Unilever Caribbean Limited

Audited Summary Financial Statements

for the Year ended 31 December 2021

Expressed in Trinidad & Tobago Dollars

CHAIRMAN'S REVIEW

2021 was a transformational year for Unilever Caribbean Ltd, where despite a challenging environment, it continued to improve its profitability. The Company approved the sale and transfer of its tea business, effective October 1st, which was a result of the Unilever Group's intention to separate and sell its global tea business, which subsequently occurred on November 18th. The Company also implemented a significant change to its warehousing and distribution at the start of the year, generating considerable savings. The business continued to face challenging market conditions throughout the year from the continued economic impact of COVID-19 on both the local and regional markets, the lock-downs in the economy, as well as unprecedented global supply chain disruptions. Despite these challenges, the Company recorded a net profit of $188.8 million, of which $164.4 million was directly related to the sale and transfer of the tea business. Beyond the income from the transfer of the tea business, the Company generated a net profit of $24.4 million, which represents an increase of 31.1% versus the prior year, with only 9 months of operations for teas. The profit for continuing operations which excluded the tea business was $16.9 million. The final cash position increased from $75.4 million to $118.1 million through a continued focus on credit collection and working capital optimisation.

Revenue for the year reported under continuing operations reduced to $233.2 million, which excludes teas. This represents a total decline of -3.7% versus the comparable prior year. The Home Care category saw a decline in revenue versus the prior year, as its sales of laundry detergents continued to face constrained demand from the economic adversities and the lockdowns, especially in H1. However, it is important to note that the year-on-year decline of the category performance was also driven from a large spike in revenue in Q1 the prior year from the onset of the pandemic.

The Beauty and Personal Care category enjoyed another strong year, despite the fact that this category was most affected by the global supply chain issues. This category recorded significant revenue growth in both the local and regional markets, driven through investments in consumer marketing, impactful innovations and growing market share. Revenue from Foods & Refreshments also saw declines resulting from the transfer of the tea business at the end of Q3, and the supply chain constraints on Ice Cream and Foods in Q4. Growing its more profitable business segments remains to be a key strategic focus of the Company.

Looking ahead, I believe that the Company will continue to deliver value to the community and its stakeholders, through keeping the focus on growing its most beneficial categories, while continuing to drive impactful innovations. It is well equipped to withstand challenging economic circumstances in the markets and can leverage its global network to withstand the global supply chain constraints whilst keeping the focus on delivering sustainable and profitable growth. The continuous support of customers, business partners and shareholders has been greatly appreciated, and the Company would like to express its gratitude for the exceptional commitment and effort from the employees over the past year.

Rodrigo Sotomayor
Chairman

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of Unilever Caribbean Limited

Opinion

The summary financial statements, which comprise the Summary Statement of Financial Position as at December 31, 2021, the Summary Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and related notes, are derived from the audited financial statements of Unilever Caribbean Limited ("the Company") for the year ended December 31, 2021.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Financial Reporting Standards (IFRS).

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 28, 2022. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements for the current period.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements."

KPMG

Chartered Accountants
11 Queen's Park East
March 28, 2022

SUMMARY STATEMENT OF FINANCIAL POSITION

	AUDITED AS AT 31 Dec 2021 $'000	31 Dec 2020 $'000
ASSETS		
Non-current assets		
Property, plant and equipment	**8,943**	65,802
Retirement benefit asset	**137,039**	109,505
Deferred tax asset	**6,459**	15,156
	152,441	190,463
Current assets		
Inventories	**26,808**	25,757
Taxation recoverable	**7,575**	9,559
Trade and other receivables	**102,948**	91,837
Due from related companies	**176,388**	43,574
Cash at bank and in hand	**118,132**	75,384
Assets held for sale	**58,146**	-
	489,997	246,111
Total assets	**642,438**	436,574

	AUDITED AS AT 31 Dec 2021 $'000	31 Dec 2020 $'000
EQUITY AND LIABILITIES		
EQUITY		
Stated capital	**26,244**	26,244
Property revaluation surplus	**36,568**	36,568
Retained earnings	**414,131**	228,775
Total equity	**476,943**	291,587
LIABILITIES		
Non-current liabilities		
Retirement and termination benefit obligation	**6,989**	9,362
Lease liabilities	**605**	-
Deferred tax liabilities	**40,104**	35,284
	47,698	44,646
Current liabilities		
Trade and other payables	**63,400**	53,922
Lease liabilities	**4,170**	136
Provisions for other liabilities	**15,750**	6,888
Due to related companies	**31,528**	39,395
Liabilities directly associated with the assets held for sale	**2,949**	-
	117,797	100,341
Total liabilities	**165,495**	144,987
Total equity and liabilities	**642,438**	436,574

Jean-Marc Mouttet, Managing Director

Nicholas Gomez, Director

Unilever Caribbean Limited

Audited Summary Financial Statements

for the Year ended 31 December 2021 (continued)

Expressed in Trinidad & Tobago Dollars

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	AUDITED 12 MONTHS ENDED 31 Dec 2021 $'000	31 Dec 2020 $'000
Continuing operations		
Revenue	**233,186**	290,009
Cost of sales	**(127,208)**	(159,643)
Gross profit	**105,978**	130,366
Selling and distribution costs	**(62,936)**	(83,850)
Administrative expenses	**(17,615)**	(25,858)
Impairment reversal on trade receivables	**18**	1,176
Gain on disposal of plant and equipment	**-**	185
Operating profit	**25,445**	22,019
Restructuring cost	(5,568)	(555)
Operating profit after restructuring	**19,877**	21,464
Finance expense	**(635)**	(239)
Other income	**5,391**	3,724
Profit before taxation	**24,633**	24,949
Taxation expense	**(7,702)**	(6,342)
Profit for the period	**16,931**	18,607
Discontinued operations		
Profit from discontinued operations, net of tax	**171,881**	-
Profit for the period	**188,812**	18,607
Other comprehensive income		
Re-measurements of defined benefit asset/liability	25,055	16,889
Revaluation of property	-	1,322
Related tax	(7,516)	(5,464)
Total comprehensive income for the period	**206,351**	31,354
Earnings per share - continuing operations	**0.65**	0.71
Earnings per share - discontinued operations	**6.54**	0.00
Basic and diluted earnings per ordinary share	**7.19**	0.71

SUMMARY STATEMENT OF CHANGES IN EQUITY

	Stated capital $'000	Property revaluation surplus $'000	Retained earnings $'000	Total equity $'000
Balance as at 1 January, 2021	26,244	36,568	228,775	291,587
Total comprehensive income for the period	-	-	206,351	206,351
Dividends paid	-	-	(20,995)	(20,995)
Balance as at 31 December, 2021	**26,244**	**36,568**	**414,131**	**476,943**
Balance as at 1 January, 2020	26,244	35,643	198,346	260,233
Total comprehensive income for the period	-	925	30,429	31,354
Balance as at 31 December, 2020	**26,244**	**36,568**	**228,775**	**291,587**

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

1. General Information - Unilever Caribbean Limited is incorporated in the Republic of Trinidad and Tobago, and its registered office is located at Eastern Main Road, Champs Fleurs. The Company is listed on the Trinidad and Tobago Stock Exchange. The principal business activity is the sale of home care, personal care and food products. It is a subsidiary of Unilever Overseas Holdings AG, which is a wholly owned subsidiary of Unilever PLC, a company incorporated in the United Kingdom.

2. Basis of preparation - These summary financial statements have been derived from the audited financial statements for the year ended 2021, which were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

3. Significant accounting policies - The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold properties and re-measurements of retirement and termination benefit obligations. The principal accounting policies applied in the preparation of these summary financial statements are consistent with those disclosed in the audited financial statements as at and for the year ended December 31, 2021, and have been consistently applied to all periods presented, unless otherwise stated.

4. Measurement of defined benefit obligations - The total obligation decreased by $7.8 million as a result of a discount rate adjustment from 5.75% to 6.00%. The discount rate is a key assumption, and is based on judgement.

SUMMARY STATEMENT OF CASH FLOWS

	AUDITED 12 MONTHS ENDED 31 Dec 2021 $'000	31 Dec 2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
Continuing operations	24,633	24,949
Discontinued operations	175,119	-
Adjustment for items not affecting working capital	(161,120)	(1,641)
Operating profit before working capital changes	38,632	23,308
Net (decrease)/increase in working capital	(141,990)	42,982
Cash flows (used in)/generated from operating activities	(103,358)	66,290
Taxation & interest paid	(645)	(2,165)
Net cash (used in)/generated from operating activities	**(104,003)**	64,125
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	7	153
Purchase of plant and equipment	(96)	(2,106)
Proceeds from sale of property, plant and equipment	2,466	29
Proceeds from sale of discontinued operations	169,846	-
Net cash generated from/(used in) investing activities	**172,223**	(1,924)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(20,995)	-
Payment of lease liabilities	(4,477)	(10,522)
Net cash flows used in financing activities	(25,472)	(10,522)
Increase in cash and cash equivalents	**42,748**	51,679
Cash and cash equivalents at beginning of period	**75,384**	23,705
Cash and cash equivalents at end of period	**118,132**	75,384
Represented by:		
Cash at bank and in hand	**118,132**	75,384

NOTES TO THE SUMMARY FINANCIAL STATEMENTS (CONTINUED)

5. Assets held for sale - The company committed to a plan to sell factory and warehousing equipment, as well as the land and buildings from which it performs its current operations. Efforts to sell are underway, and the company is expecting to finalise the sales in 2022. For land & building this is expected to qualify as a completed sale via a sale and short-term lease-back transaction, subject to the approval of a final agreement by the board of directors. The cumulative value on the financial statements for the assets held for sale is equal to $58.2 million. Specific liabilities directly related to these assets are classified under current liabilities, equal to $2.9 million.

6. Discontinued operations - During the third quarter, the company approved the sale and transfer of the local tea business to a newly incorporated global Unilever tea holding company, effective October 1, 2021. The 2021 profit for the tea business has been reported as a single line, net of tax under discontinued operations. The detailed Income Statement, and the 2020 comparison is disclosed separately below. For 2021, Revenue and Operating profit includes only 9 months of operations. Other income reflects the income generated from the sale and transfer of the tea business per October 1st.

DISCONTINUED OPERATIONS

	AUDITED 12 MONTHS ENDED 31 Dec 2021 $'000	31 Dec 2020 $'000
Discontinued operations		
Revenue	**30,150**	**47,864**
Cost of sales	(13,578)	(20,647)
Gross profit	**16,572**	**27,217**
Selling and distribution costs	(5,807)	(11,386)
Impairment loss on trade receivables	(69)	(159)
Operating profit	**10,696**	**15,672**
Income tax expense from operating activities	(3,238)	(3,984)
Results from operating activities, net of tax	**7,458**	**11,688**
Gain on sale of discontinued operations	164,423	-
Profit from discontinued operations, net of tax	**171,881**	**11,688**

7. Other - On March 28, 2022, the Board of Directors declared a final dividend of $4.30, bringing the total dividend in respect of 2021 to $4.50 per share. These financial statements do not reflect the final dividend which will be accounted for as an appropriation of retained earnings in the year ending December 31, 2022.

The Full Audited Financial Statements will be made available on March 31, 2022 at www.unilever.tt/investor-relations/