Unilever Caribbean Limited

Audited Summary Financial Statements

for the Year ended 31 December 2022

Expressed in Trinidad & Tobago Dollars

CHAIRMAN'S REVIEW

Despite the headwinds of complex market conditions within a highly inflationary environment , driven by the ongoing global events, the Company managed to successfully navigate through the challenges, delivering strong results in both revenue growth and operating profit. At the same time, 2022 was another significant year of transformation with the Company proceeding with a retrenchment exercise upon the expiration of its major manufacturing supply agreement and as a result, the subsequent cessation of local manufacturing and related activities. The sale of the land & buildings in Champs Fleurs was executed and the Company relocated to its new offices in Port of Spain, which are more suited to the future requirements of the business. The Company recorded a Net Profit for the year of $9.8 million, despite the incurred restructuring and other one-off expenses.

Revenue for the year increased to $256.1 million reflecting a 9.8% growth versus the prior year. This was primarily driven by the Trinidad Home Market business, with growth across all categories. The Home Care category recorded a strong recovery in the powders segment, paired with significant and disruptive innovations within the liquid detergents portfolio. The Ice Cream business grew significantly through increased availability by improved distribution. Deodorants continued its growth trajectory through the implementation of new formats, channel strategy optimisation and investments in consumer marketing. UCL's emphasis on growing its more profitable segments remains part of the strategic focus of the Company.

Ongoing heavy commodity inflation, as well as increases in freight and shipping costs resulted in adverse pressure on margins. A key priority for the Company was therefore to focus on cost optimisation, through reducing complexity, and creating efficiencies across the different cost centres to maintain profitability. Selling, Distribution and Administrative expenses were reduced versus last year by a total of $3.7 million. The restructuring expenses were equal to $30.6 million.

Operating profit before restructuring increased to $28.8 million for the year. The profit before tax decreased by $19.3 million versus the prior year driven by these one-off expenses. The final cash position of the Company increased significantly by $53.6 million versus the prior year, mostly driven by the sale of the land & buildings for $65.0 million.

The Company has gone through a radical transformational journey over the last few years. I believe that Unilever Caribbean Limited is now perfectly positioned to continue to move forward with a renewed commitment and focus from our new location, with the key priority of accelerating profitable growth. I wish to express my gratitude to our consumers, business partners, Board of Directors and shareholders for their continued support, and would like to say a special thank you to our employees, for their invaluable contributions, effort and dedication during a difficult year.

Ignacio Segares
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, 2022, 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, 2022.

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 29, 2023. 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
29 March, 2023

SUMMARY STATEMENT OF FINANCIAL POSITION

	AUDITED AS AT	
	31 Dec 2022 $'000	31 Dec 2021 $'000
ASSETS		
Non-current assets		
Property, plant and equipment	**4,285**	8,943
Retirement benefit asset	**99,142**	137,039
Deferred tax asset	**14,250**	6,459
	117,677	152,441
Current assets		
Inventories	**29,250**	26,808
Taxation recoverable	**7,575**	7,575
Trade and other receivables	**60,486**	95,405
Value added tax recoverable	**3,502**	7,543
Due from related companies	**74,491**	176,388
Cash at bank and in hand	**171,778**	118,132
Assets held for sale	**-**	58,146
	347,082	489,997
Total assets	**464,759**	642,438

SUMMARY STATEMENT OF FINANCIAL POSITION

	AUDITED AS AT	
	31 Dec 2022 $'000	31 Dec 2021 $'000
EQUITY AND LIABILITIES		
EQUITY		
Stated capital	**26,244**	26,244
Property revaluation surplus	**-**	36,568
Retained earnings	**311,319**	414,131
Total equity	**337,563**	476,943
LIABILITIES		
Non-current liabilities		
Retirement and termination benefit obligation	**3,085**	6,989
Lease liabilities	**1,979**	605
Deferred tax liabilities	**29,105**	40,104
	34,169	47,698
Current liabilities		
Trade and other payables	**72,280**	63,400
Lease liabilities	**711**	4,170
Provisions for other liabilities	**5,158**	15,750
Due to related companies	**14,878**	31,528
Liabilities directly associated with the assets held for sale	**-**	2,949
	93,027	117,797
Total liabilities	**127,196**	165,495
Total equity and liabilities	**464,759**	642,438

Jean-Marc Mouttet, Managing Director

Nicholas Gomez, Director

Unilever Caribbean Limited

Audited Summary Financial Statements

for the Year ended 31 December 2022 (continued)

Expressed in Trinidad & Tobago Dollars

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	AUDITED 12 MONTHS ENDED 31 Dec 2022 $'000	31 Dec 2021 $'000
Continued operations		
Revenue	**256,146**	233,186
Cost of sales	**(150,897)**	(127,208)
Gross profit	**105,249**	105,978
Selling and distribution Costs	**(60,554)**	(62,936)
Administrative expenses	**(16,252)**	(17,615)
Impairment reversal on trade receivables	**358**	18
Operating profit	**28,801**	25,445
Restructuring cost comprising of:		
Net gain/(impairment) of property, plant and equipment	**4,493**	(2,145)
Manpower cost	**(31,528)**	-
Gain on curtailment and settlement	**10,752**	-
Other expenses	**(14,272)**	(3,423)
Restructuring cost	**(30,555)**	(5,568)
Operating (loss)/profit after restructuring	**(1,754)**	19,877
Finance income/(expense)	**101**	(635)
Other income	**7,028**	5,391
Profit before taxation	**5,375**	24,633
Taxation credit/(expense)	**4,394**	(7,702)
Profit for the period	**9,769**	16,931
Discontinued Operations		
Profit from discontinued operations, net of tax	**-**	171,881
Profit for the period	**9,769**	188,812
Other comprehensive income		
Re-measurements of defined benefit asset/liability	**(51,857)**	25,055
Related tax	**15,557**	(7,516)
Total comprehensive (loss)/income for the period	**(26,531)**	206,351
Earnings per share - continued operations	**0.37**	0.65
Earnings per share - discontinued operations	**-**	6.54
Basic and diluted earnings per ordinary share	**0.37**	7.19

SUMMARY STATEMENT OF CHANGES IN EQUITY

	Stated capital $'000	Property revaluation surplus $'000	Retained earnings $'000	Total equity $'000
Balance as at 1 January, 2022	26,244	36,568	414,131	476,943
Total comprehensive loss for the period	-	-	(26,531)	(26,531)
Transfer	-	(36,568)	36,568	-
Dividends paid	-	-	(112,849)	(112,849)
Balance as at 31 December, 2022	26,244	-	311,319	337,563
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**

The Full Audited Financial Statements will be made available on 31 March, 2023 at www.unilever.tt/investor-relations/

SUMMARY STATEMENT OF CASH FLOWS

	AUDITED 12 MONTHS ENDED 31 Dec 2022 $'000	31 Dec 2021 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
Continued operations	**5,375**	24,633
Discontinued operations	**-**	175,119
Adjustment for items not affecting working capital	**(17,511)**	(166,543)
	(12,136)	33,209
Net increase/(decrease) in working capital	**118,327**	(136,567)
Cash flows generated from/(used in) operating activities	**106,191**	(103,358)
Taxation & interest paid	**(2,237)**	(645)
Net cash generated from/(used in) operating activities	**103,954**	(104,003)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**551**	7
Purchase of plant and equipment	**(1,434)**	(96)
Proceeds from sale of property, plant and equipment	**67,345**	2,466
Proceeds from sale of teas	**-**	169,846
Net cash generated from investing activities	**66,462**	172,223
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	**(112,849)**	(20,995)
Payment of lease liabilities	**(3,921)**	(4,477)
Net cash flows used in financing activities	**(116,770)**	(25,472)
Increase in cash and cash equivalents	**53,646**	42,748
Cash and cash equivalents at beginning of period	**118,132**	75,384
Cash and cash equivalents at end of period	**171,778**	118,132
Represented by:		
Cash at bank and in hand	**171,778**	118,132

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 Albion Plaza, Third Floor, 22-24 Victoria Avenue, Port of Spain. 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 2022, 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 31 December, 2022, and have been consistently applied to all periods presented, unless otherwise stated.

4. Restructuring Costs - During 2022, the board approved the restructuring of the Spreads manufacturing plant operations at its site, as a result of the expiration of the Spreads supply agreement, and the consequent cessation of local manufacturing, production, and warehousing activities. As well, the board approved the sale of the land & buildings, and the relocation to the new office. For 2022, expenses were recorded in relation to Manpower, dismantling work, fixed asset disposals and sales, as well as consultancy fees.

5. Assets held for sale - The company committed in 2021 to a plan to sell factory and warehousing equipment, as well as the land and buildings from which it performed its operations. During 2022, the company sold the Land & Buildings for $65 million. The Equipment held for sale that was not sold at the end of December 2022 was disposed of, with an impact of $2.7 million impairment in the statement of profit or loss.

6. Other - On 29 March, 2023, the Board of Directors declared a final dividend of $2.80 per share, amounting to $73.5 million. These financial statements do not reflect the final dividend which will be accounted for as an appropriation of retained earnings in the year ending 31 December, 2023.