**STATEMENT TO THE NIGERIAN EXCHANGE GROUP (NGX) AND SHAREHOLDERS ON THE UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

The Directors of Guinness Nigeria Plc hereby announce the company's unaudited results for the period ended 31 December 2021.

| | 6 Months Ended 31 December 2021 | 6 Months Ended 31 December 2020 | Var vs. LY |
|---|---|---|---|
| | N'000 | N'000 | % |
| | | | |
| **Revenue** | 109,124,503 | 72,350,739 | 51% |
| | | | |
| **Cost of Sales** | (72,616,506) | (53,765,119) | 35% |
| | | | |
| **Other income** | 1,374,017 | 697,019 | 97% |
| | | | |
| **Marketing expenses** | (10,738,248) | (5,617,762) | 91% |
| | | | |
| **Distribution expenses** | (8,093,082) | (5,081,132) | 59% |
| | | | |
| **Administrative expenses** | (5,459,208) | (4,868,196) | 12% |
| | | | |
| **Operating profit** | 13,591,476 | 3,715,549 | 266% |
| | | | |
| **Net finance costs** | (619,652) | (2,421,942) | -74% |
| | | | |
| **Profit before taxation** | 12,971,824 | 1,293,607 | 903% |
| | | | |
| **Tax** | (4,150,984) | (1,611,027) | 158% |
| | | | |
| **Profit/(loss) after taxation** | 8,820,840 | (317,420) | 2,879% |

### *Comment*

In the first half of the 2021-22 financial year, the business continued to grow on the back of the strong recovery in the first quarter of the year, despite a challenging external environment due to continued restrictions related to COVID 19, high inflation and increased operating costs. Revenue grew by 51%, benefiting from price increases across brands, and reflecting resilient consumer demand and improved outlet coverage as we continue to optimize our route to consumer. Revenue grew across all key categories driven by our strategic focus brands, Malta Guinness and Guinness, as well as double-digit growth in local and imported spirits and the ready to drink category.

Gross profit grew by 96%, as revenues grew ahead of cost of sales. Cost of sales increased by 35%, largely due to sales volume growth, a shift towards more expensive can products, inflationary pressure, currency devaluation impacting imported materials and air-freight cost increase.

Marketing expenses increased by 91%, as we increased marketing investment to support our strategic growth priorities and the recovery of the on-trade. Distribution expenses increased by 59%, driven by higher volumes and freight inflation. Operating profit grew 266% to ₦13.6 billion.

Despite the devaluation of the Naira, net financing costs decreased by 74% as a result of reduction in the net interest cost arising from improved cash generation. Higher corporate tax is driven by the increase in operating profit and reduced net finance costs.

The Board remains confident that our strategy is sound and will in the long term continue to drive value to all stakeholders. The Board will continue to support the management in its efforts to build a business that aims to consistently deliver profitable and sustainable growth for stakeholders.

By order of the Board.

ROTIMI ODUSOLA

Company Secretary

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Dated this 26 Day of January 2022