FrieslandCampina

FrieslandCampina WAMCO Nigeria PLC

70 YEARS ANNIVERSARY

NOURISHING FAMILIES FROM GENERATION TO GENERATION

2023 Annual Report & Accounts

Reach for your Peak

FrieslandCampina WAMCO Nigeria PLC | Annual Report & Accounts 2023

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Financial Highlights

In thousands of Naira	2023	2022	Increase/(decrease)
Revenue from contracts with customers	304,609,957	324,719,156	(6%)
(Loss)/Profit before income tax	(26,372,789)	13,462,632	(296%)
(Loss)/Profit for the year	(22,979,832)	7,632,896	(401%)
Share capital	976,336	976,336	0%
Total equity	1,037,832	29,872,767	(97%)
Per share data			
Number of 50k ordinary shares	1,952,671,872	1,952,671,872	0%
Basic earnings per share	(11.77)	3.91	(401%)
Interim dividend paid	-	-	0%
Final cash dividend proposed	-	2.93	(100%)
Number of full-time employees	713	764	(7%)

70 YEARS ANNIVERSARY

Peak

We've been at the Peak of the last four generations in Nigeria
Raising them from breakfast tables to high tables
We fed their dreams in the 1950s
Nourished their goals in the 1970s
Nurtured their passion in the 1990s
And we haven't stopped even in the 2000s
Our goal is to help them reach their Peak
To see that they level up to their full potential
From rookie to absolute legends
Because at 70 years old, our energy is still at its Peak
At the heart of our brand, we want you to be unstoppable, rewriting the norms of our future
So stay with us as we embrace the journey of nourishing generations

Cheers to 70 years!

Reach for your Peak

70 YEARS ANNIVERSARY

1954
Peak Milk arrived in Nigeria

1975
Local production commenced

1998
Peak entered into partnership with NFF as Official Milk of the Super Eagles

1999
Established the 1st Peak Powder Factory

2000
Peak Milk endorsement by the Nutrition Society of Nigeria

2004
Launch of Peak Powder Sachet

2004
Peak 50th Anniversary

2005
Launch of Peak Gold

Key Milestones

PeakMilk (Since 1954)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 51st Annual General Meeting of FrieslandCampina WAMCO Nigeria Plc will be held at Marriott Hotel, 122 Joel Ogunnaike St, Ikeja GRA, Lagos, Nigeria at 11.00 am on Tuesday 11th June 2024 to transact the following business:

ORDINARY BUSINESS

1. To lay before the meeting the Audited Accounts for the financial year ended 31 December 2023, the Report of the Directors, External Auditors, and the Audit Committee thereon.
2. To elect/re-elect Directors.
3. To authorize the directors to fix the remuneration of Auditors.
4. To disclose the remuneration of Managers of the Company.
5. To elect members of the Audit Committee.

SPECIAL BUSINESS

1. To approve the remuneration of the Directors.

NOTES

1. Proxy

A member of the Company, who is entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote in his/ her stead. A proxy need not be a member of the Company. A proxy form is enclosed in the Annual Report. To be valid, the instrument of proxy must be duly stamped by the Commissioner of Stamp Duties and deposited at the office of the Registrars, First Registrars & Investor Services Limited, Plot 2, Abebe Village Road, Iganmu Lagos, not later than 48 hours before the time of the meeting.

2. Nominations for the Audit Committee

The Audit Committee consists of three (3) shareholders and two (2) Non – Executive Directors. In accordance with Section 404(6) of the Companies and Allied Matters Act, (2020), any shareholder may nominate another shareholder for election as a member of the Audit Committee by giving in writing, a notice of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

3. Unclaimed dividend

Several dividend warrants remain unclaimed or are yet to be presented for payment or returned to the Company for revalidation by some members. A list of such members will be circulated with the Annual Report and Financial Statements. Members affected are advised to complete the e-dividend registration or write to or call the office of the Company's Registrars, First Registrars & Investor Services Limited, Plot 2, Abebe Village Road, Iganmu, Lagos, during normal working hours.

4. E-Dividend

Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts, and CSCS accounts for the payment of dividends. A detachable application form for e-dividend is attached to the Company's Annual Report to enable all shareholders to furnish particulars of their accounts to the Registrars (First Registrars & Investor Services Limited) as soon as possible. We request our shareholders to use the e-dividend payment portal that will serve as an online verification and communication medium for e-dividend mandate processing through the new E-Dividend Mandate Management System jointly introduced by the Central Bank of Nigeria, Securities and Exchange Commission, Nigeria Inter-Bank Settlement Systems PLC, and the Institute of Capital Market Registrars.

5. Rights of Shareholders to ask questions

Shareholders have a right to ask questions not only at the meeting, but also in writing before the meeting, and such questions should be addressed to the Company Secretary and submitted to the registered office of the Company or via the email address investor.relations@frieslandcampina.com at least a week before the meeting.

6. Electronic Version of the Annual Report And Accounts

An electronic version (e-copy) of the 2023 Annual Report and Account is available online for viewing and downloading on the Company's website: **www.frieslandcampina.com.ng**.

BY ORDER OF THE BOARD

Olubukunola Olateru FCIS (Mrs.)
FRC/2018/ICSAN/00000017968
Company Secretary/ Head of Legal SSA
Lagos, Nigeria

Dated this 18th day of March 2024

Chairman's Statement

Mr. Jacobs Moyo Ajekigbe, OFR
Chairman

Distinguished Shareholders, representatives of regulatory agencies, ladies, and gentlemen, it is with immense pleasure that I welcome you, on behalf of the Board of Directors, to the 51st Annual General Meeting of our Company. It is also my privilege to present the Annual Report and Financial Statements of the Company for the year ended 31st December 2023.

I will set the context by commenting briefly on the macroeconomic environment, especially as it impacted our Company's operations and performance in 2023. I will also highlight some of our achievements, the challenges we faced, and conclude with the outlook for 2024.

Economic and Business Environment in 2023

The global economy in 2023 showed considerable resilience, but significant headwinds impeded global growth, and the combined effects nearly reversed post-COVID pandemic recovery. According to the World Bank, the global economy grew by 2.6% in 2023 as against 3.1% in 2022. High inflation, sustained hikes in interest rates, geopolitical tensions, the sluggish growth of the Chinese economy, and the US-China trade war were some of the major headwinds that curtailed global growth.

The Nigerian economy experienced slowed growth in 2023, similar to global economic performance. According to the National Bureau of Statistics, the economy grew by 2.74% in 2023 relative to 3.10% in 2022. GDP growth rate declined from 3.52% in the fourth quarter of 2022 to 2.31% in the first quarter of 2023. The reduction in growth was attributed to the cash crunch experienced during the quarter. However, GDP grew by 2.51% in Q2 and peaked at 3.46% in Q4. Inflationary pressure, high rate of unemployment, and high level of insecurity were major contributory factors to the weak performance.

The business environment in 2023 was extremely difficult for manufacturing companies as the economy was caught in a spiral of global and domestic headwinds. Nigeria was not insulated from the effects of geopolitical tensions, especially the supply chain disruptions caused by the Russia-Ukraine war and lately the Israel-Palestine war.

The Naira redesign exercise and the subsequent cash crunch, removal of fuel subsidy, changes in Central Bank of Nigeria (CBN) policy directives, depreciation of the Naira, scarcity of foreign exchange, and food inflation as well as the worsening level of insecurity made the year particularly challenging for manufacturers. Inflation increased to 28.9% at year-end, from 21.3% in 2022. During the year, the Naira to Dollar exchange rate depreciated from ₦461/$ to ₦907/$ due to the combined effects of exchange rates unification and scarcity of foreign exchange. This led to increased sourcing from the Investors and Exporters window at higher rates and drove up input costs for companies like ours, whose operations depend largely on imports. All of these factors as well as high interest rates contributed to the high cost of production, high cost of sales, and significant financing cost with an adverse impact on the profitability of our business.

Operating Results and Performance

The Company recorded a decline in both volume and revenue as a result of production constraints and weak demand from consumers whose purchasing power had been severely eroded by inflation.

Turnover decreased by 6% from ₦324.7 billion in 2022 to ₦304.6 billion in 2023. This was caused by a drop in volume, which was partially compensated for by price increases effected during the year to mitigate the high cost of production. Gross Profit, however, increased by 22.5% from ₦50.2 billion in 2022 to ₦61.5 billion in 2023. Cost of sales as a percentage of turnover decreased to 79.8% in 2023 from 84.5% in 2022. This was due to lower dairy raw material prices in 2023, driven by a decrease in global commodity pricing and a reduction in inventory levels. The overheads to turnover ratio increased to 2.3% from the 1.7% recorded in the previous year, due to a decrease in revenue and a high rate of inflation in 2023.

Operating profit declined by 46.9% from ₦21.3 billion in 2022 to ₦11.3 billion in 2023 as a result of an exceptional foreign currency expense of ₦18.6 billion incurred on the repayment of trade obligations outstanding since 2020. Profit Before Tax fell drastically by 295.6% from ₦13.5 billion in 2022 to a loss of ₦26.4 billion in 2023. This was

due to high finance costs driven by the impact of Naira devaluation on foreign currency-denominated loans, swap contracts net of non-deliverable forward contract benefits, interest on foreign currency-denominated loans, and interest on short-term Naira loans. The year ended with a net loss of ₦23 billion, down on the Profit After Tax of ₦7.6 billion recorded in 2022.

As a result of the loss recorded in 2023, there has been a significant reduction in the Total Equity attributable to owners of the Company from ₦29.9 billion in 2022 to N1 billion as of 31st December 2023.

Dividend

Given the Company's poor financial results in 2023, I regret to inform shareholders that the Board of Directors is not in a position to propose payment of dividends for the year.

Operations

In 2023, we continued to maintain operational excellence in line with global and local guidelines for safety, quality, and productivity. Safety for employees, contractors, and visitors remained our watchword as we have elevated the safety culture with the slogan: "See something! Say something!! & Do something!!!."

In the year under review, we received several local, regional, and global awards of excellence in Safety, Quality, and Manufacturing, attesting to external validation of our commitment to operational excellence and continuous improvement culture.

We constantly strive to improve our business operations and processes, to achieve both short-term & long-term growth and efficiency. In this regard, we are proud of the investments made and projects commissioned in the year under review to enhance efficiency and productivity across our plants in Ikeja and Ikorodu.

UHT Production Line (Torchbearer), Ikorodu

Our factories have continued to show great resilience in performance across all indices in a challenging business environment. We achieved several milestones in the area of performance, which included the commercial production of UHT in October 2023, the installation of an anti-terrorist barrier at the truck gate in Ikorodu Plant, the FM200 and alarm system at the Gas Unit which has strengthened our safety commitment to stakeholders. We commenced the production of Peak and Three Crowns Milk in TetraPak at our Ikorodu factory in line with the Company's affordability strategy.

Independent Power Supply – National Grid

During the year under review, the Ikorodu factory power connection to the National Grid was completed and commissioned. The connection to the National Grid further guarantees energy efficiency and delivers the global carbon footprint objective, in addition to its positive impact on our conversion costs. Another major benefit is that we have reduced air pollution previously generated from our gas and diesel operations.

Additional Packaging – Lid Making Lines

As part of our future readiness evaporated milk capacity plan, a new shrink-wrapping line and a second lid-making line were acquired and installed.

Can Factory's Chiller Line

Another major achievement was the installation of the Can Factory chiller lines, to enhance the efficiency and effective utilization of the three can lines in the Can Factory. This project will deliver operational cost savings and further improve energy efficiency.

Sustainability

We continue to promote our global sustainability agenda through the continuous improvement of our processes to reduce environmental pollution. Phasing out diesel forklifts and transitioning to electric forklifts further reduced our carbon footprint by 122% compared to 2022. We also ensured the crushing and shredding of non-conforming products to reduce waste to landfill by 20% and other recyclable wastes to 90%.

In our strong drive for operational excellence, our factories achieved a 34.4% improvement in conversion costs despite the challenging macroeconomic environment. We reduced breakdowns by 7% compared to the previous year through our maintenance optimization initiatives. Maintenance capability development brought in appreciable savings as most overhauls were handled by our in-house engineers instead of expatriates.

Supply Chain Challenges and Initiatives

Apart from the macroeconomic challenges, which led to sales and volume decline, the poor state of infrastructure and insecurity in the country led to longer lead times in product delivery to customers. Despite these challenges, we successfully launched Peak and Three Crowns evaporated milk in Tetrapak packaging and added the strawberry variant to our 1-litre yoghurt pack.

Commercial Development

In 2023, the commercial landscape in Nigeria went through significant changes, which impacted consumers' disposable income and led to a decline in sales volumes. Our trade partners were also affected as they needed much higher levels of working capital to sustain their operations. Despite an increase in direct distribution, we experienced a decline in support from retailers.

Our sales strategy focused on translating insights into actionable plans to address current and future business needs, with emphasis on Customer, Channel, and Category. We maintained a strong position in key categories such as Evaporated Milk, Instant Milk Powder, and Infant Follow-On and Toddler Milk while our yoghurt brand remarkably grew by 180% compared to the previous year. The introduction of Peak and Three Crowns evaporated milk in TetraPak aided the accessibility and affordability of our products.

The Nigerian Dairy Market: Business terrain and Dairy Market trends in 2023

In the face of tough economic conditions, consumers were constrained to reduce the quantities of Powdered milk and Evaporated milk purchased by moving to smaller packs. Our market share and presence in consumers' households experienced a decline in the evaporated milk, infant nutrition, and powdered milk categories compared with 2022 while our share in the drinking yoghurt category was fairly stable.

Providing affordable and accessible nutrition to millions of Nigerian homes is our topmost priority, and to achieve this we launched our evaporated Peak and Three Crowns Milk in small triangular tetra packs, Peak Yoghurt drink strawberry flavour in 1-litre, and introduced Peak milky pap - a convenient 3-in-1 cereal.

Peak Milk:

Peak Brand stayed focused on its mission to own the biggest dairy occasion, the breakfast occasion with its "Protein story breakfast campaign" executed across multiple touchpoints. We leveraged all important periods in the year such as Ramadan, World Milk Day, and Christmas to engrain our message; and establish Peak Milk as a source of quality dairy protein essential for Nigerians to remain strong throughout the day.

We expanded the direct-to-consumer experience of a Peak protein breakfast through the Peak Breakfast Café on Wheels which went to neighbourhoods and markets. This was intended to drive trials, conversion, and affinity for the brand. The breakfast café enabled Peak Milk to serve local breakfast meals to Nigerians, giving them a first-hand taste of local recipes.

To improve consumers' accessibility to better nutrition at breakfast, we launched Peak Milky Pap, which is a nutritious and convenient 3-in-1 cereal containing a wholesome blend of multi-grains enriched with Peak Milk and sugar. The launch of Milky Pap with the campaign "Life Evolves So Has Pap" showcased our commitment to delivering quality protein nutrition to our youthful and dynamic Nigerian families.

To address the accessibility of evaporated milk, we launched Peak Evaporated Milk in a small triangular Tetrapak. It is a handy "Mini pack" with nourishment that is pocket-friendly for Nigerians.

We further tapped into the on-the-go and snacking occasions with the launch of Peak Yoghurt strawberry flavour in a 1-Litre "Full House Pack" proudly made from locally sourced Fresh Cow Milk. The launch of the 1-Litre pack is in alignment with our desire to enhance accessibility and variety of options at consumption moments and to strengthen the presence of Peak Yoghurt across relevant channels.

Three Crowns

Three Crowns Milk brand improved on its healthy lifestyle positioning, using partnerships with Fitness Programmes and Health Care Practitioners across the country. The brand also strengthened its narrative around mums being a "Treasure beyond measure", ensuring their emotional, physical, and fitness needs are taken care of through Three Crowns' annual women's fora, August meetings, and #30daysFitnessChallenge.

The #30daysFitnessChallenge recorded a massive growth in the number of entries and unique sign-ups for the year. The activity featured daily workout routine videos, a milk-based meal plan, one-on-one fitness coaching on WhatsApp & Telegram groups for different fitness levels, and physical cardio sessions on Saturdays. Three Crowns Milk also tactically activated consumers during Ramadan and World Milk Day events.

The launch of Three Crowns in Tetrapak will also help to recruit lapsed users and attract competition users to grow brand penetration.

Mainstream Infant, Follow–On, and Toddler Nutrition (MIFT)

In line with our commitment to nourishing children with quality dairy nutrition, we increased awareness and educational campaigns on the importance of age-appropriate nutrition. The successful executions of Breakfast Plus Peak 456, Children's Day, and Pecadomo (peak-can-do-more) Junior Campaigns enlightened mothers and caregivers on the need for age-appropriate meals, starting breakfast with Peak 456.

Developing Local Content

Our Dairy Development Programme accelerated with new methods and innovative approaches to increase local milk production and position the Company for the future. The year started with a drive to attract new smallholder dairy farmers. Sensitization and mobilization of farmers was conducted in the six states of the southwest of the country and the Federal Capital Territory, resulting in the recruitment of over sixty smallholder farmers.

In the pursuit of our efforts to improve the genetics of our cows, our strategic partnership with the Value4Dairy consortium (Urus) yielded results with the birth of 238 Girolando F1 crossbreeds produced through artificial insemination signalling an era of a new tropical breed in the country. Capacity building for dairy farmers was conducted across all dairy development operational areas with various partners and stakeholders.

The Company's dairy development model farms (feed farm in Maya and crossbreeding farm in Fashola) have made considerable progress with the supply of equipment from the Netherlands, and procurement of local cows for crossbreeding. The model farms will highlight best practices in dairy production and serve as training models for new farmers.

Our strategic partnership with Milkin Barn Farms, a commercial dairy farm, will soon yield results as the farm has commenced full operations with five hundred milking cows to supply raw milk to our Company.

We continued our expansion drive to the North of Nigeria with the training of farmers in collaboration with the National Veterinary Research Institute (NVRI) Vom, where we have secured land for a model farm.

Despite the security situation and high cost of operation, our dairy development team achieved increased raw milk collection with excellent quality at the farm level. This is a testament to improvement in the extension activities carried out by the team. Over 13,500 dairy farmers were trained in various aspects of good dairy farming practices. We continued our collaboration with the National Office for Technology Acquisition and Promotion (NOTAP) with training for farmers in selected zones and supported dairy research as agreed with NOTAP.

Towards the end of the year, we secured a Five-Million-dollar grant from the Bill and Melinda Gates Foundation (BMGF) to support the dairy consortium (Urus, Barenbrug, and Agri film) for five years. The Fund will be used to develop three dairy zones, one each in Oyo State, Osun State and the FCT. Under the Scheme, seventy-five smallholders and 30,000 pastoralists will be helped to improve their productivity. The fund which is co-matched by our Company will also provide extension activity, capacity building, and development of basic infrastructure as well as enable women's empowerment.

Securing the future of Nigeria through sustainable CSR initiatives

Our Company continues to support the growth and development of the country's young and vibrant population through various CSR initiatives.

Every year our Company donates milk to charity homes across the country to strengthen the community as well as provide the children in these homes with quality nutrition that will enhance their growth and development. In the year 2023, we provided thirty charity homes with milk and had interactions with the beneficiaries and their caretakers during the many courtesy visits by our caring team of employees.

In line with the objectives of our School Sponsorship Programme to promote sports in Nigeria, our Company sponsored inter-house sports competitions in forty schools by providing them with quality dairy products.

In recognition of the importance of sustainability and the impact of our organization on the environment, we maintained meaningful engagement with the Food and Beverage Recycling Alliance (FBRA) all year long on how our organization can help preserve and promote environmental sustainability and manage post-consumer waste.

Our Company also observed World Environment Day under the hashtag #BeatPlasticPollution, which focused on plastic pollution solutions. Our sustainability team created and launched plastic collection bins to sensitize and encourage proper separation and disposal of bottles, utensils, and other plastic items. This initiative made progress against the persistent plastic pollution that we notice not only in our workplaces but also on the streets, roads, and in our homes.

In collaboration with the Nigerian Heart Foundation (NHF), our Company supported the media engagement and workshop organized by the Foundation to raise awareness of the importance of milk for both children and adults of all ages. Three Crowns Milk, being the lead sponsor of the event, underscored the benefits of heart-friendly milk and a healthy lifestyle.

In the spirit of World Humanitarian Day 2023, our dedicated team of employees participated in A Day of Meaningful Volunteering. This initiative embodies the essence of compassion and empathy, reflecting the values that define our Company. Our volunteers served as mentors, offering guidance and motivation to more than fifty teenagers and young adults at the Little Saints Orphanage. They aimed to encourage and inspire these young people to overcome challenges and pursue their dreams with unwavering determination.

Our annual Tertiary Endowment Programme provided funding for research in six universities: University of Maiduguri; Modibbo Adama University of Technology, Yola; Federal University of Technology, Minna; University

of Ibadan; University of Uyo; and University of Nigeria, Nsukka; along with an award for the best-graduating student from the Food Science department.

HR Key Activities and Development in 2023

Our company's mission, "Nourishing Nigerians with quality Dairy Nutrition," remains at the core of our operations. We recognize our employees as the cornerstone of our business, understanding that their dedication is key to our ability to deliver our promises to consumers.

We have consistently prioritized an all-inclusive approach to employee well-being, capability development, and career growth, recognizing the pivotal role it plays in fostering a motivated and empowered workforce. This commitment has been instrumental in shaping a corporate culture that values the contribution of each team member.

Our dedication to providing both local and international learning exposure underscores our commitment to enhancing the skills and experiences of our employees. Our commitment to employee engagement is further demonstrated by actively involving them in decision-making through internal surveys and pulse checks. Continuous dialogue and consistent communication have been emphasized to strengthen the employee-employer relationship, fostering a sense of ownership and engagement.

Despite the challenges posed by major unrest in the country during the year, we successfully maintained industrial peace and harmony. This achievement speaks to our effective internal management and resilient corporate culture that prioritizes the well-being of our employees.

The establishment of a Learning Academy for practical technical exposure represents a strategic investment, and the accolades received during the year affirmed the positive outcomes of these efforts. Being recognized as an Employer of Choice is a testament to our ability to attract and retain top talent, a critical factor in our continued success.

In conclusion, our dedication to employee development, diversity, inclusion, and engagement is not just a corporate strategy; it is the bedrock of our sustainable and successful business. The crucial role played by our employees in upholding our mission and ensuring our continued growth cannot be overstated.

Board Changes

Engineer Mustafa Bello will retire after the forthcoming Annual General Meeting, having attained the age of 70 years. Please join me in thanking Engineer Bello for his valuable contributions to the development and growth of our Company during his tenure. We wish him well for the future as he rotates out of the board.

Following the resignation of Messrs. Bernard Langat and Marc Galjaard, Messrs. Roger Philippe Adou and Ramon van Deventer were appointed Managing Director and Executive Director – Finance respectively, subject to shareholders' approval at the AGM.

In accordance with Article 85 of the Company's Articles of Association, Mrs. Oyinkan Ade-Ajayi, Mr. Roel van Neerbos, and Mr. Peter Eshikena will retire by rotation and being eligible, offer themselves for re-election.

The profiles of the Directors standing for re-election and the recently appointed are contained on pages 15-20 of this Annual Report.

Acknowledgements

As earlier observed, the Year 2023 has been extremely challenging. I would therefore like to thank members of the Management Team for remaining focused, and for delivering a decent revenue despite the difficult business environment. I thank my colleagues on the Board for their valuable insight, counsel, and teamwork during the year. I equally appreciate the strong technical support, which we have continued to receive from the Corporate Head Office.

Special acknowledgement goes to our consumers who have remained loyal as they daily make their decisions to buy and consume our products. I appreciate all our employees for their passion, commitment to shared values, hard work, and dedication to duty. I thank all our suppliers, distributors, regulators, financiers, and other business partners for their commitment and support of our business ambition.

Business Outlook 2024

The International Monetary Fund (IMF) expects a global economic growth of 3.1% on account of greater-than-expected resilience in the United States and other large emerging markets and developing economies.

Global headline inflation is expected to fall to 5.8% in 2024 and to 4.4% in 2025. However, if geopolitical tensions (the Russia- Ukraine war and attacks in the Red Sea) intensify, we may witness increased global energy and commodity supply risks. The results of elections in the US and UK during 2024 are also likely to impact the global economy significantly.

Nigeria's economy is projected to grow at 3.3% in 2024 and 3.7% in 2025. The baseline forecast implies that per capita income will reach its pre-pandemic level only in 2025. Growth is expected to be driven by agriculture,

Chairman's Statement continued

construction, services, and trade. Inflation should gradually ease as the effects of last year's exchange rate reforms and the removal of fuel subsidies moderate.

The business environment for the manufacturing sector however remains volatile and uncertain. Major challenges include FX illiquidity and volatility, shrinking consumer wallet, poor power and road infrastructure, supply chain disruption, high level of insecurity and effects of climate change.

The expected volatility and uncertainty in the business environment notwithstanding, the Board and Management remain confident about the future of the Company and are committed to its success and sustainability. We are confident that the Company's brands, which are leaders in the dairy sector, will continue to grow on the back of our strengthened route-to-market. We will continue to pursue our backward integration and product diversification strategies with vigour, to ensure the long-term sustainability of our business.

Thank you for your time and kind attention.

J M A[illegible]e, OFR
Chairman, Board of Directors

Board of Directors' Profile

Mr. J. Moyo Ajekigbe, OFR

Chairman

Mr. Ajekigbe is the Chairman of the Board of Directors of FrieslandCampina WAMCO Nigeria Plc. He joined the Board as a Non-Executive Director on 25 November 2009 and was appointed Chairman of the Board on 29 April 2010. He holds a Bachelor of Science degree in Agricultural Economics from the University of Ibadan; an MBA degree from the University of Lagos; and an MA degree in Global Affairs from the University of Buckingham, UK. He has also attended several post-experience courses in Nigeria and overseas.

A former Managing Director/Chief Executive Officer of First Bank of Nigeria Plc, Mr. Ajekigbe also served as Chairman of the Board of Directors of Keystone Bank Limited. He was Chairman of the Board of Directors of FBN (Merchant Bankers) Ltd and of Kakawa Discount House Ltd. He was a member of the Board of First Pensions Custodian Limited, FBN Bank (UK) Ltd, V-Networks Nigeria Ltd, and Transnational Corporation of Nigeria Plc.

Mr. Ajekigbe currently serves on the Board of Opticom Finance Ltd as Chairman, and he is a member of the Board of Nycil Ltd. He also serves on the board of a few not-for-profit organizations. He is a Fellow of the Chartered Institute of Bankers and a Distinguished Fellow of the Institute of Directors, where he currently serves on the Ethics Committee.

Mr. Roger Adou

Managing Director Effective 1/1/2024

Roger Adou was appointed Managing Director of FrieslandCampina WAMCO Nigeria PLC on January 1, 2024.

He joined FrieslandCampina in 2019, and before assuming the role of Managing Director of FrieslandCampina WAMCO Nigeria PLC, he held the position of Regional Director for FrieslandCampina West Africa. In this role, he was responsible for overseeing a region that included 18 countries in West & Central Africa, ranging from Senegal to the Republic of Congo (Congo Brazzaville). With over 21 years of experience in the FMCG industry in Africa, Adou is a seasoned business leader adept at managing multicultural and diverse teams.

Prior to FrieslandCampina, he amassed extensive experience in the beverage industry, having worked with The Coca-Cola Company and the Castel Group, a prominent beverage company and a bottling company for major brands including Coca-Cola, Diageo, Heineken and Suntory, listed in many markets with operations in 21 African Countries.

Passionate about Africa's success, Roger has worked in several countries, including Mali, Niger, Senegal, Benin, Togo, and Cote d'Ivoire. Known for creating cohesive and victorious teams, he infuses organizations with transformational energy. He is a commercially astute individual with strategic and operational proficiency, championing the significance of Excellence in Execution for achieving commendable business outcomes.

Roger Adou holds a Master of Science from ESCA Business School of the INP-HB of Yamoussoukro, Cote d'Ivoire, and an Executive MBA from HEC Paris, France. He is also certified from the London Business School, UK. His leadership has garnered recognition, as evidenced by his three-time nomination in the Top 200 Choiseul African Leaders under 40 in the Business Sector by the eminent French think tank "Choiseul Institute".

Board of Directors' Profile

Mr. Bernard Cheruiyot Langat
Immediate Past Managing Director

Mr. Bernard Cheruiyot Langat is the immediate past Managing Director of FrieslandCampina WAMCO Nigeria PLC and Sub-Saharan Africa Cluster.

He joined the Company on 13 March 2017 as the Managing Director for Nigeria, and in July 2021, the role was expanded to Sub-Saharan Cluster.

He has over 30 years' experience acquired through working in leading multinationals, Unilever and Coca-Cola Hellenic before his current position. He has extensive experience across African markets having held various senior management positions in Kenya, Malawi, Ghana and Nigeria, where he has consistently led businesses to accelerate performance and build long term growth strategies. He has overseen the business to deliver strong results during volatile times.

He is a past Vice President of the Association of Foods Beverage and Tobacco Employers of Nigeria (AFBTE) and an active member of several industry advocacy groups. Mr. Langat holds a Bachelor of Commerce Degree from the University of Nairobi, Master of Business Administration from Edinburgh Business School - Heriot Watt University Scotland UK, and he's a Certified Public Accountant of Kenya CPA (K). He is a Member of the Institute of Certified Public Accountants of Kenya (ICPAK). He is an alumnus of Harvard Business School Advanced Management Program AMP191, Boston USA, the London Business School as well as IMD Lausanne Switzerland.

Ben Langat resigned from the Company on 31st December 2023.

Mr. Roel van Neerbos
Non-Executive Director

Roel van Neerbos is an Executive Board member of FrieslandCampina.

An excellent communicator, with an ability to solve complex problems, he has held several leadership roles across the world during an illustrious career spanning over three decades.

He joined the organisation as Chief Operating Officer, Consumer Products, Europe, the Middle East and the Africa Business Group in January 2017. His innovative and enterprising spirit has helped him to reach out to employees and all those who have been associated with him.

Up until mid-2016, Roel was Chief Executive Officer of Maxeda and is known for having developed the new Maxeda 2020 strategy. Prior to that, he was President at Heinz where he devised and implemented a 'Heinz way' of marketing and training. He has also been on the Board of Directors of Struik Foods and Spadel.

Roel's sharp thinking skills have helped him to implement strategic plans for the company. With a Master's Degree in Business Administration from Groningen University and a passion for racing ahead, Roel is a natural when it comes to leading the way.

Board of Directors' Profile

Mrs. Oyinkan Ade-Ajayi
Non-Executive Director

Mrs. Oyinkan Ade-Ajayi is a Non-Executive Director of FrieslandCampina WAMCO Nigeria PLC. She joined the Board of the Company as a Non-Executive Director on 23 November 2006.

A graduate of Cambridge University and London Business School, her previous work stretches across the education, publishing, FMCG and charity sectors. She has extensive experience in strategy and consumer brands marketing and has worked with multinationals and voluntary organisations including Unwin Hyman publishing company, Red Cross Children's Hospital in Cape Town and SmithKline Beecham (now Glaxo SmithKline).

She is Chair of the Board Audit and Risk Committee and a member of the Governance Committee of FrieslandCampina WAMCO.

Engr. Mustafa Bello, FNSE
Non- Executive Director

Engr. Mustafa Bello is a Non-Executive Director of FrieslandCampina WAMCO Nigeria PLC. He joined the Board of the Company as a Non-Executive Director on 1 March 2016.

Engr. Bello has extensive experience in both the public and private sector having served in various capacities in both sectors. He served as the Minister of Commerce of the Federal Republic of Nigeria from 1999-2003, a Member of the National Council for Revitalization of the Nigerian economy, 1999-2003, Member of the Economic Management Team (EMT) of President Olusegun Obasanjo, 2003-2007, the Chief Executive Officer of the Nigeria Investments Promotion Commission (NIPC) from 2003-2014. He also served on the Board of ESKOM, the Electricity Corporation of the Republic of South Africa from 2004-2008.

He holds a Bachelor of Civil Engineering degree from the Ahmadu Bello University, Zaria (1978). He is also a Fellow of the Nigerian Society of Engineers and registered member of the Council for the Regulation of Engineering in Nigeria. He was a Member of the Board of Directors of FrieslandCampina WAMCO Nigeria Plc. from November 2007 to April 2008.

Engineer Bello also serves as a Non-Executive Director on the Boards of Zenith Bank Plc, NAK Steel Limited and as Chairman, CITI HI-TECH Construction Company Limited.

Board of Directors' Profile

Mr. Peter Eshikena

Non-Executive Director

Mr. Peter Eshikena is a Non-Executive Director of FrieslandCampina WAMCO Nigeria Plc. He joined the services of the Company in 1985 as Shift Production Manager and rose through the ranks to become the Sales Manager in 2007.

He was appointed to the Board of the Company as Sales Director / Deputy Managing Director on 1 January 2011 and was appointed as Managing Director on 1 September 2012 and later as the pioneer Managing Director of FrieslandCampina, Africa. He was appointed a Non-Executive Director on 1 January 2015.

Mr. Eshikena holds a Higher National Diploma in Mechanical Engineering from Yaba College of Technology, MBA degree from University of NaWWvarra Spain and also attended Lagos Business School and High Performance Leadership training at IMD, Lausanne Switzerland, among several other developmental courses.

Mrs. Oreoluwa Famurewa

Executive Director

Mrs. Oreoluwa Famurewa was appointed on the 2nd September 2019 as an Executive Director of FrieslandCampina WAMCO Nigeria PLC.

She is a seasoned professional vastly experienced in Government Relations, Public and Regulatory Affairs and Communication with proven track record spanning over 26 years within the organisation.

Mrs. Famurewa holds a Bachelor of Arts Degree in History from the University of Lagos and MBAs in Marketing and Corporate Governance from Lagos State University and the National Open University of Nigeria respectively. She is a fellow of key professional bodies including the Nigerian Institute of Public Relations (NIPR) and the National Institute of Marketing of Nigeria (NIMN). She is also a member of the Institute of Directors (IOD), and the Nutrition Society of Nigeria (NSN). Mrs. Famurewa is a life member of Women in Management, Business & Public Services (WIMBIZ) and a Fellow of the WIMBOARD Institute, a WIMBIZ/IE University, Madrid Executive Education Programme for Women on Boards. She has attended several leadership courses in Nigeria and abroad at the Lagos Business School, IMD, Switzerland, IE Business School, Madrid, and London Business School, United Kingdom.

Mrs. Famurewa is a passionate business leader and a respectable woman of integrity who has pioneered several successful key projects in her career. She is listed in the Women World Compendium of 2002 as a prominent Nigerian woman and has won several awards including Outstanding Female Corporate Communications Professional of the year in the FMCG category and the most Outstanding Corporate Communications Personality of the Decade at the Marketing Edge Advertising Awards of Excellence.

Board of Directors' Profile

Mr. Marc Galjaard

Executive Director

Mr. Marc Galjaard is the Executive Director Finance of FrieslandCampina WAMCO Nigeria PLC. He joined the Board as Finance Director on 15th September 2020.

He holds a Master of Science Degree in Accounting & Auditing from the Nyenrode Business University in the Netherlands and is a Certified Public Accountant of the Netherlands (RA). He is a Member of the Royal Professional Association of Accountants in the Netherlands (NBA).

Marc has over 30 years of extensive experience in Finance, which he acquired working for and with multinational companies. In 2012, he joined FrieslandCampina as the Director of Corporate Accounting & Reporting in the Netherlands. Subsequently, he assumed finance roles, serving as the Finance Director for FrieslandCampina in Hungary. He then took on the position of Director at the EMEA Financial Shared Service Centre in Budapest, where he was responsible for both setting up the center and overseeing its rollout across the EMEA region. Additionally, he held the role of Finance Director for FrieslandCampina in Germany, playing a key role in co-leading the transformation of the commercial function.

Prior to joining FrieslandCampina, Marc occupied several management roles at KPMG. This include serving as a Director of Audit at KPMG Corporate Clients in the Netherlands and as an Audit Manager at KPMG London in the United Kingdom. In these capacities, he collaborated with prominent (listed) companies in the FMCG, Electronics, and Finance sectors within an international context.

He has attended various developmental business courses, including management development programs, courses related to professional qualifications, and leadership training at IMD Lausanne, Switzerland.

Mrs. Audrey Joe-Ezigbo

Non-Executive Director

Mrs. Audrey Joe-Ezigbo is a highly experienced business leader, advisor, and coach, with 30 years proven track record and deep expertise in Strategic Planning and Execution, Corporate Governance, Investor Relations, Advocacy, Entrepreneurship Development and Environmental Sustainability in private, public and non-profit sectors at Executive and Board levels.
She is the Deputy Managing Director, Falcon Corporation (a leading, wholly indigenous midstream and downstream Energy, Gas Distribution & Trading company) which she cofounded in 1994, championing the successful growth of the company into a major player in the Nigerian Gas industry.

Audrey is also Managing Director, Optimera Energy LFZE, an SPV focused on Gas and Energy optimization within Nigeria. Audrey holds several Masters' degrees in Finance, Marketing and Business Administration from Lagos Business School, University of Nigeria, and NAU: with executive certifications in Management, Leadership and Governance from Harvard Business School, IE Business School, IESE Business School, and WIMBOARD Institute.

She was President (2018-2021) of Nigerian Gas Association (NGA) - the first woman to ever occupy this position in 23-years. Audrey is a member of the 2022-2025 EXCO of the International Gas Union, sitting in as Nigeria's representative responsible for the Exploration & Production Committee; the first African woman to occupy this position. She is the Chairman, Advisory Board of the Nigerian Gas Association and Chairman, Advisory Board, Major Energy Marketers Association of Nigeria (MEMAN - formerly MOMAN).

Audrey also sits on the Advisory Boards of PAU's Lagos Business School (LBS) and Enterprise Development Center (EDC). Audrey is a Fellow, Energy Institute UK; Member, Institute of Directors (IoD Nigeria); Vice Chair, IoD Nigeria's Energy & Power Committee; Founding member, Women in Energy Network (WiEN); Global Role Model, Women in LPG(WiNLPG); member, NCDMB NCCF Diversity Sectoral Working Group. She previously served on the Executive committee, Women in Management, Business & Public Service (WIMBIZ).
Audrey Joe-Ezigbo is a multiple award winner and sought-after international speaker, and author. She is married and a mother to four young adults.

Company Secretary/Legal Adviser

Mrs. Olubukunola Olateru, FCIS

Head of Legal Sub-Saharan Africa and Company Secretary

Mrs. Olubukunola Olateru is a highly accomplished professional with a diverse range of expertise in the legal and corporate governance fields. She holds the position of Company Secretary to the Board of Directors and Legal Adviser at FrieslandCampina WAMCO Nigeria Plc, a role she assumed on 1st August 2017. In this capacity, she oversees various crucial aspects of the company's operations, including company secretaryship, legal advisory, property management, risk management, intellectual property, corporate governance framework, and code of business conduct in Nigeria.

Mrs. Olubukunola joined FrieslandCampina WAMCO Nigeria Plc in May 2015 as the Legal Counsel, where she quickly established herself as a dynamic business lawyer. Her extensive professional experience encompasses company secretaryship, corporate governance and compliance, corporate law practice, legal advisory services, and negotiating international business transactions. Before her current role, she served as the Legal Counsel at Food Concepts Plc and as the Company Secretary at Free Range Farms Plc, a subsidiary of Food Concepts Plc. She has also worked as a Legal Associate at Guinness Nigeria Plc and gained valuable experience in private practice with Babalakin & Co. Legal Practitioners.

Mrs. Olubukunola's impressive qualifications include being a Fellow of the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN), a trained Arbitrator, and an Associate member of the Chartered Institute of Arbitration, UK (FCIArb). She is also a member of the Association of Company Secretaries and Legal Advisers in Manufacturing (ACSLA).

In acknowledgement of her outstanding achievements, she was honoured as one of the Top 40 under 40 lawyers in Nigeria in 2019 and more recently recognized as a recipient of the prestigious Corporate Gem Awards in the Nigerian Legal Awards.

In September 2021, Olubukunola was appointed as the Head of Legal, Sub-Saharan Africa for FrieslandCampina, further highlighting her exceptional capabilities and leadership qualities.

Mrs. Olubukunola was very recently recognized on the GC Powerlist by The Legal 500. This prestigious recognition is a testament to her exceptional contributions and expertise in the legal field. The GC Powerlist by The Legal 500 is a highly regarded compilation that identifies and celebrates the leading in-house counsel and legal professionals globally.

For 70 years, Peak has envolved to remain Iconic as the #1 Milk of Naija

- **Peak has become** part of our daily lives...
- It has come to represent something more than MILK.
- To a great extent, it is embedded in our culture and (sub) consciousness.
- Peak is an icon.

Reach for your Peak

Management Team Profile

Mr. Roger Adou

Managing Director Effective 1/1/2024

Roger Adou was appointed Managing Director of FrieslandCampina WAMCO Nigeria PLC on January 1, 2024.

He joined FrieslandCampina in 2019, and before assuming the role of Managing Director of FrieslandCampina WAMCO Nigeria PLC, he held the position of Regional Director for FrieslandCampina West Africa. In this role, he was responsible for overseeing a region that included 18 countries in West & Central Africa, ranging from Senegal to the Republic of Congo (Congo Brazzaville). With over 21 years of experience in the FMCG industry in Africa, Adou is a seasoned business leader adept at managing multicultural and diverse teams.

Prior to FrieslandCampina, he amassed extensive experience in the beverage industry, having worked with The Coca-Cola Company and the Castel Group, a prominent beverage company and a bottling company for major brands including Coca-Cola, Diageo, Heineken and Suntory, listed in many markets with operations in 21 African Countries.

Passionate about Africa's success, Roger has worked in several countries, including Mali, Niger, Senegal, Benin, Togo, and Cote d'Ivoire. Known for creating cohesive and victorious teams, he infuses organizations with transformational energy. He is a commercially astute individual with strategic and operational proficiency, championing the significance of Excellence in Execution for achieving commendable business outcomes.

Roger Adou holds a Master of Science from ESCA Business School of the INP-HB of Yamoussoukro, Cote d'Ivoire, and an Executive MBA from HEC Paris, France. He is also certified from the London Business School, UK. His leadership has garnered recognition, as evidenced by his three-time nomination in the Top 200 Choiseul African Leaders under 40 in the Business Sector by the eminent French think tank "Choiseul Institute".

Mrs. Oreoluwa Famurewa

Executive Director, Corporate Affairs

Mrs. Oreoluwa Famurewa was appointed on the 2nd September 2019 as an Executive Director of FrieslandCampina WAMCO Nigeria PLC.

She is a seasoned professional who is vastly experienced in Government Relations, Public and Regulatory Affairs and Communication with a proven track record spanning over 26 years within the organisation.

Mrs. Famurewa holds a Bachelor of Arts Degree in History from the University of Lagos and MBAs in Marketing and Corporate Governance from Lagos State University and the National Open University of Nigeria respectively. She is a fellow of key professional bodies including the Nigerian Institute of Public Relations (NIPR) and the National Institute of Marketing of Nigeria (NIMN). She is also a member of the Institute of Directors (IOD), and the Nutrition Society of Nigeria (NSN). Mrs. Famurewa is a life member of Women in Management, Business & Public Services (WIMBIZ) and a Fellow of the WIMBOARD Institute, a WIMBIZ/IE University, Madrid Executive Education Programme for Women on Boards. She has attended several leadership courses in Nigeria and abroad at the Lagos Business School, IMD, Switzerland, IE Business School, Madrid, and London Business School, United Kingdom.

Mrs. Famurewa is a passionate business leader and a respectable woman of integrity who has pioneered several successful key projects in her career. She is listed in the Women World Compendium of 2002 as a prominent Nigerian woman and has won several awards including the Outstanding Female Corporate Communications Professional of the Year in the FMCG category, the Most Outstanding Corporate Communications Personality of the Decade at the Marketing Edge Advertising Awards of Excellence, and the Amazon in Communications at the Industry Women Conference 2023.

Management Team Profile

Mr. Marc Galjaard

Executive Director, Finance

Mr. Marc Galjaard is the Executive Director Finance of FrieslandCampina WAMCO Nigeria PLC. He joined the Board as Finance Director on 15th September 2020.

He holds a Master of Science Degree in Accounting & Auditing from the Nyenrode Business University in the Netherlands and is a Certified Public Accountant of the Netherlands (RA). He is a Member of the Royal Professional Association of Accountants in the Netherlands (NBA).

Marc has over 30 years of extensive experience in Finance, which he acquired working for and with multinational companies. In 2012, he joined FrieslandCampina as the Director of Corporate Accounting and Reporting in the Netherlands. Subsequently, he assumed finance roles, serving as the Finance Director for FrieslandCampina in Hungary. He then took on the position of Director at the EMEA Financial Shared Service Centre in Budapest, where he was responsible for setting up the center and overseeing its rollout across the EMEA region. Additionally, he held the role of Finance Director for FrieslandCampina in Germany, playing a key role in co-leading the transformation of the commercial function.

Prior to joining FrieslandCampina, Marc occupied several management roles at KPMG. This includes serving as a Director of Audit at KPMG Corporate Clients in the Netherlands and as an Audit Manager at KPMG London in the United Kingdom. In these capacities, he collaborated with prominent (listed) companies in the FMCG, Electronics, and Finance sectors within an international context.

He has attended various developmental business courses, including management development programs, courses related to professional qualifications, and leadership training at IMD Lausanne, Switzerland.

Mr. Adedeji Adeshoga

Sales Director

Mr. Adedeji Adeshoga is the Sales Director of FrieslandCampina WAMCO Nigeria PLC. He became a member of the Management Team in July 2021. He is an accomplished sales leader with over two decades of experience in Sales planning, Commercial team leadership, Channel management, Route-to-market strategy, Category Management, and Customer management across national geographies within Nigeria.

He had a stint with Xerox H.S Nigeria before joining Nestle Nigeria in 2003 as a District Sales Representative and grew through the managerial ranks before attaining the role of Branch Manager in 2013. While in Nestle Nigeria, he also assumed the role of Category Business Manager (Coffee), leading the team to deliver double-digit growth across financial and commercial Business KPIs.

He joined FrieslandCampina from Nestle Nigeria in 2016 as Head of Sales (South) covering 18 states in Lagos, Southwest, South East and South South of Nigeria. He delivered significant year-on-year growth across business KPIs through intense route-to-market strategy in driving presence, relevance, and prominence of FrieslandCampina Products. He was appointed the role of General Manager Sales for the Lagos division, where he was instrumental in the execution of the successful revamping of Lagos Division into a growth region with positive business results. His infectious leadership style with strong performance on business objectives driven by Revenue Growth Management for business profitability and sustainability led to his promotion as the current Sales Director of FrieslandCampina WAMCO Nigeria PLC.

He possesses a Bachelor of Economics degree from Ogun State University and Master of Science in Strategic Management from Babcock University, Nigeria and has robust knowledge and experience in trade budgeting and commercial activities across the top ranking Fast-moving consumer goods industries in Nigeria. He possesses outstanding relationship management skills developed by building connections with internal executive leadership members and robust relationships with trade partners.

He is an active member of different professional bodies – An associate member of the National Institute of Marketing of Nigeria and a fellow of the Institute of Personality Development & Customer Relationship Management. He has participated in various strategic trainings and workshops on Leadership, Sales Management, Route-to-Market Excellence, Financial Management from globally acclaimed institutions, some of which are Impact Training and Management Consulting, Leadership and Vision Limited, Vierick Business School in Belgium, Lagos Business School, London Business School to mention a few. He is recognized as a "Thought Leader" in the Nigeria FMCG space with multi-organisational awards accorded to him.

Management Team Profile

Mr. Adekola Lamidi

Manufacturing Director

Mr. Adekola Lamidi is the Manufacturing Director for FrieslandCampina Sub-Saharan Africa.
Lamidi commenced his journey with FrieslandCampina WAMCO in 2001 as a Management Trainee, and since then, he has served in various technical and management roles in Nigeria, West Africa (with a base in Abidjan), and The Netherlands. He became a part of the FrieslandCampina WAMCO Management Team in April 2019.

Before joining the Company, he worked as an Electrical/ Instrumentation Technician with Shell Petroleum Development Company. He has attended several trainings and professional development courses across different countries, including US, Belgium, Netherlands, Spain, Vietnam, UK, Switzerland, Germany, France, and Slovenia which have exposed him to international best practices and innovative ways of doing business. He has also received numerous commendations and awards for his outstanding contributions to business transformation and achievement of overall corporate objectives. He holds a Higher National Diploma in Physics with Electronics from Federal Polytechnic, Offa, a PGD in Electronics and Telecommunication from Federal University of Technology, Akure, an MSc in Electronics, University of Nigeria, Nsukka, Executive Masters in Project Management from Project Management College, UK, and an MBA from Aston Business School, UK. Lamidi is an active member of several professional bodies such as Engineers in Ireland (UK and Ireland), Nigerian Society of Engineers, Nigerian Chartered Institute of Management (NIM), Institution of Electrical Engineers (IEE) UK and Nigerian Association of Technological Engineers (NATE).

Lamidi is a high-performing leader; skilled strategist and collaborative relationship builder with a remarkable record of driving continuous improvement; building top-notch multicultural teams; leading business expansion initiatives across countries; designing sustainable frameworks; implementing strategy into operations and delivering optimal business results.

Mrs. Maureen Ifada

Marketing Director

Mrs. Maureen Ifada is the Marketing Director of FrieslandCampina WAMCO Nigeria PLC. She began her career in the Consumer Marketing Department as a Management Trainee in 2003 and rose through the ranks to become part of the Management Team in February 2024.

She is a highly skilled professional business manager with a robust technical background, extensive business knowledge, and a proven track record of success and adaptability. Armed with excellent communication and people skills, Maureen possesses a keen eye for organizational strategy, business development, and a passion for innovative ideas.

In her prior role as the Head of Channel & Category Development and Head of Shopper Marketing, Maureen consistently demonstrated her prowess in conceptualizing and formulating comprehensive channel and category strategies. She showcased her expertise in driving retail and shopper conversion, leading digital transformations, and successfully implementing shopper marketing strategies. She has a successful history of translating strategic brand plans into winning channel initiatives and visibility strategies across Sub-Saharan Africa.

She possesses a B.Sc. in Business Administration from Ambrose Alli University, Ekpoma, Edo State, as well as a Master's in Business Administration from Edinburgh Business School, Heriot-Watt University. Her educational journey also includes a Professional Diploma in Marketing from the Chartered Institute of Marketing, United Kingdom.

Maureen's ambition extends beyond professional success; she aspires to create a significant societal impact by acquiring the highest levels of skill and extensive experience in leading goal-oriented human resource teams. Her multifaceted skills, coupled with a commitment to continuous learning, position her as a dynamic and strategic leader in the field of business management and marketing.

Management Team Profile

Drs. Ramon van Deventer

Finance Director

Drs. Ramon van Deventer is the Finance Director of FrieslandCampina WAMCO Nigeria PLC.

He is a seasoned finance expert with over 25 years of experience in the finance profession. He began his career in 1992 and has held various significant positions in auditing, finance management, and international business development since then.

Prior to his current role, Ramon served as the Chief Audit Executive/ Corporate Director Internal Audit at Royal FrieslandCampina NV (RFC) in Amersfoort, the Netherlands. In this role, he ensured integrity and compliance across the organization, leveraging his extensive experience in auditing and finance management. Before then, he held various significant positions within RFC, including Finance Director roles in different business groups such as Ingredients and Consumer Products International. His leadership played a pivotal role in steering business operations across diverse geographies including Greece, Indonesia, and Vietnam.

Before joining FrieslandCampina, Ramon served as a Manager in the Business Assurance Practice at PriceWaterhouseCoopers (PWC), where he contributed significantly to audit services, recruitment, and training.

Ramon holds a post-graduate degree in Dutch "Certified Public Accountant" from Rijksuniversiteit Groningen, and a Master's equivalent in Business Economics from the same institution. He furthered his education at the Business School of HES Groningen, the University of Applied Sciences in the Netherlands.

He is an active member of professional associations such as the Dutch Association for Auditing (NBA). He also served on advisory committees and boards, including the Advisory Committee for Post-Doc education at Rijksuniversiteit Groningen and the Advisory Board of the International Business School at Hanzehogeschool Groningen.

Outside of work, Ramon finds joy in spending time with his family, maintaining a harmonious balance between his career and personal life. Through his illustrious career, he has left an indelible mark on the finance industry, exemplifying integrity, leadership, and excellence.

Mr. Raymond Naon

Human Resources Director

Mr. Raymond Naon serves as the Cluster Human Resources Director for FrieslandCampina Sub-Saharan Africa, leveraging his extensive expertise cultivated over a 20-year journey spanning Human Resources and Business Law across diverse African nations. Beginning his tenure with FrieslandCampina in 2019 as the Africa Director of Human Resources, Raymond quickly established himself as a bilingual professional renowned for his transformative leadership.

In his current role, Raymond spearheads impactful HR transformations across 44 countries across in Sub-Saharan Africa. He introduced a redesigned Way of Work, prioritizing employee well-being and flexibility, while implementing a comprehensive HR Governance Model and Operational Master Plan over a 3-year period, effectively elevating business value and HR contribution to strategic business initiatives.

Previously, as the Business Transformation Director at FrieslandCampina Sub-Saharan Africa, Raymond played a pivotal role in defining strategic approaches, including Vision-Mission-Strategy, Commercial Business Model, Operating Model, and People and Culture. His adept facilitation of strategic workshops and meticulous management of organizational design transitions showcased his transformative leadership prowess.

Raymond's illustrious career includes influential roles at Nestlé Atlantic Cluster, Burkina Faso's Airtel, and Nestle Central & West Africa Region, Ghana, where he drove organizational change, restructuring, and talent management initiatives.

Raymond holds a Master's Degree in Business Law from the University of Ouagadougou and an Advanced Diploma in Personal, Leadership & Executive Coaching from Kingstown College, Ireland. His commitment to continuous learning is further evident through certifications, including Expert of the Talent Development Committee at FrieslandCampina and completion of the Nestlé Leadership Program at London Business School.

As a thought leader, Raymond has contributed insightful articles on coaching, HR digitalization, and recruitment efficiency. His multifaceted expertise, strategic vision, and dedication to excellence positions Raymond Naon as a pivotal figure in the dynamic landscape of HR and Business Transformation across Africa.

Peak
Full Cream
ValuePack
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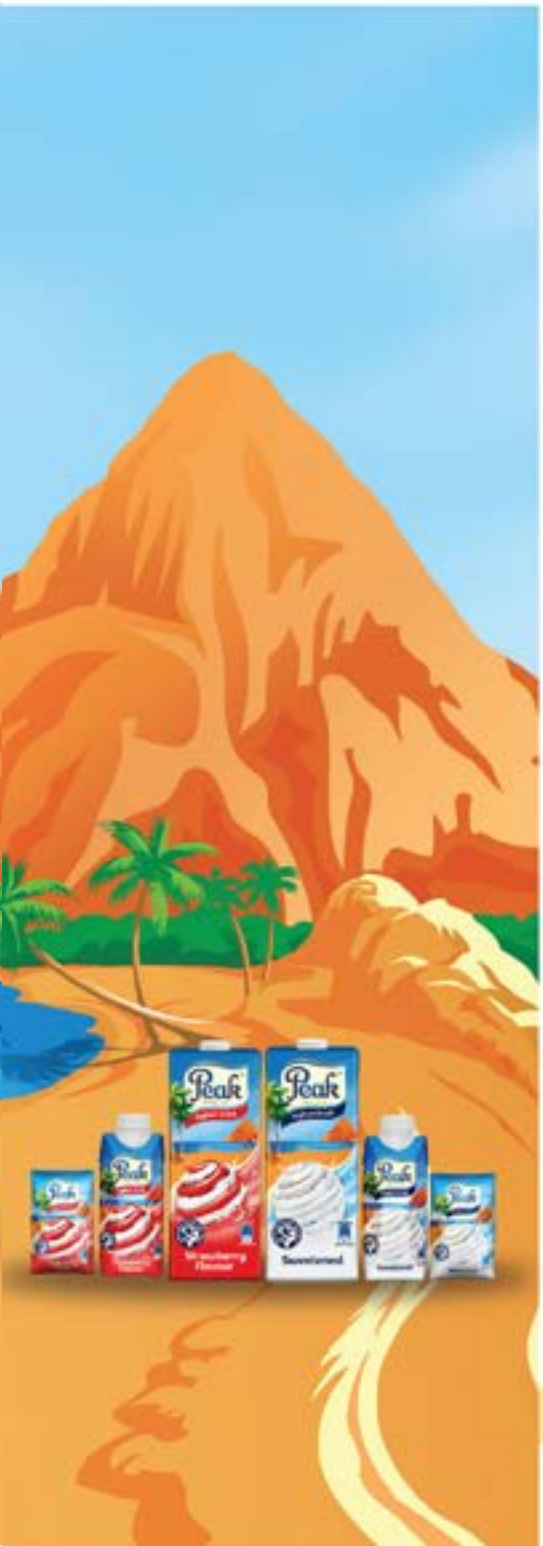

For 70 years, Peak has continuously nourished Nigerians with quality dairy products that you and your family deserve.

Through our range of products, we have won the hearts of different generations to become part of every Nigerian home.

We will continue to fulfil our commitment to nourishing Nigerian families at breakfast and at refreshing moments supporting them to reach for their Peak.

Reach for your Peak

Directors and Other Corporate Information

for the year ended 31 December 2023

Board of Directors:	Mr. Jacobs Moyo Ajekigbe, OFR	Chairman
	Mr. Bernard Cheruiyot Langat (Kenyan)	Managing Director (resigned with effect from 31 December 2023)
	Mr. Roger Philippe Adou (Ivorian)	Managing Director (appointed with effect from 1 January 2024)
	Mrs. Oyinkan Ade-Ajayi	Non-Executive Director
	Engr. Mustafa Bello	Independent Non-Executive Director
	Mr. Peter Eshikena	Non-Executive Director
	Mrs. Audrey Joe-Ezigbo	Independent Non-Executive Director
	Mr. Roel van Neerbos (Dutch)	Non-Executive Director
	Mr. Marc Galjaard (Dutch)	Executive Director
	Mrs. Oreoluwa Famurewa	Executive Director
Company Secretary/ Head of Legal SSA:	Mrs. Olubukunola Olateru FCIS	
Registered Office:	Plot 7b Acme Road Ogba Industrial Estate Ogba-Ikeja Lagos State	
Registrars:	First Registrars and Investor Services Limited Plot 2 Abebe Village Road Iganmu, Lagos	
Independent Auditors:	PricewaterhouseCoopers Landmark Towers Plot 5B Water Corporation Road Victoria Island, Lagos	
Principal Bankers:	Access Bank PLC Citibank Nigeria Limited Coronation Merchant Bank First Bank of Nigeria PLC First City Monument Bank Globus Bank Limited Guaranty Trust Bank Limited Stanbic IBTC Bank PLC Standard Chartered Bank Union Bank of Nigeria PLC United Bank of Africa PLC Zenith Bank PLC	

Report of the Directors

for the year ended 31 December 2023

1 Incorporation

FrieslandCampina WAMCO Nigeria PLC was incorporated in Nigeria under the Companies and Allied Matters Act Laws of the Federation of Nigeria (CAMA) 2020 as a Public Limited Liability Company and is domiciled in Nigeria.

2 Principal activities

The Company is principally involved in the manufacturing and marketing of dairy products. It has its manufacturing sites located in Ogba Industrial Estate, Ikeja, Lagos, and Ikorodu, Lagos.

3 Result for the year

The summary of the operating results is as follows:

In thousands of Naira	2023	2022
Revenue from contracts with customers	304,609,957	324,719,156
(Loss)/profit before income tax	(26,372,789)	13,462,632
Income tax expense	3,392,957	(5,829,736)
(Loss)/profit for the year	(22,979,832)	7,632,896
Other comprehensive (loss)/ income net of income tax	(133,774)	35,616
Total comprehensive (loss)/income for the year	(23,113,606)	7,668,512

4 Dividend

The Board of Directors is proposing to not declare a final cash dividend for the year 2023 (2022: ₦2.93). No interim dividend was paid during the year (2022: Nil).

5 Property, plant, and equipment

Information relating to changes in property, plant and equipment is given in note 12 to the Financial Statements.

6 Directors

The names of Directors at the date of this report and of those who held office during the year are as follows:

Mr. Jacobs Moyo Ajekigbe, OFR	Chairman
Mr. Bernard Cheruiyot Langat (Kenyan)	Managing Director (resigned with effect from 31 December 2023)
Mr. Roger Philippe Adou (Ivorian)	Managing Director (appointed with effect from 1 January 2024)
Mrs. Oyinkan Ade-Ajayi	Non-Executive Director
Engr. Mustafa Bello	Independent Non-Executive Director
Mr. Peter Eshikena	Non-Executive Director
Mrs. Audrey Joe-Ezigbo	Independent Non-Executive Director
Mr. Roel van Neerbos (Dutch)	Non-Executive Director
Mr. Marc Galjaard (Dutch)	Executive Director (resigned with effect from 11 June 2024)
Mrs. Oreoluwa Famurewa	Executive Director

Since the last Annual General Meeting, Mr. Bernard Langat resigned from the Board and subsequently, Mr. Roger Philippe Adou was appointed the Managing Director, effective 1st January 2024. Mr. Roger Philippe Adou will retire at the forthcoming Annual General Meeting and being eligible, offers himself for a re-election. Furthermore, Mr. Marc Galjaard resigned from the Board and his resignation takes effect at the Annual General Meeting. Following Mr. Marc Galjaard's resignation, the Board has appointed Mr. Ramon van Deventer as Executive Director, Finance, and in accordance with the Articles of Association of the Company and provisions

of the Companies and Allied Matters Act, Mr. Ramon van Deventer will retire at the forthcoming Annual General Meeting and being eligible, offers himself for re-election at the Annual General Meeting. In accordance with the Articles of Association of the Company and the Companies and Allied Matters Act 2020, Engr. Mustafa Bello will retire after the forthcoming Annual General Meeting having attained the age of 70 years. On your behalf, we thank Engr Mustafa Bello for his contributions to the Company during his tenure. In accordance with Article 85 of the Company's Articles of Association, Mrs. Oyinkan Ade-Ajayi, Mr. Roel van Neerbos, and Mr. Peter Eshikena will retire by rotation and being eligible, offer themselves for re-election.

7 Directors' interests in contracts

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, (Cap C.20) Laws of the Federation 2020, of any disclosable interests in contracts with which the Company was involved as at 31 December 2023.

8 Directors' shareholding

The Register of Directors' interests in the share capital of the Company will be open for inspection at the Annual General meeting.

The direct and indirect interests of Directors in the issued share capital of the Company as recorded in the Register of Directors' shareholding and as notified by them in accordance with Sections 275 and 276 of the Companies and Allied Matters Act, (Cap C.20) Laws of the Federation 2020 (CAMA) are as follows:

	Number of ordinary shares held as at 31 December			
	2023		2022	
	₦0.50 nominal value	Holdings %	₦0.50 nominal value	Holdings %
Mr. Jacobs Moyo Ajekigbe, OFR	2,500,000	0.13	2,500,000	0.13
Mrs. Oyinkan Ade-Ajayi	2,273,588	0.12	2,273,588	0.12
Mr. Peter Eshikena	385,292	0.02	385,292	0.02
Mr. Bernard Cheruiyot Langat	Nil	0.00	Nil	0.00
Engr. Mustafa Bello	Nil	0.00	Nil	0.00
Mr. Roel van Neerbos	Nil	0.00	Nil	0.00
Mrs. Audrey Joe-Ezigbo	Nil	0.00	Nil	0.00
Mr. Marc Galjaard	Nil	0.00	Nil	0.00
Mrs. Oreoluwa Famurewa	80,000	0.00	80,000	0.00

9 Corporate governance report framework

FrieslandCampina WAMCO Nigeria PLC operates within a Corporate Governance framework established on the following:

- Companies and Allied Matters Act [CAP.C20] Laws of the Federation of Nigeria (LFN) 2020 (CAMA).
- The Investment and Securities Act 2007.
- Securities and Exchange Commission [SEC] Rules for the time being in force.
- The SEC Code of Corporate Governance for Public Companies 2011 as amended.
- The Nigerian Code of Corporate Governance (NCCG Code) 2018.
- The Memorandum and Articles of Association of FrieslandCampina WAMCO Nigeria PLC.
- The Board Charter.
- The FrieslandCampina WAMCO Nigeria PLC Code of Business Conduct - COMPASS.

Consequently, the Company recognizes the importance of adhering to best Corporate Governance principles and practices, and the valuable implication of such adherence to long-term business profitability, sustainability, and accountability to Shareholders.

Accordingly, the Corporate Governance Policy of FrieslandCampina WAMCO Nigeria PLC can be summarised as follows:

i. The Company conducts its operations with honesty, integrity, and respect for human rights and interests of employees.
ii. The Company respects the legitimate interests of those with whom it has relationships.
iii. The Company is required to comply with the laws and regulations of the country in which it operates.
iv. The Company conducts its operations in accordance with internationally accepted principles of good corporate governance. We provide timely, regular and reliable information on our activities, structure, financial situation and performance to our shareholders and other stakeholders.

Compliance with the above principles is the basis of our business success and all employees and business partners of FrieslandCampina WAMCO Nigeria PLC are mandated to comply with the above principles.

a. Board responsibilities

The Board has the final responsibility for management, direction, and performance of the Company. This responsibility is vested in the Board by the relevant laws and regulations of the Federal Republic of Nigeria and the Articles of Association of FrieslandCampina WAMCO Nigeria PLC. Overall, the Board has the responsibility for the establishment of a risk management system within the Company.

The Board has delegated to the Management all its powers, authorities and discretions which relate to the day-to-day operations of FrieslandCampina WAMCO Nigeria PLC save for the following:

1. Structural and Constitutional powers

a. Alteration of Memorandum and Articles of Association
b. Alteration of the Company's Share Capital
c. Significant disposal of the Company's assets

2. Governance

a. Convening of meetings of the shareholders of FrieslandCampina WAMCO Nigeria PLC and the setting of the agenda thereof.
b. Presentation of the annual report and financial statements to shareholders.
c. Proposals to the general meetings of shareholders of FrieslandCampina WAMCO Nigeria PLC on Board remuneration within the authority set by the general meeting of shareholders.

d. The review of the functioning of the Board and its committees.
e. Overall responsibility for compliance with all relevant laws, regulations and Code of Corporate Governance.

3. Board remuneration

Approval of the remuneration of Non-Executive Directors, subject to the Articles of Association and shareholders approval as appropriate, following recommendation by the Governance and Remuneration Committee.

b. Board appointment and evaluation process

Directors are appointed to the Board following a declaration of vacancy at a Board meeting. New Directors are selected through carefully articulated selection guidelines that place emphasis on integrity, skills and competencies relevant to the Company's goals and aspirations. The Policy confers on the Governance Committee, the responsibility of identifying individuals with a track record of oustanding achievement and potential for value enhancement. The Committee's recommendation is subjected to further scrutiny by the Board before a decision is taken. The appointed Director is made to undergo an induction programme to equip and familiarize him/her with requisite knowledge and information about the Company and its business. The appointed Director is presented at the next Annual General Meeting for election.

In line with the Nigerian Code of Corporate Governance (NCCG 2018) and in compliance with SEC Corporate Governance guidelines, the Board newly appointed Mr. Roger Philippe Adou as Managing Director and Mr. Ramon van Deventer as Executive Director - Finance, for their notable achievements in business growth and expertise, leadership skills and alignment with the Company's goals, respectively. In accordance with the Articles of Association of the Company and the provisions of the CAMA 2020, Mr. Roger Philippe Adou and Mr. Ramon van Deventer will retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Board evaluation

The Board has established a system to undertake a formal evaluation of its performance and that of its Committees and individual Directors. The evaluation of the Directors is based on criteria such as the ability of the Board to fulfil its general supervisory roles, preparation of members for meetings, participation at meetings, quality of proposals made by members at meetings, etc.

DCSL Corporate Services Limited was appointed to undertake an appraisal of the Board of FrieslandCampina WAMCO Nigeria PLC in accordance with the Nigerian Code of Corporate Governance. Following a review of FrieslandCampina WAMCO Nigeria PLC Corporate Governance standards and processes, DCSL confirmed that the Board had complied with the provisions of the Securities and Exchange Commission Corporate Governance guidelines, the Nigerian Code of Corporate Governance, and other relevant Corporate Governance standards.

c. Board meetings

During 2023, the Board of Directors convened four (4) meetings. The record of the Directors' attendance is presented below:

Name	Number of meetings attended
Mr. Jacobs Moyo Ajekigbe, OFR	4
Mr. Bernard Cheruiyot Langat	4
Mrs. Oyinkan Ade-Ajayi	4
Engr. Mustafa Bello	3
Mr. Peter Eshikena	4
Mrs. Audrey Joe-Ezigbo	4
Mr. Roel van Neerbos	4
Mr. Marc Galjaard	4
Mrs. Ore Famurewa	4

The Board Meetings were held on 21 February, 9 May, 20 September and 7 December 2023.

d. Audit committee meetings

In line with Section 404 (3) of the Companies and Allied Matters Act, (Cap C.20) Laws of the Federation 2020 (CAMA), the Audit Committee is comprised of three (3) shareholders' representatives and two (2) Directors' representatives.

Section 404 (7) of CAMA and the SEC's Code of Corporate Governance for Public Companies 2011 provides and regulates the functions of the Audit Committee.

In compliance with CAMA, the Committee oversees the accounting policies and the reporting policy of the Company to ensure they are in accordance with legal requirements and agreed ethical practices; evaluates the qualifications and independence of the Company's external auditors and the performance of the Company's internal audit functions as well as that of the external auditors; oversees management process for the identification of significant fraud risks across the Company and ensures that adequate prevention, detection and reporting mechanisms are in place.

During 2023, the Audit Committee convened four (4) meetings, in addition to a visit to some Dairy Development Program (DDP) sites in Oyo State. The record of the Committee's attendance is presented below:

Name	Number of meetings attended
Mrs. Funmilayo Balogun	4
Mr. Peter Eshikena	4
Sir. Sunday N. Nwosu	4
Mr. John Ogundipe	4
Engr. Mustafa Bello	4

The Statutory Audit Committee Meetings including the visit to Dairy Development Program (DDP) sites in Oyo State were held on 15 February, 17 April, 26 May, 6 September and 16 November 2023.

Board committees

In conformity with the Nigerian Code of Corporate Governance (2018), the Board committees are comprised of members of the board with the requisite training and knowledge to enhance the performance of the board's duties.

(a) Governance Committee: The Governance Committee combines the roles and responsibilities of a nominations and remuneration Committee. Amongst other responsibilities, this Committee is charged with instituting a transparent procedure for the appointment of new Directors to the Board and making recommendations to the Board regarding the tenures and re-appointment of Non-Executive Directors on the Board. The Committee provides a written report, highlighting its deliberations and recommendations to the Board.

During 2023, the Governance Committee convened four (4) meetings. The record of the Committee's attendance is presented below:

Name	Attendance
Engr. Mustafa Bello	4
Mrs. Oyinkan Ade-Ajayi	4
Mr. Roel van Neerbos	4

The Committee held its meetings on 9 February, 12 April, 18 September and 6 December 2023.

(b) Audit and Risk Committee: The Audit and Risk Committee determines the risk management and ethics standards, is responsible for monitoring the integrity of financial statements of the Company and reviewing the effectiveness of the company's internal control and risk management system, among others.

During 2023, the Audit and Risk Committee convened four (4) meetings. The record of the Committee's attendance is presented below:

Name	Attendance
Mrs. Oyinkan Ade-Ajayi	4
Mrs. Audrey Joe-Ezigbo	4
Mr Peter Eshikena	4

The Committee held its meetings on 15 February, 25 April, 12 September and 23 November 2023. The Exceutive Directors were also in attendance at the committee meetings during the risk report review as recommended by Nigeria Code of Corporate Governance.

e. Management team

The Board has a Management Team that is charged with the responsibility of implementing policies and the day-to-day management of the affairs of the Company. This team comprises the Executive Directors and all members of the Management Team of the Company. The activities of the Management Team are reported to the Board at its next scheduled meeting for notice and/or ratification as appropriate.

The members of the Management Team are:

1)	Mr. Bernard Langat	Managing Director (resigned with effect from 31 December 2023)
2)	Mr. Roger Philippe Adou	Managing Director (appointed with effect from 1 January 2024)
3)	Mr. Marc Galjaard	Exceutive Director, Finance (resigned with effect from 11 June 2024)
4)	Mr. Ramon van Deventer	Finance Director (appointed with effect from 22 February 2024)
5)	Mrs. Ore Famurewa	Exceutive Director, Corporate Affairs
6)	Mr. Adedeji Adeshoga	Sales Director
7)	Mr. Raymond Naon	Human Resources Director (appointed with effect from 1 July 2023)
8)	Mr. Tope- Phillips Aikhuemelo	Human Resources Director (retired with effect from 11 July 2023)
9)	Mr. Chris Wulff-Caesar	Marketing Director (resigned with effect from 31 January 2024)
10)	Mrs. Maureen Omi Ifada	Marketing Director (appointed with effect from 01 February 2024)
11)	Ms. Dolapo Otegbayi	Route To Market Transformation Director (resigned with effect from 31 December 2023)
12)	Mr. Temitope Bandele	Customer Supply Chain Director (resigned with effect from 30 September 2023)
13)	Mr. Adekola Lamidi	Manufacturing Director

The Management Team has, as part of its terms of reference, the duty of ensuring constant monitoring of operations, implementation of Board decisions and recommendations to the Board on all issues and areas of operations.

f. Analysis of Shareholdings

According to the register of members, as at 31 December 2023, the shareholding analysis of the Company is as follows:

Number of shares held by individual shareholders	Number of shareholders	Shareholders %	Number of shares held	Holdings %
1 - 10,000	2,173	60.18	5,959,151	0.31
10,001 - 20,000	417	11.55	6,325,989	0.32
20,001 - 50,000	367	10.16	12,081,606	0.62
50,001 - 100,000	233	6.45	17,106,811	0.88
100,001 - 500,000	277	7.67	60,594,236	3.10
500,001 - 1,000,000	57	1.58	43,757,730	2.24
1,000,001 - 5,000,000	61	1.69	136,403,046	6.99
Above 5,000,000	26	0.72	1,670,443,303	85.54
	3,611	100	1,952,671,872	100
Nigerian public	3,610	99.97	628,565,076	32.19
FrieslandCampina Nigeria Holding B.V.	1	0.03	1,324,106,796	67.81
	3,611	100	1,952,671,872	100

g. Shareholders' participation

The Company is committed to promoting shareholders' rights and takes necessary steps in ensuring same. The Board and the Management do significantly benefit from the contributions and advice of the shareholder members of the Audit Committee and contributions of shareholders at Annual General Meetings.

h. Code of business conduct and ethics

The Company has a Code of Conduct which sets out the values and principles that should guide all employees in the way and manner they conduct themselves in relation to all its stakeholders. The Company ensures a steady awareness of these values and principles by continuous training, adequate publication of the contents of the Code to its employees and a whistle-blowing procedure to deal with any contravention of the Code of Conduct.

i. Risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Management Team, which is responsible for developing and monitoring the Company's risk management policies. The Management Team reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit and Risk Committee oversees how management monitors compliance with the Company's risk and management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Company.

Information relating to risk management is given in note 26 to the Financial Statement.

j. Share Dealing/Insider Trading

By virtue of the Share Trading policy of the Securities and Exchange Commission, FrieslandCampina WAMCO Nigeria PLC has in place, a Share Dealing policy which regulates securities transactions by its Directors, employees and other insiders on terms which are no less demanding than the required standard set out by the Securities and Exchange Commission.

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 Investment and Securities Act 2007.

Therefore, the relevant persons are prohibited both when they are in possession of material non-public information about the Company's activities as well as during prescribed black-out periods.

10 Statement of compliance

We hereby affirm that the SEC Code of Corporate Governance and the Nigerian Code of Corporate Governance (NCCG) 2018 govern the operations of the Company and confirm that to the best of our knowledge, we are in compliance with the Code.

11 Suppliers

a. The Company's significant overseas suppliers are:	b. The Company's significant local suppliers are:
✓ Cargill Deutschland GmbH, Germany ✓ Damin Foodstuff Zhangzhou Co Ltd. ✓ Dsm Nutritional Products Europe Ltd ✓ FC C.V. ✓ FrieslandCampina Kievit B.V.,The Netherlands ✓ FrieslandCampina Nederland B.V., The Netherlands ✓ Indeff FZ LLC ✓ Maersk Logistics & Services ✓ Tereos Starch & Sweetener ✓ Tetra Pak Export FZ ✓ Topec BV, The Netherlands	✓ Africa Access 3PL Limited ✓ African Truckers Limited ✓ Arvee Industries Limited ✓ Avon Crowns Cap Nigeria PLC ✓ Bollore Africa Logistics Nigeria Limited ✓ First Media Red Star Intl Company ✓ GMT Nigeria Limited ✓ Golden Oil Industries Limited ✓ Nampak PLC ✓ Presco Nigeria Limited ✓ Sonnex Packaging Nig Ltd. ✓ Supermaritime Nigeria Ltd. ✓ Veevee Paper Products Limited

12 Know-how and licence agreements

The Company has a Know-How Licence and Trademark Licence Agreement; a Research and Development Know-How Licence Agreement and a Dairy Development Agreement with FrieslandCampina Nederland B.V.

Under the agreements, technological, scientific and professional assistance is provided for the manufacture, quality control and packaging of the Company's products, new products development and training of personnel.

The Royalty charges as stipulated in the respective agreements are as follows:

- Know-How Licence and Trademark Licence Agreement is 1% of the turnover of the products produced and sold by FrieslandCampina WAMCO Nigeria PLC.
- Research and Development Know-How Licence Agreement is 1% of the turnover of the products produced and sold by FrieslandCampina WAMCO Nigeria PLC.
- Dairy Development Agreement is 0.75% of the turnover of Evaporated and Ready-To-Drink products produced and sold by FrieslandCampina WAMCO Nigeria PLC.

These agreements are approved by the National Office for Technology Acquisition & Promotion (NOTAP).

13 Safety, health and environment

The Company is committed to safety, health and environment as core values of conducting business. Safety, health and environment regulations are in force within the Company's premises and employees are aware of existing regulations. Protective clothing and firefighting equipment are provided in the production areas, warehouses and offices. The Company provides healthcare benefits to employees and operates an on-site clinic in the factory premises. The on-site clinic is managed by a reputable hospital providing primary health care round the clock for employees at work. The Company complies with relevant statutory provisions and regulations on health, safety and welfare matters as well as providing the education required to enable compliance by employees. A week - long safety programme is organized every year, to get employees involved with matters of safety, health and environment.

14 e-dividend

The Company consistently encourages its shareholders to embrace the e-dividend and e-bonus introduced in the capital market. This is to enable prompt crediting of shareholders' accounts with their CSCS account with bonus shares. This will also eliminate the cost of posting dividend warrants and share certificates as well as the risk of being lost in the post.

15 Donations and corporate social investments

In line with our deep-seated ambition to contribute to social and economic development, the company demonstrated its commitment to giving back to society, supporting philanthropic causes and providing shared value. We are constantly on the lookout for new and innovative ways to support efforts aimed at improving living standards in our host communities while contributing to nation-building. In the year under review, the Company made donations and Corporate Social Investments amounting to ₦119,134,865 (2022: ₦574,774,845) as follows:

Charity donations	Amount in Naira
Samaritan Project, Ebute Metta, Lagos	212,986
Old People's Home Yaba, Lagos	212,986
Franciscan Sisters of the Immaculate, Lekki - Peninsula, Lagos	212,986
SOS Children's Village Isolo, Lagos	212,986
Red Cross, Adekunle Yaba, Lagos	212,986
Compassionate Orphanage, Igando, Lagos	212,986
Heart of Gold Orphanage, Surulere, Lagos	212,986
Ovie Brume Foundation, Victoria Island, Lagos	212,986
St. Monica Orphanage, Iju Ishaga, Lagos	212,986
Little Saints Orphanage, Palm Grove, Lagos	302,507
Heritage Homes, Anthony Village, Lagos	212,986
Our Lady of Lourdes Maternity & Clinic Ipetunmodu, Osun State	212,986
Oluyole Cheshire Home Ibadan, Oyo State	212,986
Jesus Children Mission Outreach, Bodija, Ibadan, Oyo State	212,986
Winnie's Castle of Love Orphanage Home, Ibadan, Oyo State	212,986
Little Sisters of the Poor Awkunana, Enugu State	425,972
Marian Monastery, Enugu State	212,986
Marble House of Sarah Ibusa, Delta State	212,986
Dominican Sisters' College Abatete, Anambra State	212,986
Madonna School for the Handicapped, Okpanam, Delta State	212,986
Methodist Motherless Babies Home, Aba, Abia State	212,986
Seventh Day Adventist Motherless Babies Home - Aba, Abia State	212,986
Chims Motherless Babies Home, Abia	212,986
Mfon Abasi Orphanage, Akwa Ibom, Uyo	212,986
Bert Torey Home for the Mentally Handicapped Children, Zaria	212,986
Adonai Orphanage Home & Widow Center, Kaduna	212,986
Our Lady's Hospital & Orphanage Zawan, Plateau	212,986
Bethsida Orphanage Ikachi Benue	212,986
Child Care Trust, Gwari Abuja	212,986
Mother's Welfare Group, Asokoro, Abuja	212,986
	6,692,087
Tertiary Endowment for Dairy Science Research and Award for Best Graduating Student	
University of Ibadan – Dept of Food Technology	1,100,000
University of Maiduguri – Dept of Animal Science	1,100,000
University of Nigeria Nsukka – Dept of Food Science and Technology	1,100,000
University of Uyo-Dept of Animal Science	1,100,000
Federal University of Tech. Minna-Dept of Food Science and Technology	1,100,000
Modibbo Adama University of Technology, Yola - Dept of Food Science and Technology	1,100,000
	6,600,000
Total donations	**13,292,087**

Charity donations	Amount in Naira
Corporate social investments	
Host Communities: Dairy Development	
Construction of 10 boreholes	84,067,086
	84,067,086
Other corporate social investment	
Paralympians and Unstoppable Humans of Change Initiative	21,775,692
	21,775,692
Total corporate social investment	**105,842,778**
Total donations and corporate social investments	**119,134,865**

In accordance with Section 43(2) of the Companies and Allied Matters Act, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year.

16 Auditors

In accordance with Section 401(2) of the Companies and Allied Matters Act, Messrs. PricewaterhouseCoopers have indicated their willingness to continue in office as Auditors of the Company.

BY ORDER OF THE BOARD

Olubukunola Olateru FCIS (Mrs.)
Company Secretary
FRC/2018/ICSAN/00000017968

Lagos, Nigeria
27 February 2024

Report of the External Consultants on the Performance Evaluation of the Board of Directors

for the year ended 31 December 2023

22nd April 2024

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS OF FRIESLANDCAMPINA WAMCO NIGERIA PLC FOR THE YEAR ENDED DECEMBER 31, 2023.

DCSL Corporate Services Limited (DCSL) was engaged by FrieslandCampina WAMCO Nigeria Plc ("Friesland", "the Company") to carry out a performance evaluation of the Board of Directors for the year-ended December 31, 2023, in line with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), Securities and Exchange Commission Corporate Governance Guidelines 2020 (SCCG) and Companies and Allied Matters Act 2020 (CAMA), as well as global best practices on Corporate Governance.

The appraisal entailed a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other ancillary documents made available to us and the administration of questionnaires to Directors.

To ascertain the extent of compliance with relevant corporate governance principles and appraise the performance of the Board, we benchmarked the Company's corporate governance structures, policies and processes against the above-mentioned Codes and regulations as well as global Best Practices and considered the following seven key corporate governance themes:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure

Following the review of the policies and processes in place in the Company, we confirm that the Board of Directors is committed to ensuring the implementation of best corporate governance practices and adherence to the principles enshrined in the NCCG and SCGG as well as globally accepted best practices. The Board is committed to ensuring observance of the highest ethical standards and transparency in the conduct of the Company's business. We also found from the Directors' Peer Assessment and Chairman's Leadership Assessment surveys administered on the individual Directors that the Directors performed well on the set governance indicators and remain committed to sustaining the growth of the Company's business.

We have brought to the attention of the Board those areas that require improvement and are satisfied that the Board has taken due notice of these for implementation.

Details of our key findings and recommendations are contained in our detailed Reports.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Directors: - Abel O. Ajayi (Chairman) - Bisi Adeyemi (Managing Director) - Adeniyi Olise - Dr Animo Emuwa - Obi A. Ogbechi - Mr. Lakan Balo

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Statement of Directors' Responsibilities

for the year ended 31 December 2023

The Companies and Allied Matters Act (CAMA) 2020 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include:

a) Ensuring that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act;

b) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; and

c) Preparing the Company's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act and Financial Reporting Council of Nigeria Act.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Roger Philippe Adou
FRC/2024/PRO/DIR/003/302363

Jacobs Moyo Ajekigbe, OFR
FRC/2013/IODN/0000000002472

Marc Galjaard
FRC/2021/001/00000022800

22 February, 2024

Statement of Corporate Responsibility

for the year ended 31 December 2023

In compliance with Section 405 of the Companies and Allied Matters Act 2020, we hereby confirm that we have examined the audited financial statements for the accounting year ended 31 December 2023 and hereby certify that:

1. The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in light of the circumstances under which such statement was made.

2. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operations of the Company as of and for, the periods covered by the audited financial statements.

3. Appropriate internal controls are in place to ensure that material information relating to the Company is made known to the management by other officers of the Company, particularly during the period in which the audited financial statements report is being prepared.

4. We evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of its audited financial statements.

5. The Company's internal controls are effective as of that date.

6. We have disclosed to the company's Auditors and Audit Committee:

   i. All significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data.

   ii. That there was no material weaknesses in the company's internal control during the period identified for the company's auditors.

   iii. That there were no occasion of fraud that involves management or other employees who have a significant role in the Company's internal control.

7. There have been no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Roger Philippe Adou
FRC/2024/PRO/DIR/003/302363

Marc Galjaard
FRC/2021/001/00000022800

22 February, 2024

Certification of Financial Statements

Pursuant to Section 60(2) of Investment and Securities Act No. 29 Of 2007; we the undersigned hereby certify the following with regards to our financial statements for the year ended 31 December 2023 that:

a) We have reviewed the report;

b) To the best of our knowledge, the report does not contain;

   i. Any untrue statement of a material fact, or

   ii. Omit to state a material fact, or misleading in light of the circumstance under which such statements were made.

c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in the report.

d) We:
   i. Are responsible for establishing and maintaining internal controls;

   ii. Have designed such internal controls to ensure that material information relating to the company is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;

   iii. Have evaluated the effectiveness of the company's internal controls as of date, within 90 days prior to the report;

   iv. Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.

e) We have disclosed to the auditors of the company and audit committee;

   i. All significant deficiency in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report the financial data and have identified for the company's auditors any material weakness in internal controls, and

   ii. Any fraud, whether or not material, that involves management or other employees who have significant roles in the company's internal controls.

f) We have identified in the report whether or not there were significant changes in internal controls, or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Roger Philippe Adou
FRC/2024/PRO/DIR/003/302363

Marc Galjaard
FRC/2021/001/00000022800

Management's Annual Assessment of, and Report on, FrieslandCampina WAMCO Nigeria Plc's Internal Control over Financial Reporting

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of FrieslandCampina WAMCO Nigeria Plc for the year ended 31 December 2023:

i. FrieslandCampina WAMCO Nigeria Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

ii. FrieslandCampina WAMCO Nigeria Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;

iii. FrieslandCampina WAMCO Nigeria Plc's management has assessed that the entity's ICFR as of the end of 31 December 2023 is effective.

iv. FrieslandCampina WAMCO Plc's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of FrieslandCampina WAMCO Nigeria Plc's annual report.

Roger Philippe Adou
Managing Director
FRC/2024/PRO/DIR/003/302363

Marc Galjaard
Finance Director
FRC/2021/001/00000022800

Certification of Management's Assessment on Internal Control over Financial Reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of FrieslandCampina WAMCO Nigeria Plc for the year ended 31 December 2023.

I, Roger Philippe Adou, certify that:

a) I have reviewed this management assessment on internal control over financial reporting of FrieslandCampina WAMCO Nigeria Plc;

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d) The entity's other certifying officer and I:
   1) are responsible for establishing and maintaining internal controls;
   2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
   1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
   2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f) The entity's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Roger Philippe Adou
Managing Director
FRC No: FRC/2024/PRO/DIR/003/302363

Date: 22 February 2024

Certification of Management's Assessment on Internal Control over Financial Reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of FrieslandCampina WAMCO Nigeria Plc for the year ended 31 December 2023.

I, Marc Galjaard, certify that:

a) I have reviewed this management assessment on internal control over financial reporting of FrieslandCampina WAMCO Nigeria Plc;

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d) The entity's other certifying officer and I:
   1) are responsible for establishing and maintaining internal controls;
   2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
   1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
   2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f) The entity's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Marc Galjaard
Finance Director
FRC No: FRC/2021/001/00000022800

Date: 22 February 2024

NEW!
Peak
SINCE 1954
Peak
"Mini" Pack
Breakfast for You
Peak
SINCE 1954
Filled
Evaporated Milk
Lite & Creamy
Reach for your Peak

Nourishing Nigerians with Quality Dairy Nutrition

70 YEARS ANNIVERSARY

Report of the Audit Committee

To the members of FrieslandCampina WAMCO Nigeria PLC
for the year ended 31 December 2023

In compliance with Section 404(7) of the Companies and Allied Matters Act 2020, the members of the Statutory Audit Committee hereby confirm that:

1. The accounting and reporting policies of the Company for the year ended 31 December 2023 are in accordance with legal requirements and agreed ethical practices.

2. The Scope and planning of the audit requirements are adequate in our opinion.

3. The Internal Audit and Internal Control systems are adequate.

4. We reviewed the External Auditor's Management Letter and are satisfied with the response from Management.

5. The External Auditors confirmed Management's cooperation during the audit and that they were not limited in any way.

6. In November 2023, we physically visited the Dairy Development Project at Oyo State to ascertain the progress of the Project. The performance was satisfactory and, hopefully, better days are ahead.

We have reviewed the Audited Financial Statements and Auditor's Reports for the Year Ended 31 December 2023 and are satisfied with the explanation provided.

Mrs. Olufunmilayo Balogun
Chairman, Statutory Audit Committee
FRC/2021/PRO/00000024164
Dated: 27 February 2024

Members of the Committee

Mrs. Olufunmilayo Balogun - Chairman
Engr. Mustafa Bello
Mr. Peter Eshikena
Sir Sunday N. Nwosu, KSS, GCOA, MIoD
Mr. John Ogundipe

Independent practitioner's report

To the Members of FrieslandCampina WAMCO Nigeria Plc

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of FrieslandCampina WAMCO Nigeria Plc ("the company's") are not adequate as of 31 December 2023, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

What we have performed

We have performed an assurance engagement on FrieslandCampina WAMCO Nigeria Plc's internal control over financial reporting as of 31 December, 2023, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Assessment of, and Report on, Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements of FrieslandCampina WAMCO Nigeria Plc and our report dated 31 March 2024 expressed an unmodified report.

Yinka Yusuf

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
0466181
ICAN

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

31 March 2024

Engagement Partner: Yinka Yusuf
FRC/2013/PRO/ICAN/004/00000005161

Independent auditor's report

To the Members of FrieslandCampina WAMCO Nigeria Plc

Report on the audit of the financial statements

Our opinion

In our opinion, FrieslandCampina WAMCO Nigeria Plc's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

FrieslandCampina WAMCO Nigeria Plc's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill *(Refer to notes 3d(iv), 4 and 15 to the financial statements)* As at 31 December 2023, the carrying amount of goodwill is N1.78billion. Goodwill is tested annually for impairment or whenever there is an impairment indicator. Goodwill arose on the acquisition of the Nutricima business in 2020. We focused on the impairment of goodwill due to the materiality of the balance as well as the level of subjectivity and significant assumptions made by management in estimating the carrying value as at year end date. Significant assumptions made by management include: • methodology applied in determining the cash generating units (CGUs) for allocation of goodwill; • determination of the future cash flows for the CGUs; • determination of the discount rate, projected Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA), long-term growth rate applied to determine the value in use of the CGUs.	We adopted a substantive approach in assessing the impairment recognised on the goodwill. Specifically, we performed the following procedures: • Assessed the reasonableness of the methodology applied in determining the CGUs for allocation of goodwill; • Assessed the reasonableness of management's future cashflows, discount rate, projected growth and projected EBITDA for the business by analysing the capital structure and comparing current year actual results with management's forecasts for the year and checking to Board-approved budgets; • Tested sensitivity analysis of the recoverable amount to the key assumptions applied; • We evaluated the appropriateness of the related disclosures in accordance with the International Financial Reporting Standards.

Other information

The directors are responsible for the other information. The other information comprises the Financial Highlights, Directors and Other Corporate Information, Report of the Directors, Statement of Directors' Responsibilities, Statement of Corporate Responsibility, Certification of Financial Statements, Management's Annual Assessment of, and Report on , FrieslandCampina WAMCO Nigeria Plc's Internal Control Over Financial Reporting, Certification of Management Assessment on Internal Control Over Financial Reporting, Report of the Audit Committee, Value Added Statement and Five Year Financial Summary (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the FrieslandCampina WAMCO Nigeria Plc 2023 Annual Report, which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the FrieslandCampina WAMCO Nigeria Plc 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act,2023, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from locations not visited by us*;*

iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of FrieslandCampina WAMCO Nigeria Plc's internal control over financial reporting as of 31 December 2023. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unmodified opinion in our report dated 31 March 2024.

Yinka Yusuf

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
0466182
ICAN

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

31 March 2024

Engagement Partner: Yinka Yusuf
FRC/2013/PRO/ICAN/004/00000005161

Sustainability Performance – Nourishing a better planet

Better Nature –
Ecosystem restoration (reforest)

▲ **200** more trees planted

2023 – 7,910 trees
2022 – 7,714 trees

Better Living for Farmers –
Sustainable livelihoods through dairy development

▲ **812** more local dairy farmers trained

2023 – 13,813 farmers
2022 – 13,001 farmers

Better Nature –
Reduce use of process water

▼ **46,552 m3** less water used in production

2023 – 151,003 in cubic meters (m3)
2022 – 197,555 in cubic meters (m3)

Better Climate –
Reduce direct carbon emissions

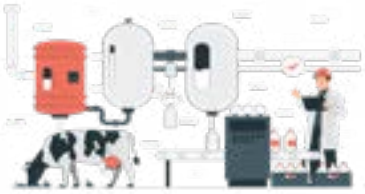
▼ **3,065 tonnes less CO2** emitted in our operations

2023 – 8,800 in tonnes
2022 – 11,865 in tonnes

Better living for Farmers –
Improve capacity for local milk sourcing

▼ **390 tonnes** less milk collected from local farmers

2023 – 4,277 in tonnes
2022 – 4,667 in tonnes



Better Climate –
Renewable and clean energy sources

▼ **39.55 Gj** less energy consumed in our operations

2023 – 119.22 in giga joules (Gj)
2022 – 158.77 in giga joules (Gj)

Better Nature –
Secure clean water for dairy communities

▲ **10** more solar powered boreholes installed

2023 – 119 boreholes
2022 – 109 boreholes

Better Nature –
Production waste

▲ **947,507 kg** less waste generated

2023 – 2,114,097 in kg
2022 – 3,061,604 in kg

Better Nature –
Recycled waste

▼ **90,766 kg** less waste to landfill

2023 – 348,132 in kg
2022 – 438,898 in kg

Statement of Financial Position

as at 31 December 2023

In thousands of Naira	Note	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	12	50,688,687	50,464,977
Right of Use Asset	13	237,897	274,875
Intangible assets	15	1,962,661	2,103,341
Biological assets	14	130,241	27,010
Total non-current assets		53,019,486	52,870,203
Current assets			
Inventories	18	49,870,578	86,288,551
Trade and other receivables	19	17,579,577	32,203,291
Prepayments	16	142,694,292	117,756,962
Derivative assets	20(a)	79,152,452	2,562,612
Cash and cash equivalents	20(b)	11,433,857	19,913,684
Total current assets		300,730,756	258,725,100
Total assets		353,750,242	311,595,303
Equity			
Share capital	21(a)	976,336	976,336
Share premium	21(a)	350,211	350,211
Retained earnings		(288,715)	28,546,220
		1,037,832	29,872,767
Liabilities			
Non-current liabilities			
Employee benefits	22	1,661,786	1,469,460
Deferred tax liabilities	17	1,030,055	6,882,056
Loans and borrowings	24(b)	4,589,101	4,670,736
Government grant	24(c)	252,979	760,129
Lease liabilities	25	87,970	85,757
Total non-current liabilities		7,621,891	13,868,138
Current liabilities			
Current tax liabilities	10(b)	1,662,144	4,498,517
Trade and other payables	23	212,025,264	168,559,845
Loans and borrowings	24(a)	131,202,564	93,280,664
Government grant	24(c)	188,760	164,220
Derivative liabilities	20(a)	-	1,351,099
Lease liabilities	25	11,787	53
Total current liabilities		345,090,519	267,854,398
Total liabilities		352,712,410	281,722,536
Total equity and liabilities		353,750,242	311,595,303

The accompanying notes and material accounting policies on pages 63 to 110 form an integral part of these financial statements.

The financial statements and other national disclosures on pages 58 to 113 were approved by the Board of Directors on 22 February 2024 and signed on its behalf by:

Jacobs Moyo Ajekigbe, OFR - Chairman
FRC/2013/IODN/0000000002472

Roger Philippe Adou - Managing Director
FRC/2024/PRO/DIR/003/302363

Finance Director - Marc Galjaard
FRC/2021/001/00000022800

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2023

In thousands of Naira	Notes	2023	2022
Revenue from contracts with customers	5	304,609,957	324,719,156
Cost of sales	7(a)	(243,094,685)	(274,474,665)
Gross profit		61,515,272	50,244,491
Other (cost)/income	8	(18,873,770)	54,075
Selling and distribution expenses	7(a)	(23,989,195)	(23,320,592)
Administrative expenses	7(a)	(7,045,537)	(5,615,414)
Net Impairment losses on financial assets	26	(269,067)	(69,077)
Operating profit		11,337,703	21,293,483
Finance income	6	365,960	932,078
Finance costs	6	(38,076,452)	(8,762,929)
Net finance costs		(37,710,492)	(7,830,851)
(Loss)/profit before income tax		(26,372,789)	13,462,632
Income tax credit/(expense)	10(a)	3,392,957	(5,829,736)
(Loss)/profit for the year		(22,979,832)	7,632,896
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain on defined benefit obligations	22(b)	(191,106)	50,879
Income tax on other comprehensive income	10(c)	57,332	(15,263)
Other comprehensive (loss)/income for the year, net of income tax		(133,774)	35,616
Total comprehensive (loss)/income for the year		(23,113,606)	7,668,512
(Loss)/Profit for the year is attributable to:			
Owners of the Company		(22,979,832)	7,632,896
Total comprehensive (loss)/income for the year is attributable to:			
Owners of the Company		(23,113,606)	7,668,512
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per share (Naira)	11	(11.77)	3.91

The accompanying notes and material accounting policies on pages 63 to 110 form an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2023

In thousands of Naira	Note	Share capital	Share premium	Retained earnings	Total equity
Balance at 1 January 2022		488,168	350,211	25,495,777	26,334,156
Profit for the year		-	-	7,632,896	7,632,896
Other comprehensive income for the year, net of income tax		-	-	35,616	35,616
Total comprehensive income for the year		-	-	7,668,512	7,668,512
Transactions with owners, recorded directly in equity					
Dividends	21(b)	-	-	(4,129,901)	(4,129,901)
Bonus share issued		488,168	-	(488,168)	-
Balance as at 31 December 2022		976,336	350,211	28,546,220	29,872,767
Balance at 1 January 2023		976,336	350,211	28,546,220	29,872,767
Loss for the year		-	-	(22,979,832)	(22,979,832)
Other comprehensive income/(expense) for the year, net of income tax		-	-	(133,774)	(133,774)
Total comprehensive income/(expense) for the year		-	-	(23,113,606)	(23,113,606)
Transactions with owners, recorded directly in equity					
Dividends	21(b)	-	-	(5,721,329)	(5,721,329)
Balance as at 31 December 2023		976,336	350,211	(288,715)	1,037,832

The accompanying notes and material accounting policies on pages 63 to 110 form an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2023

In thousands of Naira	Notes	2023	2022
Cash flows from operating activities			
(Loss)/Profit before tax		(26,372,789)	13,462,632
Adjustments for:			
Depreciation of property, plant and equipment	12	5,679,787	4,903,079
Amortisation of intangible assets	15	140,680	140,679
Depreciation of right of use assets	13	62,778	45,242
Impairment of property, plant and equipment	12	-	212,657
Impairment of biological assets	14	-	250,329
Long service award expense	22(a)	308,264	263,043
Unrealised fair value change in derivatives	6	(77,940,939)	(2,532,701)
Other post employment benefit expense	22(b)	56,791	53,705
Remeasurement gain on defined benefit obligations	22(a)	(236,459)	(75,956)
Interest income	6	(129,506)	(767,858)
Amortisation of government grant	6	(236,454)	(164,220)
Interest expense on overdrafts, loans and borrowings	6	16,078,123	3,963,764
Interest expense on lease liabilities	6	13,947	11,997
Foreign exchange loss		50,603,293	8,644,128
Gain on disposal of property, plant and equipment	12a(ii)	(16,498)	(10,681)
		(31,988,980)	28,399,839
Change in working capital:			
Inventories		36,417,973	(37,424,803)
Trade and other receivables		14,623,714	(15,017,655)
Prepayments		(24,937,330)	(40,992,533)
Trade and other payables*		43,465,419	18,560,618
Cash generated from/(used in) operating activities		37,580,796	(46,474,534)
Income tax paid	10(b)	(5,238,087)	(9,642,182)
Long service award benefits paid	22	(111,094)	(48,858)
Other post employment benefits paid		(16,282)	(3,383)
Net cash generated from/(used in) operating activities		32,215,333	(56,168,957)
Cash flow from investing activities			
Interest received		129,506	839,163
Proceeds from sale of property, plant and equipment	12a(ii)	100,102	48,265
Acquisition of right of use assets	13	(25,800)	(104,000)
Acquisition of biological assets	14	(103,231)	-
Acquisition of property, plant and equipment	12	(5,987,101)	(7,093,277)
Net cash used in investing activities		(5,886,524)	(6,309,850)
Cash flow from financing activities			
Interest paid	24	(6,546,627)	(876,808)
Dividends paid to company's shareholders	21(b)	(5,721,329)	(8,721,246)
Proceeds from loans and borrowings	24	70,000,000	40,000,000
Repayment of loans and borrowings	24	(93,610,183)	(2,548,454)
Net cash used in financing activities		(35,878,139)	27,853,492
Net (decrease)/increase in cash and cash equivalents		(9,549,331)	(34,625,314)
Cash and cash equivalents at 1 January	20(b)	19,913,684	54,484,924
Effect of exchange rate fluctuations on cash held		1,069,504	54,074
Cash and cash equivalents at 31 December	20(b)	11,433,857	19,913,684

*Change in trade and other payables has been adjusted for the effect of movements in dividend payable.

The accompanying notes and material accounting policies on pages 63 to 110 form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2023

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1 Reporting Entity

FrieslandCampina WAMCO Nigeria Plc ("the Company") is a company domiciled in Nigeria. The address of the Company's registered office is Plot 7b Acme road, Ikeja Industrial Estate, Ogba, Lagos. The Company was incorporated in Nigeria as a private limited liability company on 17 April 1973, commenced operations on 13 September 1975 and became a public limited liability company in 1978.

The Company is principally engaged in the manufacturing and marketing of evaporated milk, instant milk powder, ready to drink beverages and other dairy based products.

2 Basis of Preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011. The financial statements were authorised for issue by the Company's Board of Directors on 22 February 2024.

The financial statements for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information required by National regulations is included where appropriate.

The financial statements comprise the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cashflows and the notes to the financial statements.

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept. All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in thousands of Naira.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(b) Basis of measurement

The financial statements have been prepared on historical cost basis except for the defined benefit obligations which are recognised at present value as explained in Note 3i(ii) and derivative financial instruments recognised at fair value.

(c) Functional and presentation currency

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

3 Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

a) Foreign currency transactions

Transactions denominated in foreign currencies are recognized in the entity's functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange differences arising

on the settlement of monetary assets and liabilities are recognised in profit or loss in the period which they arise. Non-monetary items that are measured based on historical cost in a foreign currency are not re-translated.

b) Financial instruments

I) Classification and measurement

Financial assets
It is the Company's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement is dependent on the Company's business model for managing the asset and the cash flow characteristics of the asset. On this basis, the Company may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

The business models applied to assess the classification of the financial assets held by the Company are:

• Hold to collect: Financial assets in this category are held by the Company solely to collect contractual cash flows and these cash flows represent solely payments of principal and interest. Assets held under this business model are measured at amortised cost.

• Fair value through profit or loss: This category is the residual category for financial assets that do not meet the criteria described above. Financial assets in this category are managed in order to realise the asset's fair value.

The Company's financial assets that are held to collect contractual cash flows are solely payments of principal (for non-interest bearing financial assets) or solely payments of principal and interest (for interest bearing financial assets). The financial assets are measured at amortised cost.

Derivative assets are recognized at fair value.

The Company's financial assets include trade and other receivables, cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the reporting date which are included in non-current assets. Interest income from these assets is included in finance income using the effective interest rate method.

Financial liabilities
Financial liabilities of the Company are classified and measured at fair value on initial recognition net of directly attributable transaction costs and subsequently measured at amortised cost.

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Company's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss.

The Company's financial liabilities include trade and other payables, borrowings and derivative financial liabilities.

Derivatives
Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently measured to their fair value at the end of each reporting period. The accounting for subsequent changes in the fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

II) Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to the Company's financial assets classified at amortised cost. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The simplified approach is applied to trade receivables while the general approach is applied to cash and cash equivalents, and other receivables.

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the receivable and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as 12 month ECL which is a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the Probability of Default (PD), Loss Given default (LGD) and Exposure at Default (EAD) for each individual exposure. The PD is based on default rates determined by External rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable and assessing the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. External data was also sourced from Moody's corporate recovery rates to determine the LGD for some financial assets. The EAD is the total amount of outstanding receivable at the reporting period.

These three components are multiplied together and adjusted for forward looking information, such as the unemployment rate in Nigeria, inflation rate, and crude oil prices to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss and presented on the face of the statement of profit or loss.

Credit risk and default definition

The Company assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Company identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Company's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Company carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Company determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

III) Derecognition

Financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as other income/ (losses).

Financial liabilities
The Company derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

IV) Offsetting of financial assets and financial liabilities
Financial assets and liabilities are offset and the net amount is reported in the statement of financial position. Offsetting can be applied when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

c) Property, plant and equipment

I. Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Items of property, plant and equipment under construction are disclosed as assets under construction. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment and depreciated accordingly.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net of administrative expenses.

II. Subsequent costs
The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

III. Depreciation
Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

The estimated useful lives for the current and comparative periods are as follow:

Asset class	Useful life
• Leasehold land	99 years
• Buildings	25 years
• Plant and machinery	
- Workshop machinery	20 years
- Filling and packaging machinery/lines	10 years
- Labelling, box packers and palletizers	15 years
- Utilities and other plant and machinery	13 years
• Motor vehicles	4 years
• Furniture, fittings and tools	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. There were no adjustments during the year.

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category when the asset becomes available for use and is depreciated accordingly.

d) Intangible assets

I. Software

Purchased software with finite useful life is measured at cost less accumulated amortisation and accumulated impairment losses.

II. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

III. Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful life for the current and comparative periods is as follows:

Asset class	Useful life
Computer software	5 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

IV. Goodwill

Goodwill arises on the acquisition of a business and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the business acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of the value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

e) Related parties

Related parties include the holding company and other group entities. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

f) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, the right of use asset is measured at cost, and the lease liability is measured at the present value of the lease payments that are not paid at that date.

After the commencement date, the right of use asset is measured at cost minus accumulated depreciation, accumulated impairments, and/or adjusted for any remeasurements or modifications.

After the commencement date, the lease liability is measured by increasing the carrying amount with interest on the lease liability, by reducing the carrying amount to reflect the lease payments made and by adjusting for any remeasurements or modifications.

Lease expenses for short term, low value and variable leases, as well as non-lease components are expensed directly in the income statement.

Determining whether an arrangement is, or contains, a lease

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For identifying a lease or a lease component, there must be;

i) **An identified asset.** An asset is typically identified by being explicitly specified in a contract (for example; an address or license plate). However, an asset can also be identified by being implicitly specified at the time that the asset is made available for use by the customer (for example, when it is clear to all parties which asset is meant, for example when the lessor only has one asset to fulfill its contractual obligations with). A portion of an asset's capacity can also be an identified asset.

ii) **The right to control the use of an identified asset**. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, an entity shall assess whether, throughout the period of use, the customer has both of the following:

   a) The right to obtain substantially all of the economic benefits from use of the identified asset;

   b) The right to direct the use of the identified asset.

Initial recognition
At the commencement date, when a lessee starts using the leased asset, a lessee shall recognise a right-of-use asset and a lease liability.

Right of use assets
At the commencement date, a lessee shall measure the right-of-use asset at cost.

The cost of the right-of-use asset shall comprise (IFRS 16.24):

1. The amount of the initial measurement of the lease liability;
2. Any lease payments made at or before the commencement date, less any lease incentives received;
3. Any initial direct costs incurred by the lessee; and
4. An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Depreciation
Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities
At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date (IFRS 16.27):

1. Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
2. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
3. Amounts expected to be payable by the lessee under residual value guarantees;
4 The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
5. Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the Company's incremental borrowing rate, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

Interest expense
The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Subsequent measurement

Right of use assets

After the commencement date, a lessee shall measure the right-of-use asset applying a cost model.

To apply a cost model, a lessee shall measure the right-of-use asset at cost (IFRS 16.30):

1. Less any accumulated depreciation and any accumulated impairment losses; and
2. Adjusted for any remeasurement of the lease liability or for any modifications.

Lease liability

After the commencement date, a lessee shall measure the lease liability by (IFRS 16.36):

1. Increasing the carrying amount to reflect interest on the lease liability;
2. Reducing the carrying amount to reflect the lease payments made; and
3. Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Short-term leases and leases of low-value assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than $5,000 when new, and depends on the nature of the asset. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term.

g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.The basis of costing is as follows;

Raw and packaging materials, spares and purchased finished goods	purchase cost on a first-in, first-out basis, including transportation and clearing costs
Finished goods in process	cost of direct materials and labour plus a reasonable proportion of manufacturing overheads based on normal levels of activity
Goods-in-transit	purchase cost incurred to date

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Engineering spares are classified as inventory and are recognised in the profit and loss account as consumed.

Allowance is made for obsolete, slow moving or defective items where appropriate.

h) Biological assets (Agricultural assets)

Biological assets comprise cattle and harvested produce. The cattle and the harvested produce are recognised at fair value less costs to sell, based on market prices of livestock of similar age, breed and genetic merit with adjustments, where necessary, to reflect the differences. The determination of fair value is based on active market values, where appropriate, or management's assessment of the fair value based on available data and benchmark statistics.

The harvested produce is kept as inventory to feed the cattle. Gains and losses from changes in fair value less costs to sell are included in profit or loss for the period in which it arises. All costs of producing and harvesting biological assets should be expensed when incurred.

i) Employee benefits

I. Defined Contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts in respect of all employee benefits relating to employee service in current and prior periods.

In line with the provisions of the Pension Reform Act 2014 (as amended), the Company has instituted a defined contribution pension scheme for their permanent staff. Staff contributions to the scheme are funded through payroll deductions. Obligations for contributions to the defined contribution plan are recognised as an employee benefit expense in profit or loss in the periods in which related services are rendered by employees. Employees contribute 8% each of the relevant emoluments to the fund on a monthly basis while the Company contributes 10% to the pension fund and an additional 5% to an investment fund.

II. Defined Benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the net of any unrecognised past service cost and actuarial losses plus the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit or loss.

The discount rate is the yield on Federal Government of Nigeria issued bonds that have maturity dates approximating the terms of the company's obligation.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income and directly in retained earnings. The Company's defined benefit plan is unfunded.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

III. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The company's other long-term employee benefits comprise of a long service award scheme that it has for its employees. The Company's liability with respect to this scheme is determined by an independent actuarial valuation every year by discounting to determine its present value. In determining the liability for employee benefits under the defined benefit scheme, consideration is given to future increases in salary rates and the Company's experience with staff turnover. Actuarial gains and losses arising from differences between the actual and expected outcome in the valuation of the obligation are recognized in profit or loss in the period they arise. The effect of any curtailment is also charged in full in profit or loss immediately

when the curtailment occurs. The discount rate is the yield on Federal Government of Nigeria issued bonds that have maturity dates approximating the terms of the company's obligation. The Company ensures that adequate arrangements are in place to meet its obligations under the scheme. The other long-term employee benefits is unfunded.

IV. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

V. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

j) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost in the statement of profit or loss and other comprehensive income.

k) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position.

If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

l) Revenue recognition

The Company recognises revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those services. A valid contract is recognised as revenue after;

- The contract is approved by the parties.
- Rights and obligations are recognised
- Collectability is probable
- The contract has commercial substance.
- The payment terms and consideration are identifiable.

The probability that a customer would make payment is ascertained based on the evaluation done on the customer as stated in the credit management policy at the inception of the contract. The Company is the principal in all of its revenue arrangement since it is the primary obligor in most of the revenue arrangements, has inventory risk and determines the pricing for the goods and services.

Sale of goods

Sale of goods arises from exports and domestic sales. Revenue from the sale of goods is recognised when the control of the goods are transferred to the buyer. This occurs when the goods are delivered as per the applicable deliverable terms.

The Company transfers the control to the customers upon delivery. The customer obtains the right to return goods that are bad or damaged after they have been delivered.

Delivery occurs when the goods have been delivered as per the applicable delivery terms, the risks of obsolescence and loss have been transferred to the customer, and when the customer has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied. Delivery is considered a sales fulfillment activity.

Revenue from sale of goods is recognised based on the price specified in the contract, net of estimated rebates, slotting fees, and any estimated returns. Rebates are estimated at the inception of the contract except where the time lag between the recognition of revenue and granting rebates is not material.

Returns on goods are estimated at the inception of the contract except where the timing between when the revenue is recognised and when the returns occur is considered immaterial. In these instances, the returns are accounted for when they occur.

Slotting fees are payments to retail outlets for strategic display sections for the company's products. The amount paid is recognized as a reduction of the transaction price.

m) Finance income and finance costs

Finance income comprises interest income on funds invested and foreign exchange gains. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings computed using effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method, otherwise they are capitalised.

Foreign currency gains and losses related to financing or investing activities are presented as part of finance income and expense. Foreign currency gains and losses on financial assets and financial liabilities that arise from operating activities, e.g. payables arising on the purchase of goods, are presented as part of cost of goods sold.

Gain or loss on derivative financial instruments arising from forward contracts that were entered into, in order to mitigate the exchange rate risk on borrowings denominated in foreign currency, are presented as part of finance income or finance cost, depending on whether the changes in fair value result in a net gain or net loss position. Changes in fair value of other types of derivative financial instruments are recognised in other income or expense.

n) Tax

Income tax expense represents the sum of current tax expense and deferred tax expense. Current tax and deferred tax is recognised in profit or loss except for items recognised directly in equity or in other comprehensive income.

I. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Company is subject to the following types of current income tax:

- **Company Income Tax** - This relates to tax on revenue and profit generated by the Company during the year, to be taxed under the Companies Income Tax Act Cap C21, LFN 2004 as amended to date.
- **Tertiary Education Tax** - Tertiary education tax is based on the assessable income of the Company and is governed by the Tertiary Education Trust Fund (Establishment) Act LFN 2011.

II. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is not recognized for the following temporary differences:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

o) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

p) Cash and cash equivalents

In the statement of cash flow, cash and cash equivalents include cash in hand, bank deposits repayable on demand, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

q) Dividends

Dividends are recognised as liability in the period they are declared.

Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with Section 385 of Companies and Allied Matters Act of Nigeria are written back to retained earnings.

The Securities and Exchange Commission (SEC) published a circular directing Capital Market Registrars to return all unclaimed dividend which has been in their custody for fifteen (15) months and above to the paying companies. These unclaimed dividends are included as a liability to the shareholders.

r) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

The benefit of the government loan at a below-market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with IFRS 9 Financial Instruments. The below-market rate of interest is measured as the difference between the initial carrying value of the loan and the proceeds received.

Amortisation of government grant is recognised as finance income.

s) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are required. The consideration transferred for the acquisition of a subsidiary comprises the:

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interest issued by the group
- Fair value of any asset or liability resulting from a contingent consideration arrangement, and
- Fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets required and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest's proportionate share of the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- Consideration transferred,
- Amount of any non-controlling interest in the acquired entity, and
- Acquisition-date fair value of any previous equity interest in the acquired entity.

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange .The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

t) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Interest-bearing loans and overdrafts are recognised initially at fair value, net of direct costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis through profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

Loans for which the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date, are classified as non- current liabilities.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method, otherwise they are capitalised.

u) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Finance cost is also included in financing activities while finance income received is included in investing activities.

v) New standards, amendments and interpretations adopted by the company

The Company has applied the following amendments for the first time for their annual reporting period commencing 1 January 2022:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

w) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretation have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the Company in the current or future reporting periods.

4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2023 is as follows:

Defined benefit obligations

The cost of the defined benefit pension plan, long service awards, other post-employment benefits and the present value of these defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See further details on the assumptions made for the year, including the sensitivity analysis carried out, in note 22.

Income taxes and Deferred tax

The Company is subject to income taxes within Nigeria, which does not require much judgement in terms of provision for income taxes but a certain level of judgement is required for recognition of deferred tax. Management is required to assess the ability of the Company to generate future taxable economic earnings that will utilise any deferred tax assets. Assumptions over the generation of future taxable profits depends on management's estimates of future cash flows. This estimate of future taxable income is based on forecast cash flows from operations.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 26.

Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Estimating the incremental borrowing rate

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and condition. To determine the incremental borrowing rate, the company uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing. The incremental borrowing rate used by the company for its leases is 16.25%.

Derivative financial instrument

These are foreign currency forwards of which the present value of the future cash flows is based on the forward exchange rates at the balance sheet date. The resulting fair value estimates are included in level 2.

4.1 Fair value measurement

Financial instruments measured at fair value

In thousands of Naira	Level 1	Level 2	Level 3	Total
Recurring fair value measurement 2023				
Financial assets				
Derivative asset	-	79,152,452	-	79,152,452
Recurring fair value measurement 2022				
Financial assets				
Derivative asset	-	2,562,612	-	2,562,612
Recurring fair value measurement 2023				
Financial liabilities				
Derivative liabilities	-	-	-	-
Recurring fair value measurement 2022				
Financial liabilities				
Derivative liabilities	-	1,351,099	-	1,351,099

Valuation techniques used to determine fair value
In determining the fair value of the derivative asset, the Company used the present value of future cash flows based on the forward exchange rates at the balance sheet date.

Financial instruments not measured at fair value

	2023		2022	
In thousands of Naira	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	11,433,857	11,433,857	19,913,684	19,913,684
Trade receivables	5,026,882	5,026,882	16,223,820	16,223,820
Due from related parties	3,009,708	3,009,708	383,138	383,138
Derivative assets	79,152,452	79,152,452	2,562,612	2,562,612
	98,622,899	98,622,899	39,083,254	39,083,254
Financial liabilities				
Derivative liabilities	-	-	1,351,099	1,351,099
Borrowings	136,233,403	136,233,403	97,951,400	97,951,400
	136,233,403	136,233,403	99,302,499	99,302,499

The fair value for cash and cash equivalents, trade and other receivables, trade and other payables are not significantly different from their carrying amount.

For the majority of the borrowings, the fair values are not materially different to their carrying amounts, since the borrowings are of a short-term nature.

They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Fair value methods and assumptions

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current dirty price. These instruments are included in Level 1.

(b) Financial instrument in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

a) Quoted market prices or dealer quotes for similar instruments;

b) Other techniques, such as discounted cash flow analysis, sales prices of comparable properties in close proximity, are used to determine fair value for the remaining financial instruments.

Derivative financial instruments are included in this level.

(c) Financial instruments in level 3

Inputs for the asset or liability in this fair value hierarchy are not based on observable market data (unobservable inputs). This level includes equity investments with significant unobservable components.

Transfers between the fair value hierarchy categories

During the three reporting periods covered by these financial statements, there were no movements between levels as a result of significant inputs to the fair valuation process becoming observable or unobservable.

5 Revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time in the following major product categories;

In thousands of Naira	2023	2022
Sales of domestically produced goods	290,410,872	308,816,135
Sales of imported goods	14,199,085	15,903,021
	304,609,957	324,719,156

Disaggregation of revenue from contracts with customers

Analysis of revenue from sale of goods by geographical area is as follows:

In thousands of Naira	2023	2022
Local	303,095,754	323,350,425
Export (Note 28 (c) (ii))	1,514,203	1,368,731
	304,609,957	324,719,156

6 Finance income and finance cost

In thousands of Naira	Note	2023	2022
Interest income on short term deposit		129,506	767,858
Amortisation of government grant	24(c)	236,454	164,220
Finance income		365,960	932,078
Interest expense on overdrafts, loans and borrowings		(16,078,123)	(3,963,764)
Interest expense on lease liabilities	25	(13,947)	(11,997)
Gain on derivative instruments at fair value through profit or loss		77,940,939	2,532,701
Realised foreign exchange loss on financing activities		(47,150,292)	(2,483,013)
Unrealised foreign exchange loss on financing activities		(52,775,029)	(4,836,856)
Finance costs		(38,076,452)	(8,762,929)
Net finance costs		(37,710,492)	(7,830,851)

7(a) Analysis of expenses by nature

In thousands of Naira	Note	2023	2022
Finished goods, raw materials and consumables		218,784,853	249,600,588
Unrealised foreign exchange loss on operating activities		(2,171,736)	3,807,272
Restructuring cost		1,319,434	-
Transportation cost		6,772,758	6,593,364
Technical service and royalty expenses	28(c)(i)	6,658,652	4,549,044
Advertisement and promotion costs		9,554,517	9,325,078
Market research expenses		356,102	292,431
Agency personnel cost		874,680	1,005,184
Employee benefit expense	9(a)	13,237,154	12,439,911
Non-executive Directors' remuneration		71,918	70,166
Depreciation of property plant and equipment	12	5,679,787	4,903,079
Depreciation of right of use assets	13	62,778	45,242
Amortisation of intangible assets	15	140,680	140,679
Impairment on property, plant & equipment	12	-	212,657
Rent of premises	7(c)	203,298	149,427
Audit Fees		70,502	43,000
Professional fees		384,848	199,225
Maintenance		3,581,936	3,361,050
Fuel and gas expenses		2,864,409	2,640,428
Meeting and conference expenses		198,219	110,432
Travel and hotel expenses		493,773	383,560
Information and Communications Technology (ICT) expenses		2,669,712	1,688,496
Insurance expenses		669,332	606,242
(Gain) / loss on the sale of property, plant and equipment		(16,498)	(10,681)
Facility expenses		729,886	609,689
Bank charges		154,439	192,413
Staff welfare and development		275,656	185,688
Office administration & supplies		495,033	254,231
Donations		13,292	12,775
Total cost of sales, selling, distribution and administrative expenses		274,129,417	303,410,671
Summarised as follows:			
Cost of sales		243,094,685	274,474,665
Selling and distribution expenses		23,989,195	23,320,592
Administrative expenses		7,045,537	5,615,414
Total cost of sales, selling, distribution and administrative expenses		274,129,417	303,410,671

Details of other professionals providing other forms of assurance on the financial statements are disclosed in note 22.

There were no non-audit services provided by the auditors of the company (2022: Nil).

7(b) Profit before tax

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

In thousands of Naira	Note	2023	2022
Amortisation of intangible assets	15	140,680	140,679
Audit Fees		70,502	43,000
Depreciation of property, plant and equipment	12	5,679,787	4,903,079
Depreciation of right of use asset	13	62,778	45,242
Impairment of property, plant and equipment	12	-	212,657
Non-executive directors' fees	9(d)	1,560	1,840
Gain on the sale of property, plant and equipment	12(a)(ii)	(16,498)	(10,681)
Employee benefit expenses	9(a)	13,237,154	12,439,911
Technical service and royalty expenses	28(c)(i)	6,658,652	4,549,044

7(c) Short term leases

In thousands of Naira	2023	2022
Business premises	203,298	149,427
	203,298	149,427

8 Other (cost)/income

In thousands of Naira	2023	2022
Restructuring cost	(1,319,434)	-
Foreign currency expense	(18,623,839)	-
Gain on translation of foreign currency balances	1,069,503	54,075
	(18,873,770)	54,075

In the twelve months period ended 31 December 2023, the Company repaid part of its foreign currency denominated trade obligations that due to scarcity of foreign currency had been outstanding since 2020. This backlog payment has resulted in a foreign currency expense of ₦18.6 billion.

Also, there was a restructuring/redundancy provision of ₦1.3 billion as at December 2023.

9 Personnel expenses

(a) Employee benefit expenses for the year comprise of the following:

In thousands of Naira	Note	2023	2022
Salaries, wages and allowances		12,006,148	10,972,004
Contributions to compulsory pension fund scheme		1,102,410	1,227,115
Employee benefits expenses	22	128,596	240,792
		13,237,154	12,439,911

(b) Employees of the Company, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension costs and certain benefits) in the following ranges:

₦		₦	2023 Number	2022 Number
2,790,001	-	3,790,001	23	52
3,790,000	-	4,790,000	45	20
4,790,001	-	5,790,001	15	14
5,790,001	-	6,790,001	21	54
6,790,001	-	7,790,001	75	94
7,790,001	-	8,790,001	61	111
8,790,001	-	9,790,001	60	107
9,790,001	-	10,790,001	107	45
10,790,001	-	11,790,001	53	33
11,790,001	-	12,790,001	22	39
12,790,001	-	13,790,001	28	16
13,790,001	-	14,790,001	9	5
14,790,001	-	& Above	194	174
			713	764

Total employee number decreased due to resignation of employees and restructuring activities.

The number of full-time persons employed per function as at 31 December was as follows:

	2023 Number	2022 Number
Production	439	439
Supply chain	42	62
Sales and marketing	172	190
General administration	60	73
	713	764

(c) Remuneration of Managers of the Company

In thousands of Naira	2023	2022
Remuneration paid to Managers of the Company	473,913	568,212

(d) Chairman and directors remuneration

Remuneration paid to directors of the Company was as follows:

In thousands of Naira	2023	2022
Executive directors	208,933	192,089
Directors fees - Non-executive	1,560	1,840
Other fees (Non-executive Directors)	70,358	68,326
	280,851	262,255

The directors' remuneration shown above includes:

In thousands of Naira	2023	2022
Chairman's fees	440	440
Chairman's gross emoluments (excluding fees)	13,967	11,985
Highest paid Director	88,995	82,420

(e) The number of directors excluding the Chairman and the highest paid director with gross emoluments within the bands stated below were:

₦		₦	2023 Number	2022 Number
6,000,001	-	8,000,000	-	-
8,000,001	-	10,000,000	-	-
10,000,001	-	12,000,000	-	3
12,000,001	-	14,000,000	1	2
14,000,001	-	16,000,000	3	-

10 Income taxes

(a) Amounts recognised in profit or loss

In thousands of Naira	Note	2023	2022
Current tax expense			
Current year tax		1,662,144	4,926,389
Current year tertiary education tax		-	534,418
Under provision prior period		739,570	-
		2,401,714	5,460,807
Deferred tax expense			
Origination and reversal of temporary differences	17	(4,990,215)	368,929
Prior period adjustment/reclassification	17	(804,456)	-
Total income tax expense recognised in profit or loss		(3,392,957)	5,829,736

(b) Current tax liabilities

In thousands of Naira	Note	2023	2022
Movement in current tax liabilities during the year was as follows:			
At 1 January		4,498,517	8,679,892
Current tax expense	10(a)	2,401,714	5,460,807
Payments in the year		(5,238,087)	(9,642,182)
At 31 December		1,662,144	4,498,517

(c) Amounts recognised directly in other comprehensive income

In thousands of Naira	Note	2023	2022
(Gain)/Loss in remeasurement of defined benefit liability	22(b)	191,106	(50,879)
Tax expense		(57,332)	15,263
		133,774	(35,616)

(d) Reconciliation of effective tax rate

In thousands of Naira	2023	2023	2022	2022
(Loss)/profit before income tax		(26,372,789)		13,462,632
		(26,372,789)		13,462,632
Income tax using the Company's domestic tax rate	30.00%	(7,911,837)	30.00%	4,038,790
Tertiary education tax	2.50%	(659,320)	2.50%	336,566
Police trust fund levy	0.00%	-	0.01%	673
Tax effect of:				
Non deductible expenses	-102.75%	27,097,595	41.89%	5,640,052
Exempt income	101.77%	(26,839,912)	-3.50%	(471,400)
Change in recognised deductable temporary differences	-18.66%	4,920,517	-26.57%	(3,576,868)
Tax incentive	0.00%	-	-1.03%	(138,077)
	12.87%	(3,392,957)	43.30%	5,829,736

11 Earnings/(loss) per share

The calculation of basic and diluted earnings/(loss) per share has been based on the (loss)/profit attributable to ordinary shareholders of (₦22,979,832,000) (2022: ₦7,632,896,0000) and the weighted average number of ordinary shares outstanding of 1,952,671,872 (2022: 1,952,671,872).

The Company did not have any instruments with a dilutive effect during the year thus basic and diluted earnings per share are equal.

In thousands of Naira	2023	2022
(Loss)/Profit attributable to shareholders (₦'000)	(22,979,832)	7,632,896
Number of ordinary shares in issue (thousands)	1,952,672	1,952,672
Basic and diluted earnings/(loss) per share (Naira)	(11.77)	3.91

12 Property, plant and equipment

(ai) The movement for the year is as follows:

In thousands of Naira	Land	Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Tools	Assets under construction	Total
Cost							
Balance at 1 January 2022	3,757,967	12,883,888	34,986,332	5,452,689	3,604,672	8,538,446	69,223,994
Additions	-	-	-	-	-	7,093,277	7,093,277
Transfers	-	1,045,708	4,277,154	1,525,561	155,322	(7,003,744)	-
Disposals	-	-	(285,521)	(315,146)	(10,136)	-	(610,803)
Balance at 31 December 2022	3,757,967	13,929,596	38,977,965	6,663,104	3,749,858	8,627,979	75,706,468
Balance at 1 January 2023	3,757,967	13,929,596	38,977,965	6,663,104	3,749,858	8,627,979	75,706,468
Additions	-	-	-	-	-	5,987,101	5,987,101
Transfers	-	1,757,240	8,690,306	166,692	739,187	(11,353,424)	-
Disposals**	-	-	(109,489)		(453,926)	-	(563,415)
Balance at 31 December 2023	3,757,967	15,686,836	47,558,782	6,829,796	4,035,119	3,261,656	81,130,154
Depreciation							
Balance at 1 January 2022	687,618	3,576,329	11,453,049	3,438,802	1,543,175	-	20,698,973
Depreciation for the year	93,024	701,235	2,612,819	1,010,902	485,099	-	4,903,079
Disposals	-	-	(254,439)	(309,395)	(9,384)	-	(573,218)
Impairment	-	166,749	43,714	2,194	-	-	212,657
Balance at 31 December 2022	780,642	4,444,313	13,855,143	4,142,503	2,018,890	-	25,241,491
Balance at 1 January 2023	780,642	4,444,313	13,855,143	4,142,503	2,018,890	-	25,241,491
Depreciation for the year	93,024	774,673	3,356,902	971,803	483,385	-	5,679,787
Disposals**	-	-	(67,455)	-	(412,355)	-	(479,810)
Balance at 31 December 2023	873,666	5,218,986	17,144,590	5,114,306	2,089,920	-	30,441,468
Carrying amounts							
At 31 December 2022	2,977,325	9,485,283	25,122,822	2,520,601	1,730,968	8,627,979	50,464,977
At 31 December 2023	2,884,301	10,467,850	30,414,192	1,715,490	1,945,199	3,261,656	50,688,687

**₦453.1million of the historical costs of the assets disposed in 2023 relates to motor vehicles while ₦110.3million relates to various plant and machinery and tools that were sold. The motor vehicles resulted in assets disposal gain of ₦13.6 million and the various plant and machinery and tools resulted in a gain of ₦2.9million (Total net disposal gain is ₦16.5 million).

(aii) The result on disposal of Property, plant and equipment is as follows:

In thousands of Naira	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Tools	Total
2022				
Cost	285,521	315,146	10,136	610,803
NBV at Disposal	911	35,921	752	37,584
Sales Proceeds	-	48,265	-	48,265
Profit/(loss) on disposal	(911)	12,344	(752)	10,681
2023				
Cost	109,489	453,135	791	563,415
NBV at Disposal	42,034	41,563	8	83,604
Sales Proceeds	43,245	55,148	1,710	100,102
Profit on disposal	1,211	13,585	1,702	16,498

(b) **Property, plant and equipment under construction**

Expenditure on property, plant and equipment under construction during the year is analysed as follows:

In thousands of Naira	2023	2022
Buildings	387,523	2,541,375
Plant and machinery	2,150,282	5,004,410
Others	723,851	1,082,194
	3,261,656	8,627,979

At year end, the Company had various ongoing capital projects which included Century and Torchbearer and Palm oil tank. The projects are expected to be completed in 2024.

No borrowing costs were capitalised in the current year as there were no qualifying assets. That is, there are no assets that are expected to necessarily take a substantial period of time to get ready for their intended use or sale.

(c) **Capital commitments**

The approved capital expenditure already committed as at reporting date was ₦0.8 billion (2022: ₦1.7 billion). Capital expenditure approved but not contracted amounted to Nil (2022: Nil). Capital expenditure will be funded from the Company's internal resources.

(d) There was no property, plant and equipment that was pledged as security for borrowings at year-end (2022: Nil).

(e) Assets held on finance lease

Included as part of property, plant and equipment is land held under finance lease arrangements for a minimum lease term of 99 years. The lease amounts were fully paid at the inception of the lease. The carrying amount of the leasehold land at the end of the year is presented below:

In thousands of Naira	2023	2022
Cost	3,757,967	3,757,967
Accumulated depreciation	(873,666)	(780,642)
Carrying amount	2,884,301	2,977,325

The classification of the lease of land as a finance lease is on the basis that the lease transfers substantially all of the risks and rewards of ownership incidental to ownership of the land to the Company.

13 Right of use assets

The movement in right of use assets for the year was as follows:

In thousands of Naira	Warehouse	Land	Total
Cost			
Balance at 1 January 2022	244,566	63,494	308,060
Additions	104,000	-	104,000
Balance at 31 December 2022	348,566	63,494	412,060
Balance at 1 January 2023	348,566	63,494	412,060
Additions	25,800	-	25,800
Balance at 31 December 2023	374,366	63,494	437,860
Depreciation and impairment losses			
Balance at 1 January 2022	91,943	-	91,943
Depreciation for the year	43,655	1,587	45,242
Balance at 31 December 2022	135,598	1,587	137,185
Balance at 1 January 2023	135,598	1,587	137,185
Depreciation for the year	61,191	1,587	62,778
Balance at 31 December 2023	196,789	3,174	199,963
Carrying amounts			
At 1 January 2023	212,968	61,906	274,875
At 31 December 2023	**177,577**	**60,320**	**237,897**

Right of use assets includes ₦60 million relating to the Bobi grazing reserve in Niger State.

14 Biological assets

The movement in Biological assets for the year was as follows:

In thousands of Naira	2023	2022
Cost		
Balance at 1 January	27,010	277,339
Additions	103,231	-
Impairment	-	(250,329)
Balance at 31 December	130,241	27,010
Current	-	-
Non current	130,241	27,010
	130,241	27,010

Biological assets relate to cattle which are located in Maya and Fashola in Oyo State.

15 Intangible assets

The movement in intangible assets for the year was as follows:

In thousands of Naira	Goodwill	Software	Total
Cost			
Balance at 1 January 2022	1,783,506	802,877	2,586,383
Additions	-	-	-
Balance at 31 December 2022	1,783,506	802,877	2,586,383
Balance at 1 January 2023	1,783,506	802,877	2,586,383
Additions	-	-	-
Balance at 31 December 2023	1,783,506	802,877	2,586,383
Amortisation and impairment losses			
Balance at 1 January 2022	-	342,363	342,363
Amortisation for the year	-	140,679	140,679
Balance at 31 December 2022	-	483,042	483,042
Balance at 1 January 2023	-	483,042	483,042
Amortisation for the year	-	140,680	140,680
Balance at 31 December 2023	-	623,722	623,722
Carrying amounts			
At 31 December 2022	1,783,506	319,835	2,103,341
At 31 December 2023	1,783,506	179,155	1,962,661

Goodwill is as a result of the acquisition of Nutricima Limited's dairy business in 2020. This is not amortised, but is subject to annual impairment testing.

Impairment tests for goodwill

Goodwill is monitored by management at the level of Frieslandcampina WAMCO Nigeria PLC.

A segment-level summary of the goodwill allocation is presented below:

Cash Generating Units (CGUs)

In thousands of Naira	2023	2022
Frieslandcampina WAMCO Nigeria PLC	1,783,506	1,783,506
	1,783,506	1,783,506

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the year and no losses on goodwill were recognized as at 31 December 2023 (31 December 2022: Nil).

Goodwill is monitored by the Company on cash generating units (CGU) basis.

Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on cash flow projections. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of 3.10%. A discount rate of 34.72% was applied based on estimate of cost of capital. This was estimated using the Capital Asset Pricing Model. There were no write-downs of goodwill due to impairment during the year. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amount of the CGU declining below its carrying amount.

The key assumptions used in computing the value-in-use for goodwill during the year are as follows:

(i)	Terminal growth rate (terminal growth rate are used to extrapolate cash flows beyond the budget year)	3.10%
(ii)	Discount rate (pre-tax discount rate applied to the cash flow projections)	34.72%

The following sets out the key assumptions for the CGU that has significant goodwill allocated to:

Cash flow forecast
Cash flows were projected based on past experience and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount rate
Pre-tax discount rate of 34.72% was applied in determining the recoverable amounts for the CGU. This discount rate was estimated using the Company's beta, the risk-free rate and the equity risk premium.

Terminal growth rate
The terminal growth rate applied was based on the long term growth rate in GDP of Nigeria. The key assumptions described above may change as economic and market conditions change. The Company estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the entity (from which the goodwill arose) to decline below their carrying amount.

Sensitivity analysis of key assumptions used

In thousands of Naira	10% increase	10% decrease
Impact of change in discount rate on value-in-use of the CGU (increase/(decrease)	(4,415,118)	5,172,398
Impact of change in growth rate on value-in-use of the CGU (increase/(decrease)	92,321	(90,528)

The 10% increase or decrease in both the discount rate and the terminal growth rate will not lead to goodwill impairment.

There were no write-downs of goodwill due to impairment during the year.

*Amortisation expense is included in administrative expenses.

16 Prepayments

In thousands of Naira	Note	2023	2022
Business premises		98,285	117,640
Deposits for imports	16 (a)	141,636,685	117,197,174
Prepaid expenses	16 (b)	959,322	442,148
		142,694,292	117,756,962

a) Deposits for imports represents prepayments for imports made to the bank by the Company (₦142 billion in 2023 and ₦117 billion in 2022). As at year end, this amount is held by the bank for settlement with foreign suppliers.

b) Prepaid expenses relates to prepaid insurance premium and custom charges.

17 Deferred tax liabilities

Deferred tax liability/(asset)

In thousands of Naira	2023	2022
Property, plant and equipment	6,916,535	9,415,687
Tax losses	(10,740,585)	-
Deferred IC loan interest	(1,735,970)	-
Employee benefits	(696,864)	(490,441)
Foreign exchange loss	(19,052,877)	(2,069,752)
Foreign exchange gain	26,339,816	26,562
Net deferred tax liability	1,030,055	6,882,056

In thousands of Naira	Note	Property, plant & equipment	Tax losses	Deferred IC loan interest	Employee benefit	Foreign exchange loss	Foreign exchange gain	Total
Balance 1 January 2022		8,583,927			(431,516)	(1,663,397)	8,850	6,497,864
Prior period adjustment/ reclassification		32,849			(6,996)	(25,991)	138	-
Recognised in profit or loss	10(a)	798,911			(67,192)	(380,364)	17,574	368,929
Recognised in other comprehensive income	10(c)	-			15,263	-	-	15,263
Balance 31 December 2022		9,415,687	-	-	(490,441)	(2,069,752)	26,562	6,882,056
Balance 1 January 2023		9,415,687	-	-	(490,441)	(2,069,752)	26,562	6,882,056
Prior period adjustment/ reclassification		(804,456)	-	-	-	-	-	(804,456)
Recognised in profit or loss	10(a)	(1,694,698)	(10,740,585)	(1,735,970)	(149,091)	(16,983,125)	26,313,254	(4,990,215)
Recognised in other comprehensive income	10(c)	-	-	-	(57,332)	-	-	(57,332)
Balance 31 December 2023		6,916,535	(10,740,585)	(1,735,970)	(696,864)	(19,052,877)	26,339,816	1,030,055

At 31 December 2023, there is no unrecognised deferred tax asset or liability (2022: Nil).

18 Inventories

In thousands of Naira	2023	2022
Raw and packaging material	22,619,370	53,216,413
Finished goods	8,059,419	7,363,358
Goods in transit	13,609,503	21,780,722
Spare parts and tools	5,582,286	3,928,058
	49,870,578	86,288,551
Inventories are stated after deducting allowance for obsolescence amounting to:	356,482	811,699

19 Trade and other receivables

In thousands of Naira	Note	2023	2022
Trade receivables	26 (a)ii	5,026,882	16,223,820
Insurance claim receivable		279,859	279,857
Due from related parties	28 (c)ii	3,009,708	383,138
Other receivables	19 (i)	9,263,128	15,316,476
Trade and other receivables		17,579,577	32,203,291

(i) Other receivables includes refundable Non Deliverable Forwards (NDF) margin (₦3billion), reimbursable VAT input (₦4.1 billion), advances made by the Company to vendors amounting to N1.5 billion (2022: ₦2billion), Custom duties prepaid (₦0.5 billion). The Company's exposure to credit and currency risks, and impairment losses related to loans and receivables are disclosed in Note 26.

20a Derivatives

In thousands of Naira	2023	2022
Derivative assets	79,152,452	2,562,612
Derivative liabilities	-	1,351,099

The derivative assets arose from the non deliverable forward (NDF) contracts entered into with respect to intercompany loan and currency swap transactions.

Classification of derivatives

Derivatives are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent that they are expected to be settled within 12 months after the end of the reporting period.

Fair value measurement

For information about the methods used in determining the fair value of derivatives see note 4.1.

20b Cash and cash equivalents

In thousands of Naira	2023	2022
Cash and bank balances	3,628,094	12,558,129
Short term deposits*	7,805,763	7,355,555
Cash and cash equivalents	11,433,857	19,913,684

*Short term deposits includes ₦578 million (2022: ₦717million) which is unclaimed dividend investment in fixed deposit.

Net cash and cash equivalents included in the statement of cash flows	11,433,857	19,913,684

21 Capital and reserves

(a) Ordinary shares

(i) Authorised ordinary shares of ₦0.50 each

In thousands of shares	2023	2022
At 1 January	1,952,672	1,000,000
Movement	-	952,672
At 31 December	1,952,672	1,952,672

(ii) Issued and fully paid ordinary shares of ₦0.50 each

In thousands of shares	2023	2022
At 1 January	1,952,672	976,336
At 31 December	1,952,672	1,952,672
Nominal value (in thousands of Naira)	976,336	976,336
The premium on the issued ordinary shares is as follows:		
Share premium (in thousands of Naira)	350,211	350,211

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

(b) Dividend payable

Movement in dividend payable

In thousands of Naira	Note	2023	2022
At 1 January		716,774	5,436,109
Declared dividend		5,721,329	4,129,901
Payments		(5,721,329)	(8,721,246)
Withholding tax on foreign dividend paid		-	(210,044)
Unclaimed dividend received from First Registrar		62,431	82,054
Unclaimed dividend returned to First Registrar		(200,719)	-
At 31 December	23	578,486	716,774

Dividend payable in 2023 relates to unclaimed dividend by local shareholders of ₦0.58billion (2022: ₦0.72billion). The dividend declared in 2023 relates to 2022 final dividend which has been fully paid.

22 Employee benefit liabilities

In thousands of Naira	2023	2022
Long service award benefits obligation	1,207,903	1,247,192
Other post employment benefits	453,883	222,268
	1,661,786	1,469,460

i. Long service award relates to benefits given to staff based on their length of service in the Company. This benefit is in the form of cash and gift items.

ii. Other post employment benefits represent the 'terminal milk benefit' which is a post employment benefit that accrues to the employees and is due at the point of exiting the Company. The benefit was valued as at year end by Ernst & Young.

The Company has post employment benefit schemes and other long term employee benefit scheme for its employees. The liabilities are all based on independent actuarial valuations by Miller Kingsley of Ernst & Young with FRC registration number of FRC/2012/NAS/00000002392.

The employee benefit liabilities expose the Company to actuarial risks such as longevity risk and interest rate risk. There are no plans to terminate these benefits. The following is the result of the valuation according to IAS 19.

(a) Movement in present value of long service award benefits obligation

In thousands of Naira	2023	2022
At 1 January	1,247,192	1,108,963
Included in profit or loss		
Current service costs	130,100	117,059
Interest cost	178,164	145,984
Actuarial gain	(236,459)	(75,956)
	71,805	187,087
Other		
Benefit paid during the year	(111,094)	(48,858)
At 31 December	1,207,903	1,247,192

(b) Movement in other post employment benefits

In thousands of Naira	2023	2022
At 1 January	222,268	222,825
Included in profit or loss		
Current service costs	23,963	24,045
Interest cost	32,828	29,660
	56,791	53,705
Included in other comprehensive income		
Actuarial (gain)/loss	191,106	(50,879)
	247,897	2,826
Other		
Payments during the year	(16,282)	(3,383)
At 31 December	453,883	222,268

(c) Actuarial (gains) and losses recognised in other comprehensive income for other post employment benefit obligations

In thousands of Naira	2023	2022
Cumulative amount at 1 January	282,812	333,691
Loss/(gain) recognised during the year	191,106	(50,879)
Cumulative amount at 31 December	473,918	282,812

(d) Actuarial assumptions

The following were the actuarial assumptions at the reporting date (expressed as weighted averages).

Long service award: The weighted average liability duration for the Plan is 8.28 years (2021: 9.08 years).

Other post employment benefits: The weighted average liability duration for the Plan is 12.16 years (2021: 12.83 years).

In thousands of Naira	2023	2022
Financial assumptions		
Long-term Average Discount rate (p.a.)	17%	15%
Long-term Average Future Pay Increase (p.a.)	15%	15%
Long-term Average Future Rate of Inflation (p.a.)	15%	13%

Demographic Assumptions

Mortality in Service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK. This is due to unavailability of published reliable demographic data in Nigeria. The number of deaths in the year of age out of 10,000 lives is shown below:

Sample age	2023	2022
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Withdrawal from service

Withdrawal from service means retirement; voluntary or compulsory disengagement from service.

	Rate	
Age band	**2023**	**2022**
Less than or equal to 30	4.0%	4.0%
31 - 39	3.0%	3.0%
40 - 44	2.0%	2.0%
45 - 50	2.0%	2.0%
51 - 55	5.0%	5.0%
56 - 59	5.0%	5.0%

(e) Sensitivity analysis for long service award benefits obligation

Below is the sensitivity analysis of the principal actuarial assumptions adopted in determining the employee benefit liabilities showing what the obligation value would be if key inputs changed:

		Other post employment benefits		Long service awards benefit	
	Rate	2023	2022	2023	2022
Discount rate	-1%	498,301	246,097	1,284,964	1,284,964
	1%	414,786	201,471	1,138,098	1,138,098
Salary increase rate	-1%			1,161,539	1,161,539
	1%			1,258,288	1,258,288
Inflation rate	-1%	411,846	200,060	1,177,637	1,177,637
	1%	501,091	247,408	1,241,005	1,241,005
Mortality	Age rated up by 1 year	454,127	222,358	1,203,069	1,203,069
	Age rated down by 1 year	453,662	222,186	1,212,268	1,212,268

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(f) Risk Exposure

(a) Inflation risk

Employee benefit obligations are linked to salary inflation, and higher inflation will lead to higher liabilities.

(b) Retirement age of employee

The majority of the plans' obligations are payable on resignation/retirement of employees. Decreases in retirement age will result in an increase in the employee benefit obligations. This is particularly significant in the employee benefit obligations, where inflationary increases result in higher sensitivity to changes in expected retirement age.

23 Trade and other payables

In thousands of Naira	Note	2023	2022
Trade payables		14,646,864	14,432,097
Other payables and accruals		27,170,898	9,498,724
Contract liabilities***		5,742,841	1,597,432
Amount due to related parties*		163,886,175	142,314,818
Dividend payable**		578,486	716,774
		212,025,264	168,559,845

*The increase is due to the impact resulting from the revaluation of the payable balance, due to the Naira devaluation.

**During the year, cash amounting to ₦62 million (2022: ₦82 million) was received from First Registrars & Investor Services Limited - the company's registrar - representing unclaimed dividends that have been in their custody for up to fifteen (15) months. Also, cash amounting to ₦201 million representing unclaimed dividend was returned to them. The net of the receipt and the returned amount is the movement in the dividend payable. This value is included in dividend payables shown in Note 21.

***Contract liabilities represent deposits received from customers for goods not yet delivered.

Revenue recognised in relation to contract liabilities

The below schedule shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

In thousands of Naira	2023	2022
Opening balance	1,597,432	4,167,967
Addition during the year	315,384,179	302,389,016
Billing;		
-Performance relating to prior year deposit	(1,597,432)	(4,167,967)
-Performance relating to current year	(309,641,338)	(300,791,584)
Closing Balance	5,742,841	1,597,432

The Company expects to satisfy the performance obligation for which it has received consideration within 12 months.

24 Loans and borrowings

Movement in loans and borrowings

In thousands of Naira	2023		2022	
	Principal amount	Carrying amount	Principal amount	Carrying amount
Opening balance	147,305,609	97,951,400	107,305,609	53,234,736
Loan obtained during the year	70,000,000	70,000,000	40,000,000	40,000,000
Loan repayment	-	(93,610,183)	-	(2,548,454)
Interest charged	-	16,070,757	-	3,305,070
Interest paid	-	(6,546,627)	-	(876,808)
Foreign exchange revaluation	-	51,926,318	-	4,836,856
Closing balance	217,305,609	135,791,665	147,305,609	97,951,400

(a) Current loans and borrowings

In thousands of Naira	Note	2023	2022
USD loan	24 (i)	111,472,674	53,280,664
Short Term Finance	24 (ii)	19,729,890	40,000,000
		131,202,564	93,280,664

(b) Non current loans and borrowings

In thousands of Naira	Note	2023	2022
CBN loan	24 (iii)	4,589,101	4,670,736
		4,589,101	4,670,736

(c) Government grants

In thousands of Naira	2023	2022
Opening balance	924,349	1,088,569
Addition	-	-
Prior year adjustment	(246,156)	-
Amortisation	(236,454)	(164,220)
Closing balance	441,739	924,349
Non current	252,979	760,129
Current	188,760	164,220
	441,739	924,349

i) USD loan: In 2020, the Company received USD loan from FrieslandCampina B. V. Netherlands at interest rate of 4% plus 3 month USD LIBOR. Interest accrued during the year amounted to USD 12.7 million (2022: USD 7.1 million). The company repaid USD 4.2 million (2022: USD 7 million) of the USD loan in 2023. The balance at the end of the year was USD 123 million - ₦111.5 billion (2022: USD 116 million - ₦53.3 billion). There was no additional loan in 2023.

ii) The short term finance of ₦19.73 billion in 2023 relates to working capital liquidity funding (2022: ₦40 billion). The interest rate is between 19% - 20% and maturing June 2024.

iii) The Company received CBN Differentiated Cash Reserve Requirement financing of ₦3.5 billion in 2021 and ₦2.3 billion in 2020 for FrieslandCampina WAMCO dairy development. The Company has recognised government grant of ₦1.1billion on the total loan. The government grant recognised is the difference between the fair value of the loan at market rate and the amount received. It is being amortised over the ten year tenor of the loan. The ₦3.5billion loan was recognised in 2021 at an effective interest rate of 10.99% while the ₦2.3 billion recognised in 2020 was at an effective interest rate of 14.02%.

25 Lease liabilities

In thousands of Naira	Notes	2023	2022
Opening balance		85,810	73,813
Addition		-	-
Interest expense	6	13,947	11,997
Closing balance		99,757	85,810
Current		11,787	53
Non current		87,970	85,757
		99,757	85,810

The Company entered into a lease agreement with the Niger State Government to develop local dairy production at the Bobi Grazing Reserve in the state. The Niger State Government agreed to lease up to 10,000 hectares of the Reserve to the Company for 40 years with a moratorium on rent for two years. There was no cash outflow for the lease in the period.

26 Financial risk management and financial instruments

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Management Team, which is responsible for developing and monitoring the Company's risk management policies. The Management Team reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company also has an Internal Audit department that undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported on a regular basis.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations that arise principally from the Company's receivable from customers, cash and cash equivalents and derivative assets.

i. Exposure to credit risk

The Company has no significant concentration of credit risk, with exposure spread over a large number of parties. Cash and cash equivalents are placed with banks and financial institutions which are regulated.

The carrying amount of financial assets represents the maximum credit exposure.

Financial assets at amortised cost

As part of its strategic relationship with its customers, the Company provides credit to its key customers. Management has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Under the credit policies all customers requiring credit over a certain amount are reviewed and new customers are analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's credit assessment process may include specified cash deposits by new customers and bank guarantees provided to the Company by the customers. Credit limits are established for qualifying customers and these limits are reviewed regularly by the credit control unit. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

The credit control unit is charged with the review of each customer's credit limit in line with the customer's performance in the preceding period and perceived risk factor assigned to the customer.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a key distributor or retail distributor, geographic location and existence of previous financial difficulties. Trade and other receivables relate mainly to the Company's wholesale and retail customers.

Amount due from related parties at year end represents balance outstanding on sales made to related parties. Other receivables represent unclaimed dividends with the registrars, staff advances and receivables.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, customers with outstanding amounts but who have not placed orders or traded for a prolonged period of time (usually one year) and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics.

ii. Impairment losses

The Company applies the simplified approach in measuring the expected credit losses (ECL) which recognises a lifetime expected loss allowance for all trade receivables. The forward looking information in assessing the loss rates applied on the trade receivables include the inflation rate and the Gross Domestic Product growth as they have a strong impact on the default of the customers in the future.

Credit risk extract for trade receivables

As at 31 December 2023

Age of trade receivables In thousands of Naira	0 - 7days	8 - 15day	16 - 30days	31 - 90days	91 - 365 days	Above 365 days	Total
Gross carrying amount	2,990,619	619,824	510,257	608,653	476,609	208,926	5,414,888
Trade receivables	1,011,617	82,861	151,863	166,420	194,975	159,335	1,767,071
Loss rates	2.74%	6.21%	9.33%	23.79%	72.85%	100.00%	
Lifetime ECL	(27,730)	(5,142)	(14,167)	(39,594)	(142,038)	(159,335)	(388,006)
Net carrying amount	2,962,889	614,682	496,090	569,059	334,571	49,591	5,026,882

As at 31 December 2022

Age of trade receivables In thousands of Naira	0 - 7days	8 - 15day	16 - 30days	31 - 90days	91 - 365 days	Above 365 days	Total
Gross carrying amount	14,178,174	1,368,418	327,509	393,057	75,216	385	16,342,759
Trade receivables	10,091,998	483,160	172,092	92,965	6,110	381	10,846,706
Loss rates	0.91%	2.07%	3.23%	9.64%	30.86%	99.80%	
Lifetime ECL	(92,163)	(9,989)	(5,557)	(8,964)	(1,886)	(380)	(118,939)
Net carrying amount	14,086,011	1,358,429	321,952	384,093	73,330	5	16,223,820

The movement in the allowance for impairment in respect of trade receivable during the year are as follows:

In thousands of Naira	2023	2022
Balance at 1 January	118,939	88,173
Trade receivables writen off	-	(38,311)
Impairment losses	269,067	69,077
Balance at 31 December	388,006	118,939

Reconciliation of the gross carrying amount for trade receivable assessed for impairment as follows:

Trade receivables	In thousands of Naira
Gross carrying amount as at 1 January 2023	16,342,759
Receipts during the year	(315,537,828)
Additions during the year	304,609,957
Gross carrying amount as at 31 December 2023	5,414,888

The computed provision for expected credit loss on related parties and other receivables, as well as derivative financial instruments is immaterial.

Cash and cash equivalents
The Company's cash and cash equivalents represent its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are reputable and have a sound financial position.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the succeeding 30 days. The Company also monitors the level of expected cash inflows on cash customers and trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Where required, the company may utilise related party funding facilities to manage liquidity risk.

Liquidity analysis
The following are the contractual maturities of financial liabilities including, where relevant, estimated interest payments and excluding the impact of netting agreements.

31 December 2023 In thousands of Naira	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	<2 years
Financial liabilities						
Derivative liabilities	-	-	-	-	-	-
Loans and borrowings	135,791,664	137,269,306	131,890,639	687,961	1,375,952	3,314,754
Lease Liabilities	99,757	518,000	-	14,000	14,000	490,000
	135,891,421	137,269,306	131,890,639	687,961	1,375,952	3,314,754
31 December 2022						
Financial liabilities						
Derivative liabilities	1,351,099	1,351,099	1,351,099	-	-	-
Loans and borrowings	97,951,400	99,762,308	93,904,649	617,664	1,213,136	4,026,860
Lease Liabilities	85,810	518,000	-	14,000	14,000	490,000
	99,388,309	101,113,407	95,255,748	617,664	1,213,136	4,026,860

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i. Currency risk

The Company is exposed to currency risk on financial instruments that are denominated in a currency other than the functional currency of the Company, primarily the Naira. The currencies in which these transactions primarily are denominated are Euro and United States Dollar (USD). The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

The Company's policy is to ensure that its net exposure in respect of monetary assets and liabilities denominated in foreign currencies are kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

ii. Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the Management of the Company based on its risk management policy was as follows:

	2023		2022	
Amounts in thousands	Euro	USD	Euro	USD
Cash and cash equivalents	1	14	-	2,541
Trade and other receivables	887	2,230	817	(105)
Trade and other payables	(43,798)	25,986	(46,041)	5,824
Loans and Borrowings	-	(122,888)	-	(115,696)
Net exposure	(42,910)	(94,658)	(45,224)	(107,436)

The following significant exchange rates applied during the year:

	Average rate		Year end spot rate	
	2023	2022	2023	2022
Euro	709.40	450.83	997.82	493.27
United States Dollar (USD)	655.66	428.46	907.11	461.10

iii. Sensitivity analysis

A 50 percent (2022: 15 percent) strengthening of the Naira, as indicated below, against the Euro and the USD would have affected the measurement of financial instruments denominated in foreign currency and increased / (decreased) equity and profit or loss before tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest and inflation rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in thousands of Naira	2023 Profit or (loss)	2022 Profit or (loss)
Euro	21,408,144	3,346,165
USD	42,932,601	7,430,804

A 50 percent (2022: 15%) weakening of the Naira against the above currencies at the reporting date would have had the equal but opposite effect to the amounts shown above.

The above sensitivity analysis excludes the effect of the hedge contracts that mitigate the exposure on the loans and borrowings. USD 115 million of the loans and borrowings (2022: USD 105 million) has been hedged by non-deliverable forwards (NDF), maturing in the first half of 2024.

As at 31 December 2023, the company had foreign exchange liquidity contracts (FX swap) amounting to USD 75 million / ₦67.5 billion (2022: USD 94 million / ₦42 billion). The 2022 hedge contract (USD 94 million) will mature in January 2024. The 2023 FX swap (USD 75 million) will mature in December 2024.

(d) Interest rate risk

In managing interest rate risk, the Company aims to reduce the impact of short-term fluctuations in earnings. Dividend pay-out practices seek a balance between giving good returns to shareholders on one hand and maintaining a solid debt to equity ratio on the other hand.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

Fixed rate instruments

In thousands of Naira	2023	2022
Short term deposits - financial assets	7,805,763	7,355,555
Loans and borrowings	24,318,991	44,670,736
	32,124,754	52,026,291

Variable rate instruments

In thousands of Naira	2023	2022
Loans and borrowings	111,472,674	53,280,664

Interest rate movements affect reported income by causing an increase or decrease in net interest income and fair value changes.

The table below shows the net impact on the Company's profit before tax if interest rates on the variable rate assets increases or decreases by 15% with all other variables held constant.

In thousands of Naira	2023	2022
Effect of 15% increase in interest rate	(916,415)	280,112
Effect of 15% decrease in interest rate	916,415	(280,112)

(e) Fair Values

Fair values versus carrying amount

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	31 December 2023		31 December 2022	
In thousands of Naira	Carrying amount	Fair value value	Carrying amount	Fair value value
Assets carried at amortised cost				
Loans and receivables	17,579,577	17,579,577	32,203,291	32,203,291
Cash and cash equivalents	11,433,857	11,433,857	19,913,684	19,913,684
	29,013,434	29,013,434	52,116,975	52,116,975
Liabilities carried at amortised cost				
Trade and other payables	212,025,264	212,025,264	168,559,845	168,559,845
Loans and borrowings	135,791,664	135,791,664	97,951,400	97,951,400
	347,816,929	347,816,929	266,511,245	266,511,245

The basis for determining fair values is disclosed in Note 4.

For financial instruments that are short-term, management believes that their fair values are not expected to be materially different from their carrying values.

(f) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company's debt to capital ratio at the end of the reporting period was as follows:

In thousands of Naira	2023	2022
Total liabilities	352,712,410	281,722,536
Cash and cash equivalents	(11,433,857)	(19,913,684)
Net debt*	341,278,553	261,808,852
Total equity	1,037,832	29,872,767
Debt to capital ratio at December 31*	328.84	8.76

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

*₦141.6 billion of the net debt (2022: ₦117.6 billion) has already been covered by deposits for imports / forward foreign exchange transactions reported under prepayment (note 16). Taking this into account, the debt to capital ratio as at 31 December 2023 would be 192.4 (2022: 4.8).

27 Contingencies

(a) Guarantees

There are contingent liabilities for guarantees to a bank in respect of:

In thousands of Naira	2023	2022
Staff housing loans	28,235	39,176

The Company's exposure to contingent liabilities arising from staff car and housing loans is limited as these loans are secured by employee retirement benefits.

(b) Pending litigations

There are thirteen lawsuits pending against the Company in courts of law and a claim against the Company which are being handled by external legal counsel. At year-end, the contingent liability in respect of these amounted to ₦2.69 billion (2022: ₦3.04 billion). In the opinion of the Directors and based on independent legal advice, no material losses are expected to arise from these claims. Hence, no provision has been made in these financial statements.

28 Related parties

(a) Parent and ultimate controlling party

The parent and ultimate controlling party of the Company is FrieslandCampina Nigeria Holding B.V., incorporated in The Netherlands, with a 67.81% (2022: 67.81%) shareholding.

(b) Key Management personnel compensation

In addition to their salaries, the Company also provides non-cash benefits to key management personnel and contributes to a post-employment defined contribution plan on their behalf. In accordance with the terms of the plan, key management personnel are entitled to access the fund when they retire.

Key management personnel also participate in the Company's long service award and terminal milk benefit programmes. These programmes award certain sums of cash benefit which accrue to the recipient on graduated periods of uninterrupted service.

Key management personnel compensation comprised:

In thousands of Naira	2023	2022
Short-term employee benefits	426,530	392,832
Contribution to compulsory pension fund scheme	19,058	30,778
Long-term employee benefits	9,529	15,389
	455,117	438,999

The directors of the Company have also been identified as related parties and their remuneration has been disclosed in note 9 (c). At year-end, the directors held 0.41 percent (2021: 0.41 percent) of the company's issued share capital.

(c) Other related party transactions

(i) Payables, purchases and royalty expense	Nature of transaction	Transaction value for the year		Balance outstanding at year-end (Note 23)	
In thousands of Naira					
Related Party		**2023**	**2022**	**2023**	**2022**
Friesland Brands B.V., Netherlands	Royalty expense (Note (d)(i))	6,658,652	4,549,044	11,565,184	14,180,015
FrieslandCampina B.V., Netherlands	Purchases (Note (e)(ii))	107,515,692	148,388,471	152,320,991	128,134,803
Koninklijke FrieslandCampina N.V., Netherlands	Loans	-	-	111,472,674	53,280,664
		114,174,344	152,937,515	275,358,849	195,595,482

(ii) Receivables and sales	Nature of transaction	Transaction value for the year		Balance outstanding as at year-end (Note 17)	
In thousands of Naira					
Related Party		**2023**	**2022**	**2023**	**2022**
Friesland Export West Africa, Netherlands	Sales (Note (d) (iii))	1,514,203	1,368,731	3,009,708	383,138
		1,514,203	1,368,731	3,009,708	383,138

All outstanding balances with these related parties are to be settled in cash within six months of the reporting date.

(d) Transactions with related parties

(i) The Company has a Know-How and Trade mark agreement; and Research and Development Technical Know-How agreement with FrieslandCampina Nederland B.V., for which it pays royalties. Technical Know-How agreement royalty fees are computed as a percentage of profit before tax while royalty fees on trade mark and research and development agreement are computed as a percentage of net sales of the related products. An amount of ₦6.66 billion (2022: ₦4.55) billion) has been charged to the profit or loss account in respect of these fees (Note 7(b)).

The agreements are made with the approval of the National Office for Technology Acquisition and Promotion (NOTAP) and payments are made to FrieslandCampina Nederland B.V.
Details of the NOTAP certificates are listed below:
File number NOTAP/AG/MN/000023008/2/5 with a limit not exceeding ₦9.09billion
File number NOTAP/AG/MN/126/22/223 with a limit not exceeding ₦5.76billion (Expired)*
File number NOTAP/AG/MN/000023008/1/4 with a limit not exceeding ₦1.12 billion (Extension)*
File number NOTAP/AG/MN/126/21/309 with a limit not exceeding ₦1.66 billion (Extension)**

*The expired NOTAP agreement relates to the extended R&D Know-How License which expired in May 2023. This has been extended till May 2024 to allow time to address FX illiquidity and remit the balance accordingly.

**This NOTAP agreement relates to the extended Dairy Development license which expired in July 2022. This has been extended till January 2024 to allow time to address FX illiquidity and remit the balance accordingly.

(ii) The Company also entered into transactions with FrieslandCampina Nederland B.V., for the purchase of finished products, raw materials, spare-parts and technical support.

(iii) The Company exports milk products to Ghana, Cote d'Ivoire through Friesland Export West Africa, Netherlands.

29 Subsequent events

Subsequent to the reporting date, the Board of Directors is proposing not to declare a final cash dividend for year 2023. This is subject to approval by shareholders at the Annual General Meeting.

There are no other significant subsequent events which could have had a material effect on the state of affairs of the Company as at 31 December 2023 that have not adequately been provided for or disclosed in the financial statements.

30 Comparative

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Other national disclosure

Value-Added Statement

for the year ended 31 December 2023

In thousands of Naira	2023	%	2022	%
Revenue	304,609,957		324,719,156	
Brought in materials and services				
- Local	(113,729,687)		(70,754,666)	
- Imported	(160,555,942)		(215,106,480)	
	30,324,328		38,858,010	
Finance Income	365,960		932,078	
Value-added	30,690,288	100	39,790,088	100
Distribution of value added:				
To Government as:				
- Government as taxes	(3,392,957)	(11)	5,829,736	15
To Employees:				
- Employees as wages and salaries and end of service benefits	13,237,154	43	12,439,911	31
To providers of finance:				
- Finance costs	38,076,452	124	8,762,929	22
- Interim dividends	-	-	-	-
Retained in the business:				
- Depreciation of tangible assets	5,679,787	19	4,903,079	12
- Depreciation of right of use asset	62,778	-	45,242	-
- Amortisation of intangible assets	140,680	-	140,679	-
- Proposed dividends	-	-	5,724,672	14
- Bonus share issue	-	-	-	-
- To augment reserves	(23,113,606)	(75)	1,943,840	6
Value-added	30,690,288	100	39,790,088	100

The value-added statement represents the wealth created through the use of the Company's assets by its own and its employees' efforts. This statement shows the allocation of wealth amongst employees, capital providers, government and that retained for future creation of wealth.

Five-Year Financial Summary

for the year ended 31 December 2023

In thousands of Naira	2023	2022	2021	2020	2019
Funds employed					
Share capital	976,336	976,336	488,168	488,168	488,168
Share premium	350,211	350,211	350,211	350,211	350,211
Retained earnings	(288,715)	28,546,220	25,495,777	25,452,534	23,396,602
Shareholder's fund	1,037,832	29,872,767	26,334,156	26,290,913	24,234,981
Current liabilities	345,090,519	267,854,398	208,816,181	161,477,131	75,475,390
Non-current liabilities	7,621,891	13,868,138	13,140,897	18,894,594	6,851,603
	353,750,242	311,595,303	248,291,234	206,662,638	106,561,974
Asset employed					
Non current assets	53,019,486	52,870,203	51,130,498	48,115,848	35,233,877
Current assets	300,730,756	258,725,100	197,430,736	158,546,790	71,328,097
	353,750,242	311,595,303	248,561,234	206,662,638	106,561,974
Revenue	304,609,957	324,719,156	268,430,580	199,527,906	161,831,064
Profit before income tax	(26,372,789)	13,462,632	12,702,741	14,939,249	18,752,718
Profit for the year	(22,979,832)	7,632,896	7,585,666	8,778,886	12,364,010
Other comprehensive income, net of tax	(133,774)	35,616	112,051	(74,106)	(13,418)
Issued and fully paid ordinary shares					
*In thousands of shares**	1,952,672	1,952,672	976,336	976,336	976,336
Per ₦0.50 share data:					
Basic earnings per share*	(11.77)	3.91	7.77	8.99	12.66

Peak
25 YEARS OF NOURISH
NAIJA CHAMPIO
KANU
4
OKOCHA
10
MIKEL
10
Peak

For decades, we have remained unwavering in our support of the Nigerian Super Eagles through our partnership with the Nigerian Football Federation (NFF).

Living our purpose in 2023, Peak provided the team with the right nourishment for victory and reinforced our position as the "Official Milk of the Super Eagles".

Reach for your Peak

2023 IN REVIEW

DIGITAL

We stay relentless in our ambition to be #1 in Digital

SALES

Navigating 2023

CSR

Driving social impact amidst a challenging year

NUNU

Expanding access to quality Dairy Nutrition

THREE CROWNS

Three Crowns "Mum Of The Year" campaign

SAFETY

Leading the way in Safety, Health, and Environmental Excellence

DDP

Transforming the Nigerian Dairy Sector

SUSTAINABILITY

Nourishing a better planet

Leading the Way in Safety, Health, and Environmental Excellence

FrieslandCampina WAMCO places Safety, Health, and Environment high among its core values of conducting business and ensuring business continuity. The journey for the last twelve months has been remarkable and has made tremendous positive impacts as well as changes to the business and other stakeholders and partners.

Our greatest asset is top management involvement and commitment towards Safety, Health, and Environment; this involvement has become embedded in our way of working. This has led to increased workers' morale and encouraged participation at all levels and functions. Increased worker participation and awareness through classroom and field training cut across different safety topics such as defensive driving training for the sales force team across all regions, holistic risk assessment for all our DDP facilities, and training for our emergency responders, among others.

Vacuum lifter

As a business, we take the lead in continual improvement with our work methods, machines, materials, among others. This is evident in the various projects that have been commissioned in the year 2023 to improve occupational health & safety as well as reduce waste to the environment. This includes, but is not limited to, the vacuum lifter installed for use in offloading 50kg sugar bags instead of manual offloading, which has been a serious ergonomic concern. We also have a UPS installation in our yoghurt factory, which will eliminate the impact of power fluctuation leading to huge waste generation and its resultant impact on the environment. We also installed an anti-terrorist barrier at the entrance of our gate at the Ikorodu plant, which has helped to drastically reduce incidents of truck damage at our gate.

Heat extractors

We have trained over 1000 employees on different categories of safety topics ranging from risk assessment and environmental impact assessment, machine safety, fire safety, life-saving rules, life cycle, and environmental awareness, general health and safety awareness, among others. We have also trained our sales/field workers on defensive driving and over 45 leaders on Organizational Behavior Management.

We work deliberately and consistently to improve our processes in order to reduce our carbon footprint in the environment.

In conclusion, our safety practices have earned awards and recognitions, among them being the winner of the Manufacturers' Association of Nigeria Best Kept Industrial Premises competition in the foods and beverages category. All these achievements would not have been possible without top leadership commitment.

In FrieslandCampina WAMCO, Safety does not take a day off, and we reach beyond zero.

Reach for your Peak

Transforming the Nigerian Dairy Sector

For over 13 years, FrieslandCampina WAMCO has been a key investor in the Nigerian dairy sector, sourcing raw milk locally for manufacturing. As the highest off-taker of local raw milk in Nigeria, the company leverages its over 150 years of dairy-related experience and Dutch heritage to support thousands of Nigerian farmers in increasing milk production and improving milk quality.

The locally sourced milk from these farmers is collected through its 30 Milk Collection Centers (MCC) in the different farmer communities, then transported to the world-class FrieslandCampina WAMCO plant in Lagos where it is processed into nourishing yogurt drinks and evaporated milk.

In 2023, FrieslandCampina WAMCO witnessed a substantial boost in dairy development, marked by innovative strategies aimed at enhancing milk production and securing a strong future position. The year began with efforts to empower new smallholder dairy farmers, addressing supply chain gaps related to seasonality. Through extensive sensitization and mobilization campaigns across six states in the southwest region and the Federal Capital Territory (FCT), the company successfully recruited over 60 smallholder farmers.

Despite the challenging security situation and inflation, our Dairy Development Team persevered, successfully collecting 4.2 million liters of raw milk with an outstanding quality of 235,000 CFU/ml at the farm level. This achievement signifies a notable improvement in the extension activities conducted by the Dairy Development Team.

FrieslandCampina WAMCO's Dairy Development initiative currently operates in various communities across Oyo, Osun, Ogun, Kwara, Ondo, Niger, Abuja, and Vom, Plateau.

A milk truck conveying raw milk to FrieslandCampina WAMCO Plant in Lagos

Birth of Nigeria's First Set of Crossbreed Girolando Calves

FrieslandCampina WAMCO continues its pivotal role in advancing the dairy sector and bolstering national food security through its Dairy Development initiatives and partnerships like the Value4Dairy Consortium. Established in April 2021, this consortium comprises four strategic partners: FrieslandCampina WAMCO, URUS, Barenbrug, and Agrifirm. With extensive experience in various agricultural value chains, the consortium is making significant strides in implementing sustainable strategies to accelerate the growth and development of the Nigerian dairy sector.

As part of this effort, FrieslandCampina WAMCO and URUS Group LP, two partners of the consortium, have chosen the Girolando breed for introduction to Nigeria. They signed an agreement with a local breeding farm, SMAP Farms Limited, in a strategic partnership aimed at maximizing success in crossbreeding and increasing milk yields on local farms sustainably. 1400 Girolando semen straws were produced and 610 artificial inseminations achieved. Over 300 Crossbreed Girolando calves have been birthed till date. FrieslandCampina WAMCO views this milestone achievement as a crucial step in providing smallholder farmers with access to affordable, high-yield dairy cows in Nigeria

Head of Dairy Development, FrieslandCampina WAMCO, Adekunle Olayiwola with FCW's First Crossbreed Girolando Heifer

Fashola and Maya Model Farms

The FrieslandCampina WAMCO dairy development model farms, comprising the Feed Farm in 20 hectares at Maya and the Crossbreeding Farm in 300 hectares at Fashola in Oyo state, have made significant strides. They now boast ample pasture feed and have been fully equipped with machinery imported from the Netherlands, along with the procurement of local cows for crossbreeding purposes. These model farms are intended to demonstrate best practices and serve as training models for new farmers.

Pasture Development at Fashola Farms

Sustainability Initiatives

FrieslandCampina WAMCO's dedication to sustainability and the green economy distinguishes it as an industry leader. Through investments in renewable energy sources, optimization of water and energy consumption, and promotion of circular economy principles, the Company is actively reducing its carbon footprint and contributing to environmental preservation. Additionally, its responsible sourcing practices ensure ecosystem protection and support sustainable agriculture.

During the review period, we promoted tree planting and effective manure management in cooperatives and surrounding environments where our dairy development activities take place. Hybrid pasture initiatives were implemented to minimize land tilling frequency, while crossbreeding efforts aimed to decrease the carbon footprint per cow across our farming communities. Furthermore, the construction of solar boreholes in various communities was undertaken to enhance hygiene and milk quality.

A solar-powered borehole

FrieslandCampina WAMCO, FMARD, NVRI Sign MoU to Boost Dairy Development in Vom, Plateau State

FrieslandCampina WAMCO has signed a tripartite Memorandum of Understanding (MoU) with the Federal Ministry of Agriculture and Rural Development (FMARD) and the National Veterinary Research Institute (NVRI) in Vom, Plateau State.

Under the MOU, NVRI has made available one hundred and seventy two hectares (172 HA) of land domiciled at the National Veterinary Research Institute in Vom town, Jos, for the implementation of the FrieslandCampina Dairy Valley Project which will be used for demonstration, training and research purposes in the dairy value chain across the Northern parts of Nigeria. FrieslandCampina WAMCO will establish a full end-to-end dairy value chain in Jos, Plateau state which includes animal feed production, dairy production, milk collection, extension programs to support farmers, processing capabilities and route to market.

Expert Knowledge Transfer through Farmer2Farmer Programme

In the year under review, FrieslandCampina WAMCO organized yet another Farmer-to-Farmer (F2F) Program for smallholder dairy farmers and pastoralists across Southwestern states including Jos, Plateau state. This is in line with its unwavering commitment to building a sustainable dairy value chain in Nigeria.

The Farmer-to-Farmer programme is a best practice model designed by FrieslandCampina under its Dairy Development initiative whereby expert Dutch dairy farmers from The Netherlands, share knowledge with local dairy farmers to help them grow their capabilities and proficiency in good farm management practices through intensive hands-on trainings. The main goal of the Farmer2Farmer programme is to help local dairy farmers improve their raw milk quality and productivity.

The comprehensive one-week training covered topics spanning various aspects of dairy farming such as Calf-rearing, Housing, Feeding, Crossbreeding, Milking hygiene and practice, Cow manure management, Farm record keeping, Farm cost economics, Pasture field development and Silage bunkering.

Farmer-to-Farmer training

Farmer-to-Farmer training

Other Trainings

Over 13,500 dairy farmers were trained on various topics, covering the entire curriculum of Good Dairy Farming Practices. We maintained our collaboration and partnership with the National Office for Technology Acquisition and Promotion (NOTAP), conducting dairy training sessions for farmers in selected zones and supporting dairy research initiatives as agreed with the Agency. FrieslandCampina WAMCO remains fully committed to providing technical assistance to farmers, enhancing capacity, and improving efficiency in farm management.

Value4Dairy Consortium receives grant to boost the Nigerian dairy sector

Smallholder farmers undergoing classroom training by the Value4Dairy Consortium

To support the further development of the Nigerian dairy sector, the latest project of the Value4Dairy Consortium led by FrieslandCampina has received a 5 million USD grant from the Bill & Melinda Gates Foundation. This will boost dairy productivity and sustainability of the Nigerian dairy sector.

With proven track records in dairy value chains, the Consortium is committed to advancing systemic and sustainable local dairy production in Nigeria. This unique private sector Consortium has developed a model that represents a pathway towards a self-sufficient, competitive, climate-smart and locally managed dairy sector. The 5 million USD grant received from the Bill & Melinda Gates Foundation will fund 50 percent of the Consortium's latest project.

The project is designed to modernise the Nigerian dairy sector and bolster small-scale milk production. The Consortium will establish three self-sustaining dairy zones which will be run by local farmer cooperatives in three Nigerian states: Oyo, Osun and Abuja. These zones will serve as hubs for training and supporting 10,000 pastoralists and smallholders, growing to include 40.000 milk producers in the subsequent years. Each Dairy zone will have a warehouse, outlets with dairy farming inputs, and two milk collection points, where FrieslandCampina WAMCO will collect the aggregated milk for processing into nutritious dairy products to feed more than 5 million Nigerians. The Consortium will leverage the partners' expertise to provide local farmers access to the latest advancements in feed, breeding, sustainable farming practices, and routes to the market, enabling them to increase milk production at lower costs sustainably.

While the programme focuses on dairy sector transformation, it will also contribute to improving food security, raising farmer incomes, enhancing nutrition, reducing conflicts between herders and farmers, improving water access, and lowering greenhouse gas emission intensity. Additionally, the programme is gender-intentional, as it includes dedicated interventions to empower women to participate in activities and earn additional income.

Dairy Development Milestones

Peak Thematic Campaign

Our Thematic Campaign – Power on With a Peak Protein Breakfast serves as a call to consumers to start their day with Peak as a preferred source of quality dairy protein to get the right energy and nutrients to achieve their goals for the day. This campaign is backed by a simple truth of life: 'How we start our day goes a long way in determining how we make the most of it and end it.'

The Power On with A Peak Protein Breakfast campaign was executed on TV, radio, OOH, digital, and directly to consumers through the year at different sales points. We leveraged digital and information technology to launch a Protein Checker Tool to educate and engage consumers on how to choose the right breakfast recipe for themselves and their families. Additionally, we took to the streets with our Breakfast Café on wheels to directly engage our current users on the different ways to make breakfast and showcased the importance of adding milk to breakfast meals to strengthen our overall well-being.

At the end of the integrated campaign executed across touchpoints, we reached 36.5 million unique Nigerians, directly reaching 21,000 consumers, resulting in Top of Mind Awareness (TOMA) of 54%.

Ramadan

Ramadan is a very important time for our Muslim consumers, who form a significant proportion of our consumer base. We journeyed and nourished them throughout the holy month of fasting. Our Ramadan campaign encouraged our Muslim consumers, in line with the virtues of Ramadan, to 'Serve Goodness and Nourishment, at Sahur and Iftar' with the goodness and nourishment of Peak.

The campaign was executed across 21 cities, integrating media on TV, radio, billboards, E-commerce, and bold experiential activation via Mosque sampling. Peak visited selected neighborhoods, Universities, Mosques, and Worship centers with high footfall, such as NASFAT praying grounds, to nourish consumers at the break of fast with milk-based meals: Koko and Tea. During this period, Peak interacted with key Islamic opinion leaders to drive advocacy for our brand and reached over 44,000 consumers directly. On digital platforms, we leveraged the use of celebrity influencers and chefs to showcase the use of Peak milk and encourage their followers to participate in breaking their fast and acts of kindness in their communities. We also ensured the brand was prominent and present across strategic outlets with gondolas and other visibility materials to reinforce our communication message and channel offers.

The campaign reached 30.7 million Muslims and delivered digital impressions of the campaign ad to 40 million people (+21%). Peak's 2023 Ramadan campaign was chosen by META as a case study to highlight good campaign strategy and execution for its outstanding results.

Peak Ramadan communication

Peak World Milk Day Campaign

The 4th edition of our annual National Breakfast Week (May 25th - June 1st) was a week devoted to advocating the benefits and importance of breakfast consumption with dairy. We boldly highlighted the importance of developing the habit of having a Peak Breakfast every day with our campaign tagged – 'A Complete Breakfast is a Peak Protein Breakfast'.

Using digital as the lead medium, we leveraged the power of celebrity influencers with provocative content to improve the breakfast culture of Nigerians by highlighting that the key ingredient of breakfast is Peak Milk – a good source of complete dairy protein, and urging them via engaging visuals to always complete their breakfast with Peak Milk. The brand's message was further amplified on TV, Radio, and OOH to reach a wider audience and reinforce the breakfast culture Nigerians should embrace; the healthier culture of having a Peak Breakfast every day.

On World Milk Day (June 1st), Peak took to the streets of Lagos to celebrate milk with thousands of consumers, giving them a taste of our nourishing Peak Protein breakfast. Peak Breakfast experience centers were set up at major bus parks, traffic stops, and marketplaces, where we created a festive atmosphere and served nourishing Peak breakfast to over 2,000 consumers across different locations. Each breakfast-nourished consumer pledged to complete their breakfast every day with Peak.

This campaign enabled Peak to go viral with 41.3% (+11%) positive sentiments, with a digital reach of over 8 million unique consumers, +3000 (+200%) digital share of voice, and a high level of engagement for the brand.

Peak World Milk Day communication

Awoof Shopper Promotions

2023 recorded high inflation rates especially for food categories resulting in increased prices of goods. Thus, consumers were rationalizing their consumption of essential food items. To cushion this effect on our consumers, we executed some shopper promotions during seasonal shopping periods to grow our buyer base and aid rotation in trade. We leveraged digital and point of sale visibility materials to drive awareness and participation for these promotions. With these promotions, we were able to directly reach over 60,000 shoppers and grow affinity and penetration for the brand.

Peak Awoof communication

Peak Mini Pack Launch

It was an exciting year for Peak as we officially launched our long-awaited Evaporated Milk in entry Packs - Peak "Mini". With this new launch, our Peak Evap portfolio is now equipped with entry packs to make Evaporated milk more accessible to our consumers; making it possible for them to enjoy the nourishing goodness of evaporated milk at a more accessible price point. We are better geared to WIN in the Evap category in Nigeria, allowing us to grow penetration and regain both lapsed and lost Evap Users.

The new pack was launched with a campaign tagged "Peak Mini Pack...Breakfast for You". The campaign is hinged on the consumer insight - 'Who no like better thing' a common rhetorical question amongst us Nigerians as proof of the fact that we all like good things, but sadly, when it comes to having a Peak protein breakfast using Evap, some can't always afford it... Now they can with Peak Evap in Tetra Pack. The campaign was executed across multiple touchpoints, to drive awareness on TV, Radio, digital and OOH, direct to consumers activation was done at strategic locations were the TG experienced first-hand use of the Peak Mini pack at breakfast.

In the first two months of launch, we achieved 31.5k numeric distribution (114% vs plan), visibility into 30k outlets, and sampled over 9.3k consumers driving awareness, trial, and conversion for our new pack.

Reach for your Peak

Peak Mini Pack communication

Peak Christmas

We ended the year on a high note by giving our consumers a Christmas experience like no other. "A Peak Christmas" which was tagged "Christmas at its Peak" where every emotion, every activity, every gesture, every gift, and every breakfast moment is heightened, as they are all at their Peak during the festive period! With the campaign message " Enjoy Christmas at its Peak", we encouraged Nigerians to start their festive holidays especially Christmas day with a #PeakBreakfast which supplies all the energy they need to Power on through each day of the season. A Peak Christmas is one filled with the most excitement, joy, celebration and it starts with a having a #Peakbreakfast.

The campaign was executed on digital, radio, experiential activation via select Christmas sponsorship events to grow affinity via one on one engagement with consumers. We reached out to 2 different communities – Odonguyan and Ajegunle, where we shared a Peak Breakfast and Christmas cheer with over 2000 consumers.

Peak Christmas communication

"12 Days of Christmas At Its Peak" was executed on digital for 12 days, starting from December 13th to December 24th, 2023. The digital campaign rewarded consumers with shopping vouchers and gift boxes to make the festive season memorable.

Peak Unstoppable Campaign

Peak and the Nigeria Para Powerlifting Team on the Road to Dubai 2023 Para Powerlifting World Championship.

The Nigerian Paralympic team, also known as 'The Unstoppables,' went to Dubai for the 2023 Para Powerlifting World Championship where they successfully claimed 2 new world records, 2 silver medals, and 3 bronze medals. As usual, their success had the full backing of the lead sponsor Peak Milk. We drove awareness of their participation and showcased the fact that these athletes are more than able to conquer the world irrespective of their challenges.

Peak subsequently thanked 'The Unstoppables' for their victory and applauded them for their history-making feats at the Para Powerlifting World Championship.

Beyond amplifying the victories of 'The Unstoppables' in the media, nutritious Peak products were donated to affirm Peak's support for this amazing team. Peak gave the assurance that it will continue to be associated and remain the lead sponsor/cheerleader of the Nigeria Para Powerlifting Team.

Super Eagles AFCON and World Cup Qualification

Since 1998, Peak has maintained a partnership with the NFF, making Peak one of the longest sponsors of the Super Eagles. This partnership was renewed in 2023, and Peak was on ground to support the Super Eagles during the home matches of the AFCON Qualifiers and World Cup Qualifiers.

During the course of the year, the Super Eagles were hosted to a nutritious Peak Protein Breakfast, with over 2,000 fans tuning into the Instagram Live session to cheer on the Super Eagles.

Peak's partnership with the Super Eagles was also amplified on radio and digital, reaching over 11 million consumers.

Peak Yoghurt Strawberry Launch

In April, we launched the 1-liter 'Full House Pack' in strawberry flavor to meet the demands of Nigerians who want to enjoy Peak yoghurt refreshment with a burst of flavor.

The new strawberry 1-liter 'Full House Pack' is a yoghurt blend that contains fresh cow milk infused with the natural sweetness of flavored strawberry juice. It is enriched with vitamins and minerals to give consumers the dairy nourishment they need to stay fresh and reach their Peak.

The strawberry 1-liter launch leveraged the Peak Yoghurt 1-liter "full house pack" campaign across media touchpoints (Radio, TV, and OOH). We drove awareness with consumers via direct engagement, sampling across Universities and Malls with high footfall leveraging the Peak yoghurt "Fresh Arena"; a fun-experience space.

The experiential engagement was also integrated with shopper activities across different channels to trigger consideration and purchase for the new pack.

Collaborating with food influencers, we emphasized the consumption versatility of the new Peak yoghurt strawberry 1-liter as not just a bigger pack of flavored refreshment that can be enjoyed standalone but also in other refreshing ways such as smoothies, milkshakes that can be enjoyed at picnics or family gatherings.

At the end of 2023, we reached over 12 million consumers on digital and got over 22,000 consumers to try the new flavor.

With the new Strawberry 1-liter Full House Pack, Peak yoghurt now offers a range of strawberry pack sizes (1 liter, 318 ml, and 90 ml) for consumers and shoppers who love the taste of strawberry.

Peak Yoghurt communication

Peak Yoghurt "1 Litre Full House Pack" Campaign

In 2023, we continued to drive awareness for the Peak Yoghurt 1 Litre pack size with the 1-liter "Full House Pack" campaign. The campaign was targeted at driving awareness for the 1-liter packs and positioning them as sharing packs in plain and strawberry flavors fit for group consumption with family and friends.

The Full House Pack campaign aimed at growing the consumption of Peak Yoghurt among consumers with large households and improving brand visibility in relevant trade channels.

The integrated campaign was executed on media with multi-lingual communication materials deployed on radio to target consumers across different tribes. Consumer and shopper engagements were executed with a "Fresh Arena Experience" in local markets, neighborhood stores, and modern trade stores with high footfalls to trigger trial and sales for Peak Yoghurt 1-liter pack.

At the end of the campaign, we reached over 12 million consumers on digital (+71% vs plan), directly engaged 22,000 consumers and shoppers, recorded positive sentiments about the 1-liter pack now in two flavors, and sustained top-of-mind awareness for Peak yoghurt.

Peak Yoghurt communication

Peak Launches Peak Milky Pap

In July 2023, we launched Peak Milky Pap, a nutritious and convenient form of Pap in line with our mission of nourishing Nigerians with quality dairy nutrition and to grow consumption of Peak among Nigerian households.

Over the years, millions of Nigerians consumed pap in its loose and moistened traditional form with its nutritional value limited to primarily consisting of carbohydrates. Having recognized the popularity of pap as a traditional breakfast cereal across different tribes and the importance of nutrition, we launched Peak Milky Pap to cater to the dietary needs and convenience of the modern consumer.

Peak Milky Pap is a delicious 3-in-1 pap mix made from a wholesome blend of multi-grains enriched with milk to enhance the taste of pap and provide essential nutrients like protein. Compared to traditional local pap, Peak Milky Pap comes in convenient packaging that can be stored for a longer period, making it an ideal choice for consumers seeking a protein-rich and convenient breakfast experience.

To introduce the product to consumers, we launched the 'Life Evolves, So Has Pap' campaign with the insight that everyone loves the convenience that comes with evolution and just as life evolves, Pap has evolved to a more nourished form with Peak Milky Pap. The campaign was executed in key cities via radio, OOH, and digital to grow awareness for the new product. We also collaborated with food influencers to trigger trial and educate consumers on how to prepare milky pap.

We deployed visibility materials in select proximity and modern trade stores to support sales and encouraged consumers to embrace the modern twist to pap by offering them prepared samples of Peak Milky Pap while demonstrating the off-fire and on-fire preparation methods at direct engagements.

At the end of 2023, we achieved 100% sales versus plan, and the campaign reached over 12 million consumers on digital, birthed user-generated content, and thousands of #PeakMilkyPap Twitter mentions.

Peak 456 Thematic campaign

In the Growing Up Milk segment, the Peak 456 thematic campaign, "Breakfast Plus," focused on driving positive habit change to provide more nourishment for growing children. The campaign, which ran across multiple platforms (TV, radio, in-store, schools, and trade), reached over 20 million people, building brand love and credibility. We educated parents and their influencers (doctors, nurses, and retailers) on the role age-appropriate nutrition plays in ensuring children grow up to be strong and smart.

Peak 456 Breakfast Plus communication

Reach for your Peak

We supported Peak Chocolate in 2023 with the theme "Nourishing Delight You Can Enjoy", emphasizing the functional benefit of the brand. We communicated Peak Chocolate as a nourishing beverage that everyone can enjoy either hot or cold at breakfast and during moments of indulgence.

This was executed on radio, TV, and OOH platforms, alongside other tactical activities for the brand. This enabled us to improve TOMA (+20% growth vs 2022). The communication materials were aired in key cities, reaching a total of 32 million consumers.

We also extensively used digital platforms to drive awareness and consumer engagement at scale during the implementation of Peak Choco Family Contest Season 4 and World Chocolate Day.

Peak Chocolate Family Contest

The Peak Chocolate family contest campaign kicked off in November on digital and in select Modern Trade stores. It is a contest that engages the whole family to foster bonding and family moments. Publicity for this campaign was done using digital banners, QR codes, and in-store wobblers to encourage participation from consumers.

The cash prizes for this season were ₦1,000,000 for 1st position, ₦500,000 for 2nd position, and ₦300,000 for 3rd position. During this campaign, we received entries and shortlisted 15 families to compete for the top 3 positions through live interactive sessions on our digital platforms for four Saturdays in the month of November/December.

The live sessions experienced over 6,000 live audiences, a 500% increase in viewership versus the last season.

At the end of the campaign, Peak Chocolate rewarded the top 3 families in Lagos and Port-Harcourt with a family weekend getaway experience, cash prizes, and products.

World Chocolate Day

To celebrate World Chocolate Day, we partnered with Krispy Kreme to drive product experience and trial with consumers. Families were sampled with chocolate-based drinks and treats made with Peak Chocolate, and shoppers were rewarded for the purchases made. The activity was amplified on digital with a campaign where fans were asked to create recipes to win exciting branded items.

At the end of 2023, Peak Chocolate had interacted with over 15,000 consumers to grow brand affinity and consideration for purchase. These activities delivered a media reach to over 58 million consumers and achieved a sales volume of 102% versus budget.

Peak Chocolate communication

Three Crowns Milk Campaign

The core aim has always been to spotlight the incredible strength of mothers with the annual Mum of the Year campaign.

The Three Crowns Mum of The Year competition was open to everyone who wanted to celebrate their mum or mother figure for their selflessness. The process was easy: write a story about your mum or any other mother figure, explaining in detail why she deserves to be celebrated as the Mum of the Year.

Among the six finalists, three fit, fun, and healthy mothers emerged winners and were rewarded with an all-expense-paid trip to Zanzibar with their respective families. This reward fulfills the brand's commitment to Mrs. Ivbade Odigie, Mrs. Rose Igwe, and Mrs. Joy Obiesie, who emerged as the top 3 winners at the competition - to enjoy a holiday in Zanzibar with 2 members of their families and receive a year's supply of Three Crowns Milk. Other contestants also went home with exciting consolation prizes.

The brand introduced and recognized Mrs. Sadiq Abolade, a retailer, in the Mum of the Year campaign, rewarding her with a cash prize for being the most outstanding retailer. The campaign achieved a remarkable digital reach of over 5 million consumers (+225% vs plan). Brand health indices also showed a positive uplift; top-of-mind awareness grew to 24% (+4% vs Q3'22), brand power grew to 24% (+2% vs Q3'22), and brand consideration grew to 88% (+4% vs Q3'22).

Three Crowns "Mum of the year" Grand Finale

Three Crowns Helping Mums Keep Fit With Fitness Challenge

Cross-section of participants during the Three Crowns 30 days fitness workout

As Nigeria's leading low-cholesterol milk brand, Three Crowns has nourished mothers for more than 30 years to ensure she takes good care of her family. Every year, Three Crowns holds a list of heart-friendly activities that keep the rhythm of mum's heart going, starting with the 30-day Fitness Challenge.

The 30-day Fitness Challenge campaign had its maiden edition in 2016 to encourage Nigerian consumers, especially mums, to create fun ways to live a healthy lifestyle by cultivating healthy habits via exercise and diet into every moment irrespective of what they do and what they take. Consumers are encouraged to work out with whatever materials they have like a dispenser bottle, rolling pin, or do simple routines that do not require expert supervision to accomplish. The activity featured a call to participate communication materials, daily workout routine video for consumers to recreate, milk-based meal plan shared with participants to help plan their diet, One-on-One Fitness coaching on WhatsApp & Telegram groups for different fitness levels. Physical cardio-dance sessions are also held in established fitness hubs on Saturdays to bring the campaign to life. It is a digital-led campaign supported on radio, WhatsApp & Telegram.

Three Crowns 30 days fitness campaign workout

In 2023, the theme of the campaign "Everybody is Welcome" drove the inclusivity of every consumer by enjoining them to participate in the challenge irrespective of their body shape, form, or sex to have a healthy heart via tailored nutrition and daily workout engagement. Consumers registered on the brand website Three Crowns Fitness Challenge | Feminine Lounge to join the challenge by signing up for the different fitness levels (Newbie- Beginners level, Wannabe- Standard level, and Pro -Advanced level) they felt most comfortable with and connect with the fitness coaches who were available 24/7. Every Saturday, we engaged participants with a physical cardio-dance session hosted by different fitness experts and celebrities like Shedams, Kemen, and Saga at 9 am across selected neighborhoods and on the brand's Instagram and Facebook page.

Over 6,906 consumers signed up for the challenge on the brand's website, Facebook, and Instagram with +500 active participants on Whatsapp and Telegram. At the end of the campaign, 14 million consumers were reached, and the campaign generated 10.5 million impressions.

Three Crowns 30days fitness communication

Three Crowns fitness workout

Three Crowns Milk Launched Evaporated Milk in "Smallie Pack"

Three Crowns introduced Evaporated Milk in "smallie pack" to expand our portfolio and lower the barrier to access quality dairy nutrition with an accessible and affordable pack size. The term "smallie" describes the benefits of the product, which are affordable, convenient, single-use, and require no storage. The launch of the smallie pack will recruit lapsed users and attract competition users to grow brand penetration.

We communicated to mothers that they can easily stay nourished and care for their hearts without having to break the bank or compromise on quality dairy nutrition. The communication message "Treasure in Smallie Pack" shows there is value in something little.

The campaign is being executed via a 360-degree approach on TV, Radio, OOH, and digital platforms, while driving visibility and awareness across all channels pan-Nigeria. Consumer and shopper experimental engagements was executed in areas with high footfall such as bus stops, parks, and neighborhoods to engage, drive awareness, and build consideration for Smallie Pack.

Three Crowns communication

Expanding Access to Quality Dairy Nutrition

In 2020, FrieslandCampina made strategic acquisitions of Coast, Olympic, and Nunu, expanding its consumer base across Nigeria. These brands, known for their affordability and regional strengths, have enabled FrieslandCampina to connect with a wider audience.

Coast Thematic campaign

In 2023, FrieslandCampina remained steadfast in maintaining the distinct brand messages of Coast, Olympic, and Nunu. Coast's message, "In our nature," emphasized its natural goodness, appealing to consumers seeking wholesome products. Olympic continued to champion its brand ethos with "Own the Day," highlighting its nutrient-rich milk as the fuel for daily activities. Meanwhile, Nunu positioned itself as a provider of "Extra value," catering to both businesses and individuals seeking quality and affordability.

Throughout the year, these brands capitalized on seasonal campaigns and notable dates to deepen consumer engagement and resonate with target audiences. This consistent messaging and strategic approach have fortified FrieslandCampina's position in the Nigerian market, driving both consumer loyalty and market growth.

Nunu Yoghurt Launch visual

Olympic Thematic campaign

We Stay Relentless in our Ambition to be #1 in Digital

Nigeria has experienced a notable shift towards digital transformation, and this trend offers significant opportunities for various industries, including the dairy sector. Digitalization has become a catalyst for innovation, efficiency, improved consumer, customer, and shopper engagement, and increasing revenue; providing FrieslandCampina WAMCO with avenues to thrive in this dynamic market.

It is no longer news that Frieslandcampina WAMCO is at the industry forefront leading, fighting and have become an inspiration to peers with how uniquely Digital is growing in adoption and institutionalization; rolling in tangible benefits and value to the business in this past 4 years.

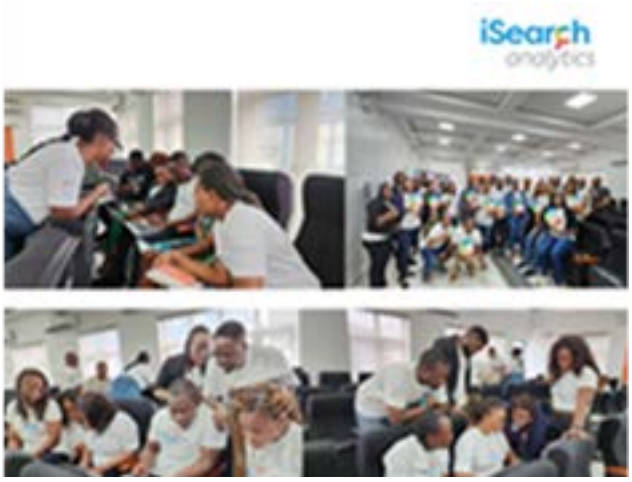
Through all impact-driven initiatives (a few listed below), the business has continued to strongly leverage digital and technology to drive growth. The smart integration of digital technologies, processes, and competencies across all functions and activities in a strategic way will continue to deliver value to our business.

Data-Driven Decision Making

From a data point of view, we have taken significant steps in just a few years to become a data-driven organization, with data embedded in daily work. We transitioned from fragmented data to harmonizing data and bringing it together into one place, improving flexibility and usability even for non-experts. With the launch of the iSearch Analytics App for the Commercial and Finance functions, data and insights are now at our fingertips, enabling faster and better decision-making based on accessible data and insights, performance, and institutionalization (training and usage tracking).

The increased reliance on data analytics tools for faster and better decision-making also extends across various aspects of the business, including inventory management, marketing strategies, and supply chain planning.

Impact: Informed decision-making, the ability to spot trends early, and a more agile response to changes in consumer behavior or market dynamics. As we step up the tempo, this initiative has the potential to deliver at least a 2% sales uplift.



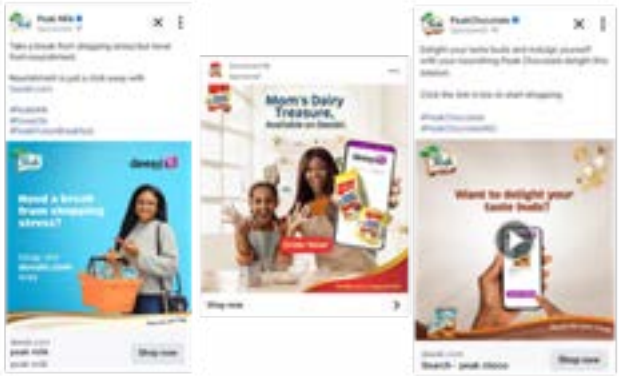
Team activity to maximize the use of iSearch Analytics

Accelerate e-Commerce:

It has been an exponential journey for FrieslandCampina WAMCO in the realm of Digital Sales initiatives over the past 4 years.

Impact: In 2023, the results surged even further. Across e-merchant platforms (Deeski and Retailspace), e-commerce delivered remarkable value, exceeding the planned target by 147% and showing a growth of 178% compared to the previous year. In terms of volume, there was a significant increase of 200% compared to the previous year. Out of the 4.5 million consumers reached, over 20,000 engaged by clicking on our e-adverts.

Leveraging pure players in the e-commerce space to push sales and visibility



E-commerce display and advertising on top social media platforms for consumers visibility

Smart Manufacturing:

For enhanced efficiency, reduction of errors, and potential lowering of production costs, leading to a more competitive position as a dairy manufacturer, key initiatives were undertaken through the integration of smart manufacturing technologies in our manufacturing plants.

With the Digitized Power Consumption Tracker in Evap, precision in energy allocation achieved a 15% reduction in energy wastage. Operational Optimization delivered a 20% increase in overall production output, while predictive maintenance benefits enhanced overall equipment effectiveness (OEE) by 25%. The overall cost savings now amount to tens of thousands of Euros annually, with Sustainability Gains showing a 12% reduction in carbon footprint.

CYCLOPS (Digitized Recipe & Process Management) enhanced accuracy and consistency in recipe creation and execution, with a 98% reduction in manual errors. Operational Efficiency and Time Savings resulted in a 25% reduction in time-to-market for new products, with Resource Utilization Optimization leading to a 15% reduction in raw material wastage. The Financial Impact includes direct cost savings of €200,000 annually.

Digital Marketing: Elevating Consumer Experience through Interactive Engagement:

Peak has strengthened brand visibility on new and existing digital platforms, especially social media and the web, utilizing influencers and emerging platforms through interactive content for better consumer engagement.

In 2023, the full development of the Protein Checker Tool was concluded, allowing consumers to select a combination of food items they consume daily and check if they contain the required level of protein.

With this tool, Peak Milk was able to drive awareness of adequate protein intake and suggest to consumers which of our SKUs are appropriate to address any deficiencies identified.

Impact: Within 5 months, we reached 5.95 million unique people on social media, compared to the initial plan of 3 million. The audience spent an average of 2 minutes on the tool, exceeding the planned 1 minute. Newsletters achieved an open rate of 35.8%, surpassing the expected 10%. Additionally, 11.5% of the 49,000 people who used the tool returned to it, exceeding the planned 10%. This increased brand visibility, strengthened consumer connections, and enabled quick adaptation of marketing strategies based on real-time feedback.

Engaging the end consumer for protein intake powered by the Peak Protein Checker Tool

The significant progress and business impact were due to:

- The solid and strong sense of purpose, responsibility, and support from the Management and Leadership Team (local & global).
- The super commitment of colleagues (people) to the vision.
- The determination of the team to make a positive impact and future-proof our business!

TAG. Think Digital. Act Digital. Go Digital!

Navigating 2023: A Tale of Challenges and Triumphs in the Commercial Landscape

Sales team with Mr. Ali Khan, President of Middle East, Pakistan and Africa Business Group in Modern Trade

In 2023, numerous significant events unfolded concurrently in the commercial sphere. This included the impact of the Naira redesign, resulting in the lowest money circulation in 15 years, and the impact of general elections affecting distribution and selling days. The implementation of two key policies in May 2023; fuel subsidy removal and floating of the Naira led to escalating inflation. This, in turn, resulted in increased operational costs for businesses, including ours, leading to squeezed margins and inventory buildup. Additionally, there was a reduction in consumers' disposable income, resulting in a decrease in sales volumes.

The impact extended to our trade partners, who found themselves in need of higher working capital to sustain their business operations. Consequently, despite achieving a 100% increase in direct distribution from 323k to 327k, we witnessed a decline in retailer support.

Our Sales strategy was designed to transform insights into actionable strategies and bold actions to address current and future business needs, focusing on the 3Cs – Customer, Channel, and Category.

Customer: We implemented collaborative business planning and proper distributor management to support redistribution and optimize cash flow, including Revenue Growth Management (RGM) initiatives such as WIN WIN Trade terms and incentives on Hero Focused Assortment.

Channel: We aligned our insight-driven Omnichannel strategies with Consumer & Shopper trends in priority channels and across categories to drive revenue growth. The Open Market retained its significance, serving both bulk shopping missions and as a feeder channel for small retailers. The Proximity channel gained prominence due to increased purchase frequency. Notably, we achieved a remarkable 147% growth in the E-Commerce channel compared to budget. Our promotional activities were tailored to support sell-out and fortify retail affinity. Additionally, we enhanced in-store visibility by adopting a global segmentation approach to perfect store and optimizing Touchpoint & Point of Sale Material (POSM) execution for effective shopper conversion.

Category: FrieslandCampina WAMCO maintained a strong position in key categories such as Evaporated milk, Instant milk powder, and Specialized nutrition. Our Yoghurt brand experienced substantial growth, reaching 180% compared to the previous year. In Q4 2023, we proudly introduced Evaporated milk in a Triangular Tetra Pack under our core brands: Peak "Mini" and Three Crowns "Smallie." This strategic move makes our Evaporated milk portfolio more accessible to consumers, enabling them to enjoy the nourishing goodness of Evaporated milk at a more affordable price point. This introduction holds utmost significance as it facilitates increased penetration and the regaining of both lapsed and lost Evaporated milk Users.

Despite the anticipated challenges ahead, we maintain an optimistic outlook, recognizing trigger points that could unlock vast and promising opportunities in Nigeria from Economic, Dairy, and Company perspectives.

Sales team with Mr. Ali Khan, President of Middle East, Pakistan and Africa Business Group in General Trade

Driving Social Impact amidst a challenging year

Management and employees volunteer for Clean-up exercise during 2023 Global Sustainability Week

In the face of a challenging business climate, FrieslandCampina WAMCO continued its unwavering commitment to social responsibility, shaping communities, uplifting lives, and fostering environmental sustainability.

Aligned with the United Nations' sustainable development goals, our comprehensive CSR framework has guided our endeavors throughout the year and remains integral to our business model, culture, and operations. In 2023, our dedication to social responsibility is evident in the substantial investment across various corporate social investments and donations, reflecting our continued efforts to create economic value while contributing meaningfully to the well-being of communities and the environment.

Dairy Development Initiative

Our Dairy Development initiative, a pivotal component of our backward integration agenda, has seen remarkable expansion and significant investment in the Nigerian dairy value chain. In the past year, amidst other investments, we constructed 10 solar-powered boreholes, not only enhancing access to potable water for people and livestock but also contributing to the quality of milk produced. This strategic approach aligns seamlessly with Sustainable Development Goals and bolsters the resilience of local communities.

Continued Support for Charities and NGOs

Philanthropic activities remained a focal point in 2023. Thirty charity organizations received high-quality dairy products quarterly, sustaining our ongoing nutritional support for vulnerable groups. This initiative, rooted in our CSR agenda, continues to be a crucial intervention in promoting healthy growth and sustenance of the beneficiaries.

Global Sustainability Week 2023

The 2023 Sustainability Week showcased our collective efforts in stepping up for a better planet. We conducted clean-up exercises within host communities and other major markets across the country, as well as at our production locations in collaboration with the Lagos State Environmental Protection Agency (LASEPA). Other impactful activities included influential discussions on climate change to environmental clean-ups, seminars on sustainable packaging and production, setting up a school garden, planting trees, and workshops promoting a healthy, green lifestyle. Over 1,500 employees, youth corpers, management and customers across various locations demonstrated the power of partnership, further reflecting our commitment to environmental sustainability.

Education and Tertiary Endowment Program

Our commitment to fostering strong relationships between academia and the industry persisted through the annual Tertiary Endowment program. In 2023, this initiative continued to provide funding for research and recognized excellence in the Food Science departments of partner universities across the six geopolitical zones. The institutions include the University of Ibadan, the University of Maiduguri, the University of Nigeria Nsukka, the University of Uyo, the Federal University of Technology Minna and the Modibo Adama University of Technology Yola.

Entrepreneurial Ecosystem Support

Our strategic partnership with Orange Corners incubation program, implemented by FATE Foundation, waxed stronger this year. The initiative supports and strengthens the Nigerian entrepreneurial ecosystem through training, master classes, coaching, and mentoring by our professional employees. We empowered aspiring entrepreneurs, fostering a thriving entrepreneurial ecosystem in Nigeria.

In 2023, FrieslandCampina WAMCO remained at the forefront of sustainable impact, embodying our corporate purpose, "Nourishing by Nature." Our initiatives not only contribute to economic value but also foster connections within our community, supporting inclusive growth, environmental sustainability, and social well-being. As we reflect on the year's achievements, our commitment to corporate responsibility, sustainability, and community impact remains resolute and we look forward to continuing our journey of making a positive and lasting impact on Nigeria's future. Thank you to our dedicated employees, partners, stakeholders and everyone involved for your unwavering support.

Operational Excellence and Continuous Improvement Culture

In 2023, FrieslandCampina WAMCO upheld operational excellence in alignment with global and local safety, quality, and productivity standards. Safety remained paramount for all stakeholders—employees, contractors, and visitors—bolstered by a heightened safety culture encapsulated in the mantra "See something!, Say something!! and Do something!!!". The company remained steadfast in its pursuit of continuous improvement across various facets, including processes, machinery, and materials, aiming for both short-term gains and long-term sustainable growth and profitability.

Throughout the year, significant investments were made and projects were commissioned to systematically enhance efficiency and productivity across FrieslandCampina WAMCO's plants in Ikeja and Ikorodu. These initiatives underscore the company's commitment to refining its operations while upholding integrity and excellence.

UHT Production Line (Torchbearer) in Ikorodu

Factory 2 in Ikorodu saw a significant boost in management focus, particularly with the UHT production line under the Torchbearer project. This strategic emphasis aligns closely with our commitment to delivering affordable, high-quality nutrition to the Nigerian market, in accordance with the overarching purpose and vision of FrieslandCampina WAMCO.

UHT production line

Independent Power Supply Connected to National Grid

In 2023, the completion and commissioning of the PARAS project marked a significant milestone for the Ikorodu Plant, as it established a direct power connection to the National grid. Previously reliant solely on diesel generators, this transition to grid power will markedly decrease the reliance on non-renewable energy sources and mitigate air pollution stemming from gas and diesel operations.

Among the key advantages anticipated are reduced energy costs per kilowatt-hour generated, diminished need for generator maintenance and repairs, and a notable reduction in our carbon footprint. The implementation of the PARAS project not only ensures enhanced energy efficiency but also aligns with our commitment to global carbon footprint reduction objectives.

Furthermore, this transition positively impacts our conversion costs, contributing to overall operational efficiency. By leveraging grid power, we are not only reducing our environmental impact but also streamlining our energy consumption practices for long-term sustainability. This underscores our dedication to responsible resource management and underscores our commitment to environmental stewardship.

Connection to Ikorodu national grid

Additional Packaging Line for Evaporated Milk Production

As part of our expansion efforts to meet growing business demands and fulfill our vision of providing quality dairy nutrition to Nigerians, we introduced a third shrink wrapping line (Demac 3) under the Evaporated Milk debottleneck project. This addition enhances our packaging capabilities for Evaporated Milk production, aligning with our commitment to continuous improvement and meeting the evolving needs of our consumers.

Packaging line for Evaporated Milk production

Additional Lid Making Line for Cans Manufacturing

Under the Evaporated Milk debottleneck project, we introduced a second lid line (Lid Line 2) as part of our expansion strategy to address increasing business demands. This addition not only enhances our production capacity but also ensures a future-proof drive for the Evaporated milk category, aligning with our commitment to meeting evolving market needs.

Lid making line for can manufacturing

Can Factory New Chiller Line

Another significant accomplishment was the installation of chiller lines in the Can factory. This enhancement will optimize the efficiency and utilization of the three Can lines, leading to improved operational performance. The project is expected to generate cooperative cost savings and foster additional gains in energy efficiency, reinforcing our commitment to sustainable practices and operational excellence.

Can factory new chiller line

Other Notable Achievements within the Year

Multiple line overhauls conducted by the original equipment manufacturers (OEM) aimed to boost line efficiency, minimize losses, enhance product quality, and ensure equipment safety across our five factories in Ikeja and Ikorodu Plants.

Despite the challenges posed by the global business environment, our factories demonstrated remarkable resilience across all performance metrics. We celebrated several milestones, including the commencement of commercial production of UHT in October 2023. Furthermore, the installation of an Anti-terrorist barrier at the truck gate in the Ikorodu Plant, alongside the implementation of an FM200 system and alarm system at the Gas Unit, underscored our unwavering commitment to safety for staff, visitors, contractors, and the immediate community.

Throughout the year, we garnered numerous local, regional, and global awards of excellence in Safety, Quality, and Manufacturing, affirming our dedication to operational excellence and a culture of continuous improvement. We also received certification and recertification from both local and global regulatory bodies and organizations.

Our commitment to global sustainability was evident through ongoing process improvements aimed at reducing environmental pollution. Notable initiatives included our transition to the national grid, significantly reducing air pollution from gas and diesel operations. Phasing out diesel forklifts in favor of electric alternatives led to a 22% reduction in our carbon footprint compared to 2022. Additionally, measures such as the crushing and shredding of non-conforming products resulted in a 20% reduction in waste sent to landfills and a 90% increase in recyclable waste.

Furthermore, we achieved significant reductions in water and energy consumption year-on-year, underscoring our dedication to environmental stewardship. Despite the challenging economic landscape, our factories excelled in meeting operational KPIs, surpassing budget plans and outperforming the previous year. Notable achievements included a 34.4% improvement in conversion costs and a 2.3% enhancement in overall equipment effectiveness. Maintenance optimization initiatives yielded tangible results, with improved equipment availability and a 7% reduction in breakdowns compared to the previous year. Additionally, our focus on developing maintenance capabilities resulted in substantial savings as in-house engineers undertook most overhauls, reducing reliance on foreign expatriates.

FM200 and alarm system at Gas unit

Supply Chain Challenges and Initiatives

In 2023, our business landscape was significantly influenced by inflation and foreign exchange (FX) scarcity, posing challenges to our operations. The adverse effects were evident in the decline in sales volume, attributed to reduced consumer purchasing power and elevated business operating costs. These costs surged due to inflated prices of imported raw materials, packaging, and technical supplies, driven by soaring forex rates. Furthermore, the sorry state of nationwide infrastructure, including poor road networks and insecurity, exacerbated transportation challenges, leading to longer lead-times in servicing customer requests.

Despite these hurdles, our commitment to innovation remained a cornerstone of our success. During the review period, we successfully introduced Evaporated milk in Tetrapak packaging, catering to consumer preferences while championing our cause of providing affordable nutrition. Additionally, the addition of a strawberry variant to our 1 Litre Yoghurt family aligned with our objective of offering nourishing options for on-the-go consumption. Moreover, our dedication to operational excellence was evident in our performance across various operational KPIs. Notably, we achieved a 22% reduction in CO2 emissions and surpassed budgeted conversion costs by 34%.

Amidst the backdrop of an election year, 2023 brought heightened expectations, particularly for the Nigerian populace. However, many businesses faced closure due to the persistently high costs of operation. Despite these challenges, we maintained uninterrupted operations throughout the year, prioritizing customer satisfaction while executing key initiatives to optimize inventory and uphold sustainability principles in our operations.

Anti-terrorist barrier at truck gate

Compass

At FrieslandCampina, our commitment to integrity, respect, and transparency drives our business ethos. Our Code of Conduct, known as Compass, serves as our moral Compass, guiding us through ethical dilemmas. Embedded within our core values, Compass illuminates the path to sustainable success, fostering Trust among stakeholders and safeguarding our license to operate.

Group photo during Compass training

Compass comprises 14 essential principles, including doing honest business, use of company resources, fair competition, public activities, conflict of interest, confidential information, sustainability, the integrity of reporting, human rights, prevention of fraud, people and food safety, data protection, and business relations. We wholeheartedly embrace these principles as the foundation of our reputation and future endeavors. These principles shape our narrative and underscore our commitment to ethical conduct in every aspect of our operations.

Participants during one of the Compass trainings

During the year, we conducted training programs covering various Compass subjects such as Conflict of Interest, Human Rights, Fraud Prevention, and Safety for Food and People. These training sessions, facilitated by our Compass champions, equipped our employees with the necessary knowledge and resources to adeptly navigate ethical dilemmas. Additionally, bi-weekly publications on these Compass topics are regularly communicated to our employees through the Company's communication channels.

Breakout section during Compass training

Central to our adherence to Compass is our "Speak Up" culture, which fosters an environment where all stakeholders are encouraged to raise any concerns or ethical dilemmas that may contradict Compass' principles. The Company has established a thorough Speak Up procedure that ensures all employees and stakeholders are well-versed and informed about how to report any violation of Compass.

Through a transparent procedure, we create an environment where ethical integrity thrives, enabling individuals to address lapses promptly and effectively.

Compass training

Embracing Diversity, Empowering Growth

Throughout the year under review, FrieslandCampina WAMCO was committed to creating a workplace environment where diversity thrives, learning flourishes, and well-being is prioritized. With a lineup of engaging programs designed to empower and uplift employees, the company has once again demonstrated its commitment to nurturing a culture of inclusivity and growth.

Our employee engagement initiatives stand out, and the accolades we received throughout the year affirm the positive impact of our various activities. These recognitions are more than just awards; they symbolize our unwavering dedication to fostering a supportive and uplifting work environment for our employees. We remain committed to surpassing our own standards and continually improving.

Some of our initiatives include:

Learning Month

An initiative aimed at fostering the growth and proficiency of our employees is the "Learning Month." This initiative encouraged a culture of continuous learning and was warmly embraced by our workforce. It comprised a month-long engagement program designed to raise awareness among our employees about four crucial future skills essential for the evolving workplace: Cultivating a Learning Mindset, Embracing a Data-Driven Approach to Work, Enhancing Problem-Solving Abilities, and Building Resilience.

2023 International Women's Day

In March, FrieslandCampina WAMCO marked International Women's Day with a vibrant celebration of women's achievements and contributions. Through a series of inspiring talks, thought-provoking panel discussions, and other engaging activities, the company honored the invaluable role of women in driving positive change within our organization and beyond.

Cultural Diversity Week

Embracing the richness of cultural heritage, employees came together to celebrate Cultural Diversity Week. From cultural showcases to interactive sessions, FrieslandCampina WAMCO celebrated the diverse backgrounds and experiences that enrich its workforce.

Financial Wellness Week

Promoting financial literacy and well-being took center stage during Financial Wellness Week. Through educational seminars, one-on-one consultations, and practical tips for financial planning, employees were equipped with the tools and knowledge to secure their financial futures.

Breast Cancer Awareness – Pink Month

October saw the company draped in pink as FrieslandCampina WAMCO rallied behind breast cancer awareness. Educational sessions and health screenings for our female workforce underscored the company's commitment to supporting those affected by the disease and promoting early detection.

Cluster HR Director, Raymond Naon, presenting an award to a long service awardee

2023 Long Service Awards

FrieslandCampina WAMCO organized the 2023 Long Service Awards with strategic intent and professional finesse. This pivotal event served as a platform to honor achievements and milestones while recognizing the unwavering dedication and loyalty of employees who have been instrumental in shaping the company's success over the years.Each accolade presented at the Long Service Awards was a testament to the company's strategic investment in nurturing talent and fostering long-term employee engagement.

As employees gathered amidst an atmosphere of camaraderie and celebration, the strategic intent behind the event was unmistakable. It served as a powerful reminder of the company's appreciation for its employees and its unwavering commitment to cultivating a workplace culture where dedication and loyalty are valued and rewarded.

In conclusion, our commitment to employee development, diversity, inclusion, and engagement goes beyond being a corporate strategy; it forms the very foundation of our sustainable and successful business model. The indispensable role our employees play in upholding our mission and driving our ongoing growth cannot be overemphasized. Their dedication and contributions are integral to our continued success.

A Tale of Excellence and Innovation

In 2023, FrieslandCampina received several prestigious awards highlighting its excellence in innovation, sustainability, and employee engagement:

- **MAN Best Kept Industrial Premises Award:** Recognizing the company's commitment to cleanliness and operational excellence.
- **Food Safety Certification Milestone:** The Ikorodu Plant achieved its first Food Safety System Certification Scheme Audit (FSSC), showcasing adherence to high food safety standards.
- **Most Innovative Dairy Manufacturing Company of the Year:** Celebrating FrieslandCampina's groundbreaking solutions in dairy manufacturing.
- **ECOWAS Dairy Manufacturing Company of the Year:** Acknowledging its regional leadership in the ECOWAS dairy sector.
- **Top 20 in Environmental Sustainability:** Affirming the company's dedication to eco-friendly practices.
- **Top Employer in Nigeria for 2023:** Highlighting its commitment to fostering a positive work environment.
- **Outstanding Employee Engagement Award:** Recognizing efforts in creating a motivated workforce.
- **Chartered Institute of Personnel Management (CIPM) Accolades:** Various recognitions in human resource management categories.
- **Brand Excellence:** Peak Milk, Peak Yoghurt, and Peak Milky Pap received awards for their excellence and innovation.

In conclusion, FrieslandCampina's remarkable journey in 2023, punctuated by these esteemed awards, showcases not only its commitment to industry leadership but also its unwavering pursuit of excellence across various facets of its operations. These accolades stand as a testament to FrieslandCampina's enduring legacy of quality, innovation, and positive impact in the dairy sector.

CORPORATE DIRECTORY

LAGOS
Plot 7B, Acme Road, Ogba, Ikeja

ABA
No 4, Factory Road, CFAO, Aba, Abia State

ABEOKUTA
No 23C, Segun Oshoba Way, Oke-Ilewo, Abeokuta, Ogun State

ABUJA
Waziri Hamadu Crescent, Idu Industrial Area, Idu District, FCT Abuja

OYO
98A Samonda - Oyo Road, Near Aerodrome Estate, Samonda, Ibadan

ASABA
KM 5, Asaba-Benin Expressway, Asaba, Delta State

RIVERS
Block DH06, Rainbow Town Estate, Opposite RIRS Head Office, Trans Amadi, Port Harcourt

KADUNA
5, EK House by Ahmadu Bello Way, Kanta Road (NIIT Building, beside Crocodile Hotel)

Investor Relations

In our bid to continuously provide excellent service to our shareholders, we created an Investor's Portal on our website. An Investor's Portal provides access to the financial and other regulatory information that is needed by present and prospective investors.

The aim of our Investor's Portal is to promote shareholders' engagement with the activities of our Company by providing relevant information and creating an avenue for communication with our Company.

This portal was created as part of our Company's policy and in compliance with the Corporate Governance regulations on ensuring an open line of communication with all shareholders and investors. The Investor's Portal is hosted on our Company's website and is easily accessible through our Company's website or via the link **https://www.frieslandcampina.com.ng**.

The portal contains important information for the benefit of investors and interested parties. A summary of the portal's objectives includes the following:

i. Creating an avenue for shareholders to easily access essential information e.g. financial information, unclaimed dividend list, essential updates and news, quarterly, half-year and annual reports;

ii. Establishing a standard approach to handling complaints, contributions, questions, suggestions and clarifications from investors;

iii. Ensuring that shareholders are able to easily access and download essential documents e.g. E-dividend form, E-product activation form, shareholder's update form.

iv. Establishing a virtual archive for essential information on our Company for investors covering at least three years;

v. Ensuring that all correspondence (complaints, contributions, questions, suggestions and clarifications) received from investors are received and managed in a fair, efficient and timely manner.

Therefore, shareholders are encouraged to visit our Investor's Portal for easy access to documents and news concerning the Company. Some relevant information provided by our Company on the Investor Portal include but are not limited to:

a. Company's policies
b. Financial results (unaudited, quarterly, half year, annual)
c. Unclaimed dividend list
d. E-dividend mandate form
e. E-product activation form
f. Shareholder data update form

All documents are available in a downloadable format for easy access and use by shareholders. We encourage feedback from our shareholders because we are constantly looking for ways to better satisfy their expectations.

All questions, suggestions, clarifications and complaints related to investors' relations can be sent through our Registrars; First Registrars and Investor Services Limited.

Shareholders who require additional information may reach out to our Company Secretarial department through the email address provided on the site (investors.relations@frieslandcampina.com).

All correspondence from shareholders are prioritized and promptly attended to, therefore shareholders are encouraged to use the contact information provided.

Three Crowns

THE HEALTHY CHOICE

CALCIUM | PROTEIN | VITAMINS

NEW

Small Treasure, Tasty Nourishment

Healthy mums, happy families

Peak
SINCE 1954
Chocolate
Nourishing
Delight
YOU CAN ENJOY
Peak
Chocolate
3 in 1
Reach for your Peak

FrieslandCampina WAMCO Nigeria PLC

Proxy Form

51st Annual General Meeting to be held at Marriott Hotel, 122, Joel Ogunnaike St, Ikeja GRA, Lagos, Nigeria at 11.00 am on Tuesday 11th June 2024.

I/We*.....

.....

being a member/members of FrieslandCampina WAMCO Nigeria PLC hereby

appoint** .....

.....

of .....

or failing him, the Chairman of the Meeting as my/our proxy to act and vote for me/us and act on my/our behalf at the Annual General Meeting of the Company to be held on 11th June 2024 and at any adjournment thereof.

Dated this.....day of.....2024.

Signature.....

*Delete as necessary

No. of Shares			
Resolutions	**For**	**Against**	**Withheld**
To elect as Director, Mr. Roger Philippe Adou			
To elect as Director, Mr. Ramon van Deventer			
To re-elect as Director, Mrs. Oyinkan Ade-Ajayi			
To re-elect as Director Mr. Roel van Neerbos			
To re-elect as Director Mr. Peter Eshikena			
To authorize the Directors to fix the remuneration of the Auditors			
To elect members of the Audit Committee			

Please indicate with an 'x' in the appropriate box how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion

NOTE:

i. This Proxy Form should be completed, duly signed, and stamped by the Commissioner of Stamp Duties and should be deposited with the Registrars, First Registrars & Investor Services Limited, Plot 2, Abebe Village Road, Iganmu, Lagos not later than 48hours before the time for holding the meeting.

ii. This Proxy Form should NOT be completed and sent to the Registrars if the member will be attending the meeting.

iii. In the case of joint Shareholders, any of such may complete the form, but the names of all joint Shareholders must be stated.

iv. If executed by a corporation, this form must be sealed with its common seal

v. **Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish, you may insert in the blank space the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman.

FrieslandCampina WAMCO Nigeria PLC

Admission slip

51st Annual General Meeting to be held at Marriott Hotel, 122 Joel Ogunnaike St, Ikeja GRA, Lagos, Nigeria at 11.00 am on Tuesday 11th June 2024.

Name of Shareholder_____ Number of shares held _____

Name of person attending _____ Signature _____

IMPORTANT

This admission slip must be produced by the shareholder or his Proxy who need not be a member of the company, to gain entrance to the Annual General Meeting. Shareholders or their Proxies are requested to sign the admission slip before attending the meeting.

Affix Current Passport

(To be stamped by Bankers)

Write your name at the back of your passport photograph

FirstRegistrars & INVESTOR SERVICES

E-DIVIDEND ACTIVATION FORM

Only Clearing Banks are acceptable

Instruction

Please complete all section of this form to make it eligible for processing and return to the address below.

This service costs N150.00 per approved mandate per company

The Registrar,
First Registrars & Investor Services Ltd.
2,Abebe Village Road,Iganmu
P. M. B. 12692 Lagos. Nigeria
Tel: 234-1-2799880, 2701078, 2701079.

I\We hereby request that henceforth, all my\our dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank detailed below:

Bank Verification Number

Bank Name

Bank Branch

Bank Address

Bank Account Number

Account Opening Date

Account Type (Tick) ☐ Current ☐ Savings

Shareholder Account Information

Surname First Name Other Names

Address :

City State Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company's Seal

Joint\Company's Signatories

TICK	NAMES OF COMPANY	ACCOUNT NUMBER
	ABC TRANSPORT PLC	
	ABC TRANSPORT PLC 5YEARS 16.50% FIXED RATE BOND DUE 2027	
	ACAP CANARY GROWTH FUND	
	AFRICAN PAINTS (NIGERIA) PLC	
	AFRINVEST PLUTUS FUND	
	ASO-SAVINGS AND LOANS PLC	
	AUSTIN LAZ AND COMPANY PLC	
	AVA GAM FIXED INCOME FUND	
	BCN PLC	
	BLUE CORAL HEALTH CARE SERVICES LTD	
	CADBURY NIGERIA PLC (RECONSTRUCTED SHARES)	
	CFAO NIGERIA PLC	
	CHAMS PLC	
	CORDROS DOLLAR INCOME FUND	
	CORDROS MILESTONE BALANCED FUND	
	CORDROS MILESTONE FUND 2023	
	CORDROS MILESTONE FUND 2028	
	CORE INVESTMENT MONEY MARKET FUND	
	CORE VALUE MIXED FUND	
	COSTAIN WEST AFRICA PLC	
	COWRY BALANCED FUND	
	COWRY EQUITY FUND	
	COWRY FIXED INCOME FUND	
	CRS FUNDING SPV LIMITED N22,800,000,000 7 YEARS 15.50% SERIES 1 FIXED RATE DEVELOPMENT BOND DUE 2029	
	DAAR COMMUNICATIONS PLC	
	ELEME PETROCHEMICALS COMPANY COOPERATIVE INVESTMENT & CREDIT SOCIETY LIMITED	
	EMERGING AFRICA BALANCED DIVERSITY FUND	
	EMERGING AFRICA BOND FUND	
	EMERGING AFRICA EUROBOND FUND	
	EMERGING AFRICA MONEY MARKET FUND	
	FAMAD NIGERIA PLC	
	FBN FIXED INCOME FUND	
	FBN HERITAGE FUND	
	FBN MONEY MARKET FUND	
	FBN NIGERIA EUROBOND (USD) FUND	
	FBN NIGERIA SMART BETA FUND	
	FBNQ MBFUNDING SPV PLC N5 BILLION 10.5% FIXED RAT DUE 2023 SERIES 1	
	FBNQ MB FUNDING SPV PLC N8 BILLION 6.25% FIXED RAT DUE 2030 SERIES II	
	FIDELITY BANK N41213000000 8.5% FIXED RATE UNSECURED SUBORDINATED BOND DUE 2031	
	FIDELITY BANK PLC	
	FORTISMICROFINANCE BANK PLC	
	FrieslandCampina WAMCO Nigeria Plc	
	FSDH FUNDING SPV PLC SERIES 1 TRANCHE A(N7,050,000,000 8.50% FIXED RATE SENIOR UNSECURED BOND DUE 2	
	FSDH FUNDING SPV PLC SERIES 1 TRANCHE B (N4,950,000,000 8% FIXED RATE BOND DUE 2026)	

Please turnover to see the rest of the register list

	GDL MONEY MARKET FUND	
	HALDANE MCCALL REAL ESTATE INVESTMENT TRUST	
	INDUSTRIAL & MEDICAL GASES NIGERIA PLC	
	INTRA-MOTORS NIGERIA PLS	
	JULI PHARMACY NIGERIA PLC	
	LAGOS STATE GOVT SERIES IV N137328000000 BILLION BOND DUE 2031	
	LAGOS STATE GOVT. BONDS-SERIES 2 TRANCHE 2 N38770000000 17.25% 2017/2027 FIXED RATE BOND	
	LAGOS STATE GOVT. BONDS-SERIES 2 TRANCHE 4 N5336000000 15.85% 2018/2027 FIXED RATE BOND	
	LEARN AFRICA PLC	
	LEKKI GARDENS ESTATE LIMITED N10 BILLION 10% FIX RATE SENIOR SECURED BOND DUE 2024	
	LOTUS HALAL EQUITY EXCHANGE TRADED FUND	
	MRS OIL NIGERIA PLC	
	NIGERIA POLICE MORTGAGE BANK PLC	
	NIGERIAN BREWERIES PLC	
	Oando PLC	
	PARTNERSHIP INVESTMENT CO. LTD	
	PENIEL MICROFINANCE BANK LTD	
	PRESCO PLC	
	PRESCO PLC N34,500,000,000 7 YEAR 12.85% SENIOR UNSECURED FIXED RATE	
	PRESTIGE ASSURANCE PLC	
	PRINCESS REAL ESTATE INVESTMENT TRUST (FUND)	
	PZ CUSSONS NIGERIA PLC	
	RAK UNITY PETROLEUM	
	REDEEMED GLOBAL MEDIA CO. LTD	
	SIAML PENSION ETF 40	
	SKYWAY AVIATION HANDLING COMPANY PLC (SAHCO)	
	STANBIC IBTC ENHANCED SHORT-TERM FIXED INCOME FUND	
	STANBIC IBTC IMAN FUND	
	STANBIC IBTC BALANCED FUND	
	STANBIC IBTC BANK PLC STRUCTURED NOTE PROGRAMME N30,000,000,000 15.75% SERIES 1 DUE 2023	
	STANBIC IBTC BOND FUND	
	STANBIC IBTC DOLLAR FUND	
	STANBIC IBTC ETF 30 FUND	
	Stanbic IBTC Ethical Fund	
	Stanbic IBTC Guaranteed Investment Fund	
	STANBIC IBTC HOLDINGS PLC	
	STANBIC IBTC MONEY MARKET FUND	
	Stanbic IBTC Nigerian Equity Fund	
	STANBIC IBTC SHARIAH FIXED INCOME FUND	
	STANDARD ALLIANCE INSURANCE PLC	
	STARCOMMS PLC (PRIVATE PLACEMENT 2008)	
	SUNTRUST SAVINGS & LOANS LIMITED	
	TAYLOR WOODROW NIGERIA PLC	
	UNION BANK OF NIGERIA PLC-DEBT ISSUANCE SERIES 11 N6314000000 15.75% DUE 2025 FIXED RATE	
	UNION BANK OF NIGERIA PLC-DEBT ISSUANCE SERIES 3 N30000000000 16.20% DUE 2029 FIXED RATE	

	UNION BANK OF NIGERIA PLC -DEBT ISSUANCE SERIES 3 N30000000000 16.20% DUE 2029 FIXED RATE	
	UPDC REAL ESTATE INVESTMENT TRUST	
	VALUALLIANCE MONEY MARKET FUND	
	VALUALLIANCE VALUE FUND	
	VETIVA S& P NIGERIAN SOVEREIGN BOND ETF	
	WEST AFRICAN ALUMINIUM PRODUCTS PLC	

1. Complete, sign and date the form
2. Fill out all compulsory(*) fields
3 Fill in CAPITAL LETTER

FirstRegistrars & INVESTOR SERVICES

E-PRODUCTS ACTIVATION FORM

You need not worry about the safety of your shares anymore, simply stay aboard with our e-Products and services.

E-SHARE NOTIFIER SMS alerts on transactions that occur on your share account (AGM & EGM, Dividend Payments, Bonuses, Debits/ Credits etc.)

ONLINE-ACCESS Online access to your share account statements. You can view and print your account statement, make change of address and access dividend info etc.

Instruction

Please fill the form and return to the address below:

The Registrar,
First Registrars Nigeria Ltd.
2, Abebe Village Road, Iganmu
P. M. B. 12692 Lagos. Nigeria.

Shareholder Account Information

Surname* First Name* Other Names

Address Line 1*

Address Line 2

City State* Country

GSM No (Mobile)* GSM No (Telephone)*

Email Address*

Signature(s)* Corporate stamp/Seal*

Charges:

Individual: ₦1000 per annum/product
Corporate Bodies: ₦ 2000 per annum/product

Please tick the product(s) you are activating

All payments should be made into each product's account number respectively:

- ☐ E-Share Notifier activation Account No. **2013302579**
- ☐ Online access activation Account No. **2013798370**
- ☐ M-access activation Account No. **2011760908**

in any First Bank branch nationwide and a copy of the payment slip attached to this form upon submission.

TICK	NAMES OF COMPANY	ACCOUNT NUMBER
	ABC TRANSPORT PLC	
	ABC TRANSPORT PLC 5YEARS 16.50% FIXED RATE BONI DUE 2027	
	ACAP CANARY GROWTH FUND	
	AFRICAN PAINTS (NIGERIA) PLC	
	AFRINVEST PLUTUS FUND	
	ASO-SAVINGS AND LOANS PLC	
	AUSTIN LAZ AND COMPANY PLC	
	AVA GAM FIXED INCOME FUND	
	BCN PLC	
	BLUE CORAL HEALTH CARE SERVICES LTD	
	CADBURY NIGERIA PLC (RECONSTRUCTED SHARES)	
	CFAO NIGERIA PLC	
	CHAMS PLC	
	CORDROS DOLLAR INCOME FUND	
	CORDROS MILESTONE BALANCED FUND	
	CORDROS MILESTONE FUND 2023	
	CORDROS MILESTONE FUND 2028	
	CORE INVESTMENT MONEY MARKET FUND	
	CORE VALUE MIXED FUND	
	COSTAIN WEST AFRICA PLC	
	COWRY BALANCED FUND	
	COWRY EQUITY FUND	
	COWRY FIXED INCOME FUND	
	CRS FUNDING SPV LIMITED N22,800,000,000 7 YEARS 15.50% SERIES 1 FIXED RATE DEVELOPMENT BOND DUE 2029	
	DAAR COMMUNICATIONS PLC	
	ELEME PETROCHEMICALS COMPANY COOPERATIVE INVESTMENT & CREDIT SOCIETY LIMITED	
	EMERGING AFRICA BALANCED DIVERSITY FUND	
	EMERGING AFRICA BOND FUND	
	EMERGING AFRICA EUROBOND FUND	
	EMERGING AFRICA MONEY MARKET FUND	
	FAMAD NIGERIA PLC	
	FBN FIXED INCOME FUND	
	FBN HERITAGE FUND	
	FBN MONEY MARKET FUND	
	FBN NIGERIA EUROBOND (USD) FUND	
	FBN NIGERIA SMART BETA FUND	
	FBNQ MBFUNDING SPV PLC N5 BILLION 10.5% FIXED RAT DUE 2023 SERIES 1	
	FBNQ MB FUNDING SPV PLC N8 BILLION 6.25% FIXED RA DUE 2030 SERIES II	
	FIDELITY BANK N41213000000 8.5% FIXED RATE UNSECURED SUBORDINATED BOND DUE 2031	
	FIDELITY BANK PLC	
	FORTISMICROFINANCE BANK PLC	
	FrieslandCampina WAMCO Nigeria Plc	
	FSDH FUNDING SPV PLC SERIES 1 TRANCHE A(N7,050,000,000 8.50% FIXED RATE SENIOR UNSECURE BOND DUE 2	
	FSDH FUNDING SPV PLC SERIES 1 TRANCHE B (N4,950,000,000 8% FIXED RATE BOND DUE 2026)	

Please turnover to see the rest of the register list

	GDL MONEY MARKET FUND	
	HALDANE MCCALL REAL ESTATE INVESTMENT TRUST	
	INDUSTRIAL & MEDICAL GASES NIGERIA PLC	
	INTRAMOTORS NIGERIA PLS	
	JULI PHARMACY NIGERIA PLC	
	LAGOS STATE GOVT SERIES IV N137328000000 BILLION BOND DUE 2031	
	LAGOS STATE GOVT. BONDS SERIES 2 TRANCHE 2 N38770000000 17.25% 2017/2027 FIXED RATE BOND	
	LAGOS STATE GOVT. BONDS SERIES 2 TRANCHE 4 N5336000000 15.85% 2018/2027 FIXED RATE BOND	
	LEARN AFRICA PLC	
	LEKKI GARDENS ESTATE LIMITED N10 BILLION 10% FIX RATE SENIOR SECURED BOND DUE 2024	
	LOTUS HALAL EQUITY EXCHANGE TRADED FUND	
	MRS OIL NIGERIA PLC	
	NIGERIA POLICE MORTGAGE BANK PLC	
	NIGERIAN BREWERIES PLC	
	Oando PLC	
	PARTNERSHIP INVESTMENT CO. LTD	
	PENIEL MICROFINANCE BANK LTD	
	PRESCO PLC	
	PRESCO PLC N34,500,000,000 7 YEAR 12.85% SENIOR UNSECURED FIXED RATE	
	PRESTIGE ASSURANCE PLC	
	PRINCESS REAL ESTATE INVESTMENT TRUST (FUND)	
	PZ CUSSONS NIGERIA PLC	
	RAK UNITY PETROLEUM	
	REDEEMED GLOBAL MEDIA CO. LTD	
	SIAML PENSION ETF 40	
	SKYWAY AVIATION HANDLING COMPANY PLC (SAHCO)	
	STANBIC IBTC ENHANCED SHORT TERM FIXED INCOME FUND	
	STANBIC IBTC IMAN FUND	
	STANBIC IBTC BALANCED FUND	
	STANBIC IBTC BANK PLC STRUCTURED NOTE PROGRAMME N30,000,000,000 15.75% SERIES 1 DUE 2023	
	STANBIC IBTC BOND FUND	
	STANBIC IBTC DOLLAR FUND	
	STANBIC IBTC ETF 30 FUND	
	Stanbic IBTC Ethical Fund	
	Stanbic IBTC Guaranteed Investment Fund	
	STANBIC IBTC HOLDINGS PLC	
	STANBIC IBTC MONEY MARKET FUND	
	Stanbic IBTC Nigerian Equity Fund	
	STANBIC IBTC SHARIAH FIXED INCOME FUND	
	STANDARD ALLIANCE INSURANCE PLC	
	STARCOMMS PLC (PRIVATE PLACEMENT 2008)	
	SUNTRUST SAVINGS & LOANS LIMITED	
	TAYLOR WOODROW NIGERIA PLC	
	UNION BANK OF NIGERIA PLC -DEBT ISSUANCE SERIES 11 N6314000000 15.75% DUE 2025 FIXED RATE	
	UNION BANK OF NIGERIA PLC -DEBT ISSUANCE SERIES 3 N30000000000 16.20% DUE 2029 FIXED RATE	

	UNION BANK OF NIGERIA PLC -DEBT ISSUANCE SERIES 3 N30000000000 16.20% DUE 2029 FIXED RATE	
	UPDC REAL ESTATE INVESTMENT TRUST	
	VALUALLIANCE MONEY MARKET FUND	
	VALUALLIANCE VALUE FUND	
	VETIVA S& P NIGERIAN SOVEREIGN BOND ETF	
	WEST AFRICAN ALUMINIUM PRODUCTS PLC	

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