Solvency and liquidity ratios do not give rise to any concerns with respect to the going concern of the company in the current year. The Company is highly dependent on the performance of the Unilever Group. The Unilever Group has provided suitable disclosures of the impact of COVID 19 virus on its business in its Annual Report for year 2020. The pandemic has limited impact on the overall business of Unilever Group. The uncertainties relating to COVID 19 virus currently do not result in any identified conditions or events that may cast significant risk to the Company.

The Company does not employ any staff. This is not expected to change in 2021.

The financing activities are fully dependent on developments and funding needs within the Unilever group. No significant change in the business of the Company has taken place during the period or is expected to in the immediately foreseeable future.

The rendering of services by the service companies of the Unilever Group to the Company will be continued as deemed necessary.

**Risk management and internal controls**

Within the Unilever Group a single overall control framework is in place, which is designed to manage rather than eliminate the risk of failure to achieve business objectives and only provides reasonable and not absolute assurance against material misstatement or loss. Management of the Company is responsible for the application of, adherence to and safeguarding of internal systems for risk management.

The policy of the Company is to provide funding at fixed rates to the Unilever Group, primarily through Unilever Finance International AG on identical terms except for a 4 basis point mark up on the relevant bond coupon rate.

The Directors consider the risk appetite of the Company to be low on account of the back-to-back nature of the Company's financing activities with the Unilever Group. Further reference is made to note 11 on page 19 where the risks are discussed.

The Board is of the opinion that the risk management and internal control framework has operated as intended in year 2020. In year 2020 there have not been any risks or circumstances with a significant impact on the company. The control framework is continuously monitored and adjusted where needed.

**Code of Conduct**

The company adopts Unilever Group Code of Business Principles that sets non-negotiable standards of expected behaviour from anyone conducting business on behalf of the company. Assurance of compliance with Code of Business Principles is obtained on an annual basis from anyone acting on behalf of the company.

**Fraud Risk Assessment**

During year 2020, nothing has come to the attention of the board to suggest any material misstatement with respect to suspected or actual fraud which override the Internal controls

**Sustainable development**

Sustainable development is rooted in the General Business Principles of all Unilever companies. For a detailed report on the sustainability and safety performance of the Company, please refer to the Sustainability report that can be found on www.unilever.com/sustainable-living.

**Research and Development**

The Company does not perform research and development activities.

**Information Systems Security**

Since operations are increasingly dependent on IT systems, Unilever Group has a set of IT security standards to monitor and protect systems and information. Management of the Company is responsible for application of, adherence to and safeguarding of internal systems for risk management.

**Diversity & Inclusion**

The Company operates under the diversity and inclusion practices and policies of the Unilever Group. Unilever group is committed to contribute to a fairer, more socially inclusive world. Unilever aim to achieve an equitable and inclusive culture by eliminating any bias and discrimination in our practices and policies. Unilever believes that a completely inclusive place to work will make us a stronger, better business. Unilever takes a holistic approach making sure people feel welcome and are treated fairly at Unilever, regardless of their race, gender, gender identity, age, sexual orientation, religion or experience. The company employs no staff but has management board, hence practical application of these practices and policies is limited

The Directors confirm that the financial statements provide a true and fair view of Company's position and performance. The management report provides a true and fair view and the significant risks and uncertainties to which the Company is exposed have been described.

**Outlook for 2021**

The company intends to activate its debt issuance program in year 2021. Depending upon the funding requirements of the Unilever Group, the company will raise funds through long term bonds and short term money market borrowing instruments.

On behalf of
the Board of Directors

Date: 29 April 2021

# Financial Statements

## Balance sheet as at 31 December 2020

(before proposed appropriation of net result)

| | Notes | 2020 |
|---|---|---|
| | | €'000 |
| **Fixed Assets** | | |
| Financial fixed assets | 2 | 11,194,059 |
| **Current assets** | | |
| Current receivables | 3 | 580,168 |
| Cash and cash equivalents | | 0 |
| **Total assets** | | **11,774,227** |
| **Shareholder's equity** | 4 | |
| Issued share capital | | 0 |
| Share premium | | 21,261 |
| Unappropriated Profit/(loss) | | (138) |
| | | 21,123 |
| **Non-current liabilities** | 5 | 11,169,715 |
| **Deferred Tax Liabilities** | | 6,120 |
| **Current liabilities** | 6 | 577,269 |
| **Total shareholder's equity and liabilities** | | **11,774,227** |

The notes are an integral part of these financial statements.

*Profit and Loss Account for the period ended 31 December 2020*

| | Notes | 2020 €'000 |
|---|---|---|
| Financial income | 7 | 2,011 |
| Financial expenses | 8 | (2,013) |
| Financial result | | (2) |
| Operating expenses | 9 | (205) |
| **Result before tax** | | **(207)** |
| Tax on result | 10 | 69 |
| **Result after tax** | | **(138)** |

The notes are an integral part of these financial statements.

# General

## Group affiliation and principal activities

Unilever Finance Netherlands B.V. (the "Company"), having its legal address in Rotterdam, Weena 445, 3013 AL Rotterdam, The Netherlands, is a private limited liability company under Dutch law and is registered as a financial holding under number 81003889 in the Trade Register.

The shares of the Company are held by Unilever PLC, having its legal address in Port Sunlight, Wirral, Merseyside CH62 4ZDm, United Kingdom and is a public limited liability company under English law.

The Company is one of the companies of the Unilever Group. The term "Companies of the Unilever Group" ("Group companies") means companies in which Unilever PLC, based in the United Kingdom, either directly or indirectly, has control either through a majority of the voting rights or the right to exercise a controlling influence or to obtain the majority of the benefits and be exposed to the majority of the risks. The financial information of the Company is incorporated in the consolidated financial statements of Unilever PLC which form part of the Annual Report and Accounts for the year ended 31 December 2020 of Unilever PLC. Unilever PLC, a company incorporated in England and Wales, is the ultimate parent company of the Unilever Group.

The Company's principal activity is to acquire funds by issuing bonds to the public or otherwise and to make such funds available in whatever form to Unilever Finance International AG to finance the Unilever Group.

The Company will use of the exemption from the licensing requirement for banks and finance companies provided in Section 3:2 Dutch Financial Supervision Act. In connection therewith on 28 April 2021 Unilever PLC has given or (as regards future liabilities) will give an unconditional and irrevocable guarantee for all the Company's liabilities resulting from receipt by the Company of the bonds/notes and Unilever PLC ensures that the Company can at any time meet its obligations arising from the bonds/notes.

### Financial reporting period

These are the first financial statements of the Company with no comparative balances from previous financial periods. The balance sheet is presented as at 31 December 2020, while the profit and loss account is presented for the period from 26 November 2020 (date of incorporation) to 31 December 2020. The Company does not prepare its own separate cash flow statement as an equivalent cash flow statement is included in the consolidated financial statements of Unilever Group. The Unilever Group consolidated financial statements are available on the website www.unilever.com.

## Basis of preparation

The annual accounts are drawn up in accordance with the legal requirements of Part 9, Book 2 of the Netherlands Civil Code and the authoritative statements in the Dutch Accounting standards (DAS) for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The Company's financial statements were prepared on 29 April 2021.

The accompanying accounts have been prepared under the historical cost convention, unless otherwise mentioned, in accordance with generally accepted accounting principles in the Netherlands and in conformity with the provisions of Part 9, Book 2 of the Dutch Civil Code.

The financial statements are presented in EUR. The Company has an EUR functional currency, which reflects the primary economic environment in which the Company operates.

The Company was incorporated as a result of the demerger of Unilever NV on 26 November 2020. Under the demerger, the Company issued one share with a nominal value of 1 EUR and received the euro bonds including the rights, obligations and liabilities in respect of the bonds and all intra-group receivables which resulted from the on-lending of the funds received on the bonds. The assets acquired and liabilities assumed were measured at fair value on initial recognition. The net value of the assets acquired and liabilities assumed was recognised as share premium.

The balance sheet and profit and loss account include reference numbers, matching the corresponding numbers in the notes.

## 1. Accounting policies for the measurement of assets and liabilities and the determination of the result

### 1.1 Going Concern

The financial statements are prepared on a going concern basis.

### 1.2 Historical cost

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred.

### 1.3 Judgments and estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates and uncertainties. If necessary, for the purposes of providing the insight required under Section 362 (1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgements, including key related assumptions, is disclosed in the notes to the financial statement items in question.

### 1.4 Foreign currency translation

The financial statements are prepared in EUR, the functional and presentation currency of the entity. Each entity in the Unilever Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

*Transactions in foreign currencies*

At initial recognition, transactions denominated in a foreign currency are translated into the functional currency of the Company at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date into to the functional currency at the exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items or resulting from the translation of monetary items denominated in foreign currency, are recognised in profit and loss account in the period in which the exchange difference arise.

Non-monetary assets and liabilities denominated in foreign currency that are measured based on historical cost, are translated into the functional currency at the exchange rates at the date of the transactions.

### 1.5 Financial fixed assets

Loans granted and other receivables are initially recognised at fair value and any direct attributable transaction costs and subsequently carried at amortised cost on the basis of the effective interest method, less impairment losses. The amount which represent the difference between the initially recognised at fair value and nominal value of the loans is amortised on an effective interest rate basis over the life of the loans and taken to the profit and loss account (''Fair value premium''). Impairment losses, if any, are directly recognised in the profit and loss account. Purchases and sales of financial assets that belong to the category loans granted and other receivables are accounted for at the transaction date.

Gains and losses are taken to the Profit and loss account when the assets are derecognised, as well as through the amortisation process.

**1.6 Impairment of assets**

The Company assesses at each balance sheet date whether an asset or group of assets is impaired. If there is objective evidence of Impairment, the amount of the impairment loss is determined and recognised in the profit and loss account for all categories of assets.

The amount of impairment losses on financial assets stated at amortised cost are measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

Impairment losses are recognised in the profit and loss account and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the Impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised in the profit and loss account.

**1.7 Bonds**

Bonds are initially recognised at fair value less attributable costs and subsequently recognised at amortised cost, including the corresponding discount or premium amount which represents the difference between initially recognised at fair value and the nominal value of the bonds. The discount or premium is amortised on an effective interest rate basis over the life of the debt and taken to the profit and loss account. Coupon payments are recognised on an accrual basis.

**1.8 Receivables**

Receivables are amounts receivable from group companies in less than twelve months.

**1.9 Cash at bank and in hand**

Cash at bank and in hand includes cash in hand, bank balances, notes and cheques with a maturity of less than twelve months. Cash at banks and in hand are stated at face value.

**1.10 Non-current liabilities**

Non-current liabilities are initially recognised at fair value, less directly attributable transaction costs, in the case of financial liabilities not carried at fair value through profit and loss.

After initial measurement, liabilities are carried at amortised cost using the effective interest method. Gains and losses are taken to the Profit and loss account when the liabilities are derecognised, as well as through the amortisation process.

**1.11 Shareholder’s equity**

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders’ equity. The company’s share capital is denominated in EUR.

Amounts contributed by the shareholder of the Company in excess of the nominal share capital, are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire shares of the Company.

**1.12 Financial instruments**

Financial instruments on the balance sheet include accounts receivable, cash and cash equivalents, other financial fixed assets and current or non-current liabilities.

**1.13 Financial Income**

Interest income is recognised in the profit and loss account on an accrual basis, using the effective interest method. The effective interest rate for the asset concerned is taken into account, provided the income can be measured and the income is probable to be received. Financial income includes amortisation related to the loans to group companies. If the effective interest is negative, it is presented based on economic substance and presented under financial expense.

**1.14 Expenses**

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognised if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met. Financial services performed by the Company are exempted for VAT. This exemption means the financial services provided by the Company to its customers do not have a VAT charge. As a result of this exemption, the Company cannot deduct the VAT it has paid and economically VAT is therefore a cost to the Company instead of being an exemption.

**1.15 Financial expenses**

Interest expense is allocated to successive financial reporting periods in proportion to the outstanding principal. Premiums and discounts are treated as annual interest charges so that the effective interest rate, together with the interest payable on the loan, is recognised in the profit and loss account, with the amortised cost of the labilities being recognised in the balance sheet. Period interest charges and similar charges are recognised in the year in which they fall due. Finance expense includes amortisation related to bonds. If the effective interest is positive, it is presented based on economic substance and presented under financial income.

**1.16 Corporate income tax**

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.

For taxable temporary differences, a provision for deferred tax liabilities is recognised.

For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.
Deferred tax assets and deferred tax liabilities are offset in the balance sheet if the company has a legally enforceable right to offset current tax assets against current tax liabilities, insofar as they

relate to the same financial year and deferred tax assets relate to income taxes levied by the same tax authority on the same taxable Company, or the same fiscal unity.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Company expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

**1.17 Related parties**

All legal entities that can be controlled, jointly controlled or significantly influenced by Unilever PLC are considered to be a related party. Also, individuals and entities which can control or significantly influence the Company are considered to be a related party. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are carried out on an arm's length basis. Significant transactions with related parties are disclosed in the notes, refer to notes 2, 3, 6 and 8

**1.18 Determination of fair value**

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other.

## Notes to the Financial Statement

### 2. Financial fixed assets

| | 2020<br>€'000 |
|---|---|
| **Loans to Group companies** | |
| Carrying amount at 26 November | 0 |
| Fair value of loans transferred on 26 November | 11,207,056 |
| Amortisation | (12,997) |
| **Carrying amount at 31 December** | **11,194,059** |

**Loans to Group companies**

Included in loans to Group Companies is an unamortised loan premium of € 844 million, which will be amortised over the remaining term of the loans.

Loans to Group company represent on lending of proceeds of the corresponding bond. These loans have identical characteristics and present value calculations of corresponding bonds except for the agreed transfer pricing mark-up.

These loans have been initially recognised on fair value on date of acquisition. The fair value for the purpose of initial recognition is derived on the basis of discount rate equal to the market yield of the corresponding bond. Fair value and market yield of Bonds has been predominantly obtained from quoted market prices. As at period end the difference between the carrying value and fair value of loans is not material.

The maturity profiles and terms applicable to long term debt (as detailed in Note 5) are identical with those for financial assets except for a 4 basis point mark up on the relevant bond coupon rate.

Loans to group companies bear interest between 0.04% and 1.79%. The face value of loans to group companies is € 10,850 million.

The maturity dates of the loans to group companies range from 2021 up to 2033. The carrying amounts of the loans to group companies can be split based on the maturity dates as follows:
- Loans maturing within 1 year: €501 million
- Loans maturing between 1-5 years: €5,337 million
- Loans maturing after 5 years: €5,870 million

No allowance for bad debt has been recognised in the accounts. As detailed in Note 11, credit risk is judged to be minimal given that on-lending of funds is made to Unilever Finance International AG, which is a wholly owned subsidiary of Unilever PLC with significant size and importance within the Unilever group.

## 3. Current receivables

| | 2020 €'000 |
|---|---|
| Amount receivable from group companies[#] | 501,047 |
| Accrued interest income | 79,121 |
| **Total** | **580,168** |

The fair value of the receivable approximates the book value, given the short-term character of these receivables.

[#] This loan relates to back-to-back on-lending of a bond with nominal value €500 million maturing in 2021 to Unilever Finance International AG. This includes the unamortised portion of fair value premium on the loan amounting to €1 million.

## 4. Shareholder's Equity

### Issued share capital

The Company's issued and fully paid share capital comprises 1 ordinary shares with a nominal value of €1.

Movement in individual items of equity as follows:

| | Issued capital €'000 | Share premium* €'000 | Unappropriated Profit / (loss) €'000 | Total Equity €'000 |
|---|---|---|---|---|
| Balance at 26 November 2020 | 0 | 21,261 | - | 21,261 |
| Loss for the period | - | - | (138) | (138) |
| **Balance at 31 December 2020** | **0** | **21,261** | **(138)** | **21,123** |

* Share premium represent the difference between the initially recognised assets and liabilities received from Unilever NV under the demerger.

Unappropriated loss amounting to € 138,312 to be deducted from the other reserves

## 5. Non-current liabilities

| | 2020 €'000 |
|---|---|
| **Payable to Bondholders** | |
| Carrying amount at 26 November | 0 |
| Fair value of bonds transferred on 26 November | 11,182,302 |
| Amortisation | (12,587) |
| **Carrying amount at 31 December** | **11,169,715** |

Included in payable to the bond holder is an unamortised bond premium of € 820 million, which will be amortised over the remaining term of the bonds.

The non-current liabilities consist of bonds/notes payable to the holders thereof. These are fully and unconditionally guaranteed by Unilever PLC and Unilever United States Inc. The non-current liabilities carry interest rates varying between 0% to 1.75%.

Long-term liabilities with a remaining term of less than one year, including repayment commitments for the following year, are recognised under current liabilities.

**Analysis of bonds included in non-current liabilities:**

| | €'000 |
|---|---|
| 1.625% Notes 2033 (€) | 934,741 |
| 0.500% Notes 2022 (€) | 756,820 |
| 1.375% Notes 2029 (€) | 843,526 |
| 1.125% Bonds 2027 (€) | 756,379 |
| 1.125% Bonds 2028 (€) | 765,425 |
| 0.875% Notes 2025 (€) | 684,362 |
| 0.500% Bonds 2025 (€) | 670,788 |
| 1.375% Notes 2030 (€) | 742,442 |
| 0.375% Notes 2023 (€) | 609,488 |
| 1.000% Notes 2027 (€) | 643,779 |
| 1.000% Notes 2023 (€) | 516,372 |
| 0.500% Notes 2023 (€) | 511,224 |
| 0.500% Notes 2024 (€) | 514,116 |
| 1.250% Notes 2025 (€) | 1,061,933 |
| 1.750% Notes 2030 (€) | 1,158,320 |
| Total | **11,169,715** |

Payable to the bondholders:

| **2020 (€'000)** | **Due within 1 year** | **Due between 1-2 years** | **Due between 2-3 years** | **Due between 3-4 years** | **Due between 4-5 years** | **Due after 5 years** | **Total** |
|---|---|---|---|---|---|---|---|
| **Maturity at face value:** | | | | | | | |
| € | (500,000) | (750,000) | (1,600,000) | (500,000) | (2,300,000) | (5,200,000) | (10,850,000) |
| **Maturity at fair value:** | | | | | | | |
| € | (500,868) | (756,990) | (1,635,105) | (512,988) | (2,410,734) | (5,827,844) | (11,644,529) |

No loan covenants are in place in respect of the Company's debt transferred to the Company upon the demerger of Unilever NV.

## 6. Current liabilities

| | 2020 €’000 |
|---|---|
| Amount payable to bondholders[#] | 500,931 |
| Amount payable to group companies | 16 |
| Accrued interest expense | 76,095 |
| Corporate income tax payable | 39 |
| Audit fee payable | 188 |
| **Total** | **577,269** |

[#]Includes the € 500 million bond 0.000% due July 2021 and € 1 million unamortised portion of fair value premium on bonds.

## 7. Financial income

| | 2020 €’000 |
|---|---|
| Interest expense on bonds | (10,735) |
| Amortisation of fair value premium on bonds | 12,746 |
| **Total** | **2,011** |

## 8. Financial expenses

| | 2020 €’000 |
|---|---|
| Interest income and similar income | (11,163) |
| Amortisation of fair value premium on loan to group companies | 13,176 |
| **Total** | **2,013** |

## 9. Operating expenses

| | 2020 €’000 |
|---|---|
| Bank charges | 17 |
| Audit fees | 188 |
| **Total** | **205** |

## 10. Taxation

The major components of the tax charge are as follows:

| | 2020 |
|---|---|
| | €'000 |
| Tax expense for current financial year | 39 |
| Movement in temporary differences | (108) |
| Income tax expense/ (benefit) | (69) |

Temporary differences arising from the difference in valuations of financial fixed assets and related expenses.

The numerical reconciliation between the applicable and the effective tax rate is as follows:

| | 2020 |
|---|---|
| | €'000 |
| Result before tax | 207 |
| Income tax using the applicable tax rate in the Netherlands | (69) |
| Tax expense / (benefit) | (69) |

The nominal corporation tax rate in the Netherlands is 25%, with a step up of 16.5% on the profit up to EUR 200 thousand. The effective tax rate in 2020 of -/- 33% is driven by the overall mix in current and deferred tax.

The provision for deferred tax liabilities comprises the tax effect of the taxable temporary differences between the valuation principles for financial reporting purposes and for tax purposes.

The Company has recognised a provision for deferred taxes for differences between valuation principles for financial reporting purposes and for tax purposes related to the loans to group companies (€ 225 million; 26th Nov 2020: € 228 million) and bonds (€ 219 million; 26th Nov 2020: € 222 million).

The deferred tax assets relate to the difference in valuations of financial fixed assets and related expenses.

**11. Treasury and Risk Management**

The Company's activities are exposed to a variety of financials risks, including currency risks, interest rate risk, liquidity risk and credit risk. As to these risks, Unilever Finance Netherlands B.V. has a conservative approach. A financial risk management framework is in place in the form of a Treasury policy. This policy provides guidance over all Treasury and finance related matters.

In accordance with its Treasury policy, the Company actively monitors and manages financial risks as follows:

- *Currency risk:* The Company does not hold any financial Instruments denominated in foreign currencies and is therefore not exposed to foreign currency risk.

- *Interest rate risk:* The Company has fixed interest rate on bonds. These bonds are on lent to Unilever Finance International AG at fixed interest rate. Hence the Company is not exposed to the variability in cashflows as a result of interest rates.

- *Liquidity risk:* The Company is not significantly exposed in relation to its liquidity. The Company on-lends funds generated from bond issuance to Unilever Finance International AG with complete alignment of its assets and liabilities and corresponding payment schedule which results in a limited cashflow risk. Unilever PLC and Unilever United States Inc have fully and unconditionally guaranteed on (senior unsecured basis) the due and punctual payment of the principal of and any premium and interest on the debt securities issued by the Company to the bondholders. There is no explicit guarantee on loans with Unilever Finance International AG. As a result the liquidity risk is considered to be minimal.
- *Credit risk:* The Company on-lends funds generated from bond issuance to Unilever Finance International AG, which is a wholly owned subsidiary of Unilever PLC with significant size and importance within the Unilever group and exposes the Company to a significant concentration of credit risk. Unilever Finance International AG has a long and proven track record of being a reliable debtor and its suitability for future credit is monitored on an ongoing basis. Unilever Finance International AG is not required to get separately rated by rating agencies but is subject to same credit rating as of Unilever Group. The current long term credit rating for the Unilever Group by Moody's is A1 and S&P is A+.

The Company does not make use of derivative financial instruments.

**12. Related parties**

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and subsidiaries of Unilever PLC, shareholders, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless of whether anything has been charged

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required to provide the true and fair view. The related party transactions are disclosed in notes 2, 3, 6 and 8 for the related party transactions.

### 13. Employees and salary costs

The Company employed no personnel during the period ended 31 December 2020 and therefore incurred no salary or related costs of employment. The board is not directly compensated by the Company (nor are costs allocated from the group) as they do not spend significant time on managing the entity.

## 14. Audit fees

The following fees were charged by KPMG Accountants N.V. to the Company, as referred to in Section 2:382a (1) and (2) of the Dutch Civil Code.

| | **2020** |
|---|---|
| | **€** |
| Audit of these financial statements | 187,728 |
| Other audit engagements | 0 |
| Tax-related advisory services | 0 |
| Other non-audit services | 0 |
| **Total** | **187,728** |

The fees mentioned in the table for the audit of the financial statements of the period ended 31 December 2020 relate to the total audit fees for the audit of the financial statements of the said period, irrespective of whether the activities have been performed during the financial period ended 31 December 2020. The amounts presented include VAT.

## 15. Subsequent events

The Board have evaluated all events and transactions subsequent to 31 December 2020 through 29 April 2021, the date these financial statements were issued. Other than those disclosed under 'Group affiliation and principal activities' on page 8 in the financial statements, no events or transactions were identified that require recognition or disclosure in these financial statements.

## 16. Proposed appropriation of the loss for 2020

If the general meeting of shareholders accepts this proposal, the loss of € 138,312 will be deducted from the other reserves.

**Signatories to the financial statements**

For signature of the annual accounts:

The Board of Directors

Weena 455, 3013 AL Rotterdam, Netherlands, 29 April 2021

______________________________

Sebastiaan Pieter de Buck

______________________________

Margot Martine Fransen

______________________________

Johanna Wilhelmiina Hyttinen

______________________________

Herman Ulko Post

______________________________

Gavin Maarten Paul Arjen van Boekel

## Other information

### Articles of Association provisions governing profit appropriation

Profit is appropriated in accordance with Article 21 of the Articles of Association, which states that profits shall be at the disposal of the General Meeting of Shareholders.

### Branches

The company does not have any branches.

### Independent auditor's report

The next pages contain the Independent auditor's report pertaining to the annual report of the Company for 2020.

# Independent auditor's report

To: the General Meeting of Shareholders and the Audit Committee of Unilever Finance Netherlands B.V.

## Report on the audit of the financial statements 2020 included in the Annual Report

### *Our opinion*

In our opinion the accompanying financial statements give a true and fair view of the financial position of Unilever Finance Netherlands B.V. as at 31 December 2020 and of its result for the period then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

### *What we have audited*

We have audited the financial statements 2020 of Unilever Finance Netherlands B.V. ('the Company') based in Rotterdam.

The financial statements comprise:

1 the balance sheet as 31 December 2020;

2 the profit and loss account for the period ended 31 December 2020; and

3 the notes to the financial statements comprising a summary of the accounting policies and other explanatory information.

### *Basis for our opinion*

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of the Company in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

## *Audit approach*

### *Summary*

| **Materiality** |
| --- |
| — Materiality of EUR 100 million<br>— 0.9% of Total Assets |

| **Key audit matters** |
| --- |
| — Valuation of loans to Group companies |

| **Opinion** |
| --- |
| Unqualified |

### *Materiality*

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 100 million. The materiality is determined with reference to total assets (0.9%). We consider total assets as the most appropriate benchmark as the attention of the users of the financial statements tends to be focused on total assets as the entity is a financing company.

Based on our professional judgement, we have applied a lower materiality of EUR 0.1 million for the interest expense on bonds, with reference to the total interest expense.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Audit Committee that uncorrected misstatements in excess of EUR 5 million which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

### *Our key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Audit Committee. The key audit matters are not a comprehensive reflection of all matters discussed.

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.

## Valuation of loans to Group companies

### Description

As disclosed in notes 1 and 2, the Company has provided a significant amount loans to Unilever Finance International AG which are valued at amortised cost less accumulated impairment losses. As at 31 December 2020, the carrying value of these loans to Unilever Finance International AG, amounted to EUR 11.7 billion.

The Company is dependent on the performance of Unilever Finance International AG for repayment of these loans to the Company and a risk exists with regard to the timely identification of objective indicators for impairment. Given the pervasive impact of the valuation of these loans as at 31 December 2020 to Group companies on the financial statements of the Company as a whole, we consider the valuation of these loans to Group companies to be a key audit matter.

### Our response

The following are the primary procedures we performed to address this this risk:

— We obtained an understanding of management's processes and controls implemented over the identification of objective indicators for impairment.

— We obtained and evaluated management's assessment whether there were objective indicators for impairment of the loans to Group companies.

— We analysed the financial performance and financial position of Unilever Finance International AG to determine whether Unilever Finance International AG has the ability to fulfil the contractual obligations to Unilever Finance Netherlands B.V.

### Our observation

The results of our testing were satisfactory and we considered the valuation of the loans to Group companies to be acceptable.

## Report on the other information included in the Annual Report

In addition to the financial statements and our auditor's report thereon, the Annual Report contains other information.

Based on the following procedures performed, we conclude that the other information:

— is consistent with the financial statements and does not contain material misstatements; and

— contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

## Report on other legal and regulatory requirements

### *Engagement*

We were engaged by the General Meeting of Shareholders as auditor of Unilever Finance Netherlands B.V. on 23 March 2021, as of the audit for the year 2020.

### *No prohibited non-audit services*

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

## Description of responsibilities regarding the financial statements

### *Responsibilities of Board of Directors and the Audit Committee for the financial statements*

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the Company’s ability to continue as a going concern in the financial statements.

The Audit Committee is responsible for overseeing the Company’s financial reporting process.

### *Our responsibilities for the audit of the financial statements*

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de ‘Koninklijke Nederlandse Beroepsorganisatie van Accountants’ (NBA, Royal Netherlands Institute of Chartered Accountants) at: http://www.nba.nl/ENG_oob_01. This description forms part of our independent auditor's report.

Amstelveen, 29 April 2021

KPMG Accountants N.V.

J. te Nijenhuis RA