

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2021

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Kamran Y. Mirza

Mr. Amir R. Paracha Mr. Aly Yusuf Ms. Farheen Salman Amir Mr. Zulfikar Monnoo Mr. Muhammad Adil Monnoo Mr. Kamal Monnoo Mr. Sarfaraz Ahmed Rehman Mr. Khalid Mansoor Mr. Ali Tariq Independent Director & Chairman of the Board Executive Director & Chief Executive Officer Executive Director & Chief Financial Officer Executive Director Non-Executive Director Non-Executive Director Independent Director Non-Executive Director Non-Executive Director

Company Secretary

Mr. Aman Ghanchi

Audit Committee

Mr. Khalid Mansoor Mr. Zulfikar Monnoo Mr. Muhammad Adil Monnoo Mr. Sarfaraz Ahmed Rehman Mr. Kamran Y. Mirza Mr. Moiz Idris Rajput

Human Resource & Remuneration Committee

Mr. Kamran Y. Mirza Mr. Zulfikar Monnoo Mr. Kamal Monnoo Mr. Sarfaraz Ahmed Rehman Mr. Amir R. Paracha Ms. Kanize Fathema Zuberi

Auditors

Messrs KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No. 2 Beaumont Road, Karachi - 75530 Pakistan

Registered Office

Avari Plaza Fatima Jinnah Road Karachi - 75530

Share Registration Office

CDC Share Register Service Limited CDC House. 99-B. Block "B" S.M.C.H.S. Main Shahra-e-Faisal Karachi - 74400

Website Address www.unilever.pk Member Member Member Member Secretary & Head of Internal Audit

Chairman & Member Member Member Member Secretary & Head of HR

Chairman & Member

Directors' Review

The directors are pleased to present the financial information for the first quarter ended March 31, 2021.

Sales grew by 29.6% on the back of strong fundamentals i.e brand equity, wider reach and effective spending on advertisement and promotion. The growth was broad based with both retail business and Food Solutions delivering strong results as a result of easing lockdowns. Gross Margin increased by 4.84% to 45.66% versus same period last year, through a combination of pricing, better cost absorption and a rigorous savings agenda. Earnings per share (EPS) increased by 75.9% versus the same period last year driven by growth, margin improvement and tax credits pertaining to capital expenditure.

Eirct Quarter

Financial Highlights

ended March 31,		
2021	2020	Increase %
Rs	ʻ000 ——►	70
5,040,194	3,888,064	29.6%
1,525,988	936,675	62.9%
1,454,649	826,988	75.9%
228.36	129.83	75.9%
	ended M 2021 ← Rs 5,040,194 1,525,988 1,454,649	2021 2020 ← Rs '000 → 5,040,194 3,888,064 1,525,988 936,675 1,454,649 826,988

Future Outlook

As Pakistan's economy started showing some early signs of fragile recovery, the third wave of Covid-19 has hit the country hard again, particularly the central and northern regions, resulting in partial lockdowns in many parts and enhanced restrictions on outdoor dining, shopping and other social activities. Despite a tough economic and operating environment, the management remains committed to navigate the situation by leveraging its access to Unilever's global expertise, honing the understanding of its consumers, on-going innovation endeavours and by consistently offering an exemplary customer service. The launch of Hellman's mayonnaise is yet another manifestation of company's focus towards innovation and consumers. We are confident that our dedicated and focused efforts will enable us to meet the ever-evolving needs of our consumers and in delivering a sustained profitable growth benefitting all stakeholders.

Thanking you all.

On behalf of the Board

Amir R. Paracha Chief Executive Officer

Karachi April 28, 2021 Kamran Y. Mirza Chairman

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021 (UNAUDITED)

	Note	Unaudited March 31, 2021	Audited December 31, 2020
ASSETS		(Rupees in t	thousand) —
Non-current assets	4	2 000 420	2 722 429
Property, plant and equipment Right-of-use assets	4	3,809,139 71,011	3,732,128 12,571
Intangible assets		81,637	81,637
Long term deposit and prepayment		2,980	2,980
Long term loans and advances		2,967	3,371
		3,967,734	3,832,687
Current assets			
Stores and spares		167,865	164,302
Stock-in-trade		1,131,578	999,124
Trade debts - net		779,683	455,214
Loans and advances		72,864	69,256
Trade deposits and short term prepayments		71,668	77,395
Other receivables		69,659	57,506
Sales tax refundable - net		88,169	213,195
Taxation - net Cash and bank balances		694,335 2,646,733	648,799 929,895
Cash and bank balances		5,722,554	3,614,686
Total assets		9,690,288	7,447,373
		0,000,200	1,111,010
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		63,699	63,699
Reserves		4,138,644	2,683,995
		4,202,343	2,747,694
LIABILITIES			
Non-current liabilities		I	
Staff retirement benefits	_	27,515	25,727
Long term borrowing	5	23,660	23,660
Lease liabilities		19,268	387
Deferred taxation		374,788	361,050
		445,231	410,824
Current liabilities			
Trade and other payables		4,890,425	4,112,349
Unpaid dividend		5,042	31,180
Unclaimed dividend		26,075	25,447
Provisions	6	111,143	107,740
Accrued interest / mark up		795	620
Current portion of lease liabilities		9,234	11,519
		5,042,714	4,288,855
Total liabilities		5,487,945	4,699,679
Total equity and liabilities		9,690,288	7,447,373
Contingency and commitments	7		

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Amir Paracha Chief Executive

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021 (UNAUDITED)

	Three months period ended		
	March 31,	March 31,	
	2021	2020	
	(Rupees in the second secon	housand) ——►	
Sales - net	5,040,194	3,888,064	
Cost of sales	(2,738,940)	(2,301,159)	
Gross profit	2,301,254	1,586,905	
Distribution cost	(633,261)	(583,573)	
Administrative expenses	(85,126)	(52,916)	
Other operating expenses	(103,701)	(51,918)	
Other income	51,754	50,360	
	1,530,920	948,858	
Finance cost	(4,932)	(12,183)	
Profit before taxation	1,525,988	936,675	
Taxation			
- current	(57,601)	(56,977)	
- deferred	(13,738)	(52,710)	
	(71,339)	(109,687)	
Profit after taxation	1,454,649	826,988	
Other comprehensive income	-	-	
Total comprehensive income	1,454,649	826,988	
		es) ———	
Earnings per share - basic and diluted	228.36	129.83	

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021 (UNAUDITED)

	SHARE		RES	ERVES			TOTAL
	CAPITAL	CAPI	TAL	RE	VENUE	SUB TOTAL	
	Issued, subscribed and paid-up capital	Share premium	Special	General	Unappropriated profit	Ī	
	•		(Rup	ees in thou	sand) ———		
Balance as at January 1, 2021 Total comprehensive income for the period	63,699	1,296,499	628	138	1,386,730	2,683,995	2,747,694
Profit for the quarter ended March 31, 2021	-	-	-	-	1,454,649	1,454,649	1,454,649
Other comprehensive income for quarter ended March 31, 2021	-	-	-		-	-	-
Balance as at March 31, 2021	63,699	1,296,499	628	138	2,841,379	4,138,644	4,202,343
Balance as at January 1, 2020	63,699	1,296,499	628	138	943,233	2,240,498	2,304,197
Profit for the quarter ended March 31, 2020	-	-	-	-	826,988	826,988	826,988
Other comprehensive income for quarter ended March 31, 2020	-	-	-	-	-	-	-
Balance as at March 31, 2020	63,699	1,296,499	628	138	1,770,221	3,067,486	3,131,185

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021 (UNAUDITED)

	Note	March 31, 2021	March 31, 2020
			nousand)>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,525,988	936,675
Adjustment for:		75.000	00.047
Depreciation		75,228	68,347
Depreciation on right-of-use asset Finance cost		5,917 672	6,226 9,309
Provision for staff retirement benefits		2,001	
Return on savings accounts		(22,889)	2,092 (24,703)
Return on savings accounts		60,929	61,271
		1,586,917	997,946
Effect on cash flow due to working capital changes		1,000,011	001,040
Decrease / (increase) in current assets		(0.50)	
Stores and spares		(3,562)	(16,241)
Stock in trade		(132,453)	(140,288)
Trade debts		(324,468)	(230,927)
Loans and advances		(3,608)	3,887
Trade deposits and short term prepayments		5,727	4,021
Other receivables		(12,153)	(2,957)
Sales tax refundable		<u>125,026</u> (345,491)	27,699 (354,806)
		(343,431)	(334,800)
Increase / (decrease) in current liabilities			
Trade and other payables		778,076	874,338
Provisions		3,403	(12,911)
		781,479	861,427
Cash generated from operations		2,022,905	1,504,567
Mark-up paid		(498)	(43,666)
Income tax paid		(103,137)	(43,676)
Increase in long term loans and advances		404	65
Staff retirement benefits - contributions paid		(213) 1,919,461	(205)
Net cash generated from operating activities		1,919,401	1,417,005
CASH FLOWS USED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(152,239)	(83,770)
Return received on savings accounts		22,889	24,703
Net cash used in investing activities		(129,350)	(59,067)
CASH FLOWS (USED IN) / FROM FINANCING ACTIVI	TIES		
Lease liability payments		(47,763)	(24,799)
Dividend paid*		(25,510)	(25,949)
Net cash (used in) / generated from financing activities		(73,273)	(50,748)
			. ,
Net (decrease) / increase in cash and cash equivalents		1,716,838	1,307,270
Cash and cash equivalents at beginning of the period		929,895	689,339
Cash and cash equivalents at end of the period	9	2,646,733	1,996,609

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Amir Paracha	Farheen Salman	
Chief Executive	Director	5

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021 (UNAUDITED)

1.1 BASIS OF PREPARATION

These condensed interim financial statements of Unilever Pakistan Foods Limited ("the Company") for the three months ended March 31, 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These financial statements have been prepared under the historical cost convention except as disclosed elsewhere.

These condensed interim financial statements are presented in Pakistani Rupees which is the functional currency of the Company and figures are rounded off to the nearest thousand of Rupees.

1.2 A novel strain of coronavirus (COVID-19) first surfaced in China and due to the nature of its virality, it quickly found its way to other countries due to which the World Health Organization classified it as a pandemic on the 11th of March in 2020. Measures have been taken to contain the spread of the virus including travel bans, quarantines, social distancing and closure of non-essential services and factories, hence triggering disruptions in businesses and allowing for a slowdown in the economy worldwide. After a gruesome few months of strict lockdown in Pakistan, the lockdown has been eased, after critical assessment of active cases, since the third quarter of 2020. Offices, restaurants, recreational areas & academic institutions have reopened with strict safety & protective guidelines for the public to follow including social distancing, mandatory face masks and sanitization protocols.

The beginning of 2021 has restored hope with the introduction of vaccine drives coupled with the necessary protection measures being followed since the past year which have led to avoidance of lockdowns. After observing the demand from the company's customers, the availability of imports and the support by the Government, the management, upon assessment, believes that (COVID-19) has not had a significant impact on the company.

2. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2020.

3. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended December 31, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2020.

NOTES TO AND FORMING PART OF THE CONDENSED **INTERIM FINANCIAL STATEMENTS** FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021 (UNAUDITED)

4.	PROPERTY, PLANT AND EQUIPMENT	Unaudited March 31, 2021	Audited December 31, 2020
			thousand) ——>
	Operating assets - at net book value	3,544,094	3,530,582
	Capital work in progress - at cost	265,045	201,546
		3,809,139	3,732,128

Additions of operating fixed assets during the period are as follows: 4.1

	Additions (at cost) Unaudited		
	March 31, December 3		
	2021 202		
	(Rupees in thousand) ——		
Building on freehold land	31,743	111,114	
Plant and machinery	49,701	216,283	
Electrical, mechanical and office equipment	5,119	38,160	
Furniture and fixtures	2,177	3,561	
	88,740	369,118	

5. LONG TERM BORROWING

- 5.1 During the year 2020, the Company entered into a long term borrowing arrangement with a commercial bank for installation of solar panels under State Bank of Pakistan's Refinancing Scheme for Renewable The total facility is available for twelve years ending in 2032 and amounted to Rs. 149 million out of which Rs. 23.66 million were utilized as at 31st March 2021 The loan carries mark-up at the rate of 3.65% per annum.
- 5.2 During the peiod, the Company has also entered into a long term borrowing arrangement under State Bank of Pakistan's temporary economic refinance facility amounting to Rs 900 million. This loan carries a mark-up rate of 2.3% and is repayable in 32 guarterly installments with a 2 year grace period commencing from first disbursement. The balance sheet as at 31st March 2021 does not include any amount pertaining to this loan as no disbursements were made till period end.

6 PROVISIONS

PROVISIONS		Unaudited March 31, 2021	Audited December 31, 2020
	4-	—— (Rupees in	thousand) ——►
Sindh Infrastructure Cess	6.1	64,925	62,520
Restructuring		1,829	1,829
Stamp Duty		44,389	43,391
		111,143	107,740

6.1 The change represents provision made during the period.

CONTINGENCY AND COMMITMENTS 7.

7.1 Contingency

There were no contingencies as on March 31, 2021.

7.2 Commitments

The commitments for capital expenditure outstanding as at March 31, 2021 amounted to Rs. 1,042.39 million (December 31, 2020: Rs. 295.51 million).

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021 (UNAUDITED)

8.	SALES - net	Unau	Unaudited		
		March 31,	March 31,		
		2021	2020		
		(Rupees in	(Rupees in thousand) —		

The Company analyses its net revenue by the following product groups:

Products used by end consumers Products used by entities	4,350,826 689,368 5 040 194	3,380,011 508,053 3,888,064
. CASH AND CASH EQUIVALENTS	Unaudited	
	March 31, 2021 ◀────(Rupees in t	March 31, 2020 housand) ——►
Cash and bank balances	2,646,733 2,646,733	1,996,609 1,996,609

10. RELATED PARTY TRANSACTIONS

9.

Related party transactions during the period other than those disclosed elsewhere in these financial statements are as follows:

Re	lationship with the company	Nature of transactions	Unaudited March 31, 2021 (Rupees in thous	Unaudited March 31, 2020 and)
i)	Holding company	Royalty	990	-
ii)	Associated companies	Royalty and technology fee Purchase of goods & Property, Plant & Sale of goods Fee for receiving of services from related parties Fee for providing of services to related parties Contribution to: - Defined Contribution plan Settlement on behalf of: - Defined Contribution plan	177,537 555,240 22,444 189,247 13,514 4,001 9,897	177,122 659,925 14,492 185,813 14,116 3,905 21,246
iii)	Key management personnel	Salaries and other short-term employee benefits	6,320	5,746

11. FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risk namely credit risk, foreign exchange risk, interest rate risk and liquidity risk. The Company is not exposed to any price risk as it does not hold any investment exposed to price risk. The Company has established adequate procedures to manage these risks.

These condensed interim financial statements do not include the financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with Company's annual financial statements as at 31 December 2020. There have been no changes in the risk management policies since the year end.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021 (UNAUDITED)

	Carrying amount		Carrying amount	
_	Financial	Financial	Financial	Financial
	Assets	Liabilities	Assets	Liabilities
	Unaudited		Audited	
	March 31,2021		December 31, 2020	
•	———— (Rupees in t		thousand) ——	
FINANCIAL ASSETS				
Loans	4,746	-	6,147	-
Trade debts	779,683	-	455,214	-
Long term deposits	2,980	-	2,980	-
Trade deposits	41,680	-	48,736	-
Other receivables	69,659	-	57,506	-
Cash and bank balances	2,646,733		929,895	-
=	3,545,481		1,500,478	
FINANCIAL LIABILITIES Derivative financial liability- measured at fair value Forward foreign exchange contract Other financial liabilities- not		5,448	-	341
<i>measured at fair value</i> Long term borrowing		23,660		23,660
Trade and other payables	-	4,562,856	-	3,891,090
Unpaid dividend	_	5,042	-	31,180
Unclaimed dividend	_	26,075	_	25,447
Accrued interest / mark up	_	795	_	620
Lease liability	-	9,234	-	11,906
	-			3,960,584
	-	4,609,450		3,900,004

12. INTERIM DIVIDEND

The Board of Directors in its meeting held on 28th April, 2021 declared a first interim cash dividend for the year ending December 31, 2021 of Rs. 228.00 per share (first interim dividend for the year ended December 31, 2020: Rs. 130.00 per share) amounting to Rs. 1,452.35 million (first interim dividend for the year ended December 31, 2020: Rs. 828.11 million).

13. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever necessary for purpose of comparison and better presentation.

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 28th April, 2021 by the Board of Directors of the Company.

يونى ليوريا كستان فود زلميشر

ڈائر کیٹر ان کا جائزہ ڈائر کیٹر زاسمار چ۲۰۲۱ کو ختم ہونے والی پہلی سہ ماہی کے لیے مالی معلومات پیش کرنے پر خوش ہیں۔ مضبوط بنیا دی اصولوں یعنی بر انڈا کیو بٹی، وسیع پیانے پر پہنچ اورا شتہار اور فروغ پر موثر اخر اجات کی بدولت فر وخت میں ۲۹۶۲ فیصد کا اضافہ ہوا۔ یہ اضافہ لاک ڈاؤن میں آسانی کے نیتیج میں ہوا جس کے باعث ریٹیل اور فوڈ سلوشنز نے مضبوط نتائے فراہم کرے۔ قیمتوں کا تعین، بہتر قیمت جذب اور بچت کے سخت ایجنڈ اکی بدولت گذشتہ سال اسی مدت کے مقابلہ میں مجموعی مار جن گذشتہ سال اسی مدت کے مقابلہ میں فی تصص آمد نی میں ۹۰۵ کے فیصد کا اضافہ ہوا جس کی وجو ہات میں سیلز، مار جن اضافہ اور ٹیکس کی چھوٹ ملنا شامل ہے۔

2020

3.888.064

936,675

826,988

129.83

روپے ہز ارمیں

اضافيه %

29.60%

62.90%

75.90%

75.90%

2021

5.040.194

1,525,988 1,454,649

228.36

مالیاتی کارکردگی کاخلاصه

خت	فرو
ں سے تبل منافع	شيک س
ں ^ک ے بعد منافع	ظيكس
مص آمدنی (روپ)	فيح

مستقبل يرتطر

جیسے، ی پاکستان کی معیشت میں نازک بحالی کے کچھ ابتدائی آثار ظاہر ہونے لگے ہیں کرونا کی تیسر کی لہر نے ایک بار پھر ملک کواپنی لپیٹ میں لے لیاخاص طور پر وسطی اور شالی خطے کو جس کے نیتیج میں متعدد حصوں میں جزوی طور پر لاک ڈاون اور آؤٹ ڈور کھانے، خرید ارکی اور دیگر معاشر تی سر گر میوں پر پابند کی عائد کر دی گئی۔ سخت معاشی حالات کے باوجو د انتظامیہ اپنی عالمی مہمارت ، اس کے صارف کی تفہیم کا احتر ام اور جدت طر ازیوں کافائدہ اٹھا کر مستقل طور پر مثالی سٹر سروں پیش کرتے ہوئے صور تحال سے نیٹنے کے لیے پر عزم ہے۔ ، سیلمین میئو نیز کا آغاز کمپنی کی جدت اور صار فین کی طرف توجہ کے منشور کے عین مطابق ہے۔ ہمیں اعتماد ہے کہ صار فین کی بدلتی ضر وریات پوری کرنے اور تمام متعلقین کے مفاد کے لئے ہماری ہی کو ششیں مد د گار ثابت ہو تکی۔

بوڑد کی جانب سے آپ سب کاشکریہ کامر ان مر زا عامر پراچہ چف ایگزیکیو ٹیو آفیسر چئر مین كراجي 2021 پريل 2021

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