

Nestlé Nigeria Plc
Unaudited Interim Financial Statements
For the Three Months Ended 31 March 2026

Contents	Page
Directors' and Other Corporate Information	3
Result at a Glance	4
Directors' Report	5-12
Statement of Directors' Responsibilities in Relation to the Preparation of Financial Statements	13
Statement of Profit or Loss for the Period	14
Statement of Other Comprehensive Income	15
Statement of Financial Position	16
Statement of Changes in Equity	17
Statement of Cash Flows	18
Notes to the Financial Statements	19-33

Directors' and other Corporate Information

Board of Directors:	Mr. Gbenga Oyebode	Chairman
	Mr. Wassim Elhousseini (Lebanese)	Managing Director/Chief Executive Officer
	Mr. Namit Mishra (Indian)	Up to 31/01/2026 Finance & Control Director
	Mr. Josue Mbassi (Cameroonian)	From 01/02/2026 Finance & Control Director
	Mrs. Kemisola Ajasa	Executive Director
	Mr. Samer Chedid (Canadian)	Non-Executive Director
	Mr. Martin Kruegel (German)	Non-Executive Director
	Dr. Juliet Ehimuan	Independent Non-Executive Director
	Mrs. Adebisi Lamikanra	Independent Non-Executive Director
	Mrs. Maryam Aliko Mohammed	Independent Non-Executive Director

Tax Identification

Number: 00389604-0001

Registered Company

Number: RC 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	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

RESULTS AT A GLANCE

Full Year Result

	Jan - Mar 2026	Jan - Mar 2025	Change %
<i>In thousands of naira</i>			
Revenue	326,126,755	294,884,799	11%
Results from operating activities	75,431,783	74,146,563	2%
Profit before income tax	73,770,909	51,154,781	44%
Profit for the period	38,997,859	30,178,034	29%
Total comprehensive income for the period, net of tax	38,997,859	30,178,034	29%
Share capital	396,328	396,328	0%

Directors' Report

1 Financial Statements

The directors present their interim report on the affairs of Nestlé Nigeria Plc ("the Company") for the period ended 31 March 2026 together with the financial statements and auditor's report thereon.

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 year and their interests in the shares of the Company at the year end were as follows:

		Interest in the Ordinary Shares of the Company	
		2026	2025
Mr. Gbenga Oyebode	- Chairman	Nil	Nil
Mr. Wassim Elhousseini (Lebanese)	- MD/CEO	Nil	Nil
Mr. Namit Mishra (Indian)	Up to 31/01/2026	Nil	Nil
Mr. Josue Mbassi (Cameroonian)	From 01/02/2026	Nil	Nil
Mrs. Kemisola Ajasa		Nil	Nil
Mr. Samer Chedid (Canadian)		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 indirect holding in favor of Directors.

- (b) Mr. Gbenga Oyebode 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, 2020, they have notified the Company of their position with CFAO Nigeria Plc, Standard Chartered Bank Limited, Zenith Bank Plc, and Stanbic IBTC respectively.

Directors' Report-Continued

- (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.

4 Analysis of Shareholdings as at 31 March 2026

			Number of shareholders	%	Number of shares	%
1	-	5000	40,408	93.44	21,261,208	2.68
5001	-	10000	1,447	3.35	9,959,257	1.26
10001	-	50000	1,121	2.59	22,139,694	2.79
50001	-	100000	102	0.24	7,004,009	0.88
100001	-	500000	119	0.28	25,185,627	3.18
500001	-	1000000	23	0.05	16,266,133	2.05
1000001	-	5000000	17	0.04	31,602,416	3.99
5000001	-	10000000	4	0.01	28,738,381	3.63
10000001	-	50000000	3	0.01	69,219,221	8.73
			43,244	100.00	231,375,946	29.19
Societe Des Produits Nestlé S.A			1	0.00	561,280,306	70.81
			43,245	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 2026.

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 year 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.

Directors' Report-Continued

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.

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 manufacture, 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 year ended 31 March 2026 (2025: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 11 (Dec 2025:11) physically challenged persons in its employment as at 31 March 2026.

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.

Directors' Report-Continued

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

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.

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 March 2026, a total of 289 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 who are to participate in international internship were increased to seven (7) and the cohort for 2025 participated in an 8-week internship program at our Group's factories in Switzerland from October 6, 2025 to November, 27 2025. The 7 trainees consist of the best 5 graduating trainees from Batch 8 in Agbara Center and top 2 trainees from Batch 4 in Abaji Center. As part of our strategic approach to developing a strong talent pipeline, our company has provided full-time employment to a total of 281 graduates of NTTC so far. However, there are eight (8) graduates from the program who have secured full-time employment with other organizations.

Currently, there are a total of 60 trainees enrolled in the programme across our 3 centers (20 per center) - Agbara, Abaji and Flowergate.

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

Directors' Report-Continued

(c) Employees involvement and training (continued)

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	20	20	N/A
9	2025		20	Still in session	N/A	N/A
Total - Agbara			182	157	150	7
1	2024	FLOWERGATE	20	20	20	0
2	2025		20	20	20	0
3	2026		20	Still in session	N/A	N/A
Total - Flowergate			60	40	40	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	20	20	0
6	2025		20	Still in session	N/A	N/A
Total - Abaji			112	92	91	1
GRAND TOTAL			354	289	281	8

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 Samer Chedid, Mr. Martin Kruegel and Dr. Juliet Ehimuan.

15 Audit Committee

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

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

Shareholders' Representative
Shareholders' Representative
Shareholders' Representative
Directors' Representative
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.

Directors' Report-Continued

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.

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.

Directors' Report-Continued

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

(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.

(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.

Directors' Report-Continued

20 Number, diversity, training initiatives and development of employees

As of 31 March 2026, the staff strength of the Company was 2,631 (Dec 2025: 2,603). Our employees are made up of 2,239 males and 392 females 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 29 (Dec 2025: 28) of our staff on overseas' assignments in Ghana, Cote D' Ivoire, Cameroon, Switzerland, Angola and South Africa 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 2025 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, 2026

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 2026, 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, 2026 were approved by the Directors on 29 April, 2026.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Gbenga Oyebo
(Chairman)

FRC/2013/PRO/NBA/004/00000002546

Wassim Elhousseini
(Managing Director)

FRC/2020/PRO/DIR/003/00000022041

Josue Mbassi
(Finance & Control Director)

FRC/2026/PRO/ANAN/001/648312

Statement of profit or loss
For the period ended 31 March 2026
In thousands of naira

	Notes	Jan - Mar 2026	Jan - Mar 2025
Revenue	5	326,126,755	294,884,799
Cost of sales	7(b)	<u>(194,068,808)</u>	<u>(175,163,228)</u>
Gross profit		132,057,947	119,721,571
Other income	7(e)	240,957	284,451
Marketing and distribution expenses	7(c)	(43,957,358)	(34,854,956)
Administrative expenses	7(d)	(12,880,049)	(11,002,675)
Impairment (loss) /write-back on financial assets		<u>(29,714)</u>	<u>(1,828)</u>
Results from operating activities		75,431,783	74,146,563
Finance income	6	15,261,936	474,433
Finance costs	6	<u>(16,922,810)</u>	<u>(23,466,215)</u>
Net finance costs		<u>(1,660,874)</u>	<u>(22,991,782)</u>
Profit before income tax		73,770,909	51,154,781
Income tax (expense) /credit	8 (a)	(34,773,050)	(20,976,747)
Profit for the period		<u>38,997,859</u>	<u>30,178,034</u>
Profit for the period is attributable to:			
Owners of the Company		<u>38,997,859</u>	<u>30,178,034</u>
Earnings per share		N	N
Basic earnings per share	10	<u>49.20</u>	<u>38.07</u>
Diluted earnings per share		<u>49.20</u>	<u>38.07</u>

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of other comprehensive income
For the period ended 31 March 2026
In thousands of naira




	Jan - Mar 2026	Jan - Mar 2025
Profit for the period	38,997,859	30,178,034
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>	-	-
	38,997,859	30,178,034
Total Comprehensive income /(loss) for the period is attributable to:		
Owners of the Company	38,997,859	30,178,034

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of financial position
As at 31 March 2026
In thousands of naira

	Notes	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
Assets			
Non-current assets			
Property, plant and equipment	9 (a)	494,686,128	494,615,499
Right-of-use assets	9 (b)	5,251,403	5,341,141
Long term receivables	11	3,791,912	3,877,991
Deferred tax assets	8 (c)	44,559,168	50,711,432
Total non-current assets		<u>548,288,611</u>	<u>554,546,063</u>
Current assets			
Inventories	13 (a)	167,841,596	179,871,278
Right of return assets	13 (c)	479,562	275,658
Trade and other receivables	14	26,997,218	22,248,810
Prepayments	12	92,392,997	53,795,766
Cash and short-term deposits	15	52,106,464	35,422,361
Total current assets		<u>339,817,837</u>	<u>291,613,873</u>
Total assets		<u>888,106,448</u>	<u>846,159,936</u>
Equity			
Share capital	16(a)(i)	396,328	396,328
Share premium	16(a)(ii)	32,262	32,262
Revaluation reserves	9(f)	124,553,418	124,553,418
Share based payment reserve	16(a)(iii)	437,705	687,588
Accumulated loss		(73,780,443)	(112,778,301)
Total equity		<u>51,639,270</u>	<u>12,891,295</u>
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	17	438,825,809	452,261,251
Employee benefits	18	5,805,672	5,629,154
		<u>444,631,481</u>	<u>457,890,405</u>
Total current liabilities			
Trade and other payables	20	276,799,836	270,433,349
Contract liabilities	21	28,907,510	31,807,220
Refund liabilities	13 (c)	804,059	432,400
Current tax liabilities	8(b)	75,928,445	47,307,659
Lease liabilities	22	92,873	86,894
Interest bearing loans and borrowings	17	7,706,460	23,781,227
Bank overdraft	15	231,736	164,709
Provisions	19	1,364,778	1,364,778
		<u>391,835,697</u>	<u>375,378,235</u>
Total liabilities		<u>836,467,178</u>	<u>833,268,641</u>
Total equity and liabilities		<u>888,106,448</u>	<u>846,159,936</u>

The financial statements were approved by the Board of Directors on 29 April 2026 and signed on its behalf by:

	Gbenga Oyebo (Chairman) FRC/2013/PRO/NBA/004/00000002546
	Wassim Elhousseini (Managing Director) FRC/2020/PRO/DIR/003/00000022041
	Josue Mbassi Finance & Control Director FRC/2026/PRO/ANAN/001/648312

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of Changes in Equity For the period ended 31 March 2026

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 2026	396,328	32,262	687,588	124,553,418	(112,778,301)	12,891,295
Profit for the period	-	-	-	-	38,997,859	38,997,859
Other comprehensive income for the year; net of taxation	-	-	-	-	-	-
Total comprehensive income for the year; net of taxation	-	-	-	-	38,997,859	38,997,859
Transactions with owners, recorded directly in equity						
Share based payment contribution (Note 16a (iii))	-	-	827,459	-	-	827,459
Share based payment recharge paid (Note 16a (iii))	-	-	(1,077,342)	-	-	(1,077,342)
Balance as at 31 March 2026	396,328	32,262	437,705	124,553,418	(73,780,443)	51,639,270
Balance 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 year; net of taxation	-	-	-	-	-	-
Total comprehensive income; net of taxation	-	-	-	-	30,178,034	30,178,034
Transactions with owners, recorded directly in equity						
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	-	(213,050,215)	(62,257,174)

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of Cash Flows

For the period ended 31 March 2026

In thousands of naira

	Notes	31 Mar 2026	31 Mar 2025	31 Dec 2025
Cash flows from operating activities				
Profit before tax		73,770,909	51,154,781	166,846,778
Adjustments to reconcile loss before tax to net cash flows from operating activities:				
Depreciation of property, plant and equipment and right-of-use asset	9	10,244,406	8,824,242	39,111,186
Finance income	6	(500,151)	(474,433)	(2,334,043)
Net foreign exchange difference on financing- (Unrealised)	6	(15,697,981)	359,256	(32,255,039)
Net foreign exchange difference on others - (Unrealised)	6 (ii)	(1,941,696)	(865,772)	(7,766,596)
Finance costs	17	16,711,258	23,346,056	100,961,184
Equity settled share based payment transactions	16(iii)	827,459	550,189	915,329
Net service cost for other long term employee benefits	18	159,569	107,177	477,632
Actuarial loss on remeasurement of employee benefits	18	202,151	12,231	1,044,015
Interest expense on lease liability	22	5,979	-	-
Profit on the disposal of property, plant and equipment	9	249	-	(53,090)
Expected credit loss /(write-back) on treasury bills		-	-	153
Expected credit loss on intercompany receivables		-	-	59,992
Expected credit loss /(write-back) on trade receivables		-	-	95,036
Write down of inventories	13 (b)	3,114,633	1,050,869	12,738,901
		86,896,784	84,064,596	279,841,438
Decrease /(increase) in long term receivables		86,079	198,101	(524,252)
Decrease / (increase) in inventories		8,915,049	(7,393,061)	(17,825,840)
(Increase) /decrease in right of return assets		(203,904)	(98,806)	(156,392)
(Increase) /decrease in trade and other receivables		(4,748,407)	5,857,428	(11,518,338)
(Increase) / (decrease) in prepayments		(38,597,231)	(10,358,139)	95,718,424
Decrease /(increase) in trade and other payables		8,323,476	46,419,803	43,710,575
Increase /(decrease) in contract liabilities		(2,899,710)	(3,517,030)	2,932,275
Decrease /(increase) in refund liabilities		371,659	167,137	257,194
(Decrease) /increase in provisions		-	-	(397,318)
Cash generated from operating activities		58,143,796	115,340,029	392,037,765
Income tax paid		-	-	(26,793,879)
Other long term employee benefit paid	18	(185,202)	(280,617)	(1,041,402)
Share based payment recharge paid	16 (iii)	(1,077,342)	(695,480)	(700,118)
Net cash from operating activities		56,881,253	114,363,931	363,502,365
Cash flows from investing activities:				
Interest on securities and bank deposits	6	500,151	474,433	2,334,043
Proceeds from sale of property, plant and equipment	9	505	-	131,445
Acquisition of property, plant and equipment	9	(10,225,548)	(27,445,693)	(112,115,003)
Prepaid right-of-use assets	9 (b)	-	-	(428,969)
Net cash used in investing activities		(9,724,891)	(26,971,259)	(110,078,484)
Cash flows from financing activities:				
Proceeds from loans obtained:				
-- Bank loan				
- Import Trade Finance Facilities(ITFF)	17	23,720,254	5,004,921	133,780,071
Loan repayment				
- Inter-company principal	17	-	-	(61,817,400)
- bank loan	17	(27,399,228)	(3,041,922)	(128,978,127)
Payment of principal portion of lease liabilities		-	(32,718)	-
Finance cost paid	17	(26,822,357)	(75,154,117)	(178,388,409)
Dividends paid	16 (b)	(15,298)	(678,654)	(549,320)
Remittance of unclaimed dividend to registrars	16 (b)	-	-	(4,114,112)
Net cash used in financing activities		(30,516,631)	(73,902,489)	(240,067,297)
Net increase /(decrease) in cash and cash equivalents		16,639,731	13,490,183	13,356,586
Cash and cash equivalents at 1 January		35,260,818	22,486,486	22,486,486
Effect of exchange rate fluctuations on cash held		(22,153)	33,678	(582,254)
Cash and cash equivalents at reporting period	15	51,878,396	36,010,347	35,260,818

The accompanying notes to the financial statements form an integral part of these financial statements.

Table of Contents	Page	Table of Contents	Page
1 Reporting entity	20	23 Events after the reporting date	33
2 Basis of accounting	20		
3 Material accounting policy information	20		
4 Operating segments	20-21		
5 Revenue	21		
5 Geographical information	21-22		
6 Net finance cost	22		
7 Profit /(loss) before income tax	22		
7 Cost of sales	23		
7 Marketing and distribution expenses	23		
7 Administrative expenses	23		
7 Other income	23		
8 Taxation	24		
8 Deferred tax (assets) /liabilities	25		
9 Property, plant and equipment and ROU assets	26-28		
10 Earnings /(loss) per share	29		
11 Long term receivables	29		
12 Prepayments	29		
13 Inventories	30		
14 Trade and other receivables	30		
15 Cash and short-term deposit	31		
16 Capital and reserves	31-32		
17 Interest-bearing loans and borrowing	32		
18 Employee Benefits	32		
19 Provisions	33		
20 Trade and other payables	33		
21 Contract liabilities	33		
22 Lease Liabilities (Obligation under leases)	33		

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 Exchange (NGX).

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) Statement of Compliance

The interim condensed financial statements for the period ended 31 March 2026 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 2025.

(b) 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.

(c) Composition of the financial Statements

Financial statements consist of :

- (i) Statement of profit or loss
- (ii) Statement of other comprehensive income
- (iii) Statement of financial position
- (iv) Statement of changes in equity
- (v) Statement of cash flows
- (vi) Notes to the financial statements .

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 2025.

4 Operating segments

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 4. 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)

Information about reportable segment

In thousands of naira

	Food		Beverage		Total	
	Jan - Mar 2026	Jan - Mar 2025	Jan - Mar 2026	Jan - Mar 2025	Jan - Mar 2026	Jan - Mar 2025
External Revenues	200,911,198	189,148,118	125,215,557	105,736,681	326,126,755	294,884,799
Cost of sales	(114,088,719)	(112,307,422)	(79,980,089)	(62,855,806)	(194,068,809)	(175,163,228)
Depreciation	(7,084,140)	(5,872,862)	(3,160,267)	(2,951,380)	(10,244,405)	(8,824,242)
Results from operating activities	48,921,927	29,308,905	26,509,856	44,837,658	75,431,783	74,146,563
Net Finance Cost	(1,036,470)	(14,348,039)	(624,404)	(8,643,743)	(1,660,874)	(22,991,782)

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 for the period

In thousands of naira

Total profit for reportable segments

Other corporate expenses and income

Profit before income tax

	Jan - Mar 2026	Jan - Mar 2025
Total profit for reportable segments	75,431,783	74,146,563
Other corporate expenses and income	(1,660,874)	(22,991,782)
Profit before income tax	73,770,909	51,154,781

Other material items 2026

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

Total revenue from contracts with customers

	Jan - Mar 2026	Jan - Mar 2025
Nigeria	322,487,212	294,462,728
Ivory Coast	337,502	-
Ghana	3,302,041	422,071
Total revenue from contracts with customers	326,126,755	294,884,799

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

The revenue from a single 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 2026	Jan - Mar 2025
Nigeria	322,487,212	294,462,728
Export	3,639,543	422,071
Total Revenue	326,126,755	294,884,799

6 Net finance cost

Finance Income

In thousands of naira	Jan - Mar 2026	Jan - Mar 2025
Interest income on securities and bank deposits	500,151	474,433
Net exchange difference on translation of foreign currency denominated balances	14,761,785	-
	15,261,936	474,433

Finance costs

Interest expense on financial liabilities	(16,922,810)	(23,346,056)
Net exchange difference on translation of foreign currency denominated balances	-	(163,287)
	(16,922,810)	(23,509,343)

Net finance costs

	(1,660,874)	(23,034,910)
--	--------------------	---------------------

i) Analysis of interest expense of financial liabilities

In thousands of naira	Jan - Mar 2026	Jan - Mar 2025
interest expense-- loan	(15,882,729)	(23,145,376)
interest expense--others	(831,951)	-
Interest expense --employee benefits	(202,151)	(200,681)
Interest expense --lease liabilities	(5,980)	-
	(16,922,810)	(23,346,056)

ii) Reconciliation of foreign exchange difference reported in the cash flow statement

In thousands of naira	Jan - Mar 2026	Jan - Mar 2025
Unrealised exchange gain /(loss)	15,720,133	(392,933)
Unrealised exchange gain /(loss)--Cash and short-term deposits	(22,153)	33,677
Net foreign exchange difference on financing	15,697,981	(359,256)
Unrealised exchange gain /(loss) on trade payables	2,232,499	(904,348)
Unrealised exchange gain /(loss) on inter-group receivables	(290,803)	38,576
Net unrealised foreign exchange difference on others	1,941,696	(865,772)

7 Profit /(loss) before income tax

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

In thousands of naira	Jan - Mar 2026	Jan - Mar 2025
Depreciation of property, plant and equipment and right-of-use assets	10,244,407	8,824,242
Personnel expenses	16,277,695	15,324,913
Net unrealised foreign exchange difference on others	(1,941,696)	(865,772)
Net unrealised exchange difference on financing	(15,697,981)	(359,256)
Expected credit loss on intercompany receivables	59,992	-
Charge /(write-back) of expected credit loss on trade receivables	124,749	(135,884)
Loss /(profit) on property, plant and equipment disposed	249	-
General licence fees	11,689,771	11,095,510

Notes to the financial statements (continued)

(7b) Cost of sales

In thousands of naira

	Jan - Mar 2026	Jan - Mar 2025
Raw materials	110,274,729	92,663,165
Direct overheads	43,276,851	47,558,954
Direct Labour Cost (note12)	14,025,888	13,672,955
Freight cost	176,107	917,613
Purchased finished goods	16,687,930	11,533,541
Depreciation of property, plant and equipment	9,627,303	8,816,999
	194,068,808	175,163,228

(7c) Marketing and distribution expenses

In thousands of naira

	Jan - Mar 2026	Jan - Mar 2025
Freight Cost	13,908,030	11,126,097
Consumer promotional cost	12,069,189	7,730,841
Trade assets maintenance and repair	-	2,877
Depreciation of property, plant and equipment (15e)	38,681	7,244
Bad goods	648,796	243,799
Storage cost	5,602,892	4,648,588
General licence fee	11,689,771	11,095,510
	43,957,357	34,854,956

(7d) Administrative expenses

Share service cost	5,642,847	5,484,765
Consumables	60,964	43,100
Donations	122,882	47,349
Depreciation of property, plant and equipment	578,422	-
Expense relating to short-term leases and low-value assets	585,246	857,517
Real property permits	22,048	34,832
Information security and technology cost	359,958	328,940
Legal, consulting and professional fees	58,617	293,692
Travel	953,231	642,881
Auditors fees and remuneration	42,065	35,122
Repairs and maintenance	10,207	1,745
Security	305,382	209,062
Stakeholders meeting	-	21,287
Insurance	410,551	406,438
Telephone and fax	70,617	115,434
Bank charges	140,052	299,464
Corporate communication cost	501,913	490,181
Employee costs(note12)	2,971,126	1,651,959
Training	43,924	38,905
	12,880,049	11,002,674

(7e) Other Income

Sale of scrap	(216,486)	(239,677)
Income from micro biology analysis to related parties	(24,721)	(44,774)
Loss on disposal of property plants and equipment	249	-
	(240,957)	(284,451)

Summarised as follows:

Other Income	(240,957)	(284,451)
Cost of sales	194,068,808	175,163,228
Marketing and distribution expenses	43,957,358	34,854,956
Administrative expenses	12,880,049	11,002,675
Impairment loss on financial assets	29,714	1,828
	250,694,972	220,738,236

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:

	<u>Jan - Mar 2026</u>	<u>Jan - Mar 2025</u>
In thousands of naira		
Current tax expense		
Current period income tax	25,794,837	16,439,369
Current period Development Levy /tertiary education tax	2,825,949	2,032,490
	<u>28,620,786</u>	<u>18,471,859</u>
Deferred tax expense /(credit)		
Origination and reversal of temporary differences	6,152,264	2,504,888
Total income tax credit	<u>34,773,049</u>	<u>20,976,747</u>

8 (b) Current tax liabilities

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

In thousands of naira	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
Opening balance	47,307,659	32,340,383
Charge for the period	28,620,786	42,173,337
Payments in the period	-	(26,793,879)
WHT Credit utilised	-	(412,182)
Closing balance	<u>75,928,445</u>	<u>47,307,659</u>

The applicable tax rate in Nigeria is 30% company income tax and 4% development levy bringing it to a total of 34% on taxable profit.

The income tax and deferred tax of the comparable period were calculated in accordance with the prevailing tax law on or before 31 December 2025. However, Nigeria has introduced a new tax law (Nigeria Tax Act, 2025) that takes effect from January 1, 2026. This new tax law has been assessed and the impact adjusted on the financials of the current report.

8 Taxation (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 2026	31 Dec 2025	31 Mar 2026	31 Dec 2025	31 Mar 2026	31 Dec 2025
-	-	36,815,072	34,823,928	36,815,072	34,823,928
-	-	53,380,036	53,380,036	53,380,036	53,380,036
(1,973,928)	(1,857,621)	-	-	(1,973,928)	(1,857,621)
(125,043,406)	(128,671,831)	-	-	(125,043,406)	(128,671,831)
(7,588,122)	(8,159,040)	-	-	(7,588,122)	(8,159,040)
(148,820)	(226,904)	-	-	(148,820)	(226,904)
(134,754,276)	(138,915,396)	90,195,108	88,203,964	(44,559,168)	(50,711,432)

	Balance 1 January 2025	Recognised in profit or loss 2025	Recognised in other comprehensive income 2025	Balance 31 December 2025	Balance 1 January 2026	Recognised in profit or loss 2026	Recognised in other comprehensive income 2026	Balance 31 March 2026
Property, plant and equipment	26,539,915	8,284,013	-	34,823,928	34,823,928	1,991,145	-	36,815,073
Revaluation gain on property, plant and equipment	64,301,728	(10,921,692)	-	53,380,036	53,380,036	-	-	53,380,036
Employee benefits	(1,434,241)	(423,380)	-	(1,857,621)	(1,857,621)	(116,307)	-	(1,973,928)
Unrealised exchange difference	(156,641,866)	27,970,035	-	(128,671,831)	(128,671,831)	3,628,425	-	(125,043,405)
Provisions	(3,028,523)	(5,130,517)	-	(8,159,040)	(8,159,040)	570,917	-	(7,588,122)
Share based payment	(155,884)	(71,020)	-	(226,904)	(226,904)	78,084	-	(148,819)
	(70,418,871)	19,707,440	-	(50,711,432)	(50,711,430)	6,152,264	-	(44,559,168)

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

	Land	Building	Plant and machinery	Motor vehicles	Furniture and fittings	IT equipment	Capital work-in-progress	Total
Cost								
Balance at 1 January 2025	14,944,499	53,140,466	257,492,610	10,854,100	18,683,594	3,623,346	107,005,893	465,744,507
Additions	-	2,741,817	12,409,146	1,195,500	3,947,254	1,435,505	90,385,781	112,115,003
Disposals	-	-	(1,787,878)	(1,017,216)	(1,265,505)	(343,819)	-	(4,414,418)
Reclassification	-	17,619,651	28,387,912	357,448	5,235,103	1,115,814	(52,715,928)	-
Balance at 31 December 2025	14,944,499	73,501,934	296,501,789	11,389,832	26,600,447	5,830,844	144,675,746	573,445,092
Balance at 1 January 2026	14,944,499	73,501,934	296,501,789	11,389,832	26,600,447	5,830,844	144,675,746	573,445,092
Additions	-	20,314	2,944	-	713,703	54,527	9,434,059	10,225,548
Disposals	-	-	(32,839)	-	(85,179)	(559)	-	(118,577)
Balance at 31 March 2026	14,944,499	73,522,248	296,471,894	11,389,832	27,228,971	5,884,812	154,109,805	583,552,063
Accumulated depreciation and impairment losses								
Balance at 1 January 2025	-	1,724,436	22,650,238	5,339,276	12,666,416	2,209,273	-	44,589,639
Depreciation	-	2,514,066	30,751,911	1,748,529	2,493,876	1,067,636	-	38,576,018
Disposals	-	-	(1,715,367)	(1,015,364)	(1,265,481)	(339,852)	-	(4,336,064)
Balance at 31 December 2025	-	4,238,501	51,686,782	6,072,442	13,894,811	2,937,056	-	78,829,592
Balance at 1 January 2026	-	4,238,501	51,686,782	6,072,442	13,894,811	2,937,056	-	78,829,592
Depreciation	-	662,571	7,824,531	458,956	851,370	357,239	-	10,154,667
Disposals	-	-	(32,814)	-	(84,950)	(559)	-	(118,323)
Balance at 31 March 2026	-	4,901,071	59,478,499	6,531,397	14,661,231	3,293,737	-	88,865,935
Carrying amounts								
At 1 January 2025	14,944,499	51,416,030	234,842,372	5,514,824	6,017,179	1,414,073	107,005,893	421,154,868
At 31 December 2025	14,944,499	69,263,433	244,815,007	5,317,390	12,705,635	2,893,788	144,675,746	494,615,500
At 31 March 2026	14,944,499	68,621,176	236,993,394	4,858,435	12,567,740	2,591,074	154,109,805	494,686,128

(ii) As at 31 March 2026, no item of property, plant and equipment was pledged as security for liabilities (2025: Nil).

(iii) There were no impairment of property plants and equipments recognized during the period (2025: Nil)

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

Notes to the financial statements

9 Property, plant and equipment (continued)

9b Right-of-Use Assets

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

In thousands of naira	Land N'000	Building N'000	Total N'000
Cost			
At 1st January 2025	4,133,280	2,790,665	6,923,945
Additions	-	462,459	462,459
Derecognition	-	(811,942)	(811,942)
Balance at 31 December 2025	4,133,280	2,441,181	6,574,462
At 1st January 2026	4,133,280	2,441,181	6,574,462
Balance at 31 March 2026	4,133,280	2,441,182	6,574,463
Accumulated depreciation and impairment losses			
At 1st January 2025	486,121	1,023,974	1,510,095
Depreciation	70,138	465,030	535,168
Derecognition	-	(811,942)	(811,942)
Balance at 31 December 2025	556,259	677,062	1,233,321
At 1st January 2026	556,259	677,062	1,233,321
Depreciation	21,817	67,921	89,738
At 31 March 2026	578,076	744,982	1,323,060
Carrying amounts:			
At 31 January 2025	3,647,159	1,766,691	5,413,850
At 31 December 2025	3,577,021	1,764,120	5,341,140
At 31 March 2026	3,555,203	1,696,200	5,251,403

Notes to the financial statements

9 (d) Reconciliation of profit or loss on the disposal of property, plant and equipment

In thousands of naira

Proceed from the disposal	
Carry amount of plant, property & equipment disposed	
Profit on disposal	

<u>31 Mar 2026</u>	<u>31 Mar 2025</u>
505	-
(254)	-
<u>249</u>	<u>-</u>

9 (e) Analysis of depreciation by function of the assets

In thousands of naira

Depreciation of property, plant and equipment	
Depreciation of right-of-use assets	

<u>31 Mar 2026</u>	<u>31 Mar 2025</u>
10,154,667	8,782,010
89,738	42,232
<u>10,244,406</u>	<u>8,824,242</u>

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

In thousands of naira

Land	
Building	
Plant and Machinery	
Carrying amount and fair value as at 1 March 2024 after revaluation	
Carrying amount as at 29th February 2024*	
Total Revaluation Gain	
Defferred Tax @ 30%	
Revaluation gain in the statement of comprehensive income (OCI)	
Transfer of excess depreciation on revalued asset net of tax	
Balance as at 31 December 2025	

Market value of the
assets as per
independent valuation

14,944,499

51,401,957

239,118,410

305,464,866

(91,125,773)

214,339,093

(64,301,728)

150,037,365

(25,483,947)

124,553,418

Notes to the financial statements

10 Earnings /(loss) per share

a) **Basic earnings per share** are based on profit attributable to the owners of the Company for the period of N38,997,859 (March 2025: N30,178,034) and ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue and ranking for dividend during the year.

	31 Mar 2026	31 Mar 2025
In thousands of naira		
Profit for the period attributable to shareholders	38,997,859	30,178,034
	Number ('000)	Number ('000)
Weighted average number of ordinary shares as at reporting period	792,656	792,656
Basic earnings per share (Naira)	49.20	38.07
Diluted earnings per share (Naira)	49.20	38.07

b) Diluted earnings per share amounts are calculated by dividing the profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. The company do not have any instrument with a dilutive effect on its capital. Hence the diluted earnings per share is the same as the basic earnings per share.

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:

In thousands of naira	31 Mar 2026	31 Dec 2025
Long term staff receivable *	3,115,503	3,012,723
Amount receivable from customers on account of trade assets deployed **	676,409	865,268
	3,791,912	3,877,991

* Long term staff receivables include vehicle loan, housing loan and compassionate loan given to the employees with repayment period of five (5) years, ten (10) year and eighteen (18) months respectively. The loans are secured with the employee benefits. The fair value remeasurement of the staff loan was performed in accordance with IFRS9. However the off market element is not material and was not recognized.

**Amount receivable from customers includes customer contribution on trade vehicle infrastructure receivable within three (3) years on quarterly instalments payment after deployment.

12 Prepayments

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

Prepayment comprises:

In thousands of naira	31 Mar 2026	31 Dec 2025
Rent prepaid**	678,433	253,336
Insurance prepaid	1,077,236	1,854,629
Advance payment to suppliers*	50,086,509	48,015,210
Deposit for import	33,878,883	2,526,952
Other prepayment***	6,671,936	1,145,639
	92,392,997	53,795,766

*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, 2026. Prepayments are analysed into short and long term assets based on the period covered by the prepayment:

	31 Mar 2026	31 Dec 2025
Current Asset	92,392,997	53,795,766
Non-current Asset	-	-
	92,392,997	149,514,190

**Rent prepaid relates to short-term rent in respect of sales branch offices and staff apartments.

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

Notes to the financial statements

13 Inventories

(a) Inventories

In thousands of naira

	31 Mar 2026	31 Dec 2025
Raw and packaging materials	74,730,333	76,174,263
Product in process	7,120,725	8,730,158
Finished products	31,159,938	35,102,205
Engineering spares	25,641,573	25,608,958
Goods in transit	29,189,027	34,255,694
	167,841,596	179,871,278

(b) Write-down of inventory to net realisable value

In thousands of naira

Technical spare parts	11,594,092	12,871,139
Raw material	8,430,970	3,834,175
Finished goods	1,848,971	2,054,086
	21,874,033	18,759,400

Movement in write-down of inventory

At 1 January	18,759,400	6,020,499
Charge during the period	3,114,633	12,738,901
Closing balance	21,874,033	18,759,400

(c) In thousands of naira

Right to returned goods asset

	31 Mar 2026	31 Dec 2025
	479,562	275,658

Refund liabilities

Arising from rights of return

	804,059	432,400
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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 year using the expected value method.

14 Trade and other receivables

In thousands of naira

Trade receivables

	31 Mar 2026	31 Dec 2025
Trade receivables	13,147,924	8,559,176
Allowance for expected credit losses	(4,286,844)	(4,257,131)
	8,861,080	4,302,045

Other receivables

Loans to key management personnel	77,084	58,233
Staff loans	3,683,533	3,674,731
Due from related parties	15,401,173	12,498,145
Expected credit loss on due from related party	(248,662)	(248,662)
Deposit with Company registrars for dividend	229,764	245,062
Input VAT	2,071,044	2,082,702
Infrastructure support to Customers	714,113	3,514,545
	30,789,130	26,126,801

Non-current - reclassified to long term receivables

	3,791,912	3,877,991
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Current

	26,997,218	22,248,810
	30,789,130	26,126,801

Notes to the financial statements

15 Cash and short-term deposits

In thousands of naira	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
Cash in Hand	28,263	19,022
Cash at Bank	47,111,484	30,441,198
Treasury Bills	4,969,884	4,965,307
Cash and short-term deposits	52,109,631	35,425,527
<i>Allowance for expected credit losses:</i>		
Treasury bills	(3,166)	(3,166)
Cash and short-term deposit in the statement of financial position	52,106,465	35,422,361

Analysis of expected credit loss

Opening Balance	3,166	3,013
Charge for the period	-	153
Closing Balance	3,166	3,166

Cash and cash equivalents:

In thousands of naira	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
Cash and short-term deposits	52,109,631	35,425,527
Bank overdraft	(231,736)	(164,709)
Cash and cash equivalents in the statement of cash flows	51,877,895	35,260,818

16 Capital and reserves

(a) (i) Ordinary shares

Issued and fully paid ordinary shares of 50k each

	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
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	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
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 (Continued)

(iii) Share based payment reserves

Movement in Share based payment during the period

In thousands of naira

	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
At 1 January	687,588	472,377
Share based payment contribution	827,459	915,329
Share based payment recharge paid	(1,077,342)	(700,118)
Closing balance	<u>437,705</u>	<u>687,588</u>

(b) Movement in dividend payable

In thousands of naira

	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
At 1 January	4,307,804	8,971,236
Payments to shareholders during the period	(15,298)	(549,320)
Statutory remittance to debt management office trust fund	-	(4,114,112)
Closing balance	<u>4,292,506</u>	<u>4,307,804</u>

17 Interest - bearing loans and borrowings

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

In thousands of naira

	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
At 1 January	476,042,478	653,701,541
Addition -- bank loan	23,720,254	133,780,071
Repayment -- intercompany loan	-	(61,817,400)
Repayment -- bank loan	(27,399,228)	(128,978,127)
Interest expense	16,711,258	90,582,095
Interest paid	(26,822,357)	(178,388,409)
Unrealised exchange gain	(15,720,133)	(32,837,293)
Closing balance	<u>446,532,269</u>	<u>476,042,478</u>

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

In thousands of naira

	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
Current liabilities	7,706,460	23,781,227
Non-current liabilities	438,825,809	452,261,251
	<u>446,532,269</u>	<u>476,042,478</u>

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

In thousands of naira

	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
Interest expense on Intercompany loan	(26,109,967)	(169,709,495)
Interest expense on local bank loan	(712,391)	(8,678,914)
	<u>(26,822,357)</u>	<u>(178,388,409)</u>

18 Employee Benefits

In thousands of Naira

	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
Balance at 1 January	5,629,154	4,346,185
Service cost for the period	159,569	477,632
Interest expense for the period	202,151	802,724
Re-measurement loss /(gain) - discount rate	-	1,365,956
Re-measurement (gain) /loss - demographic assumption	-	(413,946)
Re-measurement loss experience	-	92,005
Payments during the period	(185,202)	(1,041,402)
Closing Balance	<u>5,805,672</u>	<u>5,629,154</u>

Notes to the financial statements

19 Provisions

	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
In thousands of naira		
Balance at 1 January	1,364,778	1,762,096
Addition	-	315,894
Utilised during the period	-	(713,212)
Closing Balance	<u>1,364,778</u>	<u>1,364,778</u>

20 Trade and other payables

	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
In thousands of naira		
Trade payables	90,121,847	94,087,496
Trade payables due to related parties	98,402,159	80,962,992
Dividend payable to local shareholders	4,292,506	4,307,804
Total financial liabilities	<u>192,816,512</u>	<u>179,358,292</u>
Other payables and accruals*	83,983,324	91,075,057
Non-financial liabilities	<u>83,983,324</u>	<u>91,075,057</u>
	<u>276,799,836</u>	<u>270,433,349</u>

*Included in other payables and accruals are output taxes and other unpaid invoices under general procurement agreement with vendors.

21 Contract liabilities

This include accrued incentives payable to customers and advances received from cash customers.

	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
In thousands of naira		
Customer's down payment	6,060,741	10,079,089
Trade incentives	22,846,769	21,728,131
	<u>28,907,510</u>	<u>31,807,220</u>

a) Customer's down payment movements

	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
In thousands of naira		
Balance at 1 January	10,079,089	10,630,185
Customer's down payment during the period	224,270,381	844,890,061
Revenue recognised during the period	(228,288,728)	(845,441,157)
Closing Balance	<u>6,060,741</u>	<u>10,079,089</u>

b) Trade Incentives movement

	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
In thousands of naira		
Balance at 1 January	21,728,131	18,244,760
Charge during the period	14,675,704	54,349,789
Amount utilised during the period	(13,557,068)	(50,866,418)
Closing Balance	<u>22,846,769</u>	<u>21,728,131</u>

22 Lease liabilities (Obligation under leases)

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

	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
In thousands of naira		
At 1st January	<u>86,894</u>	<u>32,717</u>
Additions	-	33,490
Interest expense	5,979	20,687
Closing Balance	<u>92,873</u>	<u>86,894</u>
0-5 years	<u>92,873</u>	<u>86,894</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 2026 that has not been adequately provided for or disclosed in these interim financial statements.