loss) per share		38.07	(180.01)

The accompanying notes on pages 18 to 32 form an integral part of these financial statements.

Statement of Other Comprehensive Income For the period ended 31 March 2025

In thousands of naira

	Jan - Mar 2025	Jan - Mar 2024
Profit /(loss) for the period	30,178,034	(142,684,407)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Revaluation gain from property, plant and equipment net of tax 9(c)	-	150,037,365
	<u>30,178,034</u>	<u>7,352,958</u>
Total Comprehensive Income for the period is attributable to:		
Owners of the Company	<u>30,178,034</u>	<u>7,352,958</u>




The accompanying notes on pages 18 to 32 form an integral part of these financial statements.

Statement of Financial Position as at 31 March 2025

In thousands of naira

	Notes	31 Mar 2025	31 Dec 2024
Assets			
Non-current assets			
Property, plant and equipment	9 (a)	439,818,548	421,154,868
Right-of-use assets	9 (b)	5,371,618	5,413,849
Long term receivables	11	3,155,638	3,353,739
Deferred tax assets	8(c)	67,913,974	70,418,871
Prepayments	12	53,950	53,950
Total non-current assets		516,313,728	500,395,276
Current assets			
Inventories	13(a)	181,126,531	174,784,339
Right of return assets	13 (c)	218,072	119,266
Trade and other receivables	14	5,440,254	11,297,682
Prepayments	12	159,818,378	149,460,240
Cash and short-term deposits	15	36,007,334	22,641,548
Total current assets		382,610,569	358,303,075
Total assets		898,924,297	858,698,351
Equity			
Share capital	16(a)(i)	396,328	396,328
Share premium	16(a)(ii)	32,262	32,262
Revaluation reserves	9 (c)	150,037,365	150,037,365
Share based payment reserve	16(a)(iii)	327,086	472,377
Accumulated loss		(213,050,215)	(243,228,249)
		(62,257,174)	(92,289,917)
Liabilities			
Non- current liabilities			
Interest bearing loans and borrowings	17	547,258,478	545,215,213
Employee benefits	18	4,385,658	4,346,185
		551,644,136	549,561,398
Current liabilities			
Trade and other payables	20	274,472,483	229,597,121
Contract liabilities	21	25,357,915	28,874,945
Refund liabilities	13(c)	342,343	175,206
Current tax liabilities	8(b)	50,812,242	32,340,383
Lease liabilities	22	-	32,717
Interest bearing loans and borrowings	17	56,790,255	108,486,328
Bank overdraft		-	158,075
Provisions	19	1,762,096	1,762,096
Total current liabilities		409,537,335	401,426,871
Total liabilities		961,181,471	950,988,268
Total equity and liabilities		898,924,297	858,698,351

THE BOARD APPROVED THE FINANCIAL STATEMENTS ON 29TH APRIL 2025

  	<p>Gbenga Oyebo (Chairman) FRC/2013/PRO/NBA/004/00000002546</p> <p>Wassim Elhusseini (Managing Director) FRC/2020/PRO/DIR/003/00000022041</p> <p>Namit Mishra (Finance and Control Director) FRC/2023/PRO/ANAN/002/864258</p>
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The accompanying notes on pages 18 to 32 form an integral part of these financial statements.

Statement of Changes in Equity For The period ended 31 March 2025

In thousands of naira

Attributable to equity holders of the company

	Share Capital	Share Premium	Share based Payment Reserve	Revaluation Reserve	Accumulated Loss	Total equity
As at 1 January 2025	396,328	32,262	472,377	150,037,365	(243,228,248)	(92,289,917)
Profit for the period	-	-	-	-	30,178,034	30,178,034
Other comprehensive income for the period; net of taxation	-	-	-	-	-	-
Total comprehensive profit or (loss) for the period; net of taxation	-	-	-	-	30,178,034	30,178,034
Transactions with owners, recorded directly in equity						
Dividend to equity holders	-	-	-	-	-	-
Share based payment contribution (Note 16a (iii))	-	-	550,189	-	-	550,189
Share based payment recharge paid (Note 16a (iii))	-	-	(695,480)	-	-	(695,480)
Balance as at 31 March 2025	396,328	32,262	327,086	150,037,365	(213,050,215)	(62,257,174)
Balance as at 1 January 2024	396,328	32,262	169,481	-	(78,633,227)	(78,035,156)
Loss for the year	-	-	-	-	(164,595,022)	(164,595,022)
Other comprehensive income for the year; net of taxation				150,037,365	-	150,037,365
Total comprehensive loss; net of taxation				150,037,365	(164,595,022)	(14,557,657)
Transactions with owners, recorded directly in equity						
Dividend to equity holders						
Share based payment contribution (Note 16a (iii))			724,694			724,694
Share based payment recharge paid (Note 16a (iii))			(421,798)			(421,798)
Balance as at 31 December 2024	396,328	32,262	472,377	150,037,365	(243,228,248)	(92,289,917)

The accompanying notes on pages 18 to 32 form an integral part of these financial statements.

Statement of Cash Flows for the period ended 31 March 2025
In thousands of naira

	Notes	Mar. 2025	Mar. 2024	Dec. 2024
Cash flows from operating activities				
Profit /(loss) before tax		51,154,781	(196,085,956)	(221,588,549)
Adjustments to reconcile profit /(loss) before tax to net cash flows from operating activities:				
Depreciation of property, plant and equipment and right-of-use asset	9	8,824,242	2,756,401	28,940,817
Impairment of tangible assets		-	-	2,125,915
Finance income	6	(474,433)	(1,760,814)	(3,367,575)
Net foreign exchange difference on financing- (Unrealised)		359,256	166,988,051	230,884,625
Net foreign exchange difference on others - (Unrealised)		(865,772)	9,478,285	(7,057,524)
Finance costs	6	23,346,056	27,096,970	102,132,633
Equity settled share based payment transactions	16 a(iii)	550,189	399,266	724,694
Net service cost for other long term employee benefits	18	107,177	376,050	626,115
Actuarial loss /(gain) on remeasurement of employee benefits	18	12,231	-	12,231
Loss /(profit) on the disposal of property, plant and equipment		-	14,754	28,528
(Write-back)/Expected credit loss on treasury bills		-	-	(77,231)
Expected credit loss on intercompany receivables		-	-	39,022
Impairment write-back on trade receivables		-	122,311	(127,286)
Write down of inventories	13 (b)	1,050,869	1,107,752	1,614,161
		84,064,596	10,493,071	134,910,576
Decrease in long term receivables		198,101	112,738	(231,164)
Increase in inventories		(7,393,061)	(26,995,377)	(88,605,939)
Increase in right of return assets		(98,806)	(61,451)	(58,552)
Decrease in trade and other receivables		5,857,428	1,317,421	5,663,422
Increase in prepayments		(10,358,139)	(13,365,841)	(60,631,965)
Increase in trade and other payables		46,419,803	(15,311,014)	39,959,633
Decrease in contract liabilities		(3,517,030)	5,612,141	8,811,939
Increase in refund liabilities		167,137	66,783	75,275
Increase/(decrease) in provisions		-	-	1,048,884
Cash generated from operating activities		115,340,029	(38,131,531)	40,942,110
Income tax paid	8 (b)	-	-	(34,009,856)
Other long term employee benefit paid	18	(280,617)	(193,054)	(651,723)
Share based payment recharge paid	16 a(iii)	(695,480)	(399,266)	(421,798)
Net cash from operating activities		114,363,931	(38,723,851)	5,858,734
Cash flows from investing activities:				
Interest on securities and bank deposits	6	474,433	1,760,814	3,367,575
Proceeds from sale of property, plant and equipment		-	-	62,689
Acquisition of property, plant and equipment and right-of-use assets	9	(27,445,693)	(12,033,552)	(72,590,526)
Net cash used in investing activities		(26,971,259)	(10,272,738)	(69,160,262)
Cash flows from financing activities:				
Proceeds from loans obtained:				
-- Intercompany loan	17	-	12,305,045	12,305,045
-- Bank loan - Import Trade Finance Facilities(ITFF)	17	5,004,921	2,216,082	73,849,546
Loan repayment - Inter-company Principal		-	-	(32,971,600.00)
- bank loan	17	(3,041,922)	(20,000,000)	(111,041,589)
Payment of principal portion of lease liabilities		(32,718)	-	(122,609)
Payment of interest portion of lease liabilities		-	-	(56,471)
Finance cost paid	17	(75,154,117)	(23,930,278)	(25,621,811)
Dividends paid	16(b)	(678,654)	(45,773,960)	(584,573)
Net cash (used in)/ from financing activities		(73,902,489)	(75,183,111)	(84,244,062)
Net (decrease)/increase in cash and cash equivalents		13,490,183	(124,179,699)	(147,545,591)
Cash and cash equivalents at 1st January		22,486,486	167,815,251	167,815,251
Effect of exchange rate fluctuations on cash held		33,678	721,179	2,216,827
Cash and cash equivalents at period end	15	36,010,347	44,356,731	22,486,486

The accompanying notes on pages 18 to 32 form an integral part of these financial statements.

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Notes to the financial statements

1 Reporting entity

Nestlé Nigeria Plc ("the Company") is a Company domiciled in Nigeria. The address of the Company's registered office is at 22-24, Industrial Avenue, Ilupeju, Lagos. The Company is listed on the Nigerian Stock Exchange.

The principal activities of the Company continue to be the manufacturing, marketing and distribution of food products including purified water throughout the country. The Company also exports some of its products to other countries within and outside Africa.

2 Basis of accounting

(a) Basis of preparation

The interim condensed financial statements for the period ended 31 March 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2024.

(b) Basis of measurement

The financial statements have been prepared on historical cost basis except for the following;

- Liabilities for equity-settled share-based payment arrangements.
- The present value of the defined benefit obligation relating to long service awards.
- Inventory at lower of cost and net realisable value.
- Zero depreciation for Land.
- The Board of Directors approved change in the measurement of Land, Building, Plant and Machinery from the historical cost model to the revaluation model with effect from 16th March 2024. Accordingly, the company has adopted the revaluation model for its Land, Building, Plant and Machinery from March 2024 and going forward from the approval date, revaluation of these assets will be performed every 3 years through an independent certified valuer to ensure that the carrying amount of the assets does not differ materially from its fair value. Also, the assets which are under construction i.e., Capital Work in Progress (CWIP) will also be measured at their fair value as at the time of their capitalization.

Any resultant revaluation surplus, net of deferred tax, is recorded in OCI and credited to the revaluation reserve in the Statement of Changes in Equity. However, to the extent that it reverses, a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. Any resultant revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

(c) Functional and presentation currency

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

3 Material accounting policy information

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the period ended 31 December 2024.

4 Operating segments

(a) Basis of segmentation

The company has two reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Company's Board of Directors (BOD) review internal management reports on a quarterly basis. The following summary describes the operations in each of the Company's reportable segments.

Segments	Description
Food	This includes the production and sale of Maggi, Cerelac, SMA, NAN, Lactogen and Golden Morn and Snacking.
Beverages	This includes the production and sale of Milo, Milo energy cube, Nescafe, Milo ready-to-drink (RTD), Milo 3-in 1, Nescafe 3-in 1 and Nestlé Pure Life.

The accounting policies of the reportable segments are the same as described in Notes 3.

Information regarding the results of each reportable segment is included in Note 4b. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Company's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Notes to the financial statements (continued)

4 Operating Segments (continued)

(b) Information about reportable segment

In thousands of naira

	Food		Beverage		Total	
	Jan- Mar 2025	Jan- Mar 2024	Jan- Mar 2025	Jan- Mar 2024	Jan- Mar 2025	Jan- Mar 2024
External Revenues	189,148,118	117,034,014	105,736,681	66,450,145	294,884,799	183,484,159
Cost of sales	(112,307,422)	(88,439,435)	(62,855,806)	(45,975,966)	(175,163,228)	(134,415,401)
Depreciation	(5,872,862)	(1,900,100)	(2,951,380)	(856,301)	(8,824,242)	(2,756,401)
Results from operating activities	29,308,905	9,298,767	44,837,658	11,622,942	74,146,563	20,921,710
Net Finance Cost	(14,348,039)	(135,423,793)	(8,643,743)	(81,583,872)	(22,991,782)	(217,007,666)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities and other material items

Assets and liabilities by reportable segments are not presented to the Chief Operating Decision Maker (the Board of Directors) on a regular basis.

Therefore, information on segment assets and liabilities has not been presented.

5 Revenues

There are no significant reconciling items between the reportable segment revenue and revenue for the period

In thousands of naira

Profit /(loss) for the period

In thousands of naira

Total profit for reportable segments

Other corporate expenses

Profit /(loss) before income tax

Jan - Mar 2025	Jan - Mar 2024
74,146,563	20,921,710
(22,991,782)	(217,007,666)
51,154,781	(196,085,956)

Other material items 2025

There are no significant reconciling items between other material items for the reportable segments and Company total.

Geographical information

In thousands of naira

Nigeria

Ivory Coast

Ghana

Burkina Faso

Total revenue from contracts with customers

Jan - Mar 2025	Jan - Mar 2024
294,462,728	182,519,759
-	54,707
422,071	795,412
-	114,281
294,884,799	183,484,159

Notes to the financial statements (continued)

5 Geographical information (continued)

In presenting information on the basis of geography, segment revenue is based on the geographical location of the customers and segment assets are based on the geographical location of the assets.

Major customer

Revenue from one customer does not represent up to 10% of the company's total revenue. Therefore, information on major customers is not presented.

Revenue

Revenue for the year which arose from sales of goods comprise:

In thousands of naira

	Jan- Mar 2025	Jan- Mar 2024
Nigeria	294,462,728	182,519,759
Export	422,071	964,401
Total Revenue	294,884,799	183,484,159

6 Net finance cost

Finance Income

In thousands of naira

	Jan- Mar 2025	Jan- Mar 2024
Interest income on Securities and bank deposits	474,433	1,760,814
	474,433	1,760,814

Finance costs

Interest expense on financial liabilities	(23,346,056)	(27,096,970)
Net exchange difference on translation of foreign currency denominated bal.	(163,287)	(191,671,510)
	(23,509,343)	(218,768,480)
Net finance costs	(23,034,910)	(217,007,666)

Included in interest expense on financial liabilities measured at amortised cost is interest expense on intercompany loan amounting to approximately N23.3 billion (2024:N27.1 billion) excluding the impact of foreign exchange differences (realized/unrealized). Interest income is from investment in short term treasury bills of 90 days.

7 Profit /(loss) before income tax

(a) Profit /(loss) before income tax is stated after charging or (crediting):

In thousands of naira

	Jan - Mar 2025	Jan - Mar 2024
Depreciation of property, plant and equipment and right-of-use assets	8,824,242	2,756,401
Personnel expenses	15,324,913	14,366,071
Net unrealised foreign exchange difference on others	(865,772)	16,683,065
Net unrealised exchange difference on financing	359,256	191,671,510
Expected credit loss on treasury bills	-	30,970
Expected credit loss on intercompany receivables	-	122,311
Write-back of expected credit loss on trade receivables	(135,884)	(613,019)
Profit on property, plant and equipment disposed	-	14,754
Loss on lease modification	-	2,023
General licence fees	11,095,510	7,204,780

Notes to the financial statements (continued)

7 Profit/(loss) before income tax (Continued)

Net exchange differences on others relates to the unrealised exchange difference on intercompany trade payables, 3rd parties trade payables and realised exchange difference on payments made during the year in foreign currency.

(7b) Cost of sales

In thousands of naira

	Jan - Mar 2025	Jan - Mar 2024
Raw materials	92,663,165	75,791,005
Direct overheads	47,558,954	30,636,661
Direct Labour Cost	13,672,955	10,882,776
Freight cost	917,613	71,748
Purchased finished goods	11,533,541	14,613,163
Depreciation of property, plant and equipment	8,816,999	2,420,048
	175,163,228	134,415,401

(7c) Marketing and distribution expenses

In thousands of naira

Freight Cost	11,126,097	5,130,688
Consumer promotional cost	7,730,841	2,890,345
Trade assets maintenance and repair	2,877	116
Depreciation of property, plant and equipment	7,244	4,793
Bad goods	243,799	422,250
Storage cost	4,648,588	4,085,566
General licence fee	11,095,510	7,204,780
	34,854,956	19,738,538

(7d) Administrative expenses

In thousands of naira

Share service cost	5,484,765	3,262,557
Consumables	43,100	79,798
Donations	2,230	10,910
Expense relating to short-term leases and low-value assets	857,517	362,775
Real property permits	34,832	10,897
Information security and technology cost	328,940	270,496
Legal, consulting and professional fees	293,692	45,497
Travel	642,881	523,410
Employee costs	1,651,959	2,057,452
Training	38,905	94,425
Other Expenses	1,623,853	1,714,695
	11,002,675	8,432,913

(7e) Other Income

In thousands of naira

Sale of scrap	(239,677)	(6,692)
Income from micro biology analysis to related parties	(44,774)	(140,022)
	(284,451)	(146,714)

Summarised as follows:

Other Income	(284,451)	(146,714)
Cost of sales	175,163,228	134,415,401
Marketing and distribution expenses	34,854,956	19,738,538
Administrative expenses	11,002,675	8,432,913
Impairment on financial assets	1,828	122,311
	220,738,236	162,562,449

Notes to the financial statements (continued)

8 Taxation

(a) Income tax expense /(credit)

The tax charge for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes, and comprises:

In thousands of naira	<u>Jan - Mar 2025</u>	<u>Jan - Mar 2024</u>
Current tax expense		
Current period income tax	16,439,369	2,005,655
Current period tertiary education tax	2,032,490	473,180
	<u>18,471,859</u>	<u>2,478,835</u>
Deferred tax credit		
Origination and reversal of temporary differences	2,504,888	(55,880,384)
Total income tax credit	<u>20,976,747</u>	<u>(53,401,549)</u>

(b) Current tax liabilities

Movement in current tax liabilities account during the year was as follows

In thousands of naira	<u>31 Mar. 2025</u>	<u>31 Dec.2024</u>
Opening balance	32,340,383	35,110,603
Charge for the year	18,471,859	31,239,636
Payments in the year	-	(34,009,856)
Closing Balance	<u>50,812,241</u>	<u>32,340,383</u>

Notes to the financial statements (continued)

(8c) Deferred tax (assets)/ liabilities

Deferred tax assets and liabilities are attributable to the following:

In thousands of naira

Property, plant and equipment

Revaluation gain on property,
plant and equipment

Employee benefits

Unrealised exchange loss

Provisions

Share based payment

Tax (asset)/ liabilities

Assets		Liabilities		Net	
31 Mar. 2025	31 Dec.2024	31 Mar. 2025	31 Dec.2024	31 Mar. 2025	31 Dec.2024
-	-	29,167,447	26,539,915	29,167,447	26,539,915
-	-	64,301,728	64,301,728	64,301,728	64,301,728
(1,447,267)	(1,434,241)	-	-	(1,447,267)	(1,434,241)
(156,799,420)	(156,641,866)	-	-	(156,799,420)	(156,641,866)
(3,028,523)	(3,028,523)	-	-	(3,028,523)	(3,028,523)
(107,938)	(155,884)	-	-	(107,938)	(155,884)
(161,383,148)	(161,260,514)	93,469,175	90,841,643	(67,913,974)	(70,418,871)

	Balance 1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	Balance 31 December 2024	Balance 1 January 2025	Recognised in profit or loss	Recognised in other comprehensive income	Balance 31 March 2025
Property, plant and equipment	22,178,247	4,361,668	-	26,539,915	26,539,915	2,627,532	-	29,167,447
Revaluation gain on property, plant and equipment			64,301,727.90	64,301,728	64,301,728	-	-	64,301,728
Employee benefits	135,374	(1,569,615)	-	(1,434,241)	(1,434,241)	(13,026)	-	(1,447,267)
Unrealised exchange difference	(68,785,892)	(87,855,974)	-	(156,641,866)	(156,641,866)	(157,555)	-	(156,799,421)
Provisions	-	(3,028,523)	-	(3,028,523)	(3,028,523)	-	-	(3,028,523)
Share based payment	(15,166)	(140,718)	-	(155,884)	(155,884)	47,946	-	(107,938)
	(46,487,438)	(88,233,163)	64,301,728	(70,418,872)	(70,418,872)	2,504,897	-	(67,913,974)

Notes to the financial statements

9 Property, plant and equipment (PPE)

(a) (i) The reconciliation of the carrying amount is as follows:

In thousands of naira

Cost	Land	Building	Plant and machinery	Motor vehicles	Furniture and fittings	IT equipment	Capital work-in-progress	Total
Balance at 1 January 2024	1,214,588	41,509,890	113,679,231	7,863,514	16,669,137	3,387,776	67,450,390	251,774,525
Additions		138,657	7,350,856	2,010,265	586,071	758,707	61,030,200	71,874,756
Disposals		-	(960,001)	(219,325)	(619,170)	(973,899)	-	(2,772,395)
Reclassification		1,645,095	16,131,638	1,199,646	2,047,556	450,762	(21,474,696)	-
Revaluation adjustment**	13,729,911	23,024,397	177,584,785	-	-	-	-	214,339,093
Transfer*		(13,177,573)	(56,293,899)	-	-	-	-	(69,471,472)
Balance at 31 December 2024	14,944,499	53,140,466	257,492,610	10,854,100	18,683,593	3,623,347	107,005,894	465,744,507
Balance at 1 January 2025	14,944,499	53,140,466	257,492,610	10,854,100	18,683,593	3,623,347	107,005,894	465,744,507
Additions	-	35,669	178,351	-	130,627	5,321	27,095,725	27,445,693
Disposals	-	-	-	-	(2,483)	-	-	(2,483)
Reclassification	-	1,039,183	8,809,255	356,889	674,179	66,446	(10,945,954)	-
Balance at 31 March 2025	14,944,499	54,215,318	266,480,216	11,210,989	19,485,916	3,695,113	123,155,665	493,187,717
Accumulated depreciation and impairment losses								
Balance at 1 January 2024	-	12,987,393	55,105,999	4,127,452	11,640,422	2,529,469	-	86,390,735
Depreciation	-	1,914,616	22,587,086	1,430,985	1,639,345	653,608	-	28,225,640
Impairment	-	-	2,123,709	-	2,206	-	-	2,125,915
Disposals	-	-	(872,656)	(219,161)	(615,557)	(973,804)	-	(2,681,178)
Transfer*		(13,177,573)	(56,293,900)	-	-	-	-	(69,471,473)
Balance at 31 December 2024	-	1,724,437	22,650,238	5,339,277	12,666,417	2,209,273	-	44,589,640
Balance at 1 January 2025	-	1,724,437	22,650,238	5,339,277	12,666,417	2,209,273	-	44,589,642
Depreciation	-	512,750	7,220,049	431,026	421,066	197,118	-	8,782,010
Disposals	-	-	-	-	(2,483)	-	-	(2,483)
Balance at 31 March 2025	-	2,237,187	29,870,287	5,770,303	13,085,001	2,406,390	-	53,369,169
Carrying amounts								
At 31 December 2024	14,944,499	51,416,028	234,842,372	5,514,824	6,017,177	1,414,075	107,005,893	421,154,868
At 31 March 2025	14,944,499	51,978,132	236,609,928	5,440,686	6,400,915	1,288,722	123,155,665	439,818,548

The Company in March 2024 changed from the historical cost model of measuring PPE (Land, Building, and Plant and Machinery) to the revaluation model.

The Transfer* relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

The Revaluation Adjustment** represents the differences between the fair value of Land, Building, and Plant and Machinery and their historical cost, arising from the transitioning in the measurement basis from the historical cost model to the revaluation model effective 16 March 2024.

There is no restriction to the title of property plant and equipment pledge as security for liability

Notes to the financial statements

9b Right of Use Assets

The reconciliation of the carrying amount is as follows:

In thousands of naira

Cost

	Land N'000	Building N'000	Total N'000
At 1st January 2024	4,133,280	3,407,245	7,540,525
Additions	-	715,770	715,770
Modification	-	(23,997)	(23,997)
Derecognition	-	(1,308,353)	(1,308,353)
Balance at 31st December 2024	4,133,280	2,790,665	6,923,945
At 1st January 2025	4,133,280	2,790,665	6,923,945
Additions	-	-	-
Modification	-	-	-
Derecognition	-	(1,063,583)	(1,063,583)
Balance at 31 March 2025	4,133,280	1,727,081	5,860,361
Accumulated depreciation and impairment losses			
At 1st January 2024	416,547	1,686,724	2,103,271
Depreciation	69,574	645,603	715,177
Modification	-	-	-
Derecognition	-	(1,308,353)	(1,308,353)
Balance at 31st December 2024	486,121	1,023,974	1,510,095
At 1st January 2025	486,121	1,023,974	1,510,095
Depreciation	-	42,232	42,232
Modification	-	-	-
Derecognition	-	(1,063,583)	(1,063,583)
Balance at 31 March 2025	486,121	2,622	488,743
Carrying amounts:			
At 31 January 2024	3,716,733	1,720,521	5,437,254
At 31 December 2024	3,647,159	1,766,691	5,413,849
Balance at 31 March 2025	3,647,159	1,724,460	5,371,618

- As at 31 March 2025, no item of right-of-use assets was pledged as security for liabilities (2024: Nil).

- Derecognition relates to fully depreciated right-of-use assets as at reporting date.

9 (c) Reconciliation of revaluation gain on PPE and deferred tax liability

In thousands of naira

	31 Mar. 2024 Market value of the assets as per independent valuation	29 Feb. 2024 Carrying Value of the assets
Land	14,944,499	1,214,588
Building	51,401,957	28,377,560
Plant and Machinery	239,118,410	61,533,625
Carrying amount and fair value as at 1 March 2024 after revaluation	305,464,866	
Carrying amount as at 29th February 2024*	(91,125,773)	
Total Revaluation Gain	214,339,093	
Defferred Tax @ 30%	(64,301,728)	
Revaluation gain in the statement of Other Comprehensive Income (OCI)	150,037,365	
	31 Mar. 2024 Market value of the assets as per independent valuation	29 Feb. 2024 Carrying Value of the assets
Land	14,944,499	1,214,588
Building	51,401,957	28,377,560
Plant and Machinery	239,118,410	61,533,625
	305,464,866	91,125,773
Total Revaluation Gain	214,339,093	
Defferred Tax @ 30%	(64,301,728)	
Revaluation gain in the statement of comprehensive income (OCI)	150,037,365	

There is no revaluation gain in the statement of Other Comprehensive Income (OCI) for the period ending 31 March 2025.

Notes to the financial statements

10 Profit /(loss) per share

a) **Basic profit /(loss) per share** are based on profit or loss attributable to the owners of the Company for the period is N30,178,034 (2024: -N142,684,407) and ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue and ranking for dividend during the period.

	31 Mar. 2025	31 Mar. 2024
In thousands of naira		
Profit /(loss) for the period attributable to shareholders	30,178,034	(142,684,407)
	Number ('000)	Number ('000)
Weighted average number of ordinary shares as at period end	792,656	792,656
Basic profit /(loss) per share (Naira)	38.07	(180.01)
Diluted profit /(loss) per share (Naira)	38.07	(180.01)

b) Diluted profit /(loss) per share of N38.07 (2024: -N180.01) is based on the profit /(loss) attributable to ordinary shareholders of N30,178,034 (2024: -N142,684,407), and on the 792,656,252 (2024: 792,656,252) ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue and ranking for dividend during the current and preceding years after adjustment for the effects of all dilutive potential ordinary shares of Nil (March 2024: Nil).

11 Long term receivables

Long term receivables represent long-term portion of loans granted to the Company's employees and amount receivable from customers on the trade assets deployed which are expected to be paid after one year from the date of the financial statements. This is analysed below:

	31 Mar. 2025	31 Dec. 2024
In thousands of naira		
Long term staff receivable	2,811,974	2,900,569
Amount receivable from customers on account of trade assets deployed	343,664	453,170
	3,155,638	3,353,740

Long term staff receivables include vehicle loan, housing loan and compassionate loan given to the employees with repayment period of five (5) years and eighteen (18) months respectively. The loans are secured with the employee benefits.

12 Prepayments

Prepayments represent payments made in advance for expected future economic benefits.

Prepayment comprises:

	31 Mar. 2025	31 Dec. 2024
In thousands of naira		
Rent prepaid	472,331	379,898
Insurance prepaid	1,968,473	2,524,993
Advance payment to suppliers	85,161,269	83,618,398
Deposit for import	50,552,212	61,966,711
Other prepayment	21,718,043	1,024,190
	159,872,328	149,514,189

Advance to suppliers represents payments made to local suppliers in respect of raw and packaging materials while deposit for import is for imported items of plant and machineries, raw and packaging materials which are expected to be delivered before the end of second quarter, 2025.

Prepayments are analysed into short and long term assets based on the period covered by the prepayment:

	31 Mar. 2025	31 Dec. 2024
Current Asset	159,818,378	149,416,623
Non-current Asset	53,950	97,566
	159,872,328	149,514,189

Rent prepaid relates to short-term rent in respect of staff apartments.

Other prepayment includes prepaid shared service fee, prepaid fuel cards, electricity credit units and Microsoft licence fee which will be expensed within the year.

Notes to the financial statements

13 Inventories

	31 Mar. 2025	31 Dec. 2024
(a) Inventories		
In thousands of naira		
Raw and packaging materials	75,072,203	73,517,604
Product in process	8,788,878	7,522,564
Finished products	52,497,197	45,102,867
Engineering spares	25,792,024	21,170,737
Goods in transit	18,976,229	27,470,567
	181,126,531	174,784,339
(b) Write-down of inventory to net realisable value		
In thousands of naira		
Technical spare parts	5,712,584	5,035,959
Raw materials	1,097,478	782,258
Finished goods	261,306	202,282
	7,071,368	6,020,499
Movement in write-down of inventory		
Opening balance	6,020,499	4,406,338
Charge during the year	1,050,869	1,614,161
Closing balance	7,071,368	6,020,499
(c) In thousands of naira		
Right to returned goods asset	218,072	60,714
Refund liabilities		
Arising from rights of return	342,343	99,931

The right to returned goods asset represents the Company's right to recover products from customers where customers exercise their right of return under the Company's 180-day returns policy. The company uses its accumulated historical experience to estimate the number of returns in a period using the expected value method.

14 Trade and other receivables

	31 Mar. 2025	31 Dec. 2024
In thousands of naira		
Trade receivables	2,843,354	7,789,261
Other receivables		
Loans to key management personnel	18,851	39,382
Staff loans	3,348,512	3,419,702
Due from related parties	3,096,034	4,017,552
Allowance for expected credit losses	(4,352,592)	(4,361,190)
Deposit with Company registrars for dividend	700,302	794,383
Input VAT	1,739,640	2,093,000
Infrastructure support to Customers*	1,201,792	859,331
	8,595,892	14,651,421
Non-current - reclassified to long term receivables	3,155,638	3,353,739
Current	5,440,254	11,297,682
	8,595,892	14,651,421

*The amount represent 50% due from customer on vehicle infrastructural support.

Notes to the financial statements

15 Cash and short-term deposits

In thousands of naira

	31 Mar. 2025	31 Dec. 2024
Cash in Hand	24,203	34,231
Cash at Bank	27,899,701	14,659,791
Treasury Bills	8,086,443	7,950,539
Time Deposits	-	-
Cash and short-term deposit	36,010,347	22,644,561

Allowance for expected credit losses:

Short-term Investments	(3,013)	(3,013)
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Cash and short-term deposit in the statement of financial position

36,007,334	22,641,548
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Analysis of ECL

Opening Balance	3,013	80,244
(Write-back)/Charge	-	(77,231)
Closing Balance	3,013	3,013

Cash and cash equivalents:

In thousands of naira

Cash and short-term deposit	36,010,347	22,644,561
Bank overdraft	-	(158,075)

Cash and cash equivalents in the statement of cash flows

36,010,347	22,486,486
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16 Capital and reserves

(a) (i) Ordinary shares

Issued and fully paid ordinary shares of 50k each

	31 Mar. 2025	31 Dec. 2024
In number of shares	792,656,252	792,656,252
Nominal value (In thousands of naira)	396,328	396,328

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Company.

(ii) Share premium

The premium on the 792,656,252 ordinary shares of 50 kobo each is as follows:

In thousands of Naira

	31 Mar. 2025	31 Dec. 2024
Share premium	32,262	32,262

The share premiums represent excess amount received over and above the per value of the shares. It forms part of non-distributable reserves of the company which can be used only for the purposes specified under Companies and Allied Matters Act, 2020.

Notes to the financial statements

16 Capital and reserves

(a)iii Movement in Share based payment during the year

The movement in share based payment is as follows:

In thousands of naira

	31 Mar. 2025	31 Dec. 2024
Opening balance	472,377	169,481
Share based payment contribution	550,189	724,694
Share based payment recharge paid	(695,480)	(421,798)
Closing balance	327,086	472,377

16 (b) Movement in dividend payable

In thousands of naira

	31 Mar. 2025	31 Dec. 2024
Opening balance	9,555,809	10,119,609
Dividend transferred from retained earning during the year	-	28,931,954
Group dividend transferred to inter group payables	-	(15,726,014)
Payments during the year	(678,654)	(13,769,740)
Closing balance	8,877,155	9,555,809

17 Interest bearing loans and borrowing

- (a) This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings. For information about the Company's exposure to interest rate, foreign currency and liquidity risks.

Reconciliation between opening and closing balances of the loan and borrowings is shown below:

	31 Mar. 2025	31 Dec. 2024
In thousands of naira		
Opening balance	653,701,541	402,319,566
Addition -- intercompany loan	-	12,305,045
Addition -- bank loan	5,004,921	73,849,546
Repayment -- intercompany loan	-	(32,971,600)
Repayment -- bank loan	(3,041,922)	(111,041,589)
Interest expense	23,145,376	101,760,931
Interest paid	(75,154,117)	(25,621,811)
Unrealised exchange loss	392,934	233,101,453
Closing balance	604,048,733	653,701,541

Interest bearing loans and borrowings are analysed into short and long term liabilities based on the time the repayment obligation falls due as follows:

	31 Mar. 2025	31 Dec. 2024
In thousands of naira		
Current liabilities	56,790,255	108,486,328
Non-current liabilities	547,258,478	545,215,213
	604,048,733	653,701,540

17 (b) Reconciliation of finance cost paid reported in the cash flow statement

	31 Mar. 2025	31 Dec. 2024
In thousands of naira		
Interest expense on Inter company loan	(71,714,024)	(13,346,732)
Interest expense on local bank loan	(3,440,093)	(12,275,079)
	(75,154,117)	(25,621,811)

Notes to the financial statements

18 Employee Benefits

Other long term employee benefits

Other long term employee benefits represents the present value of unfunded long service award

The movement in the present value of the other long term employee benefits during the period was as follows:

	31 Mar. 2025	31 Dec. 2024
In thousands of Naira		
Opening balance	4,346,185	4,044,331
Net service cost for the period	(12,231)	626,115
Interest expense for the period	320,089	315,231
Re-measurement gain - discount rate	(1,018,533)	(1,018,533)
Re-measurement loss - demographic assumption	197,240	197,240
Re-measurement loss- experience	833,524	833,524
Payments during the period	(280,617)	(651,723)
Closing balance	<u>4,385,658</u>	<u>4,346,185</u>

19 Provisions

Provisions represent management's estimate of the Company's probable exposure to various liabilities at the end of the period.

	31 Mar. 2025	31 Dec. 2024
In thousands of naira		
Opening balance	1,762,097	713,211
Increase during the period	-	1,048,885
Closing balance	<u>1,762,097</u>	<u>1,762,097</u>
Current	<u>1,762,097</u>	<u>1,762,097</u>

20 Trade and other payables

	31 Mar. 2025	31 Dec. 2024
In thousands of naira		
Trade payables	75,329,068	74,203,795
Other payables and accruals	72,853,106	58,380,463
Trade and dividend payables due to related parties	117,413,154	88,041,627
Dividend payable to local shareholders	8,877,155	8,971,236
	<u>274,472,483</u>	<u>229,597,121</u>

21 Contract liabilities

This include incentives yet to be paid to customers and advances received from cash customers.

	31 Mar 2025	31 Dec. 2024
In thousands of naira		
Customer's down payment	3,826,927	10,630,185
Trade incentives	21,530,989	18,244,760
	<u>25,357,915</u>	<u>28,874,945</u>

22 Lease liabilities (Obligation under leases)

The company recognised lease liabilities in line with IFRS 16 as analysed below.

	31 Mar. 2025	31 Dec. 2024
In thousands of naira		
Opening balance	32,718	179,323
Modification	-	(23,997)
Interest expense	-	56,471
Payment of principal portion of lease liabilities	(32,718)	(122,609)
Payment of interest portion of lease liabilities	-	(56,471)
Closing balance	<u>-</u>	<u>32,718</u>

23 Event after reporting date

There are no significant subsequent events which could have a material effect on the results of the Company as at 31 March 2025 that has not been adequately provided for or disclosed in these audited financial statements.