



PZ Cussons Nigeria PLC (Reg No 693)
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Lagos, Nigeria, 14 March 2025

PZ CUSSONS NIGERIA PLC – Press Release

PZ Cussons Nigeria Plc (“PZCN” or “the Company”) announces that the Company’s minority shareholders have voted not to approve the conversion of US\$34,264,544 (equivalent to ₦51,795,312,646.72) of the outstanding intercompany loan amount owed by the Company to PZ Cussons (Holdings) Limited (“PZCH”) into equity. The decision was made at PZCN’s Extraordinary General Meeting (EGM) held on 13th March 2025 at the Transcorp Hilton Hotel, Abuja.

While there was strong minority shareholder support for the transaction, a significant minority shareholder bloc voted against the transaction and the approval threshold was not met.

The debt conversion was proposed to resolve challenges stemming from Nigeria's currency devaluation and historical forex liquidity challenges. In June 2022, PZCH advanced an intercompany loan of US\$40.26 million to help PZCN settle foreign currency payables for raw materials and operational costs due to the ongoing forex scarcity. Following the liberalisation of the foreign exchange market in June 2023 and subsequent Naira devaluation, the foreign exchange debt position drove an exchange loss of ₦157.9 billion, resulting in a ₦76.0 billion loss after tax and a negative shareholders' equity position of ₦27.5 billion for the financial year ended 31 May 2024.

Despite strong operational performance — with 34% and 42% year-on-year revenue growth for the periods ended 31 May 2024 and 30 November 2024 respectively, continued Naira depreciation has further eroded operational profits, worsening the negative net equity position to ₦34.5 billion as of 30 November 2024.

Commenting on the outcome of the EGM, the Chief Executive Officer (CEO) of the Company Dimitris Kostianis said:

“We would like to thank our shareholders for participating in the EGM and for their active engagement in the process. As a response to shareholder feedback received during the meeting, the majority shareholder amended the proposed conversion terms to reduce the level of debt to be converted and increase the conversion price, which would have reduced minority shareholder dilution and also ensured that the Company remained compliant with the 20% free float requirement.”

Directors: Ifueko M. Omoigui Okauru MFR (Chair), Dimitris Kostianis (CEO) (Greek), Joyce Coker, Ballama Manu, Oluwatoyin Odutayo, Kareem Moustafa (Australian), Suleyman Ndanusa, OON, Richard Walker (British)



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There was very strong minority shareholder support for the transaction, with 663 of the 675 minority shareholders present at the meeting voting in favour. However, the 75% shareholding vote required to approve the resolution was not met, as 12 minority shareholders representing a significant shareholding voted against the resolution. In compliance with the law, the majority shareholder did not vote on the resolution.

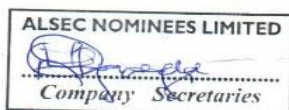
We believe that there were strong benefits for the Company and shareholders from the proposed transaction. By converting the intercompany loan into equity, the Company's exposure to foreign exchange volatility would have been significantly reduced, our balance sheet would have been strengthened, and future cash flow would have been freed up to be allocated to productive investments that support the Company's profitable and sustainable growth ambitions. This would have established the basis for improving shareholder liquidity.

The Board of PZCN remains committed to building on the strong operational growth we have seen in H1 of FY25, exploring alternative mechanisms for restoring our net assets to a positive position and to working closely with our shareholders and the broader stakeholder ecosystem during this process."

STATEMENT ON INVESTORS' RELATIONS

The Company has a dedicated investors' portal on its corporate website, which can be accessed via this link: <https://www.pzcussons.com/investors/nigeria-investors/>. The Company's Investors' Relations Officer can also be reached through electronic mail at bukola.olonade-agaga@pzcussons.com or by telephone on 09169855016 for any investment-related enquiry.

Thank you.



OLUBUKOLA OLONADE-AGAGA

ALSEC NOMINEES LIMITED

Company Secretary

Directors: Ifueko M. Omoigui Okauru MFR (Chair), Dimitris Kostianis (CEO) (Greek), Joyce Coker, Ballama Manu, Oluwatoyin Odotayo, Kareem Moustafa (Australian), Suleyman Ndanusa, OON, Richard Walker (British)