



NEIMETH INTERNATIONAL  
PHARMACEUTICALS PLC



# 2022 ANNUAL REPORT AND ACCOUNTS

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**Neimeth International Pharmaceuticals Plc**

16, Billings Way Oregun, P.M.B 21111, Ikeja, Lagos State, Nigeria

Customer Satisfaction Line: 0903252302

www.neimethplc.com.ng email: info@neimethplc.com.ng



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Neimeth Plc

## VISION, MISSION, VALUES



### OUR VISION

To be the Leading Innovative Healthcare Provider out of Africa



### OUR MISSION

To Promote Healthy Confident Living



### CORE VALUES

#### Customer Delight

We believe that our customers are the bedrock of our market position. We are committed to meeting the needs of our customers and satisfying their desires by striving to always offer them the best quality products at the best prices as well as address all their demands responsibly.

#### Innovation

We believe that by doing things differently, building a foundation on new and proven ideas, we can change any situation. Our commitment to innovation means we shall continuously introduce better and efficacious products to meet the changing market needs.

#### Integrity

At Neimeth, we expect our stakeholders to be people of integrity; and we demand same of ourselves. Openness, honesty and ethical conduct must characterize our transactions.

#### God Consciousness

We believe that the Almighty God created Heaven and the Earth and all that are within them. We recognize the sovereign character of God and His love for mankind. Our desire is to do God's will and in all our dealings to reflect our love and respect for Him, knowing full well that we need divine guidance to successfully and consistently accomplish our mission/vision.

#### Leadership

We are committed to providing leadership at all levels in our organization, the Nigerian healthcare industry and indeed the sub-Saharan Africa.

#### Community

We give our best as a corporate citizen to the communities in which we operate by improving their well-being; we receive commensurate rewards from them because our corporate life is tied to their well-being.

#### Teamwork

Neimeth expects staff to approach their tasks with the spirit of teamwork, sharing responsibilities and rewards with each other in an environment of trust and friendship.

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**Dr. Ambrosie B. C. Orjiako OFR**  
*Chairman*

Dr. A. B. C. Orjiako became Chairman of the Board of Directors of Neimeth on 1st February 2005, having become a member of the Board in February 2004. A medical doctor and Fellow, West African College of Surgeons, he has various business interests including energy, petroleum exploration, marine services, construction and real estate. He serves on the Board of several network companies and organizations.

He is the recipient of several prestigious awards, and is an accomplished agricultural and educational philanthropist.



**Pharm. Gerald I. Oputa**  
*Acting Managing Director/CEO*

Pharm. Oputa joined the Board as Executive Director, Sales and Marketing on the 1st of April, 2022. He became Acting Managing Director/CEO on the 6th of March, 2023. Pharm. Oputa brings his vast sales and marketing experience in pharmaceuticals, spanning over 20 years to the Board.

He obtained his Bachelor of Pharmacy from the University of Jos and MBA (Marketing) from the Lagos State University. He is a registered Pharmacist and an alumnus of University of Jos.

He has immense understanding of the Nigerian Pharma sector. He has attended several enrichment programmes in the area of Sales, Marketing, Leadership and Management. He is an astute professional with demonstrated competence and rare leadership skills.



**Pharm. (Mrs.) Roseline A. Oputa**  
*Executive Director, Administration*

Pharm. (Mrs.) Oputa obtained her Bachelor of Pharmacy Degree from the University of Nigeria Nsukka in 1990. She joined the Company in 1992 as Pharmaceutical Sales Representative and has held various positions such as Manager Sales Training and Customer Satisfaction, National Demand Manager, Group Product Manager, Marketing Manager, Associate Director/Head of Ethical Product Group (EPG), Director of Administration and Corporate Programmes. Pharm. Oputa is member, Pharmaceutical Society of Nigeria (MPSN).

She joined the Board of Directors as an Executive Director of Neimeth International Pharmaceuticals Plc on 20th October 2017. Prior to her appointment, she served as Operational Director of Sales and Marketing.



**Mrs. Temitayo O. Nelson**  
*Executive Director, Finance*

Mrs. Nelson joined Neimeth in June 2019 as Executive Director, Finance. She is a multi-skilled and astute professional whose industry experience covers oil and gas, consultancy practice, financial service, e-Payment, manufacturing, automobile, technology and hi-tech industries both in Nigeria and the United Kingdom. She is an avid finance professional, risk manager and business process re-engineer who also held human resource management and corporate strategy roles within her career span of over two decades. Prior to joining Neimeth, she functioned as Chief Financial Officer and Chief Risk Officer at Chams Switch Limited.

Mrs. Nelson is a Fellow of the Institute of Chartered Accountants of Nigeria and a Chartered Banker. She is an Associate Chartered Management Accountant and Chartered Global Management Accountant. She earned her Bachelors of Science degree in Agricultural Extension Services from University of Ibadan in 1997. She is a registered member of Chartered Financial Analyst (CFA) Institute and Information System Audit and Control Association (ISACA).



**Mazi Samuel I. Ohuabunwa (OFR)**  
*Non - Executive Director*

Mazi Sam Ohuabunwa is the founding MD/CEO of Neimeth International Pharmaceuticals Plc. He led the Management Buy Out (MBO) of Pfizer in 1997. He is a graduate of Pharmacy from the University of Ife. He had his Postgraduate training in Business and Organizational Management at the Columbia University, N.Y., USA and the Lagos Business School, Lagos.

Mazi Ohuabunwa is a fellow of several professional organizations, amongst which are the Pharmaceutical Society of Nigeria (FPSN), the Nigerian Academy of Pharmacy (FNAPharm), the West African Postgraduate College of Pharmacists (FPCPharm), the Nigerian Institute of Management (FNIM), the Nigerian Institute of Public Relations (FNIPR), and the Institute of Management Consultants (FIMC).

He is Founder/Chairman, Sam Ohuabunwa Foundation for Economic Empowerment (SOFEE), Managing Consultant of Starteam Consult, Past President Nigeria-America Chamber of Commerce (NACC), Past President Nigerian Employers Consultative Association (NECA) and Past Chairman of the Nigeria Economic Summit Group (NESG). He is the Chairman of the African Centre for Business Development, Strategy and Development as well as several other prestigious organizations. He is a past President of the Pharmaceutical Society of Nigeria (PSN)

His core competencies include Enterprise Development, Governance, Corporate and Institutional Leadership, Healthcare Facilities Development, Pharmaceutical Manufacturing and Marketing and Business re-engineering. He has authored several books and sits on the Board of several notable companies and organizations.



**Prof. Elijah N. Sokomba**  
*Non - Executive Director*

Prof. Sokomba was invited to the Board on 25th February 2008. He is an accomplished Pharmacist, Professor of Pharmacology, and former Dean, Faculty of Pharmaceutical Sciences, University of Jos, who has garnered considerable experience in Research / Teaching, University Administration, State Health Service Management and National Agency for Food and Drug Administration and Control (NAFDAC) where he was a Director.



**Prof. Maurice M. Iwu**  
*Non - Executive Director*

Prof. Iwu was invited to the Board on 20th of December 2011. He trained at the University of Bradford where he obtained his Masters and PhD in Pharmacy.

He was Professor of Pharmacology at the University of Nigeria Nsukka. He is also Founder and Chairman of Bioresources Development and Conservation Programme (BDGP) an Independent Biosciences Research and Development Organization; and International Centre for Ethnomedicine and Drug Development (InterCEDD).

He has received many academic and professional honours. He consults on several fronts, and has served on the Boards of several non-profit and charitable foundations. His working career spans the realms of academics, research and public service. He has presented several papers, published several research articles, and authored many books.



**Sir Ike T. Onyechi**  
*Non - Executive Director*

Sir Onyechi was invited to the Board on 20th December 2011. He is a registered Pharmacist and graduate of Pharmacy from the University of Nigeria Nsukka.

He is Founder and Chief Executive Officer of Alpha Pharmacy and Stores. He is a Fellow of Pharmaceutical Society of Nigeria (FPSN), Fellow, West African Postgraduate College of Pharmacists (FPCPharm) and member of many other associations.

He is equally a member of the board of many reputable companies and establishments.





**Mr. Thomas T. Osobu**  
Non - Executive Director

Mr. Osobu was invited to the Board on 20th December 2011. He is a graduate of Boston University. School of Management, USA. He worked with Nestle New York and Nestle Nigeria. He is the Founder and CEO of Jott Industries Nig. Ltd. He is a member of many professional and social associations, and sits on the Board of several organizations.



**Mrs. Bashirat O. Odunewu**  
Independent Non - Executive Director

Mrs. Odunewu was appointed to the Board on 22nd of January 2018. She obtained her Bachelor of Science degree in Chemistry from the University of Manchester Institute of Science & Technology, England, and went on to obtain her M.Sc. & DIC – Technology and Development from the University of London (Imperial College of Science and Technology). She has bagged several professional qualifications, inclusive of Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and Member, Chartered Institute of Arbitrators (MCI Arb). She is affiliated to the Chartered Institute of Bankers, Nigeria (CIBN) and the Institute of Directors (IoD). She has received various professional awards, and has garnered robust professional experience in her over thirty years in the financial services sector, spanning various areas of Corporate & Commercial Banking, Investment Banking & Corporate Finance, Treasury and Audit. She was Group Executive–Corporate Banking Group at First Bank Nigeria Plc. and currently holds Non-Executive Director positions in two African banks amongst other roles.



**Dr. (Mrs.) Atinuke R. Uwajeh**  
Non - Executive Director

Dr. (Mrs.) Atinuke Uwajeh joined the Board on the 27th of April 2023. She comes with a wealth of experience spanning over 30 years in the medical sector. She is a graduate of Medicine from the Obafemi Awolowo University Hospital. She was an intern at the Lagos University Teaching Hospital before proceeding to Howard University Hospital where she did her internship in Paediatrics and residency also in Paediatrics. She went on to obtain a fellowship in Paediatric Emergency Medicine from the University of Chicago Children's Hospital.

She began her career as Medical Officer at the Nigerian Airforce Medical Clinic, before proceeding to Fuma Clinic as a Medical Officer. She worked as an Attending Physician at Mount Sinai Hospital and a Paediatrician at the Lincoln Medical Center, Jubilee Primary Care Associates and St. Anthony Hospital Paediatric Urgent Care Clinic. She also worked as a Physician at Peak Medical Associates and Advocate Health Centers.

Dr. (Mrs.) Uwajeh is co-founder, Paediatric Partners Hospital. She is also Fellow, American Academy of Paediatrics and a Member of the Nigerian Medical Association.



**Mr. Olusegun E. Akanji**  
*Non - Executive Director*

Mr. Olusegun Emmanuel Akanji was appointed to the Board of Neimeth on the 27th of April, 2023. He is a multi-skilled professional who joins the Board with a vast level of experience in several sectors. He obtained his B.Sc and M.Sc both in Sociology from the University of Lagos and has an MBA in Human resources from Lagos State University (LASU). He also has a PhD in Credit Management from IUP & LPCMC, UK.

He is an Associate Member of the Nigeria Institute of Management, Member, International Institute of Business Analysis (USA), Associate Member, Chartered Institute of Bankers of Nigeria and Associate Member, Chartered Institute of Bankers Scotland. He is a Fellow of the Institute of Credit Administration (ICA). He has a Certificate in Computer Studies (M.C.C) and attended the Harvard Business School - LCOR PROGRAM, as well as International Housing Finance Program Wharton School, University of Pennsylvania.

Mr. Akanji's career and management experience span institutions such as Greenlands Engineering Limited where he was Head - Strategy and Communications, NNB International Bank Plc where he was in Corporate & Risk Control and Marina International Bank Limited where he was Group Head, Corporate Planning & Strategy. He was Senior Consultant (Strategy) at Accenture - Financial Services Strategy Team before becoming Group Head, Strategy & Financial Advisory at Intercontinental Capital Markets Limited. He was Vice President - Group Strategy and Enterprise Risk Management at International Energy Insurance Group as well as Chief Operating Officer, IEI Assets Limited. He was Project Lead- Strategy and ERM at Greene & Grays Investment Limited before occupying the role of Subject Matter Expert/Lead - Strategy Consulting at Deloitte West & Central Africa (WECA) and then Divisional Head, Strategy & Business Solutions at Heritage Bank Plc. He is currently a director with Imperium Capital Partners Plc.

DIRECTORS:	<p>Dr. A. B. C. Orjiako Pharm. M. O Azoji Pharm. G. I. Oputa Pharm. (Mrs.) R. A Oputa Mrs. T. O. Nelson Mazi S. I. Ohuabunwa Prof. E. N. Sokomba Prof. M. M. Iwu Sir I. T. Onyechi Mr. T. T. Osobu Dr. (Mrs.) A. R. Uwajeh Mr. O. E. Akanji Mrs. B. O. Odunewu</p>	<p>Chairman MD/CEO (On Retirement Leave) Ag. MD/CEO Executive Director Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director (Appointed 27<sup>th</sup> April 2023) Non-Executive Director (Appointed 27<sup>th</sup> April 2023) Independent Non-Executive Director</p>
SECRETARY:	Mrs. F. I. Onyenekwe	
REGISTERED OFFICE:	<p>16, Doherty Akanni Layout (Billings Way) Oregun Industrial Estate Oregun. Tel: 08033128663, 08030509676 E-mail: info@neimethplc.com.ng Website: www.neimethplc.com.ng.</p>	
AUDITORS:	<p>BDO Professional Services ADOL House 15, CIPM Avenue Alausa – Ikeja, Lagos. Tel: +234(1) 4483050-9, +234 (0) 903 6440755 E-mail bdonig@bdo-ng.com www.bdo-ng.com</p>	
REGISTRARS:	<p>Meristem Registrars and Probate Services Limited 213, Herbert Macaulay Way Adekunle – Yaba, Lagos. Telephone Nos: +234 (1) 2809250 - 3, +234 (1) 8920491 - 2 E-mail: info@meristemregistrars.com</p>	
LEGAL ADVISER/ SOLICITOR:	<p>Chris O. Omolabi &amp; Associates REALS PLAZA, 1, Junaid Dosunmu Street, Off Hakeem Balogun Street, CBD Alausa, Ikeja, Lagos. E-mail: dec8_2000@yahoo.com Telephone: 08033063829, 07067498945</p>	
BANKERS:	<p>Fidelity Bank Plc Providus Bank Plc Guaranty Trust Bank Limited Access Bank Plc</p>	

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**Major Statement of Comprehensive  
Income items:**

	Period ended	Year ended	
	31-Dec-22 N'000	30-Sept-21 N'000	% Change
Revenue	3,649,153	3,046,661	20
(Loss)/Profit before taxation	(388,054)	365,284	(206)
(Loss)/Profit after taxation	(406,299)	270,576	(250)
Share Capital	949,579	949,579	-
Shareholders' funds	778,768	1,414,067	(45)

**Per Share Data:**

(Loss)/Earnings per share (Kobo) (Basic)	(21)	14
Dividend per share (Kobo)	-	7
Net assets per share (Kobo)	0.41	74
Number of employees	190	202
Market price	1.43	1.75

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Neimeth International Pharmaceuticals Plc

**NOTICE IS HEREBY GIVEN THAT** the 64th Annual General Meeting of the members of NEIMETH INTERNATIONAL PHARMACEUTICALS PLC. will be held at NECA House Plot A2, Hakeem Balogun Street, Alausa, Ikeja, Lagos on Thursday, 18th May 2023 at 11.00am to transact the following businesses:

**ORDINARY BUSINESS:**

1. Receive the Report of the Directors, Statement of Financial Position as at December 31st 2022 together with the Statement of Comprehensive Income for the period ended on that date and the Reports of the Auditors and Audit Committee thereon.
2. Ratify the appointment of Directors/Re-elect the Director who in accordance with Section 285(2) of the Companies and Allied Matters Act (CAMA) 2020 is retiring by rotation, but is eligible and has offered herself for re-election.
  - Pharm. (Mrs.) Roseline A. Oputa
3. To authorize the Directors to fix the remuneration of the Auditors.
4. To disclose the Remuneration of Managers in accordance with Section 257 of CAMA.
5. To elect the Shareholders Representatives of the Statutory Audit Committee.

**SPECIAL BUSINESS:**

6. Approve the remuneration of Directors.

**NOTES:**

**1. PROXY:**

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself. A proxy needs not be a member.

A form of proxy is enclosed and if it is to be valid for the purpose of the meeting, it must be completed and deposited at the Registered Office of the Company at 16, Akanni Doherty Layout (Billings Way), Oregon Industrial Estate Oregon or the Registrar, Meristem Registrars and Probate Services Limited, 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos not less than 48 hours before the time for holding the meeting.

**2. CLOSURE OF REGISTER**

The Register of members and Transfer Books of the Company will be closed on Wednesday 10th May, 2023 and re-open on Monday, 15th May, 2023 for the purpose of updating the Register of Members.

**3. STATUTORY AUDIT COMMITTEE**

In accordance with Section 404(6) of the Companies and Allied Matters Act 2020, all re-nominations in writing of Members for election to the Audit Committee should reach the Company Secretary at least 21 days before the time for holding the Annual General Meeting.

**4. RIGHTS OF SECURITIES' HOLDERS TO ASK QUESTIONS**

Securities holders have a right to ask questions not only at the meeting but also in writing prior to the meeting and such questions must be submitted to the Company Secretary on or before 15th May 2023.

**5. E-DIVIDEND/BONUS MANDATE**

Shareholders who are yet to complete the e-dividend/e-bonus form or who need to complete their records and relevant bank accounts are urged to complete the e-dividend form which can be detached from the Annual Report and Accounts or downloaded from the Company's website at [www.neimethplc.com.ng](http://www.neimethplc.com.ng). The duly completed form should be returned to Meristem Registrars and Probate Services Limited, 213, Herbert Macaulay Way, Adekunle, Yaba, Lagos.

6. **UNCLAIMED DIVIDEND**

Shareholders are hereby informed that some dividends have remained unclaimed and returned to the Registrar. Shareholders should therefore contact the Registrar for enquires to resolve any related issue.

Dated this 18th day of April, 2023



**F. I. ONYENEKWE (MRS.)**

Company Secretary  
FRC/2014/ICAN/00000010082  
Registered Office  
16, Akanni Doherty Layout (Billings Way)  
Oregun Industrial Estate,  
Oregun, Ikeja, Lagos.





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**DR. AMBROSIE B. C. ORJIAKO (OFR)**  
CHAIRMAN

*I welcome you all to the 64th Annual General Meeting of our Company, Neimeth International Pharmaceuticals Plc. I am indeed glad to receive you all after the general elections and as we prepare to have a new government in place, I wish that our country will experience improved governance and prosperity. I hope the recent cash crunch that prevailed in the economy did not adversely impinge on your daily lives and businesses.*

I am here to present to you, the Annual Report and Accounts of our Company for the preceding business year which spanned October 1, 2021, to December 31, 2022. It was a 15-month financial year and marks the first report since our transition to the January to December Reporting and Accounting cycle.

### **Overview of the Global Economy in 2022**

The World Economy has been paying a high price for the war between Russia and Ukraine since February 2022. This is coupled with the lingering impact of the COVID-19 pandemic which has refused to go away completely. These twin issues raised challenges of global dimension that dragged down growth and put pressure on prices, especially for food and energy.

According to the Organisation for Economic Cooperation and Development (OECD), the World Economy slowed down more than anticipated in 2022 and Gross Domestic Product (GDP) of leading global economies especially the G20 countries stagnated and output declined. High inflation persisted globally in 2022, rising above 20 percent in some countries, the highest since the 1980s. The World Bank predicts that this exceedingly high inflation may ease a little but will remain high even into 2023. The result of high level of inflation is a cost of living crisis worldwide and a consequent drop in the standard of living.

The OECD said that the decision of countries to fight inflation with tight monetary policies led to the slowdown in the global economy in 2022. These challenges combined with strict lockdown measures in China, a leading global supply chain to cause more difficulties for the world economy. The global economic growth dropped from 6.0 percent in 2021 to 3.2 percent in 2022. It is even expected to drop further to 2.7 percent in 2023 according to the International Monetary Fund (IMF).

### **Overview of African Economy in 2022**

The continent was highly vulnerable to the global economic challenges arising from shutdowns in China, the Russo-Ukrainian war, and the lingering COVID-19 pandemic. Soaring food and energy costs hit hard on African economies in 2022.

With a population of 1.4 billion people, Africa is home to the least developed countries of the world whose economy remains dependent on the export of primary commodities. According to the United Nations Conference on Trade and Development (UNCTAD) Economic Development Report in Africa 2022, 83 percent of African countries rely on the export of primary commodities for her foreign exchange, meaning that these countries get a minimum of 60 percent of their earnings from commodity export. Nigeria, a leading economy on the continent depends about 95 percent on the export of crude oil for her foreign exchange earnings, according to the National Bureau of Statistics (NBS). At the same time, 93.67 percent of the country's Gross Domestic (GDP) derive from the non-oil sector.

As recommended by UNCTAD, the continent must find a new direction of earnings through knowledge based service export, especially through the deliberate strategy to grow financial technology (FINTECH) by spurring more innovation and investment opportunities. This, UNCTAD says will spur more opportunities for social, financial, and investment inclusion of the largely informal economy of the continent.

### **Review of Nigerian Economy in 2022**

For the records, the Nigerian economy rebound after the COVID-19 pandemic difficulties, by growing 3.5 percent in the first three quarters of 2022, but the recovery process wrought more hardship on Nigerians. In his 2022 New Year message, President Muhammad Buhari promised to ensure greater security and address socio-economic challenges.

Conversely, these conditions further deteriorated through 2022. Hardship across the land was palpable.

**“ In the midst of an excruciating operating environment, Neimeth International Pharmaceuticals Plc. continued on the growth trajectory with a boost to sales revenue for the 2022 business year by growing its turnover by 20 percent in 2022, garnering a total of N3.649 billion revenue compared to N3.046 billion in the prior year of 2021. ”**

Insecurity continued unabated. Budget deficit grew beyond 5 percent of GDP more than the 3 percent recommended by the Fiscal Responsibility Act of 2007. Revenue generation was abysmal so much so that the 2023 budget was planned on over 40 percent of debt financing.

As I said earlier, though GDP grew 3.5 percent, the growth process wrought more hardship on Nigerians, in terms of jobs and business opportunities. The unemployment rate in 2022 was about 33 percent. This number reflects only those actively seeking for jobs as many gave up hope after years of fruitless search. The number of people living below the poverty line grew by an additional 35 million in 2022. The inflation rate in Nigeria in 2022 was 21 percent according to the NBS.

The Nigerian economy was caught by the global bug of high inflation and energy cost which adversely affected productivity and profitability. For instance, diesel prices rose by over 220 percent from what it was in the first half (H1) - of 2021 to what it became in the H1 of 2022 – from N250 per litre by June 2021 to N800 by June 2022. Even factories running on gas equally encountered cost escalation of over 150 percent.

### **Pharma Sector Performance in 2022**

The COVID-19 pandemic opened a new vista for the global pharmaceutical industry valued at \$1.4 trillion by the end of 2021. The entire world became even more aware of the importance of the industry after the ravages of the Corona Virus and the need to find a vaccine and palliative drugs. This development has had a profound impact on the pharmaceutical and healthcare market dynamics, which has brought new opportunities in Research and Development (R&D), telemedicine, online consulting, biologics, and over the counter (OTC) pharmaceuticals marketing. These are the new factors that will influence growth in the pharmaceutical industry going forward.

The global pharmaceutical industry is growing at an annual rate of 9.1 percent while the Active Pharmaceutical Ingredients sub-sector currently valued at \$178 billion is growing at 6.7 percent.

In Nigeria, the new global trend has yet to catch up but the market has become more vibrant with a large room of opportunities for growth and expansion. Pharmaceutical sales in Nigeria were forecast to increase by 11.63 percent in 2022. In the 2021 and 2022 business years, the pharmaceutical companies in Nigeria invested N100 billion in federal government funds injected through the Central Bank of Nigeria (CBN) in 2020 into research and development, expansion, and quality improvement. The outcome of these new investments will begin to manifest from 2023. For us, in Neimeth the funds have been invested in the construction of a World class production facility which we hope will be completed in record time to boost our output and profitability.

### **2022 Results of Neimeth**

In the midst of an excruciating operating environment, Neimeth International Pharmaceuticals Plc. continued on the growth trajectory with a boost to sales revenue for the 2022 business year by growing its turnover by 20 percent in 2022, garnering a total of N3.649 billion revenue compared to N3.046 billion in the prior year of 2021.

However, pressures arising from the high cost of foreign exchange for the procurement of input materials and local inflationary pressures adversely affected profitability. Gross profit dipped by 8 percent at N1.33 billion in 2022 compared to N1.45 billion in the prior year of 2021.

The inflationary effects of the operating environment and other harsh macro-economic factors impacted marketing and distribution costs which went up 30 percent to N755 million compared to N579 million in 2021 while administrative expenses grew by 52 percent from N513.9 million to N783 million. Finance costs increased by 99 percent from N188.2 million to N375 million in 2022. During the business year, Neimeth commenced the repayment of two facilities from the Bank of Industry (BOI) and the Central Bank of Nigeria (CBN) which were received in 2020 to fund capital projects still in progress and yet to contribute to income. Saddled with these costs, the company wrote a loss after tax of N406 million for the 2022 business year.

### **Our Expansion Projects**

We have two-pronged expansion projects, the Oregun factory upgrade and the new production facility at Amawbia, Anambra State. The factory upgrade which suffered a series of delays due to the shipment



timeline is ongoing. Once concluded improved efficiency will lead to better yield from our Lagos factory operations and these will contribute immensely to our sales and profitability in 2023.

A World Class pharmaceutical manufacturing facility targeted to meet World Health Organisation (WHO) standards is being constructed at Amawbia, Anambra State. These expansion projects are aimed at boosting revenue and profits starting from the 2023 business year. The projects will not only sustain the upbeat performance of the Company but will give it a quantum leap into the league of global healthcare commodities manufacturers. The civil works for the Amawbia facility are ongoing. Perhaps in the course of the year, some of us will be encouraged to undertake a facility tour of this plant to see and apprise ourselves of the progress of work.

### **The Rights Issue**

In March 2022, at our 63rd Annual General Meeting, you were gracious enough to approve a hybrid offer to raise a total of N5 billion through a Rights Issue Of N3.7 billion and a Private Placement of N1.3 billion. The Rights Issue held between August and September 2022. I observed that many of us were not able to take up our Rights, due perhaps to the prevailing economic situation in the country. However, we have been able to realise the expected N3.7 billion through an underwriting arrangement with the Issuing House. I can assure you that the Securities and Exchange Commission (SEC) has approved the proceeds of the Rights Issue and the money is being judiciously applied in the expansion projects of the company.

### **Board Changes**

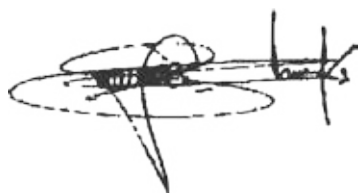
Dear Shareholders, I wish to inform you that Pharm. Matthew Obi Azoji, Managing Director /Chief Executive Officer having attained the statutory retirement age of the Company will exit the services of the Company with effect from June 5, 2023. He is currently on pre-retirement leave effective March 6, 2023. The Board has accepted his retirement and appreciates his excellent leadership role, strategic insights, and qualitative contributions to the growth of Neimeth. We wish him success in his future endeavours.

Pharm. Gerald Oputa has been appointed as the Acting Managing Director of the company in the interim. Pharm. Oputa who is working with an Interim Management Committee joined Neimeth as Executive Director, Sales, and Marketing in April 2022. He has a profound industry experience with leadership roles spanning over 20 years from leading pharmaceutical companies in Nigeria.

### **Conclusion**

Let me affirm to you that Neimeth remains on the right course. Our capacity to add value to your investment through dividends and capital gains have by no means diminished. I am confident that we shall return to profitability in the current business year and resume the payment of dividends.

Thank you and God bless.



**Dr. Ambrosie B. C. Orjiako (OFR)**  
Chairman, Board of Directors

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A professional portrait of Pharm G. I. Oputa, a middle-aged Black man with a shaved head and a light beard. He is wearing a dark navy blue pinstripe suit jacket over a light blue checkered shirt and a dark tie with a small white dot pattern. He is seated and looking slightly to his right with a calm expression. The background is a solid light blue with subtle geometric patterns.

“ We managed to keep financing costs at bare by avoiding short term commercial bank facilities during the year. So, Finance charges rose by 99 percent. But during the business year Neimeth commenced the repayment of two huge facilities from the Bank of Industry (BOI) and the Central Bank of Nigeria (CBN) which were received in 2020 to fund capital projects still in progress and yet to contribute to income. ”

**PHARM G. I. OPUTA**  
Acting Managing Director/CEO



***Permit me to draw from the protocols of the Chairman to welcome you all to the 64th Annual General Meeting of your company. I present to you the report of the stewardship of the Management for the just concluded business year. What I present is the synopsis of our activities in the year 2021/2022, which covers the 15 months of October 2021 to December, 2022. It is our transition period into the Calendar year cycle of January to December.***

While I share the challenges of our operating environment, I give no excuses for your unmet expectations but rather see same as motivation for greater work in the years ahead.

### **The Environment in which we operated in 2022**

At the inception of the business year, in the last quarter of 2021, there was a global economic recovery which was dictated by rising consumer demand and policy support from various governments. Average global consumer purchasing power improved by 0.66 points from 53.87 points to 54.53 points in Q3 to Q4, 2021, reflecting a global economic expansion, albeit slowly according to the Central Bank of Nigeria (CBN). However, supply versus demand imbalance, high energy and consumer prices continued to weigh down on economic activities. Inflationary pressures persisted and supply chain disruptions pushed up the costs of doing business and of living generally.

In Nigeria, economic recovery was rather sluggish up to the 4th quarter of 2021. However, Government's support to the agricultural sector helped to moderate food prices. Inflation dropped from 19.57 per cent in the 3rd quarter to 17.37 per cent in the 4th quarter of 2021. But rising demand for energy and household goods persisted and kept costs very high.

Given the way 2021 ended, growth prospects were very fragile for 2022, especially in the manufacturing sector. The sector was hard hit by cost escalation of input materials and ancillary services. This situation persisted through 2022 and is still with us.

Despite increasing oil prices in the international market, Nigeria could not benefit from improved oil revenue because of oil thefts which reduced official output drastically. In the first nine months of 2022, GDP rose 3.1 per cent little more than the annual population growth rate of 2.6 per cent. The Federal government efforts through the Strategic Revenue Growth Initiative (SRGI) designed to shore up non-oil revenue and improve external earnings had limited impact on the economy. Inflation surged to 21.1 per cent by October 2022 according to the Nigerian Bureau of Statistics (NBS). A minimum of 5 million more people were pushed into poverty between January and October 2022. Though, overall fiscal deficit contracted 21.9 per cent in January 2022, Public debt was very high driven mainly by net domestic claims on the federal government.

As if the vagaries of the economy were not enough, the nation's economic management seemed to have gone to sleep with the outbreak of election season by the second half of 2022. The uncertainties created by the general elections impacted negatively on business. Economic policies taken in much of the year were politicised. An example being the Naira redesign policy which was introduced towards the end of the 2022 business year. The aftermath of this policy strangled business and social activities as cash dried up. It was difficult for the workforce to report for duties because of the unavailability of cash to pay for transportation. This situation persisted through the first quarter of 2023 and is still with us.

The healthcare sector, especially pharmaceutical manufacturing sub sector went through a period of woes. Despite huge opportunities available in the local medicine production business, pharmaceutical manufacturers struggled to exist throughout 2022 on account of the import dependent nature of the industry.

### **High Cost of Doing Business**

Neimeth, like any other pharmaceutical manufacturer in Nigeria depends over 90 per cent on imported input, for both Actives and Excipients. This makes it imperative for us to source foreign exchange to settle overseas suppliers of input materials. Due to limited foreign exchange earnings by the federal government, sourcing forex through the Central Bank of Nigeria was like a camel passing through the eye of a needle. In many instances suppliers threatened to cut deliveries on account of unsettled invoices.

We relied on the unofficial window to settle accruing invoices from suppliers who were becoming impatient with the delays from the Central Bank system of foreign exchange remittances. On the average, our foreign



exchange cost for the year went above N600 per US\$ compared to the official exchange rate of just over N400. The CBN not only delayed in remitting approved forex, it also rationed allocations to manufacturers and other forex users thereby barely able to satisfy our requirements for forex.

Apart from forex, another major operational challenge in 2022 business year was high Energy Cost . The average retail price of Automotive Gas Oil (popularly called Diesel) changed from N224.86 per litre in January 2021 to N288.09 in January 2022. But between January and June 2022, the price of diesel skyrocketed by over 220 per cent. From an average price of N250 per litre in the first half of 2021 diesel prices went up to well above N800 per litre in the first half of 2022. While we bought a 33,000 litres of diesel for N7 million in 2021, we paid N26 million for the same quantity of the product in 2022.

### Our Performance

It was under this circumstance that we posted our results for 2022. We grew sales revenue by 20 per cent in 2022, with a total of N3.649 billion turnover compared to N3.046 billion in 2021. In 2021 we achieved a 7 per cent revenue growth over the prior year compared with the 20 per cent achieved in 2022. A five-year summary of revenue growth shows that we have attained 60.8 per cent growth between 2018 and 2022.

Year	Revenue	Growth (%)
2018	N2.269 bn	-
2019	N2.371 bn	4.5
2020	N2.839 bn	19.7
2021	N3.046 bn	7.29
2022	N3.649 bn	19.8

*Fig. 1 Graphic Illustration of Five Year Revenue History*

However, the high cost of doing business especially in sourcing foreign exchange for the procurement of input materials negatively affected our profitability. Gross profit slipped by 8 per cent at N1.33 billion in 2022 compared to N1.45 billion in 2021. A highly challenging situation, we battled with cost escalation through the year. The management had to apply several cost containment measures to reduce cost of sales from 59 per cent growth by the first nine months of 2022 to 45 percent at the end of the business year. Equally, the inflationary effects of the operating environment impacted marketing and distribution costs which went up 30 per cent to N755 million compared to N579 million in 2021 while administrative expenses grew by 52 percent from N513.9 million to N783 million. Finance cost increased by 99 percent from N188.2 million to N375 million in 2022. Saddled with these costs, the company wrote a loss after tax of N406 million for the 2022 business year.

So, within the five year history of 2018 to 2022, we were able to sustain profitability for four years, encountering a loss in 2022.

Year	Profit Before Tax	Profit After Tax
2018	N166m	N148m
2019	N304m	N220m
2020	N297m	N212m
2021	N365m	N271m
2022	- N388m	- N406m



### Finance Costs

We managed to keep financing costs at bare by avoiding short term commercial bank facilities during the year. So Finance charges rose by 99 percent. But during the business year Neimeth commenced the repayment of two huge facilities from the Bank of Industry (BOI) and the Central Bank of Nigeria (CBN) which were received in 2020 to fund capital projects still in progress and yet to contribute to income.

### Low Factory Output

We began an exercise to upgrade our Lagos factory in 2020. The Outbreak of COVID-19 and all the global lock-down measures affected the plans for the project. Machineries could not arrive as expected and technical associates suffered movement restrictions and were not readily available to offer required helping hands to manage necessary installations. The factory upgrade project dragged into the 2021/2022 business year. At the middle of the exercise, we were compelled to shut down some production lines to effect the required upgrade. In the process, we lost output in key product areas and were not able to supply our products to distributors and wholesalers on demand. This adversely affected sales and overhead absorption and consequently profitability.

### Business Segment performance

Despite the shortfall in production which impacted key products, our human pharmaceuticals segment put up a gallant showing with a 26.8 percent increase from N2.803 billion in 2021 to N3.555 billion in 2022, accounting for 97.4 percent of the total sales revenue of the company. The veterinary or animal health segment fell far short of budget expectation with a 61.4 percent drop in revenue from N243,195 million in 2021 to N93,863 million in 2022. We are seriously looking into this business segment which had immense opportunities with a view to revitalizing it by creating cash cow veterinary products.

Similarly, we were unable to do business within the West Coast of Africa. The fall out of the COVID-19 pandemic on our Economic Community of West African states (ECOWAS) business segment completely muted transactions. It is our hope to resuscitate this business as a precursor to our participation and taking advantage of the African Continental Free Trade Agreement which is already in operational but which the Nigerian pharmaceutical manufacturing sector has yet to grasp its opportunities.

### The Expansion Projects

The two expansion projects of the company are doing well. The Lagos factory upgrade is 95 per cent completed and we shall begin to see the contribution of this exercise in the current business year. Expectedly, our rehabilitated product lines are now running seamlessly especially with our portfolio of liquid preparations. Output from the Lagos factory is expected to increase by 250 to 300 per cent with the completion of the upgrade.

Our centenary project at Amawbia is fast gaining traction. Civil works have advanced beyond 50 per cent. We are taking cognisance of the international standards of the facility and the plans for current Good Manufacturing Practice (cGMP) from the World Health Organisation which must be taken into account right from this stage of civil works. Every step is being taken to achieve a World Class Manufacturing facility which will be the pride of Africa.

### **Research & Development (R&D)**

In pursuit of our corporate vision to be the leading innovative healthcare provider out of Africa, Neimeth is working on home grown medical solutions that will provide better management of medicines for African diseases. Our technical development unit is working on a number of new products not only to enlarge our product portfolio but also to position us as leaders in the African medicine manufacturing industry, in developing medicines in Africa fit for global consumption. We have in our kitty many therapeutic formulations that will provide solutions to several health challenges in Africa and beyond.

Currently, we have over 13 human pharmaceutical products undergoing the registration process with the National Agency for Food and Drugs Administration and Control (NAFDAC). About 25 other human pharmaceutical products have been finalized by our R&D department and will soon be submitted to NAFDAC for registration. Most of these products will be introduced into the market in the current business year and will contribute to both turnover and profit. Similar research attention is being paid to our animal healthcare segment and soon we shall begin to launch products in this area that promise to become market leaders.

### **Corporate Social Responsibility**

Despite the challenges of the business year, Neimeth did not forget its obligation to the society by offering a helping hand to individuals in need and the development of the communities in which she does business. During the 2022 business year, the company added more impetus to the now popular project of Fighting the Good Fight Against Hypertension (FITGAH) by offering free hypertension and blood sugar screening exercises to over 2,500 Nigerians at various centres across the country. Many of the beneficiaries of FITGAH in 2022 received free drugs for Hypertension management under the supervision of medical experts paid by the company.

The company also made substantial donation of drugs and personal care products to various groups and societies for health outreach programmes that impacted the lives of Nigerians. Working with civil society organisations Neimeth undertook medical outreaches across the federation with landmark lifesaving experiences.

### **Conclusion**

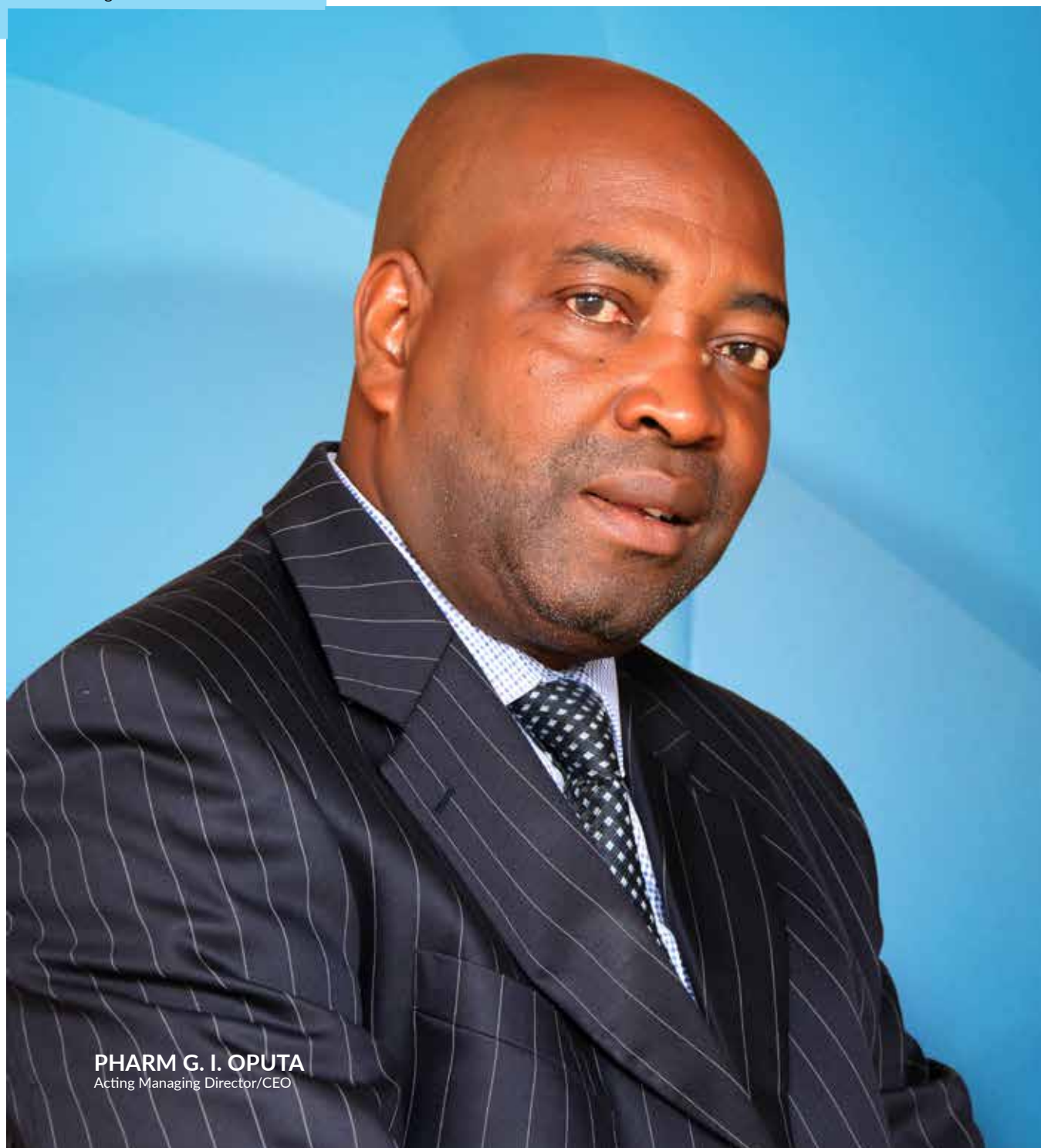
As I stated earlier, I take no liberty of offering excuses for the areas we have not met your expectations but offer you the confidence of the management that the future of Neimeth is bright. We can only prove this with our expected good results for the current business year. We are strategically focused in driving the company towards enhanced prosperity. The signals are already there.

May I thank the Board of Directors for its hand holding approach in directing us and assure you that your company is set to bounce back to profitability.

My appreciation also goes to the management and staff who are putting in their best to ensure we deliver good products to Nigerians and value to all stakeholders.



**Pharm. Gerald I. Oputa**  
Acting Managing Director/CEO



**PHARM G. I. OPUTA**  
Acting Managing Director/CEO



**Mrs. Temitayo O. Nelson**  
Executive Director - Finance



**Mr. Adekunle A. Adebowale**  
Director, Plant Operations



**Pharm. (Mrs.) Yvonne  
Adeleke-Fayose**  
Head, Quality Operations



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 Neimeth Plc

Neimeth International Pharmaceuticals Plc. is committed to the highest standards of corporate governance and strives to conduct its business in line with international best practices. The purpose of this report is to show how the affairs of Neimeth were directed in the course of the reporting year by the Board and to outline the corporate governance approach adopted.

The Board is accountable and responsible to the shareholders and other stakeholders for the performance of the Company's business. It defines the Company's strategic goals and ensures that the Company is well managed as it oversees and supports Management in its day-to-day running of the business.

The primary responsibility for ensuring good corporate governance in the Company lies with the Board, and it is dedicated to promoting the interest of shareholders and committed to ensuring that the Company meets the highest standards of performance and governance in conducting its business. It is this commitment to high ethical conduct and best practices that has necessitated the practice of regularly reviewing our governance processes in order to align them with applicable laws, rules and regulations in Nigeria, in particular, the Companies and Allied Matters Act (CAMA) 2020, The Nigerian Code of Corporate Governance 2018 (NCCG), The Corporate Governance Guidelines of The Nigerian Securities and Exchange Commissions (SCGG) and the rules of The Nigerian Exchange Limited. There was no contravention of any rules or regulations by the Company in the year under review, neither were there penalties or sanctions imposed on the Company.

## THE BOARD OF DIRECTORS

The Board is tasked with ensuring oversight and control over the Company's business to ensure protection of the interests of shareholders and other stakeholders as well as the overall prosperity of the Company. The Board at all times aspires to excellence in governance standards. In carrying out its responsibilities and duties as provided for in the applicable laws, rules and regulations, it is supported by the Company Secretariat, headed by the Company Secretary/Chief Compliance Officer who advises and gives guidance to the Board. The Board is also supported by members of the Executive Management Team to get appropriate information concerning the business. To aid board effectiveness, the Board works as a team and meets regularly. Board papers are circulated in advance of such meetings to ensure robust discussions and full participation in decision making. Where necessary, board members are entitled to obtain independent professional advice at the Company's expense.

To effectively perform its oversight function and monitor Management's performance, the Board is required to have a minimum of four (4) scheduled meetings every year. The record of meeting attendance of the Board and its Committees in the year under review is contained in this report.

## BOARD COMPOSITION

In line with relevant provisions the Board is of a sufficient size relative to the scale and nature of the Company's business. The Board is composed in such a way that ensures diversity of experience and inclusion irrespective of gender, disability, ethnicity, religion/belief and background amongst others, without compromising certain core competencies, experience, independence, compatibility, integrity, leadership, reputation and the ability to understand the Company's business.

In line with the Company's Board Diversity Policy, the composition of the Board allows for a balanced board as part of the essence of corporate governance. The Board collectively reflects the diverse nature of the business environment in which Neimeth operates and ensures its composition is in alignment with the strategic needs of the Company.

The Board comprises a mix of Executive and Non-Executive Directors, headed by a Non-Executive Director who provided leadership as Chairman of the Board. The majority of board members are Non-

Executives, one of which is an Independent Director. The Non-Executive Directors are independent of Management and exercise their judgment as Directors without any constraint.

## BOARD CHANGES

Since the last Annual General Meeting of the Company held on the 22nd of March 2022, there have been a couple of changes to the constitution of the Board. Pharm. Gerald Ijeoma Oputa joined the Board on the 1<sup>st</sup> of April 2022 as Executive Director, Sales and Marketing. Pharm. Gerald Oputa is a seasoned Pharmacist and comes with a wealth of experience.

Also, Pharm. Matthew Obi Azoji, the MD/CEO of the Company retired from the Board. Pharm. Azoji joined the Board on the 1<sup>st</sup> of February 2019 and contributed greatly to the growth of the Company. The Board is grateful for his service to the Company during his tenure and wishes him well in his future endeavors. Pending the appointment of a substantive MD/CEO, Pharm. Gerald Oputa was appointed Acting MD/CEO effective 6<sup>th</sup> March 2023.

Two other directors also joined the Board, in the persons of Dr. (Mrs.) Atinuke R. Uwajeh and Mr. Olusegun Emmanuel Akanji.

The Board remains effective and ably responsible for providing the required strategic leadership.

The Company's Articles of Association provides that the Company's Board shall consist of not more than thirteen directors. In the course of the 2021/2022 financial year, the Board comprised 11 Directors, 7 Non-Executive Directors and 4 Executive Directors.

## ROTATION OF DIRECTORS

In accordance with the Company's Articles of Association, Directors retiring from office by rotation and who will be eligible to seek re-election at the next AGM are Pharm. (Mrs.) Roseline A. Oputa, Prof. Elijah N. Sokomba and Mrs. Bashirat O. Odunewu. However, Prof. Elijah N. Sokomba and Mrs. Bashirat O. Odunewu will not be offering themselves for re-election. Pharm. (Mrs.) Roseline A. Oputa will be the only one offering herself for re-election.

## THE ROLE OF THE BOARD

The role of the Board is to provide leadership and strategic guidance for the Company. In addition to overseeing Management's implementation of Neimeth's strategic objectives, the Board is accountable to security holders for the performance of Neimeth's business.

The Board has adopted a Board Charter which sets out the roles, responsibilities, structure and processes of the Board.

### *Specific matters reserved for the Board or its Committees include:*

- Strategic direction of the Company and significant corporate strategic initiatives
- Determining strategic objectives and approving strategic plans;
- Composition of the Board and its Committees;
- Approval of top executive appointments and top management succession plans;
- Top management terms of employment;
- The appropriation and distribution of profits;
- Monitoring of information on major risks and exposures and final decisions regarding those exposures;
- Acquisitions, disposals, mergers and joint ventures;
- Major capital, organizational or corporate changes;
- Periodic and regular review of actual business performance relative to established objectives;

- Oversight of company operations;
- Remuneration of Executive Directors;
- Induction and training of new Directors;
- Approval of periodic and Annual Report and Accounts;
- Approval of Committee's Terms of Reference;
- Review of Company's Corporate Governance framework.

## **SEPARATION OF THE POSITION OF CHAIRMAN AND MANAGING DIRECTOR**

The positions of the Chairman of the Company and the Managing Director/CEO are occupied by separate persons. The Chairman provides overall leadership and direction for the Board and the Company, while the MD/CEO is responsible for the day-to-day running of the Company.

## **BOARD APPOINTMENT PROCESS**

The Board appointment process is as follows:

- Analysis of the requirements of the position in the case of an Executive Director
- Receipt of recommendations/nominations/applications by the Nomination Committee
- Background check along with the screening of nominee's CV to ensure appropriate balance of skills, experience and knowledge
- Evaluation of the candidates to be carried out through oral interview or other means  
(This evaluation and background check as mentioned above may be conducted by external consultants if considered appropriate)
- Shortlisted candidates to be reviewed by the Committee on a one-on-one basis
- Recommendations of the Committee shall be made to the Board through the Chairman
- A chat shall be conducted with the nominee(s) by the Chairman and other members of the Board if need be
- Appointment of successful candidates shall be ratified at the meeting of the shareholders.
- In the case of an Independent Director, the Board shall satisfy itself that the person proposed to be appointed fulfills the specified regulatory conditions and that the proposed Director is independent of the Management.
- Where there is disagreement among the interview panelists as to the success of a candidate, the majority view shall prevail.
- The appointment of a Director shall be formalized through a letter of appointment.

## **BOARD PERFORMANCE EVALUATION**

The Board is committed to a formal evaluation process of its performance, that of its committees and individual directors. The purpose of the evaluation is to ensure the Board, its Committees, and individual Directors are effective and productive and to identify opportunities for improvement.

The evaluation of the Board shall consider the mix of skills, experience, objectivity, competence of members of the Board, its diversity, knowledge of the Company and its strategic direction, attendance at meetings, how the Board works together and other factors relevant to its effectiveness.

The effectiveness of the Committees of the Board is reviewed and assessed as part of the evaluation exercise and relevant changes to Committee composition and strength are made where need be, to ensure the Committees are supporting the Board effectively.

The annual evaluation of the MD/CEO is by the Board through the Board Establishment & Remuneration Committee, while the MD/CEO performs the annual evaluation of the Executive Directors based on agreed criteria or performance indicators.



This process is externally facilitated by an independent external consultant at least once in three years. For the year under review, the Company did not engage the services of external facilitators. The last external evaluation was conducted in 2021.

## **BOARD TRAINING**

The Board is committed to evolving a continuing education programme to ensure existing Directors are up-to-date with the Company's business and objectives as well as relevant industry information and other external information such as corporate governance requirements and best practices.

## **RISK MANAGEMENT POLICIES AND PRACTICES**

The Risk, Health & Quality Assurance Committee and the Finance & Budget Committee of the Board are charged with the responsibility of reviewing the adequacy and effectiveness of risk management and controls, overseeing Management processes for the identification of significant risks across the Company and the adequacy of prevention, detection and reporting mechanisms. The Committees are also responsible for ensuring periodic review of changes in the economic and business environment, including emerging trends, and other factors relevant to the Company's risk profile, as well as reviewing and recommending for the approval of the Board, risk management procedures and controls for new products and services. Management provided assurances to the Board during the year under review that the risk management and control systems in the Company are operating efficiently and effectively. These assurances are examined critically by the relevant Committees at their scheduled meetings and their findings are reported to the Board.

## **CODE OF BUSINESS ETHICS**

At Neimeth, it is believed that success at the expense of the Company's reputation will be short-lived, thus a Code of Ethics and Professional Conduct has been adopted to ensure an image of good behavior. The Code is intended as a guide in making the right decisions and sets out the principles that affect decision making, as well as expected standards of behavior and ethical responsibilities of the Employees, Management and Directors of Neimeth. It also serves as a guide on conduct suitable for representatives of the Company. This Code addresses responsibilities to the Company, staff, customers, suppliers, consumers and the government, and is designed to ensure consistency in how employees conduct themselves within the Company and in their dealings outside of the Company.

The Code deals with a wide-range of topics such as Fair Employment Practices, Anti-Bribery and Improper Payments, Money Laundering & Financing of Terrorism, Intellectual Property, Quality, Privacy, Conflict of Interest and Ethical Standards for Directors of the Board.

## **RECORD OF DIRECTORS' ATTENDANCE**

In accordance with Section 284(2) of the Companies and Allied Matters Act 2020, the record of Directors' attendance at Board meetings during the year is available for inspection at the Annual General Meeting. The meetings of the Board were presided over by the Chairman. Written notices of Board meetings were circulated along with relevant Board papers, and records of meetings were appropriately captured by the Company Secretariat team.

## **BOARD MEETINGS**

The Board met at least once every quarter as scheduled. However, it met a total of five times within the year under review. Meeting dates and attendance of each Director is reflected below.

S/ No.	Members	Status	Meetings					
			31 <sup>st</sup> Jan. 2022	28 <sup>th</sup> April 2022	28 <sup>th</sup> July 2022	12 <sup>th</sup> Oct. 2022	27 <sup>th</sup> Oct. 2022	No. of Meeting Attended
1.	Dr. A. B. C. Orjiako	Non-Executive Director/ Chairman	✓	✓	✓	✓	✓	5
2.	Pharm. M. O. Azoji	Executive Director/MD/ CEO	✓	✓	✓	✓	✓	5
3.	Mazi S. I. Ohuabunwa	Non-Executive Director	✓	✓	✓	✓	✓	5
4.	Prof. M. M. Iwu	Non-Executive Director	✓	✓	✓	✓	✓	5
5.	Prof. E. N. Sokomba	Non-Executive Director	✓	✓	✓	✓	✓	5
6.	Sir I. T. Onyechi	Non-Executive Director	✓	✓	✓	x	✓	4
7.	Mr. T. T. Osobu	Non-Executive Director	✓	✓	✓	✓	✓	5
8.	Mrs. B. O. Odunewu	Independent Non- Executive Director	✓	✓	✓	✓	✓	5
9.	Pharm. (Mrs.) R. A. Oputa	Executive Director	✓	✓	✓	✓	✓	5
10.	Mrs. T. O. Nelson	Executive Director	✓	✓	✓	✓	✓	5
11.	Pharm. G. I. Oputa	Executive Director	N/A	✓	✓	✓	✓	4

\*N/A – Not a member of the Board at the time of the meeting.

## BOARD COMMITTEES

The Board has committees through which its duties and responsibilities are undertaken, as spelt out in each committee's terms of reference. Committees are free to seek independent professional advice at the expense of the Company, subject to the approval of the Board.

The Board has the following Committees:

### Finance & Budget Committee

This Committee serves as the Internal Audit Committee of the Board. It was a three-man committee in the year under review and consists of only Non-Executive Directors as members. However, its meetings are attended by relevant members of the senior management of the Company, inclusive of the Executive Director Finance and the MD/CEO.

The function of the Committee is to assist the Board in fulfilling its financial oversight responsibilities in monitoring Management's administration of Neimeth in the under-listed matters:

- Financial sustainability;
- Feasibility and suitability of strategic financial decisions;
- Periodic corporate financial health checks;
- Operating, capital budgets and business planning;
- Review of quarterly unaudited financial statements and annual audited financial statements;
- Capital expenditure (CAPEX) requirements including freehold/leasehold properties, plant and equipment; control of fixed asset and stock;
- Corporate financing, treasury management, banking relations, corporate account signatories' designation, borrowing and investments requirements;
- Contracts, agreements, commercial arrangements and financial risk management oversight.

Investments and capital expenditure including borrowing limits and authorization are agreed with the Board.

The Committee met six times during the financial year to discuss issues related to its Terms of Reference. Meeting dates and attendance of each member are reflected below.

S/No.	Members	Status	Meetings						
			19 <sup>th</sup> Jan. 2022	25 <sup>th</sup> Jan. 2022	4 <sup>th</sup> Feb. 2022	21 <sup>st</sup> April 2022	10 <sup>th</sup> May 2022	21 <sup>st</sup> July 2022	No. of Meetings Attended
1.	Mrs. Bashirat O. Odunewu	Chairman	✓	✓	✓	✓	✓	✓	6
2.	Sir. I. T. Onyechi	Member	✓	✓	✓	✓	✓	✓	6
3.	Mr. T. T. Osobu	Member	✓	✓	✓	✓	✓	✓	6

### Establishment and Remuneration Committee

The Committee is a four-man committee, consisting of three Non-Executive Directors and one Independent Non-Executive Director.

The Terms of Reference of the Committee include:

- Review of overall performance of staff;
- Review of overall welfare of staff;
- Review and recommendation of remuneration and compensation for staff with performance target;
- Review of Human Resource policies and procedures, and make recommendations to the Board;
- Review existing disciplinary actions and procedures;
- Review and make recommendations to the Board on the organizational structure of the Company.
- Ensure a robust succession plan for the Company;
- Review and make recommendations on the Remuneration Policy for Directors and Senior Management;
- Review adequacy of skills, talents and competencies of staff and make recommendation to the Board.

The Committee met six times during the financial year to discuss issues related to its terms of reference. Meeting dates and attendance of each Director are reflected below.

S/No.	Members	Status	Meetings						
			18 <sup>th</sup> Jan. 2022	22 <sup>th</sup> April. 2022	19 <sup>th</sup> July 2022	22 <sup>nd</sup> July 2022	5 <sup>th</sup> Oct. 2022	14 <sup>th</sup> Oct. 2022	No. of Meetings Attended
1.	Mazi S. I. Oluabunwa	Chairman	✓	✓	✓	✓	✓	✓	6
2.	Mrs. B. O. Odunewu	Member	✓	✓	x	x	✓	✓	4
3.	Prof. E. N. Sokomba	Member	✓	✓	✓	✓	✓	✓	6
4.	Mr. T. T. Osobu	Member	✓	✓	✓	✓	✓	✓	6

### Innovation and Strategy Committee

Neimeth has as one of its core values-Innovation, as this is crucial to the continuing success of any organization. The scope of work of the Board Innovation and Strategy Committee is thus to advise the Board of Directors on required innovations for the continuing growth and profitability of the Company, as well as strategies to achieve set objectives.

The Terms of Reference of the Committee are broadly divided into:

- Providing direction on the Company's research and development programme;

- Reviewing the strategic plan of the Company and the effectiveness of its operational plan in accomplishing the vision and mission of the Company.

The Committee is made up of four Non-Executive Directors, and they met four times during the 2021/2022 financial year. Meeting dates and attendance of each Director are reflected below.

S/No.	Members	Status	Meetings				
			14 <sup>th</sup> April 2022	27 <sup>th</sup> April 2022	6 <sup>th</sup> July 2022	27 <sup>th</sup> Oct. 2022	No. of meetings Attended
1.	Prof. M. M. Iwu	Chairman	✓	✓	✓	✓	4
2.	Mazi S. I. Ohuabunwa	Member	✓	✓	✓	✓	4
3.	Sir I.T. Onyechi	Member	✓	✓	✓	✓	4
4.	Mr. T. T. Osobu	Member	✓	✓	✓	✓	4

### Corporate Governance and Compliance Committee

The Committee during the year under review was made up of four Directors, three Non- Executive Directors and one Independent Non-Executive Director. The Committee is responsible for monitoring, reviewing and enhancing the Corporate Governance practices of the Company.

The Terms of Reference of the Committee include:

- To address all corporate governance issues in order to ensure compliance;
- To review the corporate governance practices of the Company and ensure that they are up-to-date and in compliance with relevant regulatory and legal provisions and best practices;
- To establish the criteria for board and board committee memberships, review candidates' qualifications and any potential conflict of interest, assess the contribution of current directors in connection with their re-nomination and make recommendations to the Board;
- To periodically evaluate the skills, knowledge and experience required on the Board;
- To make recommendations on experience required by Board committee members, committee appointments and removal, operating structure, reporting and other committee matters;
- To ensure that the Board conducts a Board evaluation on an annual basis and
- To make recommendations to the Board on any changes as necessary to the corporate governance practices of the Company.

The Committee met four times during the year under review. Meeting dates and attendance of each member are reflected below.

S/No.	Members	Status	Meetings				No. of meetings Attended
			25 <sup>th</sup> Jan. 2022	22 <sup>nd</sup> April 2022	7 <sup>th</sup> July 2022	6 <sup>th</sup> Oct. 2022	
1.	Mr. T. T. Osobu	Chairman	✓	✓	✓	✓	4
2.	Prof. M. M. Iwu	Member	✓	✓	✓	✓	4
3.	Prof. E. N. Sokomba	Member	✓	✓	✓	✓	4
4.	Mrs. B. O. Odunewu	Member	x	✓	✓	✓	3

### Risk, Health and Quality Assurance Committee

This Committee was constituted of five Directors during the year under review, four Non-Executive Directors and one Executive Director. However, its meetings were attended by the Internal Auditor and other relevant



members of the Senior Management of the Company. The Committee is responsible for assisting in the oversight of the risk profile, risk management framework and the risk reward strategy determined by the Board.

The Terms of Reference of the Committee include to:

- Review and approve the Company's risk management framework, including risk appetite and risk strategy;
- Ensure risk management is integrated into the day-to-day operations of the business and provide guidelines and standards for administering the acceptance and on-going management of the risk;
- Undertake at least annually a thorough risk assessment covering all aspects of the Company's business;
- Obtain and review relevant periodic reports to ensure on-going effectiveness of the Company's risk management framework;
- Ensure the Company's risk management policies are disclosed in the annual report;
- Review the adequacy and effectiveness of risk management and controls;
- Oversee management processes for the identification of significant risks across the Company and the adequacy of prevention, detection and reporting mechanisms;
- Ensure periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the Company's risk profile;
- Review and recommend for the approval of the Board, risk management procedures and controls for new products and services;
- Review Neimeth's level of compliance with applicable laws and regulatory requirements including those that may impact Neimeth's risk profile;
- Receive reports from, review with, and provide feedback to Senior Management on the categories of risk that Neimeth faces, the exposures in each category, significant concentrations within those risk categories, the metrics used to monitor the exposures and management's views on the acceptable and appropriate levels of those risk exposures;
- Review Neimeth's credit, market, liquidity and operational risk management frameworks, including significant policies, processes and systems that senior management uses to manage risk exposures, as well as risk measurement methodologies;
- Review procedures and controls for any new business acquired or developed by Neimeth;
- Receive Information from appropriate sources, regarding matters relating to risk management;
- Exercise oversight over the process for the identification and assessment of risks across the Company, and the adequacy of prevention, detection and reporting mechanisms;
- Review the adequacy and frequency of risk reporting to the Board;
- Evaluate the effectiveness of Neimeth's policies and systems for identifying and managing environmental, health and safety risks within its operations;
- Assess the policies and systems within Neimeth for ensuring compliance with environmental, health and safety regulatory requirements etc.;
- Evaluate the effectiveness of Neimeth's policies and systems for identifying and managing quality assurance risks within its operations;
- Assess the policies and systems within Neimeth for ensuring compliance with quality assurance regulatory requirements etc.

The Committee met four times during the year under review. Meeting dates and attendance of each Director are reflected below.

S/No.	Members	Status	Meetings				
			19 <sup>th</sup> Jan. 2022	13 <sup>th</sup> April 2022	14 <sup>th</sup> July 2022	13 <sup>th</sup> Oct. 2022	No. of meetings Attended
1.	Sir I. T. Onyechi	Chairman	✓	✓	✓	✓	4
2.	Mazi S. I. Ohuabunwa	Member	x	x	✓	✓	2
3.	Prof. E. N. Sokomba	Member	✓	✓	✓	✓	4
4.	Mrs. B. O. Odunewu	Member	✓	✓	x	✓	3
5.	Mrs. T. O. Nelson	Member	✓	✓	✓	✓	4

### **Executive Search Committee**

The Executive Search Committee of the Board is a committee set up to carry out specific responsibilities. The Committee is responsible for the search and selection of members of the Board. It also deals with matters pertaining to selection of members of executive management and reports to the Board.

The Committee met a couple of times in the year under review to conduct interviews to fill vacancies on the Board and executive management. Members of the Committee are:

- Prof M. M. Iwu – Chairman
- Sir I. T. Onyechi – Member
- Mazi S. I. Ohuabunwa – Member

### **Amawbia Project Committee**

This is an ad-hoc committee of the Board, set up for the special purpose of advising on and overseeing the construction of the new cGMP compliant manufacturing plant for NCP liquid antiseptic and oral liquid line in Amawbia, Anambra State.

The Committee is made up of Non-Executive Directors. Meeting dates and attendance of each Director are reflected below.

S/No.	Members	Status	Meetings						
			22 <sup>nd</sup> Feb. 2022	22 <sup>nd</sup> March. 2022	27 <sup>th</sup> April 2022	17 <sup>th</sup> June 2022	26 <sup>th</sup> July 2022	24 <sup>th</sup> Aug. 2022	No. of Meetings Attended
1.	Sir I.T. Onyechi	Chairman	✓	✓	✓	✓	✓	✓	6
2.	Mazi S. I. Ohuabunwa	Member	✓	✓	✓	✓	✓	✓	5
3.	Mrs. B. O. Odunewu	Member	✓	x	✓	✓	x	✓	3
4.	Mr. T. T. Osobu	Member	x	x	✓	x	✓	✓	6
5	Prof. M. M. Iwu	Member	✓	✓	✓	✓	✓	✓	6

### **Statutory Audit Committee**

In accordance with section 404(3) of the Companies and Allied Matters Act 2020, the Statutory Audit Committee comprised five members during the year under review, three Shareholders representatives and two Board representatives. The following members and Directors were elected and nominated at the 2022 Annual General Meeting (AGM) and will serve on the Committee up to the conclusion of year 2023 Annual General Meeting. The functions of the Committee are provided in section 404(7) of the Companies and Allied Matters Act 2020.

Members of the Committee with meetings attended are as below.

S/No	Members	Status	Meetings						
			24 <sup>th</sup> Jan. 2022	3 <sup>rd</sup> March 2022	10 <sup>th</sup> May 2022	25 <sup>th</sup> July 2022	25 <sup>th</sup> Oct. 2022	14 <sup>th</sup> Dec. 2022	No. of Meetings Attended
1.	Dr. M. O. Ojinka	Chairman/ Shareholder Representative	✓	✓	✓	✓	✓	✓	6
2.	Alhaji M. I. Jinadu	Shareholder Representative	✓	✓	✓	✓	✓	✓	6
3.	Aare K. A. Danjuma	Shareholder Representative	✓	✓	✓	✓	✓	✓	6
4.	Mr. T. T. Osobu	Board Representative	✓	✓	✓	✓	✓	✓	6
5	Mazi S. I. Ohuabunwa	Board Representative	✓	✓	✓	✓	✓		6

## DISCLOSURE OF AGE

Prof. Elijah N. Sokomba, in compliance with section 278(1) of the Companies and Allied Matters Act 2020, hereby discloses to the members of the Company that he is over 70 years of age.

Similarly, Mr. Thomas T. Osobu, Mazi Samuel I. Ohuabunwa and Prof. Maurice M. Iwu hereby disclose that they are over 70 years of age.

## UNCLAIMED DIVIDEND

Total unclaimed dividend fund in the Company stood at approximately N41,160,218.15 as at 31<sup>st</sup> December 2022. Shareholders are strongly advised to contact the Company Registrar or the Company Secretary to retrieve their unclaimed dividends.

## RELATIONS WITH SHAREHOLDERS

Neimeth International Pharmaceuticals Plc. respects the rights of its Shareholders and believes that it is important for the Board of Directors and Management to have direct regular and constructive engagement with them in order to allow and encourage open dialogue. It is believed that constructive engagement with shareholders can provide valuable insight that will assist the Board in maintaining the high standards of governance to which the Board is committed. The Company has therefore adopted a Shareholders Engagement Policy to facilitate regular engagement between Shareholders and the Company in such a way that Shareholders' needs, interests and expectations are balanced with the objectives of the Company.

The Company remained committed to the sustenance of appropriate engagement with its shareholders during the year under review and maintained good level of communication and made regular disclosures through the Issuer's portal of the Nigerian Exchange Limited and the Company website.

## COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Company is committed to complying with the Nigerian Code of Corporate Governance 2018 (NCCG/ the Code) and the Corporate Governance sectoral Guidelines of the Securities and Exchange Commission (SCGG/the Guidelines) The Board of Directors under its leadership, ensures that the Company's business and corporate practices are guided by the Code, all relevant rules and regulations and best practices. However, compliance is a continuum and by virtue of the annual reporting on compliance with the NCCG 2018 and reporting on the SCGG (Revised Form 01) submitted to the

Financial Reporting Council and relevant Regulators, the progress of the Company in complying with the provisions of the Code and Guidelines is monitored. These reports are available on the Issuer's Portal of the Nigerian Exchange Limited and the Company website.

During the year under review, the Board approved several frameworks and policies in its bid to enhance its corporate governance practices. The Board remains committed to improving on the Company's compliance level with the Code and SCGG, until a position of total compliance is attained.

### **CORPORATE GOVERNANCE RATING**

The Company has made a lot of progress in complying with Corporate Governance principles, thus its certification as a Corporate Governance Rated Company through the Corporate Governance Rated System (CGRS) of the Convention on Business Integrity (CBI) in conjunction with the Nigerian Exchange Limited.

### **SECURITIES TRADING POLICY AND DEALING IN THE COMPANY'S SHARES**

In compliance with the Nigerian Exchange Limited's (NGX) Issuers' Rules, Neimeth International Pharmaceuticals Plc has established a Securities Trading Policy which applies to all its Directors and employees that may possess any inside or material information about the Company.

The Policy is designed to ensure compliance with the Issuers' Rule with respect to dealings in the Company's shares and to ensure that no Insider and their connected persons trade in Neimeth's products during closed periods.

The Company notifies the NGX of its Closed Periods and informs its Insiders of the commencement of a closed period. The Company made inquiries from its Insiders and is not aware of any non-conformity with relevant Rules or Regulations during the year under review. The Company's Security Trading Policy is available on the Company's website ([www.neimethplc.com.ng](http://www.neimethplc.com.ng))



### **REMUNERATION POLICY**

Neimeth has established a Remuneration Policy for the Board and Executive Management Team. The Company's remuneration framework is aimed at attracting, retaining and motivating the best talents to achieve the strategic objectives of the Company. Neimeth aims to set the remuneration of the Board and Management at levels which are fair and competitive.

### **DIRECTOR TENURE POLICY**

Neimeth has developed a Director Tenure Policy that sets out the approach of the Company to term limits and tenure of Non-Executive Directors. In determining the tenure of the Non-Executive Directors, the Board has considered the need for continuous refreshing of the Board.

The Board's policy is that each Non-Executive Director shall retire from the Board by not standing for re-election at the next Annual General Meeting of the Company's shareholders following the earliest of his or her 15<sup>th</sup> anniversary on the Board as a Non-Executive Director, his or her 75<sup>th</sup> birthday or in a case of incapacitation. The Board in its absolute discretion may however determine that it is in the best interest of the Company and its shareholders to extend the Director's tenure for an additional period of time.



In line with the Company's Director Tenure Policy, Prof. E. N. Sokomba having reached the retirement age of 75 years prescribed by the Policy has notified the Board of his intention to retire from the Board. He will therefore not be seeking re-election.

### **CONFLICT OF INTEREST POLICY**

Neimeth has formulated and adopted a Conflict of Interest Policy to regulate and guide the Board, individual directors and employees of the Company in conflict of interest situations. These are situations/activities that interfere or conflict with the conscientious performance of their duties and may involve damage to or misuse of the Company's name, trademarks, products, property, reputation, goodwill, confidential information or other resources. When a director or employee is engaged in carrying out a task on behalf of the Company and that director or employee has a factual or potential private interest in the outcome of the task, which is contrary to the best interests of the Company or is substantial enough to affect the director or employee's unbiased judgment, the Company expects the director or employee to disclose this as appropriate.

### **WHISTLE-BLOWING POLICY**

Neimeth has a Whistle Blowing Policy which establishes a mechanism and channel for the Company's employees and relevant stakeholders to raise concerns about any aspect of the Company's business, and report any illegal or substantial unethical behavior in such a confidential manner that allows the Company to investigate the report and take necessary action in consonance with relevant regulations. The Policy also aims to encourage a culture of openness and accountability and sets out a broad framework that seeks to encourage stakeholders to safeguard the Company's interest by voicing concerns that may adversely affect the Company.

### **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

It is the commitment of Neimeth to conduct its business in an honest and ethical manner. For this reason, the Company takes a zero-tolerance approach to bribery and corruption. The Company does not take part in acts of corruption or pay bribes either directly or indirectly. The Company prohibits its employees from engaging in acts of corruption, and from paying bribes or accepting bribes from, public officials and private individuals such as the personnel of companies with which the Company engages in business relationship. The Company's Anti-bribery & Corruption Policy in conjunction with the Company's Code of Ethics and Professional Conduct provide detailed guidelines on gifts and hospitality.

### **ENTERPRISE RISK MANAGEMENT POLICY FRAMEWORK**

Every business exists to provide value for its stakeholders and all businesses face uncertainty. The challenge is to determine how much uncertainty the Company will accept as it strives to grow stakeholders' value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance value. Enterprise Risk Management enables Management to effectively deal with uncertainty and associated risk and opportunity, thereby enhancing the capacity to build value. Some risks are accidental and unforeseen, while others can be anticipated and planned for the purpose of mitigation. Neimeth's Risk Management Policy Framework defines and formalizes Neimeth's approach to the oversight and management of material business risks. All material business risks must be identified and managed by a process of risk assessment aligned with Neimeth's Enterprise Risk Management Framework.

The objectives of the Policy Framework include to provide a systematic approach to early identification and management of risks, formulate and adopt risk mitigation strategies that are cost

effective and efficient in reducing risk to an acceptable level, monitor and review risk levels to ensure that risk exposure remains within an acceptable threshold and create good corporate governance practices amongst others.

### **COMPLAINTS MANAGEMENT POLICY**

In accordance with the Securities and Exchange Commission Rules (SEC Rules) relating to the Companies Management Framework of the Nigerian Capital Market (the Framework) and the Nigerian Exchange Directive (NGX Directive), Neimeth International Pharmaceuticals Plc has established a clearly defined and transparent Complaints Management Policy to handle and resolve complaints within the scope of the Framework.

This Policy is designed to effectively and efficiently handle and resolve complaints in a fair, impartial, timely and objective manner.

All Complaints shall be addressed to:

**The Company Secretary**

**Neimeth International Pharmaceuticals Plc.**

**16, Akanni Doherty Layout (Billings Way), Oregun Industrial Estate. Oregun.**

**P.M.B. 21111 Ikeja, Lagos State. Telephone: +234 815 842 2346, 08033128663**

**E-mail: [info@neimethplc.com.ng](mailto:info@neimethplc.com.ng), [companysecretary@neimethplc.com.ng](mailto:companysecretary@neimethplc.com.ng)**

This Policy is available on the Company's website ([www.neimethplc.com.ng](http://www.neimethplc.com.ng))

# Obron-6<sup>®</sup>

ENRICHED MULTIVITAMINS  
AND MINERALS ESSENTIAL  
FOR NURSING MOTHERS AND  
MOTHERS-TO-BE

plus iron



*...healthy mother, healthier baby.*

- Before Pregnancy
- During Pregnancy
- During Breastfeeding
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**Neimeth International Pharmaceuticals Plc**

16, Billings Way Oregon, P.M.B 21111, Ikeja, Lagos State, Nigeria

Customer Satisfaction Line: 0903252202

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 Neimeth Plc

Neimeth International Pharmaceuticals Plc, formerly known as Pfizer Products Plc was established in 1957. It is a resultant Company of the successful Management-Buy-Out of the 60% equity holding of Pfizer Inc New York, USA in Pfizer Products Plc. This Management-Buy-Out took place in May 1997 when Pfizer Inc in pursuit of its global re-positioning strategy, divested its equity in Pfizer Products Plc in favour of the existing management.

Prior to the name change, Pfizer had operated in Nigeria for 40 years, manufacturing, marketing, and distributing Pfizer brands of pharmaceutical and veterinary products in tablets, capsules, ointment/cream, powder, injectable and oral liquid forms. During the 40-year period (1957-1997), the company established the first Pharmaceutical Manufacturing plant in Nigeria at Aba, which was destroyed during the Nigerian civil war. It then set up and opened the most modern pharmaceutical plant in the West African sub-region in 1976 at Oregun, Lagos. These represent great milestones for a company that started as a trading venture in 1957 at a location in Ebute-Metta, Lagos.

### **VISION STATEMENT**

To be the leading innovative healthcare provider out of Africa

### **MISSION STATEMENT**

To promote healthy confident living

### **CORE VALUES**

Customer Delight, Innovation, Integrity, God Consciousness, Leadership, Community, Teamwork

### **NEIMETH SALES AND MARKETING DEPARTMENT AND PRODUCTS SALES DEPARTMENT**

The scope of Neimeth sales operations cover both Human pharmaceutical and veterinary markets and the departmental objective is to sustain business growth through improved sales performance and business expansion via exploration of new opportunities.

To effectively perform and efficiently compete in the very dynamic indigenous and regional markets, Neimeth's sales and marketing operational objectives have been aligned with a focus-driven business structure split into three distinct segments namely: (1) Human Pharmaceuticals (segmented under Ethical and Healthcare products), (2) NCP Merchandizing Unit and (3) Veterinary Business unit.

These are all configured into territorial markets for ease of management and control. Each business unit is independently managed by Heads of Business who have been mandated to run the units as business entities, managing their Profit and Loss accounts.

A functional description of each unit is described as follows:

### **HUMAN PHARMACEUTICALS**

#### **i ETHICAL PRODUCTS**

The focus here is PRESCRIPTION ONLY MEDICINES (POM) and managed by Medical Sales Representatives whose responsibility is to detail our products across hospital and other non-prescription channels to drive volume. These category of products require a Clinicians' prescription for the user/patients to gain access to their medication. The sales of this category of products is driven primarily by demand generation through various marketing activities directed towards health care practitioners. Products in this category cannot be freely advertised in open and lay media but can be advertised in select Medical and Pharmaceutical journals/ magazines. This restriction diverts emphasis to one-on-one contact with the target audience who are usually brand influencers prescribing for final users. The Ethical brands include our flagship home grown product CIKLAVIT® for the management of sickle cell disorder. Other products in the portfolio include Normoretic, Flexodene, Tiocosid, Amlovar, Norduet, Co-amoxiclav range and others which are branded generics.

#### **ii. HEALTHCARE PRODUCTS**

This are Pharmaceutical products that can be sold off the shelf without prescription, categorized as Over-The-Counter (OTC) Medicines and managed by Medical Sales Representatives whose responsibility is to detail all our products across prescription and non-prescription channels. Products in the category can be advertised in open media such as Television, Radio & Billboards. For these products, Field force marketing activities encompass demand generation through Clinical meetings, Doctor & Pharmacy calls



and others. The plethora of advertising mediums facilitate the targeting of Prescribers, Brand influencers as well as final consumers. The Healthcare brands include high volume products like Pyrantrin, Obron 6, Homtamin G, Nimartem and others. This business unit grew by 37% in 2021/2022 financial year with a major contribution by the Pyrantrin brand which achieved 123% of budget, grew by 53% and sold N1.275, 458,926.78, highlighting its potential as a multi-billion Naira brand.

### iii NCP MERCHANDISING UNIT

This unit focuses on the expansion of NCP usage and its penetration pan Nigeria through widespread distribution and sales of NCP range of products beyond Pharmaceutical channels such as Patent medicine dealers, Super & Hyper markets, Homes, Trade fairs and everywhere consumers exist. NCP, a key Neimeth volume driver, is a unique user friendly brand of Antiseptic and Disinfectant with diverse usage profile. In pursuance of our objective to entrench NCP in 30 million Nigerian homes, the Merchandising Unit represents a formidable growth arm for the Company and a viable platform for the promotion of NCP's relevance in personal and environmental hygiene in every Nigerian home. Moreover, NCP's relevance is further entrenched as the global need to curtail the spread of diseases through personal and environmental hygiene practices continues to grow.

### iv VETERINARY BUSINESS UNIT

Neimeth in 1997 re-entered the lucrative Nigerian Animal Health business, which has very robust volume and profit potentials. We introduced our own brands of poultry and large animal range of anthelmintics, as well as egg production enhancing formulation. We also entered into strategic alliances in key disease areas that show great business potentials. Plans are underway to regain a controlling market share in a few years. In 2023, plans have reached advanced stages to introduce new imported veterinary products such as injectables, solid dosage forms and pack extensions to boost the overall Veterinary business which has huge potentials the market continues to look inwards for a majority of their veterinary needs/supplies.

## MARKETING DEPARTMENT

The Marketing Department provides the much needed demand framework for the actualization of our annual budgets through various demand and awareness support to the Business units in achieving their sales goal. The Marketing Department is led by the Head of Marketing and supported by Product/Marketing Managers. The transition from a Sales to a Marketing led organization is a key driver to sustaining the current business model. Marketing focuses on the key initiatives both at the corporate level and at the product/brand management level.

The Marketing Department in line with management expectations aligns her plans to that of the Company's objectives which include, increasing revenue generation, improving ROI at low cost, development of company's own brands, increasing company overall product portfolio and deepening market penetration by opening up new channels. Corporate Marketing and Product Branding are two key strategic elements engaged in driving these objectives. Corporate marketing helps to build strong corporate and brand equity for the Company through corporate social responsibility engagements with key stakeholders.

Product portfolios are categorised for direct management by Product/Marketing Managers providing the platform for each product to receive adequate attention for the purpose of business growth through product development, product portfolio expansion etc. The Marketing Department provides knowledge-based support to the sales team across business units by providing strategic directions for product demand generation and sales. Some of these include, developing brand plans, developing content for clinical meetings, marketing materials and other related knowledge based supports to aid sales.

Here, various aspects of the products are considered for proper positioning, demand generation, advertisement and promotions. Certain major tools such as marketing research, demand generation, advertising & promotional campaign tools and business development tools are deployed in meeting up with the objectives for any given year.

*Some key Activities of the Marketing Department in the out gone year include:*

#### **1. Resuscitation of the Pyrantrin Schools Deworming Programme**

The 2022 budget expectation on Pyrantrin as the highest volume driver in the company necessitated an appropriate Marketing action to help to drive the budget actualization objectives in the year under review and beyond. To this end, the Pyrantrin schools Deworming scheme, a key strategy aimed at engendering

and sustaining enthusiasm in children and endearing them to the idea of deworming was revived, while not focusing only on Pyrantrin alone, but also on Unaben (our brand of Albendazole), another deworming agent. The scheme which was put in place to operationalize and drive the vision saw deworming activities spreading to Oyo and Ekiti States. No wonder Pyrantrin achieved 123% of budget and grew by 53%.

## 2. Obron 6 Hospital Activation

A major activity in 2022 was the Obron-6 Hospital activation programme in Primary Health Centres, General Hospitals, Private hospitals and Maternity Centres Pan Nigera. The programme which in 2021 had a target to reach 27,360 mothers by November 2021, and surpassed the target by 178%, reaching 48,820 mothers, continued into 2022 with impressive results. The activation was supported with massive Radio and TV campaigns on regular radio and TV stations as part of the total campaign efforts.



Obron 6 Hospital Activation, Kaduna

## 3. Neimeth Distributors Meeting

In line with one of our core values which is Customer Delight, Neimeth held a Distributors meeting regionally in Lagos/West, East and the North to appreciate customers for their patronage in 2022 and focus on greater expectations in 2023.

After fruitful interactions between both parties in different regions, gifts were presented to appreciate them for honouring the invitation.

The actual incentives they earned in the out gone year will also be awarded to them.

Below are some of the Distributors receiving gifts from the out-gone MD/CEO and Ag. MD/CEO



## 4. Community Mass Deworming Programmes

### i. Neimeth and Young Pharmacists Group, Imo State Chapter

To mark the 2022 World Pharmacists Day and address the issue of worm burden in communities, lower the spread of infestation and improve the quality of life of the people in Owerri metropolis, free mass deworming activities were carried out in major markets in Owerri, by Neimeth and Young Pharmacists Group of the PSN (Imo State Chapter).



Picture shows some beneficiaries of the free mass deworming.

## ii. Neimeth and Bills Pharmacy in conjunction with Rotaract Club of Futo, Owerri

Another free community mass deworming programme was executed for Owerri residents by Neimeth and Bills Pharmacy in conjunction with Rotary club of FUTO, Owerri. This was with a view to improving the quality of life of people and reducing worms infestation in the metropolis.



## 5. Promo Driven Sales

A number of products were promoted with compelling gift-accompanied sales and this made a positive impact on the sales performance of such products.

## 6. Products Donation/Sponsorships

Various NGOs and Organizations were beneficiaries of Neimeth's benevolence towards the under-privileged in the society, improving their access to Healthcare interventions thorough receipt of donated drugs and programme sponsorships.

## 7. Integrated Mass Media Campaign

This involved several Integrated Mass media campaigns through traditional media channels i.e., Television, Radio and Out of Home (Billboards & BRT) advert exposures for key company brands.

## 8. Digital Media Campaign

Part of the major Marketing activities for the year, included digital media campaign to focus on key brands and revitalization of the company website. There was a heavy presence of Neimeth brands on all social media platforms. Brands marketed through social media platforms were Pyrantrin, NCP, Obron-6, Homtamin, Hemafolin, Nimartem, Unaben and Pancemol.

## 9. Anti-hypertensives Donation to Churches for Medical Outreach

Neimeth donated Anti-hypertensives and other OTC products to some churches and individuals who embarked on various medical outreach programmes in the course of the year.

## 10. New Products Introduction- Imported Products

Considering that new products are growth drivers. Human pharmaceuticals and veterinary product candidates for which work began in 2022 are expected to be launched in the 2023 business year. For veterinary products, Import permits have been given for the under-listed, while their NAFDAC numbers are expected to be given by the second quarter of 2023 so as to enable the importation of commercial quantities for sale by the end of Q2, 2023. The products under review are all injectables and include the following:

## NEW ANIMAL HEALTH PRODUCTS

### Products given import permits

S/N	PRODUCT	ACTIVE INGREDIENT	THERAPEUTIC SEGMENT
1	Enromag	Enrofloxacin	Antimicrobial
2	Tylomag	Tylosin	Antimicrobial
3	Neimeth Oxytetracycline 20%	Oxytetracycline	Antimicrobial
4	Neimeth Oxytetracycline 10%	Oxytetracycline	Antimicrobial

### Products awaiting import permits

S/N	PRODUCT	ACTIVE INGREDIENT	THERAPEUTIC SEGMENT
1	Neimeth Albendazole bolus	Albendazole	Anthelmintic
2	Ivermectin	Ivermectin	Anti-parasitic
3	Neimeth Oxytetracycline 5%	Oxytetracycline	Antimicrobial



## NEW HUMAN PHARMACEUTICALS PRODUCTS

For imported Human Pharmaceuticals, Cefuroxime, our brand of Antibiotics in tablets and suspension has undergone advanced registration processes in NAFDAC. Commercial batches are expected to be imported for sale before the end of Q4 2023. Other new human Pharmaceutical products that have undergone various stages of registration in NAFDAC and planned for introduction in 2023 are:

S/N	PRODUCT	ACTIVE	THERAPEUTIC SEGMENT
1	Apetamult	Cyproheptadine/Lysine/Multivitamins	Anti-histamine
2	Cefuroxime suspension	Cefuroxime Axetil eq. to 125mg	Anti-infective
3	Cefuroxime 500mg Tab	Cefuroxime Axetil	Anti-infective
4	Vitamin C syrup	100mg Ascorbic acid/5ml	Multivitamins
5	Multivitamin syrup		Multivitamins
6	Vitamin C Tab x 100	100mg Ascorbic acid	Multivitamins
7	Gasmag Tab	Dried Aluminium hydroxide gel USP equivalent to: 1. Aluminium hydroxide 306mg 2. Magnesium hydroxide USP 100mg 3. Simethicone Emulsion USP Equivalent to Polydimethylsiloxane 125mg	Antacid
8	Gasmag Suspension	Dried Aluminium hydroxide gel USP equivalent to: 4. Aluminium hydroxide 306mg 5. Magnesium hydroxide USP 100mg	Antacid
9	Multivitamin	Multivitamin	Multivitamin

A myriad of other new products are also at various stages of development as reflected in (11) below.

### 11. New Products Development

Over the years, Neimeth has taken great strides to meet the evolving demands of the Nigerian Pharmaceutical market through in-depth R&D efforts/activities. By improving existing formulations, developing new product formulations and forming partnerships with overseas manufacturers, the Company has and will continue to drive her vision of being the Leading Innovative Healthcare Provider out of Africa.

Currently, the company is at the verge of new product introductions which are both being formulated and developed within the R&D unit and some others sourced from third party manufacturers through importation. A number of the products undergoing registration in NAFDAC which will be followed by market introductory activities are:

## ANIMAL HEALTH PRODUCTS FOR LOCAL DEVELOPMENT

S/N	PRODUCT	ACTIVE INGREDIENT	THERAPEUTIC SEMENT
1	Neimeth Albendazole 92.5% susp.	Albendazole	Anthelmintic
2	Enromag (20%0 suspension	Enrofloxacin	Antimicrobial
3	Neimeth Ciprofloxacin (20%) susp.	Ciprofloxacin	Antimicrobial

## HUMAN PHARMACEUTICALS FOR IMPORTATION AND LOCAL DEVELOPMENT

S/N	PRODUCT	ACTIVE INGREDIENT	THERAPEUTIC SEGMENT
1	Neimeth Amlodipine x 28.	Amlodipine	Cardiovascular
2	Homtamin plus	Vitamins/Korean ginseng	Nutritional supplement
3	Neimeth Paracetamol	Paracetamol 500mg	Analgesic/Antipyretic

4	Osinec (Day)	Cetirizine	Cough & Cold
5	Osinec (Night)	Diphenhydramine	Cough and Cold
6	Metronidazole 200mg/400mg	Metronidazole	Anti-infective
7	Metronidazole susp. 200mg/5ml	Metronidazole	Anti-infective
8	Lisinopril	Lisinopril	Cardiovascular

## NEIMETH CURRENT PRODUCT LIST

### ETHICAL BUSINESS UNIT

S/N	PRODUCTS	NAFDAC NO.	ACTIVE INGREDIENT(S)	THERAPEUTIC SEGMENT
1	Amlovar Tablet 10mg	A4-0333	Amlodipine 10mg	Cardiovascular
2	Amlovar Tablet 5mg	A4-0332	Amlodipine 5mg	Cardiovascular
3	Ciklavir 200ml	04-2506L	Cajanus Cajan	Haematology
4	Co-Amoxiclav 1g Tabs	B4-2496	Amoxicillin + Clavulanic Acid	Antibacterial
5	Co-Amoxiclav 228.5mg Susp	B4-2498	Amoxicillin + Clavulanic Acid	Antibacterial
6	Co-Amoxiclav 625mg Tabs	B4-2497	Amoxicillin + Clavulanic Acid	Antibacterial
7	Flexodene 20mg Capsules	04-8470	Piroxicam 20mg	Analgesic/NSAID
8	Flucosyd Capsules 50mg x 3	A4-0333	Fluconazole 50mg	Anti-infective
9	Miniplus Tablets x 60	04-7955	Prazosin/Hydrochlorothiazide	Cardiovascular
10	Necotrim Suspension x 60ml	04-2377	Co-trimoxazole 240mg/5ml	Anti-infective
11	Necotrim tablets	04-2117	Co-trimoxazole 480mg	Anti-infective
12	Norduet 5/12.5mg Tabs	B4- 1744	Amlodipine Besylate 5mg/ Hydrochlorothiazide	Cardiovascular
13	Norduet 7.5/12.5mg	B4- 1745	Amlodipine Besylate 5mg/ Hydrochlorothiazide	Cardiovascular
14	Normoretic Tablets	04-3817	Amiloride Hydrochlorothiazide	Cardiovascular
15	Osinec Syrup x 100ml	04-0085	Chlorpheniramine, Phenylephrine, Dextrometorphan, Glycerilguaiacolether	Cough and Cold
16	Tronid Suspension x 60ml	04-7729	Metronidazole 200mg/5ml	Anti-infective
17	Tronid tablet	04-7784	Metronidazole 200mg	Anti-infective
18	Gyno-Tiocosid Vaginal Tabs x 3	A4-0705	Tioconazole 100mg	Antifungal
19	Tiocosid 1% Dermal Cream 20g	04- 7516	Tioconazole	Antifungal
20	Obron 6 caps	04-1748	Multivitamin/Iron/Minerals	Nutritional Supplement
21	Unaben Suspension x 10ml	04-9938	Albendazole 200mg	Anthelmintic
22	Unaben Tabs 200mg x 2	A11-100052	Albendazole 200mg	Anthelmintic
23	Unaben Tabs 400mg x 1	A11-1238	Albendazole 400mg	Anthelmintic

### HEALTHCARE PRODUCTS

S/ N	PRODUCTS	NAFDAC NO.	ACTIVE INGREDIENT(S)	THERAPEUTIC SEGMENT
1	Pyrantlin Suspension 250mg/ 5ml	04-7510	Pyrantel Pamoate	Anthelmintic
2	Pyrantlin Tablets 125mg x 6 x25	04-7511	Pyrantel Pamoate	Anthelmintic
3	Antimal Tablets x3	04-1951	Sulphadoxine/ Pyrimethamine	Amoebicide
4	Nimartem Tablets x 24	A4-3524	Artemether Lumefantrine 20/120mg	Anti-malarial
5	Nimartem QS Tablets x 6	B4-3215	Artemether Lumefantrine 80/480mg	Anti-malarial
6	Hemafolin Caps x 30	A4-2022	Multivitamin /Iron	Haematinic
7	Hemafolin Tonic x 200ml	A4-4548	Multivitamin /Iron	Haematinic
8	Homtamin G Capsules	04-2555	Multivitamin Ginseng extract/aloe vera extract	Nutritional Supplement



9	Neimelyn Cough Syrup x 100ml	A4-0503	Diphenhydramine	Cough and Cold
10	Pancemol Syrup x 60ml	04-2115	Paracetamol 120mg/5ml	Analgesic/Antipyretic
11	Pancemol Tablets x 96	04-2116	Paracetamol 500mg	Analgesic/Antipyretic
12	Sportgesic greaseless ointment	04-7509	Methyl Salicylate	Anti-inflammatory/ Embrocation

### MERCHANDIZING UNIT

1	NCP Liquid 25ml, 50ml, 100ml, 200ml	04-8475	Halogenated Phenols	Antiseptic/ Disinfectant
2	NCP Sanitizer 110ml, 500ml, 4litres, 25litres	03-8020	Ethyl Alcohol, Isopropyl alcohol	Disinfectant
3	NCP Disinfectant Spray (Classic)	03-7447	Ethyl Alcohol, Isopropyl alcohol, halogenated phenols	Disinfectant
4	NCP Disinfectant spray (Pearl)	03-7463	Ethyl Alcohol, Isopropyl alcohol, halogenated phenols	Disinfectant
5	NCP Disinfectant Spray (Blossom)	03-7464	Ethyl alcohol, Isopropyl alcohol halogenated phenols	Disinfectant

### VETERINARY BUSINESS UNIT

S/N	PRODUCT	NAFDAC NO.	ACTIVE INGREDIENT	STRENGTH	INDICATION	ANIMAL SPECIE
1	Malumintab tab	04-4870	Morantel Citrate	300mg	Ascaris /nodular worms in sheep, goat and cattle.	Swine, goat and sheep
2	Neimycin- soluble Powder	04-4874	Oxytetracycline	55g/kg	Blue Comb Chronic Respiratory Disease(CRD) infectious synovitis, infectious sinusitis, scours, colibacillosis, coryza, Fowl cholera.	Birds, Calves and Swine
3	Neimycin-Neo soluble Powder	04-4872	Oxytetracycline + Neomycin sulphate	55g/kg + 38.5g/kg	CRD, infectious synovitis, blue comb, early chick mortality, bacterial enteritis	Birds, Calves and Swine
4	Neimycin-Egg formula	04-4875	Oxytetracycline +Essential Vitamins	55g/kg	Drop in egg production	Laying Birds
5	Neimycin Chick formula	04-4873	Oxytetracycline +Essential Vitamins	55g/kg	Reduces early chick mortality Brooding of chicks	Bird chicks
6	Neiva stress	04-4876	Essential vitamins		Prevents/cures deficiency diseases. Maintains weight gain Stimulates and maintains egg production	Birds, Rabbits and Swine
7	Neimeth Piperazine	04-4871	Piperazine citrate	17%w/v	Ascaris/Nodular worms in swine and birds	Swine and Birds

### ECOWAS MARKET

Neimeth is firmly on ground in the Anglophone West African Country of Ghana, but previously in Sierra Leone, Liberia and the Gambia. Our presence in the ECOWAS market is currently limited to Pharmaceutical business with key products like Ciklaviv and NCP registered there and in rising demand. Plans are underway to expand to the rest of West Africa and to the entire African countries under the African Continental Free Trade Agreement (AfCFTA).

## SALES DISTRIBUTION

80% of our products are distributed by World Wide Healthcare Ltd (WWCVL) with support from our field force, while 20% are distributed by our field force staff. We have depots located in Lagos, Abuja, Ibadan, Onitsha, and Aba. These depots serve as our contact offices in these areas and its environs. Currently we have about 65 sales reps and managers that cover the 36 states of Nigeria. We also have key Distributors and Wholesalers who represent our interests in areas where our depots are absent. Distributor's names and addresses proximal to any given location can be made available on request by the Sales and Marketing department. (Customer Care: 09032543202)

## COMMUNITY SERVICE

Community consciousness is one of Neimeth's core values. To this end, as a good corporate citizen, Neimeth has from inception engaged in various community-based programmes that validate her dedication to the community. Furthermore, Neimeth's community involvement has extended to the delivery of health talks on non-communicable diseases & stress management, free blood pressure checks and blood sugar screening accompanied by treatment recommendations for isolated cases by our medical team.

## OTHER COMMUNITY DRIVEN PROGRAMMES

### 1. PYRANTRIN KIDS CLUB (PKC)

It has been well documented that children serve as the main transmission link in worm infestation. One of our health educational strategies is the Pyrantrin Kids Club (PKC). It is a health educational club for children aged 4-13 years. The club has numerous enviable membership benefits like birthday celebrations, scholarships, and other activities. Club membership is spread across the 36 states of the Federation. Membership strength, is expected to grow across other states in the coming years.

### 2. HELP

Another health educational strategy is the Helminthiasis Elimination Lower-Cost Partnership (HELP). This is Neimeth's social engineering programme aimed at improving the health, nutrition and welfare of Nigerians through the eradication of worm burden in our society. Like Pyrantrin Kids Club, it is structured on chemotherapy, sanitation, hygiene and health education. HELP is a mass de-worming partnership programme with NGOs, Governments, State Ministries of Women and Social Development at highly subsidized shared/lower cost.

### 3. FITGAH

Fight the Good Fight against Hypertension, (FITGAH) is a community health Programme. The programme enlightens Nigerians on the dangers of hypertension and diabetes and provide useful tips on ways to manage them. It also offers subsidized hypertensive drugs to isolated cases for at least 2 weeks. The essence of the FITGAH programme is to offer free blood pressure checks for people, provide counselling and initiate treatment of isolated cases.

### 4. SMAPEX

Stress Management Programme for Executives (SMAPEX) emphasizes the need for deliberate stress control by busy executives to minimize the risk of exposure to insidious diseases like hypertension, diabetes and other stress related. These are implemented for organizations, Hospitals, Parastatals etc. The objectives for hospitals is to generate prescriptions for Homtamin G while organizational objectives are geared towards intensifying direct-to-consumer marketing. The overall goal is to position Homtamin G as the preferred therapeutic component of the holistic life style approach to curtailing stress related diseases and its attendant consequences.

### 5. SICKLE CELL CLUB

Neimeth's focus on indigenous research into drugs and medicaments for common African ailments led to the discovery and launch of Ciklavit, a nutritional supplement for the management of Sickle Cell disorder. Consequent upon this, a well-orchestrated public enlightenment/advocacy machinery was established by the Company to handle issues on sickle cell disorder. Its activities include facilitation of Sickle Cell Clubs in Local Government Areas across Nigeria, facilitated management of these Clubs in collaboration with other

NGOs, demystification of the ailment among rural communities as well as counselling of young and single people before marriage.

Neimeth has also offered numerous scholarships to children and students alike. Her community welfare activities also involve sponsorship of numerous NGOs, Schools, Churches, Professional travel, medical treatment for individuals, and course/seminar sponsorship among others.

## RESEARCH & DEVELOPMENT

Neimeth has committed a substantial amount of money to Research and Development (R&D) in the recent past. This flows from Neimeth's vision "To be the leading innovative healthcare provider out of Africa". Our effort in this area is double faceted: Internal and External.

Our Internal R&D activities include formulation of new products and re-formulation of existing products to:

1. Enhance efficacy;
2. Explore new therapeutic uses;
3. Increase sales potentials and profitability; and
4. Expand usage.

Our External R&D activities entail working with Medical Scientists/Researchers to develop new products, conduct drug clinical trials and in-vitro drug studies. These drugs could be natural, and/or chemical (synthetic), oral, or parenteral. To this end, we reviewed research, working with our indigenous Universities based on local raw materials, focusing on specific disease areas that are generally neglected by the global/multinational companies. We seek to provide new local health remedies in these areas at affordable costs. Our first success in this area is Ciklavit; the first home-grown natural product for the effective management of Sickle Cell disease. We are also excited to announce that the results of the long awaited Clinical Trials on Ciklavit have been concluded and formally approved by NAFDAC. This portends a great milestone for the brand in the Nigerian Pharmaceutical Market.

Our Mission is to expand and grow the export of health solutions to other countries after meeting local needs.

# CIKLAVIT

## NUTRITIONAL SUPPLEMENT

For management of sickle cell disorder



*...Improving the well-being of people living with sickle cell disorder.*




*...the trusted name in family medicines*


### Neimeth International Pharmaceuticals Plc


16, Billings Way Oregon, P.M.B 21111, Ikeja, Lagos State, Nigeria

Customer Satisfaction Line: 09032523202

www.neimethplc.com.ng email: info@neimethplc.com.ng

 @Neimethplc

 @Neimethplc

 Neimeth International Pharmaceuticals Plc

The Directors submit herewith to the members of the Company the Statement of Financial Position as at 31st December, 2022 together with the Comprehensive Income Statement for the 15 months ended on that date.

### LEGAL FORM

The Company, Pfizer Products Nigeria was incorporated on 13th of August 1957 as a limited liability company. It was converted to a public limited company in 1991. On 14th May 1997, Pfizer Inc. N.Y. divested from the Company through a management buy-out. The Company's name was subsequently changed to Neimeth International Pharmaceuticals Plc. by a special resolution. The shares are currently quoted on the Nigerian Stock Exchange.

### PRINCIPAL ACTIVITIES

The principal activities of the company are the manufacture and marketing of pharmaceutical, animal health products and general health care products.

### INTERNAL CONTROL

There exists effective internal control function within the Company, which gives reasonable assurance against any material misstatement or loss. The responsibility includes oversight functions of internal audit control and system analysis.

### RESULTS FOR THE YEAR

	N'000
Loss for the year before taxation	(388,054)
Taxation	(18,245)
	-----
Loss after taxation	(406,299)
	=====

### DIRECTORS AND THEIR INTERESTS

- The names of current Directors are shown on page 6
- The Director retiring by rotation at this Annual General Meeting in accordance with the Company's Articles of Association is Pharm. (Mrs.) Roseline A. Oputa who being eligible, offer herself for re-election.
- The interest of each Director in the share capital of the Company is as follows:

### DIRECTORS' INTERESTS AS AT 31ST DECEMBER 2022

S/N	DIRECTORS	DIRECT HOLDINGS AS AT 31 DEC. 2022	DIRECT HOLDINGS AS AT 30 SEPT 2021	INDIRECT INTEREST	INDIRECT HOLDINGS AS AT 31 DEC. 2022	DIRECT HOLDINGS AS AT 30 SEPT. 2021
1	DR. AMBROSIE B.C. ORJIAGO	*****	*****	ORDREC INVESTMENTS LIMITED	217,701,820	17,701,820
				HELKO NIG. LTD.	191,913,432	191,913,432
2	PHARM MATTHEW O. AZOJI	2,138,878	2,138,878	*****	*****	*****



3	MAZI SAMUEL I. OHUABUNWA	22,089,605	127,398,38	MASTA SERVICES COY LTD &	6,146,511	6,146,511
				ESI OHUABUNWA & SONS LTD	756,346	756,346
4	PROF. ELIJAH N. SOKOMBA	605,000	605,000	INTERCEDD HEALTH PRODUCTS LTD	450,842,893	450,842,893
5	PROF. MAURICE M. IWU	20,093,687	20,093,687	*****	*****	*****
6	SIR IKECHUKWU T. ONYECHI	34,461,252	37,387,465	ALPHA PHARMACY & STORES LIMITED	72,503,197	72,503,197
7	MR. THOMAS T. OSOBU	81,174,601	81,174,601	*****	*****	*****
8	PHARM. (MRS.) ROSELINE A. OPUTA	226,316	226,316	*****	*****	*****
9.	MRS. BASHIRAT O. ODUNEWU	*****	*****	*****	*****	*****
10.	MRS. TEMITAYO O. NELSON	*****	*****	*****	*****	*****
11.	PHARM. GERALD I. OPUTA	*****	*****	*****	*****	*****

Neimeth International Pharmaceuticals Plc is in compliance with the Exchange's free float requirements. The Company's free float assessment as at 31st December 2022 stood at 37% which is 17% above the 20% minimum requirement.

**d. Directors' Interest in Contract**

None of the Directors has notified the Company in line with Section 303 of the Companies and Allied Matters Act 2020 of any declarable interest in contracts in which the Company is involved as at 31st December, 2022.

**e. Directors' Responsibilities**

The Directors are responsible for the preparation of financial statements, which give a true and fair view of the state of affairs of the Company at the end of each financial year, and of the profit or loss for that period, and comply with the Companies and Allied Matters Act 2020. In doing so, they ensure that:

- Proper accounting records are maintained
- Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets, and prevent and detect fraud and other irregularities
- Applicable accounting standards are followed.

- Suitable accounting policies are adopted and consistently applied
- Judgments and estimates made are reasonable and prudent, and
- The going concern basis is used, unless it is inappropriate to presume that the company will continue in business.

## ANALYSIS OF SHAREHOLDING

Range of Holdings	No. of Holders	Holders %	Units	Units %
1 - 1,000	7,010	22.79	3,259,991	0.17
1,001 - 5,000	12,490	40.62	30,810,890	1.62
5,001 - 10,000	4,457	14.49	31,852,385	1.68
10,001 - 50,000	5,151	16.75	111,959,994	5.89
50,001 - 100,000	826	2.69	59,820,429	3.15
100,001 - 500,000	645	2.10	133,790,829	7.05
500,001 - 1,000,000	94	0.30	64,063,115	3.37
1,000,001 - 5,000,000	52	0.17	105,877,454	5.58
5,000,001 - 10,000,000	13	0.04	91,587,070	4.82
10,000,001 - ABOVE	14	0.05	1,266,134,950	66.67
<b>GRAND Total =</b>	<b><u>30,752</u></b>	<b><u>100.00</u></b>	<b><u>1,899,157,107</u></b>	<b><u>100.00</u></b>

## SUBSTANTIAL INTEREST IN SHARES

According to the Register of Members, the following shareholders of the Company held more than 5% of the Minimum Issued Share Capital of the Company as at 31st December 2022.

S/N	NAMES OF SHAREHOLDERS	UNITS	PERCENTAGE (%)
1	OHUABUNWA S. IHEANYICHUKWU	122,089,605	6.43%
2	HELKO NIGERIA LIMITED	191,913,432	10.11%
3	ORDREC INVESTMENTS LIMITED	217,701,820	11.46%
4	INTERCEDD HEALTH PRODUCTS LTD	450,842,893	23.74%

## VALUE OF ASSETS

Particulars of the changes arising from additions and disposals of Property, Plant and Equipment during the year are contained in Note 16. Details of other assets of the Company as at 31st December 2022 are given in Notes 17 to 21 of the Statement of Financial Position.

## CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is Management's concept and approach whereby the Company integrates social and environmental concerns in its business operations and stakeholder interactions. It is also part of corporate governance that is designed to ensure the Company's operations are ethical and beneficial to society.

Therefore, this corporate social responsibility is part and parcel of our business strategy. For this reason, we initiate, plan, and operate CSR programs that encourage awareness, promote education, improve healthcare and the general well-being of society.

We participate in medical outreaches, religious initiatives, schools, and community development activities. These are done directly or in partnership with government and non-governmental organizations. A major key initiative of Neimeth in this regard is a program "Fight the Good Fight Against Hypertension" (FITGAH). Under this program, we create and promote awareness against the dreaded silent killer, hypertension

which has become a major cause for concern globally.

Through our professional teams, we offer free blood pressure (BP) checks, at our office at Oregun, Lagos, and our regional and state offices. We have our team of doctors and nurses to check and professionally advise patients.

To ensure that patients have the accessibility to the necessary drugs and do not go on a drug holiday, Neimeth provides one-month free starter anti-hypertensive drugs for new patients. Taking it further, we partner with target clinics and health facilities to fight this dreaded silent killer through medical awareness. Through these activities, we create awareness of Neimeth's good quality products for improved quality of life.

### **COMPANY DISTRIBUTORS**

An exclusive distribution agreement was entered into in April 2015 with World Wide Health Care Limited (WWCVL). The Company distributed 63% of Neimeth major brands during the year under review.

***The names of other Distributors during the period are as follows:***

Iykmavian Pharmacy Ltd, Lagos  
 Addmore Pharmacy, Lagos  
 Nemmit Pharmacy, Lagos  
 Safeline Pharmacy, Lagos  
 Santus Pharmacy, Lagos  
 Spine Products Ltd, Lagos  
 New Height Pharm, Lagos  
 Danny Faith Pharmacy, Lagos  
 Drugmaster Mega- Pharmacy, Ikorodu, Lagos  
 Medbest, Pharmacy, Lagos  
 Santus Pharmacy, Lagos  
 Grace Johnson Pharmacy, Lagos  
 Alpha Pharmacy, Lagos  
 Mivero Pharmacy, Lagos  
 Ositec Pharmacy, kute, Ogun state  
 Simko Pharmacy, Ota  
 Micoson Pharmacy, Ota  
 Ramsgate Pharmacy, Ota  
 Goodall Pharmacy Ltd, Ibadan  
 Fiolu Pharmacy, Ilorin  
 Aromokeye Pharmacy, Ilorin  
 Eben Pharmacy, Akure  
 Royal Michael Pharm, Benin  
 Canez Pharmarcy, Onitsha  
 Onyitex Oharmacy, Onitsha  
 Eco Blessed Pharm Ltd Onitsha  
 Prodave Pharmacy Ltd, Onitsha  
 Warneck Pharmacy, Aba  
 Jay Moore Pharmacy, Aba  
 Grams Pharmacy, Owerri

Index Pharmacy, Nnewi  
 Ebus Pharmacy, P/Harcourt  
 Bez Pharmacy, Calabar  
 Beбето Pharmacy,  
 Samboson Pharmacy, Calabar  
 Wino Pharmacy, Markurdi  
 New Health Pharmacy Ltd, Abuja  
 H-Medix, Pharmacy Abuja  
 Klen Pharamcy, Abuja  
 Skylark Pharmacy, Abuja  
 Medix Pharmacy, Abuja  
 La-med Pharmacy, Jos  
 Dilimi Pharmacy, Jos  
 Latnas Pharmacy, Kano  
 Tony Pharmacy, Kano  
 Mabro Pharmacy, Kaduna  
 Vicnam Pharmacy, Kaduna  
 Latnas Pharmacy, Kano  
 Tony Pharmacy, Kano

## SUPPLIERS

### The Company's significant Suppliers are:

Sagar Overseas Limited  
 Boden Industries Ltd  
 Real Value Trust Limited  
 Drug and Healthcare Limited  
 Afkar Printing Publishing Company Limited  
 Beta Glass Plc  
 Rolandhill Nig. Limited  
 Omnik Limited  
 Tarabichi Printing and Packing Nig. Ltd  
 Multibase Pharm. Ind. Nig. Ltd  
 Abtevic Pharm. Limited  
 Dapson Renny Ventures  
 Mich Bamidele Ent.  
 Jostraws Pharmachem Point Nig. Ltd  
 Ethylene Products and Lubricants Limited  
 De-Daltex Nigeria Ent. Limited  
 Temita Scientific Limited  
 K3 Packaging Industries Limited  
 Sproxil Nigeria Limited  
 Worldwide Technologies Limited  
 BASF West Africa Limited  
 Perfect Packaging Limited

Pedro Peres Integrated services  
Katchey Company Limited

The Company is not associated with the local suppliers and obtains all its packaging materials at arm's length.

### **MANUFACTURING AND DISTRIBUTION AGREEMENTS**

The Company is in a manufacturing agreement with Late Professor Ekeke for the manufacture of Ciklavit. This attracts a royalty payment of 5%.

Royalty charge during the year amounted to N3,951,118.26 (2021 – N2,618,195.67)

### **RESEARCH AND DEVELOPMENT**

Neimeth has continued to sustain the tempo to meet evolving demands of pharmaceutical market using new products development and dynamic research as its pivot. This is being driven by developing new product formulations, products life extension through improving existing formulation and dosage forms; forming new partnership with overseas manufacturers. Neimeth International Pharmaceuticals Plc has and will continue to maintain her vision of being the leading innovative healthcare provider out of Africa.

At present, several new products which were undergoing product development last year had been registered with NAFDAC and introduced into the market. Other new ones are undergoing the formulation phase, product registration phase as well the market introduction stage.

#### **Locally Manufactured Products:**

Ciklavit Capsules

Ciklavit syrup upgrade to drug status from supplement status (approved clinical trial report from NAFDAC).

Obron-6 Plus capsules

Obron-6 Prenatal capsules

Obron-6 Drops

Osinex Day Cough syrup

Osinex Dry Cough syrup

Osinex Relax cough syrup

Apetamult Syrup

Artesunate + Amodiaquine Tablets.

Dihydroartemisinin + Piperaquine Tablets 1x3's

Neimeth Metformin 500 mg & 1000 mg SR Tablets.

#### **Locally Manufactured Veterinary Drugs:**

Neimeth Albendazole 2.5% Drench 100 ml & 1000 ml packs

Neimeth Ciprofloxacin Drench

Neimeth Enrofloxacin 20% Drench.

Neimeth Piperazine water soluble powder.

#### **Products From Overseas Manufacturers**

##### **Human Products:**

Acef 500 mg Tablets

Acef 125mg suspension

Homtamin Gold capsules.

Rosuvastatin 20 mg & 40 mg Tablets

Erythromycin 250 mg & 500 mg Tablets

Erythromycin 125 mg/5ml & 250 mg/5ml Suspension.



Alpha Beta Arteether Injection 75 mg/ml  
 Cephalexin 500 mg Capsules  
 Vitamin B complex Injection 10 ml Vials.

#### **Veterinary Products:**

Enromag Injection x100 ml  
 Neimycin LA Injection x100 ml & 250 ml  
 Neimycin 10% Injection x 100ml  
 Neimycin Q injection x100 ml  
 Neimeth Albendazole 250 mg Bolus  
 Neimeth Albendazole 2,500 mg Bolus.  
 Tylomag Injection x 100 ml  
 Ivermag Injection x100 ml  
 Neimeth Neo Soluble Powder x100 gm  
 Neimeth Neiva Stress x 100 gm  
 Neimeth Egg Formula Powder x 100 gm  
 Neimeth Chick Formula Powder x 100 gm  
 Neimeth Soluble Powder x 100 gm  
 Neimprol-K soluble Powder.

### **EMPLOYEE INVOLVEMENT AND TRAINING**

At Neimeth, we believe very much in employee involvement and participation. All Employees are consistently involved in creating an environment that would have an impact on decisions and actions that affect their jobs. We continuously improve our workplace environment by involving our employees as much as possible in all aspects of work decisions and planning that would increase ownership and commitment. Every employee is regarded as unique and his/her impact is solicited and valued by Management. Employees and Management recognize that employee is involved in running the business to provide quality products and services to our customers, shareholders, and the community in which we operate.

Key to most employee involvement processes is team effectiveness, productivity, communication, problem-solving, development of reward and recognition systems. In return, employees are treated equitably, fairly, and with dignity as individuals in a consistent manner.

Our training is structured to meet the needs of the employees in order to make them more effective on the job and change their attitude and interest, thereby promoting ownership. In this regard, evaluation of the effectiveness/impact of the training is undertaken by the Head of Departments six months post-training in conjunction with the Human Resource Department.

At Neimeth, we will continue to invest in the training and development of employees to make them more productive and effective at their jobs, directly contributing to the bottom line.

### **HEALTH, SAFETY AND WELFARE OF EMPLOYEE**

#### **Environmental Management Policy**

Neimeth is committed to operating its manufacturing system (Production of healthcare and pharmaceutical products and support activities) in a safe and environmentally friendly manner. This ensures that the environmental impact of our production and related operations is controlled to ensure as little degradation as possible to the environment.

Accordingly, we constantly monitor our emission of green-house gases and ensure we reduce our carbon footprint through proper and periodic maintenance of our generators, proper servicing of our transport vehicles and through an annual corporate environmental objective which includes the planting of between 2-5 trees. Environmental audits are also carried out regularly and statutorily as required by law, at the end of which corrective and preventive actions are put in place to forestall any future occurrence.

This is achieved through the implementation of ISO 14001: 2015 and the continuous improvement of Environmental Management System (EMS)

## Environmental Sustainability

At Neimeth, we make use of a wide-range of resources like fuel, water and paper. The usage of these natural resources are monitored and measured and operational controls put in place to avoid wastages thereby promoting sustainability of these natural resources. In the case of water usage, this is achieved through the metering of the portable and de-ionized water lines and conducting regular leak audits which are quickly addressed. The percentage water usage in 2021 was 3.04%, while the usage in 2022 was 2.18%. The reduction was first and foremost because of the breakdown of the water meter within the last quarter of the year even though better water usage culture has been adopted by staff as well as better awareness initiatives created. In the case of paper usage, sending more memos via emails than hard copies and the use of both sides of the paper has reduced the paper used annually thereby ensuring sustainable operations. On Energy Usage, a lot of improvement was also recorded.

We have done a lot in the area of waste to landfill management through the introduction of various initiatives and as such we have maintained a waste to landfill percentage of 0.8% in 2020 but in 2021 there was an increment to 3.24% due to increased production as well as the increased revenue drive by the State but with continuous improvement on the forefront of our priority burner for subsequent years. In 2022, we further ensured the reduction of our waste to landfill by disposing off various e-wastes to middlemen who would fix and resell them.

Some of our initiatives employ the three Rs technique of Re-use, Reduce and Recycle. This we have been able to achieve through the segregation of our waste as comingling of waste was formerly the order of the day. Some of the waste like nylon, paper and waste cartons are sold to middle men which becomes raw material for some other companies thereby converting waste to wealth. Some of the production waste from the natural products are sold to pig farmers and used as feed for the pigs.

The Extended Producer Responsibility (EPR) is our target whereby we will be responsible for the waste generated by the last item on our production process.

## Health & Safety

At Neimeth, we are committed to conducting our manufacturing processes in a safe and accident-free environment for all employees, contractors and visitors.

We have built a safety culture in our personnel through regular trainings, teaching them that their safety is in their hands and that safety is everybody's responsibility and not only a function of the management.

The Management has on its own part made tremendous strides towards the provision of various controls both at the Engineering and Administrative Department has also made adequate provision of PPEs for employees. The target is to have a zero-accident environment where the employees come to work safe and go back same. Visual aids in the form of safety signs have been made in the simplest of forms and language so that even the unlettered can decipher them. Employees are encouraged to report near misses and accident investigations are carried out accordingly and CAPA (Corrective and Preventive Actions) are put in place. This giant stride is a huge improvement from previous years.

Only 2 Lost Time Accidents were recorded in 2021 while none was recorded in 2022. Our target is still Zero accidents which we strive to achieve through regular safety awareness programs and internal trainings for the personnel. The Management has so embraced safety that a week-long activity had been introduced known as a "Safety Week" where various safety trainings are given to the personnel as well as First Aid training. Also, many personnel were sent on external trainings including the Security Personnel, our goal being to keep everyone, from the Security man at the gate to the MD/CEO abreast with the current trends in fire safety and every other aspect of it.

## Neimeth COVID-19 Policy

Neimeth recognizes the importance of prioritizing employee safety, welfare, and overall well-being.

A COVID-19 policy has been adopted and this seeks to ensure that:

- Any staff that is unwell should stay home and call in sick.
- Visitors/personnel to the premises are still expected to maintain good personal hygiene by washing their hands at the washstand located at the gatehouse.

- Wearing the face mask is no longer compulsory and the “No Face Mask, No Entry Policy” is no longer enforced.
- Temperature checks have been equally relaxed.
- Staff who are unwell are attended to by the clinic Nurse and referrals are made where necessary.
- Virtual meetings are adopted where necessary.

### Neimeth HIV/AIDS Policy

Neimeth has adopted a policy with a commitment to prevent the spread of HIV/AIDS in our workplaces and to care for the personnel and their dependents who suffer from its effects.

To guide Neimeth management in addressing the challenges of managing HIV/AIDS in the work place, this policy therefore seeks to:

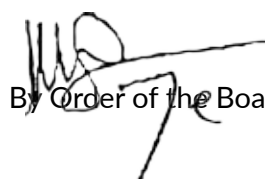
- Create programs in conjunction with other appropriate agencies to prevent the scourge of this disease which include education and awareness programs;
- Guide managers, supervisors and workers on the best practice in ensuring harmonious work relationship between employee(s) with HIV/AIDS and other employees;
- Emphasize on the level of reasonable accommodation the Company can provide employees with life threatening illness that would not be detrimental to the smooth operation of the Company's business;
- Promote confidentiality and non-discrimination towards employees with HIV/AIDS thereby promoting appropriate and effective ways of managing HIV/AIDS in the workplace;
- Avoid stigmatization meted out to employees living with HIV/AIDS through ensuring that their status is kept confidential.

### POST BALANCE SHEET EVENTS

There were no other significant post balance sheet events, which could have had material effect on the state of affairs of the company for the period ended 31st December, 2022 which had not been adequately provided for or disclosed.

### Auditors

Messrs. BDO Professional Services has indicated their willingness to continue in office as the Company's Auditor in accordance with Section 401(2) of the Companies and Allied Matters Act 2020. A resolution will be proposed at the Annual General meeting authorizing the Directors to determine their remuneration.



By Order of the Board.

**Mrs. F. I. Onyenekwe (FRC/ICAN/00000010082)**

Company Secretary

Lagos, Nigeria

30th of March, 2023





Ok Napped Programme, Sango Ota, Ogun State



Pyantrin School Activation in Lagos



Pyantrin School Activation in Port Harcourt



Pyantrin Store Activation in Port Harcourt



Pyantrin School Activation in Abuja



Pyantrin School Deworming in Abuja



Pyantrin Store Activation in Retail Outlet, Kano



Pyantrin School Activation in Kano





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Neimeth International Pharmaceuticals Plc



## Neimeth International Pharmaceuticals Plc. RC.1557



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### REPORT OF THE STATUTORY AUDIT COMMITTEE TO THE MEMBERS OF NEIMETH INTERNATIONAL PHARMACEUTICALS PLC FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022

In accordance with Section 404 (7) of the Companies and Allied Matters Act, 2020, we confirm that we have:

- reviewed and considered the Financial Statement for the year ended 31<sup>st</sup> December, 2022;
- reviewed the External Auditors report thereon and
- confirmed that the accounting and reporting policies of the Company for the year ended 31<sup>st</sup> December 2022 are in accordance with legal requirements and agreed ethics.

In our opinion, the scope and planning of the audit for the year ended 31<sup>st</sup> December, 2022 were adequate and we reviewed the External Auditors' findings on Management matters and are satisfied with the Management responses.

We are equally satisfied with the responses to our questions and with the effectiveness of the system of accounting and internal control at Neimeth International Pharmaceuticals Plc.

Dated 28<sup>th</sup> March, 2023 . .

**Dr. Marcel O. Ojinka**  
FRC/2016/MDCN/00000014044  
Chairman, Audit Committee

#### Other members of the Audit Committee

Alhaji M. I. Jinadu, F.IoD  
Alhaji K. Danjuma  
Mazi S.I. Ohuabunwa  
Mr. T. T. Osobu

Mrs. F. I. Onyenekwe – Secretary to the Committee



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#### Board of Directors:

Dr. A.B.C. Orjiako (Chairman), Pharm. Matthew O. Azoji (MD/CEO), Mrs. Temitayo O. Nelson (Exec.), Mazi Sam I. Ohuabunwa (OFR), Prof. M. Iwu, Sir Ike Onyechi, Engr. G. E. Omene, Prof. E. N. Sokomba, Thomas T. Osobu, Pharm. Roseline A. Oputa (Exec.), Bashirat O. Odunewu.



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P. O. Box 4929, GPO, Marina  
Lagos, Nigeria

## REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF NEIMETH INTERNATIONAL PHARMACEUTICALS PLC REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Neimeth International Pharmaceuticals Plc which comprise, the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the period then ended; and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria, Act No 6, 2011 and the Companies and Allied Matters Act, 2020.

### 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the International Ethics Standards Board Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 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.

### Valuation of Trade receivables- Expected Credit Loss

#### Risk

The Company is exposed to credit risk arising from the Company's trade receivables. The determination of the impairment charge for trade receivables requires the assessment of Expected Credit Loss Model (ECL) using the simplified approach on recoverable amounts in line with IFRS 9. The ECL model involves the application of considerable level of judgements and estimation in determining inputs which are derived from historical records obtained within and outside the Company in formulating the financial model. The model also requires assumptions in the estimation of forward looking macro-economic variables in computing the probability of default (PD). The appropriateness of impairment calculation for long overdue debts which require significant management's judgements and assumptions, makes it a key audit matter

### Our response

Our audit procedures in response to the risk included, amongst others:

- Assessed and tested the design and operating effectiveness of the controls over impairment calculations
- Reviewed the age analysis of trade receivables and internal controls over recoverability of receivables
- Reviewed impairment model adopted by management and evaluated whether the model used to calculate the recoverable amount complies with the requirements of IFRS 9 and is in agreement with our understanding of the business and the industry in which the Company operates
- Challenged management's assessment on the recoverability of overdue receivables, collection pattern, considering historical patterns of debt and repayment as well as recent communications with their counterparties
- Evaluated the accounting principles underlying revenue recognition which form the basis for the recognition of trade receivables

BDO Professional Services, a firm of Chartered Accountants registered in Nigeria, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Partners: E. Olaseinde Olabisi, Olugbemiga A. Akibayo, Kamar Salami, Henry B. Omodigbo, Gideon Adewale, Olusegun Agbana-Anibaba  
BN: 170585



### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Chairman's statement and Directors' report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, 2020 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 processes

### Auditors' 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 a 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 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 auditors' 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 auditors' 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 the directors regarding, among other matters, the planned scope and timing of the audit, and significant audit findings and any significant deficiencies in internal control that we identify during our audit.

#### Report on other legal and regulatory requirements

The Companies and Allied Matters Act, 2020 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 purpose of our audit;
- ii) in our opinion, proper books of account have been kept by the Company, and
- iii) the Company's statement of financial position, and its statement of profit or loss and other comprehensive income are in agreement with the books of account.

Lagos, Nigeria  
30 March 2023

  
Olusegun Agbana-Anibaba  
FRC/2013/ICAN/00000003667  
For: BDO Professional Services  
Chartered Accountants





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		15 month period to 31 December 2022 N'000	12 month period to 30 September 2021 N'000
	Note		
Revenue	8	3,649,153	3,046,661
Cost of sales	9	(2,323,543)	(1,601,458)
<b>Gross profit</b>		<b>1,325,610</b>	<b>1,445,203</b>
Other income	10	197,453	202,023
Marketing and distribution expenses	11	(755,765)	(579,696)
Administrative expenses	12	(782,779)	(513,937)
Exchange gain/(loss)	13	2,429	(93)
<b>Operating (loss)/profit</b>		<b>(13,052)</b>	<b>553,500</b>
Finance costs	14	(375,002)	(188,216)
(Loss)/profit before taxation		(388,054)	365,284
Income tax expense	28	(18,245)	(94,708)
<b>(Loss)/profit for the period/year</b>		<b>(406,299)</b>	<b>270,576</b>
<b>Other comprehensive income</b>			
Items that will be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (loss)/profit</b>		<b>(406,299)</b>	<b>270,576</b>
Basic (loss)/earnings per share (kobo)	32	(21)	14

The explanatory notes and statement of significant accounting policies form an integral part of these financial statements.

	Notes	31 December 2022 N'000	30 September 2021 N'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	2,855,148	1,411,998
Investment properties	17	34,010	35,096
		<u>2,889,158</u>	<u>1,447,094</u>
<b>Current assets</b>			
Inventories	18	1,719,150	1,464,421
Trade and other receivables	19	1,391,841	1,276,208
Other current assets	20	62,984	61,708
Cash and cash equivalents	21.1	448,370	2,025,239
		<u>3,622,345</u>	<u>4,827,576</u>
<b>Total assets</b>		<u>6,511,503</u>	<u>6,274,670</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	24	1,266,150	793,525
Current borrowings	22.4	-	13,565
Current portion of long term borrowings	22.1	2,157,910	1,099,734
Current tax payable	26	86,769	135,726
Deferred fair value gain on loan	23.1	119,041	76,926
		<u>3,629,870</u>	<u>2,119,476</u>
<b>Non-current liabilities</b>			
Non-current portion of long term borrowings	22.1	1,487,426	1,932,727
Deferred fair value gain on loan	23.2	509,213	702,174
Deferred tax liability	27	106,226	106,226
		<u>2,102,865</u>	<u>2,741,127</u>
<b>Total liabilities</b>		<u>5,732,735</u>	<u>4,860,603</u>
<b>Net assets</b>		<u>778,768</u>	<u>1,414,067</u>
<b>Equity</b>			
Ordinary share capital	30.2	949,579	949,579
Share premium	30.3	8,821	104,880
Retained earnings	31	(179,632)	359,608
<b>Total equity</b>		<u>778,768</u>	<u>1,414,067</u>

These financial statements were approved and authorised for issue by the Board of Directors on 29 March 2023 and signed on its behalf by:

 <b>Dr. A.B.C. Orjiako</b> Chairman FRC/2013/ODN/00000003161	 <b>Mr. Gerald Ijeoma Oputa</b> Managing Director / CEO FRC/2023/PRO/DIR/003/581462	 <b>Mrs. Temitayo O. Nelson</b> Executive Director - Finance FRC/2019/ICAN/00000019924
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The explanatory notes and statement of significant accounting policies form an integral part of these financial statements.

	Ordinary share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
<b>At 1 October 2020</b>	<u>949,579</u>	<u>112,606</u>	<u>212,477</u>	<u>1,274,662</u>
<b>Changes in equity the year</b>				
Profit for the year	-	-	270,576	270,576
<b>Other comprehensive income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive profit for the year</b>	<u>-</u>	<u>-</u>	<u>270,576</u>	<u>270,576</u>
Dividend declared and paid	-	-	(123,445)	(123,445)
Transaction costs for equity issue	<u>-</u>	<u>(7,726)</u>	<u>-</u>	<u>(7,726)</u>
<b>At 30 September 2021</b>	<u>949,579</u>	<u>104,880</u>	<u>359,608</u>	<u>1,414,067</u>
<b>At 1 October 2021</b>	<u>949,579</u>	<u>104,880</u>	<u>359,608</u>	<u>1,414,067</u>
<b>Changes in equity for the period</b>				
Loss for the period	-	-	(406,299)	(406,299)
<b>Other comprehensive income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the period</b>	<u>-</u>	<u>-</u>	<u>(406,299)</u>	<u>(406,299)</u>
Dividend declared and paid	-	-	(132,941)	(132,941)
Transaction costs for equity issue	<u>-</u>	<u>(96,059)</u>	<u>-</u>	<u>(96,059)</u>
<b>At 31 December 2022</b>	<u>949,579</u>	<u>8,821</u>	<u>(179,632)</u>	<u>778,768</u>

		15 month period to 31 December 2022 N'000	12 month period to 30 September 2021 N'000
<b>(Loss)/profit for the period/year</b>	<b>Notes</b>	<b>(406,299)</b>	<b>270,576</b>
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	16	143,867	107,065
Adjustment on PPE	16	-	247
Depreciation of investment properties	17	1,086	869
Gain or loss on disposal			(4,857)
Impairment loss on trade receivables			59,030
Provision no longer required	10	-	(57,343)
Finance costs	14	375,002	188,216
Exchange loss	13	-	93
Income tax expenses	28	18,245	23,186
		<b>188,400</b>	<b>587,082</b>
<b>Changes in:</b>			
Increase in inventories		(254,729)	(25,265)
Increase in trade receivables		(172,132)	(309,153)
(Increase)/decrease in other assets		(1,276)	29,521
Increase in trade and other payables		472,625	79,862
Decrease in finance lease liability		-	(6,358)
Increase in deferred tax liability		-	71,522
Cash generated from operating activities		<b>232,888</b>	<b>427,211</b>
Income tax paid	26	(67,202)	(81,180)
<b>Net cash generated from operating activities</b>		<b>165,686</b>	<b>346,031</b>
<b>Cash flows from investing activities</b>			
Purchase of property plant and equipment	16	(1,587,017)	(344,068)
Proceed from disposal of property, plant and equipment		-	4,857
<b>Net cash used in investing activities</b>		<b>(1,587,017)</b>	<b>(339,211)</b>
<b>Cash flows from financing activities</b>			
Repayment of loans	22&22.3	(2,360,607)	(334,284)
Borrowings obtained	22	2,803,833	-
Finance cost paid	14	(351,909)	(174,604)
Dividend paid	31	(132,941)	(123,445)
Right issue/capital restructuring cost	30.3	(96,059)	(7,726)
<b>Net cash outflow from financing activities</b>		<b>(137,683)</b>	<b>(640,059)</b>
Effect of exchange rate changes on cash and cash equivalents		(4,290)	10,099
Net decrease in cash and cash equivalents		(1,559,014)	(633,239)
Cash and cash equivalents at 1 October		2,011,674	2,634,814
<b>Cash and cash equivalents at 31 December</b>	<b>21.2</b>	<b>448,370</b>	<b>2,011,674</b>

The accompanying notes and statement of significant accounting policies form an integral part of these financial statements.

## **1. The Company**

### **1.1 Legal form**

Neimeth International Pharmaceuticals Plc, a Company quoted on the Nigerian Exchange Limited (NGX) was incorporated on 30 August 1957 as a limited liability company and commenced operations in January 1958. On 14 May 1997, Pfizer Inc. NY divested from the Company through a management buyout.

### **1.2 Principal activities**

The principal activities of the Company are manufacturing and marketing of pharmaceuticals and animal health products.

## **2. Basis of preparation**

### **2.1 Statement of compliance**

These financial statements have been prepared for the period ended 31 December 2022 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and the requirements of the Companies and Allied Matters Act, 2020. Additional information required by local regulators has been included where appropriate.

### **2.2 Basis of measurement**

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial instruments and land and buildings measured at fair value.

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 the process of applying the accounting policies. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the financial statements present the financial position and results fairly.

### **2.3 Going concern assessment**

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

### **2.4 Functional and presentation currency**

These financial statements are presented in Naira, which is the Company's presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency).



**2.5 New standards, interpretations and amendments adopted from 1 January 2022**

New standards effective for adoption in the annual financial statements for the period ended 31 December 2022 but had no significant effect or impact on the Company are:

Standard/Interpretation		Date issued by IASB	Effective date
IAS 37	Onerous Contracts - Cost of Fulfilling a Contract	14 May 2020	1 January 2022
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020	14 May 2020	1 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	14 May 2020	1 January 2022
IFRS 3	Reference to the Conceptual Framework	14 May 2020	1 January 2022

**2.5.1 New standards, amendments and interpretations issued but not yet effective**

The following are the new standards and interpretations that have been issued, but are not mandatory for the financial period ended 31 December 2022. They have not been adopted in preparing the financial statements for the period ended 31 December 2022.

Standard/Interpretation		Date issued by IASB	Effective date
IAS 1	Classification of liabilities as current or non-current	23 January 2020	1 January 2023
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	12 February 2021	1 January 2023
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)	12 February 2021	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a single Transaction (Amendments to IAS 12)	7 May 2021	1 January 2023
IAS 1	Non-current Liabilities with covenants	31 October 2022	1 January 2024
IAS 16	Lease Liability in a sale and Leaseback (Amendments to IFRS 16)	22 September 2022	1 January 2024
IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.	1 June 2020	1 January 2023

\*All standards and interpretations will be adopted at their effective date (except for those standards and interpretations that are not applicable to the Entity).

### 3. Summary of significant accounting policies

The significant accounting policies set out below have been applied consistently to all periods presented in the financial statements unless otherwise indicated.

#### 3.1 Intangible assets

##### 3.1.1 Intangible assets acquired separately

Intangible assets acquired separately are shown at historical cost less accumulated amortization and impairment losses.

Amortization is charged to profit or loss on a straight-line basis over the estimated useful lives of the intangible assets unless such lives are indefinite. These charges are included in other expenses in profit or loss. Intangible assets with an indefinite useful life are tested for impairment annually.

Amortisation periods and methods are reviewed annually and adjusted if appropriate.

##### 3.1.2 Intangible assets generated internally

Expenditures on research or on the research phase of an internal project are recognized as an expense when incurred. The intangible assets arising from the development phase of an internal project are recognized if, and only if, the following conditions apply:

- The Company has the intention of completing the asset for either use or resale.
- The Company has the ability to either use or sell the asset.
- It is possible to estimate how the asset will generate income.
- The Company has adequate financial, technical and other resources to develop and use the asset.
- The expenditure incurred to develop the asset is measurable.
- It is technically feasible to complete the asset for use by the Company.

If no intangible asset can be recognised based on the above, then development costs are recognised in income statement in the period in which they are incurred.

#### 3.2 Property, plant and equipment

##### 3.2.1 Initial recognition

All property, plant and equipment are stated at cost less accumulated depreciation less accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

##### 3.2.2 Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

##### 3.2.3 Depreciation of property, plant and equipment

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Land	Nil
Buildings	3
Office equipment and furniture	10
Machinery and equipment	10
Motor vehicles	20
Computer equipment	33 <sup>1</sup> / <sub>3</sub>

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value.

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting date.

#### **3.2.4 Derecognition**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, these are included in the income statement under operating income. When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained earnings.

□

#### **3.2.5 Reclassification**

When the use of a property changes from owner-occupier to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognized in the income statement to the extent that it reverses a previous impairment loss on the specific property, with any remaining recognized in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognized immediately in the income statement.

### **3.3 Investment properties**

Investment properties are properties that are held for long-term rental yields or for capital appreciation or both, that are not occupied by any of the department within the Company. Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any. If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment while its carrying value at the date of reclassification becomes its cost for subsequent accounting purposes.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its carrying amount at the date of change in use.

### **3.4 Inventories**

Inventories are valued using standard costing method of valuation. The cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventory and work in progress, cost includes an appropriate share of production overheads based on normal activity levels.

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

### **3.5 Impairment of non-financial assets**

The Company assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease.

### 3.6 Financial instruments

#### Recognition and initial measurement

Financial instruments carried at statement of financial position date include the loans and receivables, cash and cash equivalents and borrowings. Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured as described below:

#### 3.6.1 Financial assets

Initial recognition and measurement of financial assets

The Company classifies its financial assets at initial recognition and subsequently measured at amortised cost, at fair value through other comprehensive income (OCI) and fair value through profit or loss.

The Company classifies its financial assets into the following categories: Financial assets at fair value through profit or loss, at fair value through OCI or at amortised cost. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

#### 3.6.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss (the Company however has no financial instrument in this category).

##### a) Financial assets at fair value through profit or loss

A financial asset is classified into the 'financial assets at fair value through profit or loss' category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management. Derivatives are also classified as held for trading unless they are designated as hedges.

##### b) Financial assets at fair value through other comprehensive income

Financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

##### c) Financial assets carried at amortised cost

The Company assesses at each end of the reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;

The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

### **3.6.3 Financial liabilities**

#### **3.6.3.1 Initial recognition and measurements**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

#### **3.6.3.2 Derecognition**

A financial liability is derecognised when the obligation under the liability 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

### **3.6.4 Impairment of financial assets**

#### **3.6.4.1 Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its trade receivables, equity instruments and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

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. Equity instruments are not subject to impairment under IFRS 9.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.



ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### **3.6.4.2 Credit-impaired financial assets**

The Company considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt instruments carried at FVOCI are credit-impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following:

- there is significant financial difficulty of a customer (potential bad debt indicator);
- there is a breach of contract, such as a default or delinquency in interest or principal payments;
- the Company, for economic or legal reasons relating to the Customer's financial difficulty, granting to the Customer a concession that the Company would not otherwise consider.
- it becomes probable that a counterparty/Customer may enter bankruptcy or other financial reorganisation;
- there is the disappearance of an active market for a financial asset because of financial difficulties; or
- observable data indicates that there is a measurable decrease in the estimated future cash flows from a Company of financial assets.
- the financial asset is 360 days and above past due.

A trade receivable debt that has been renegotiated due to a deterioration in the Customer's financial condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

#### **3.6.4.3 Presentation of allowance for ECL**

Trade receivable allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: the loss allowance is recognised as a provision, and

- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

### 3.7 Other financial assets:

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled revenues, cash and cash equivalents and other assets.

### 3.8 Trade and other receivables

Trade receivables are stated at fair value and subsequently measured at fair value through profit or loss, less provision for impairment. Impairment thereon are computed using the simplified IFRS 9 ECL Model, where the receivables are aged and probability of default applied on each aged bracket. Trade receivables meet the definition of financial assets and the carrying amount of the trade receivables approximates their fair values.

### 3.9 Equity instruments

Equity instruments issued by the Company are recorded at the value of proceeds received, net of costs directly attributable to the issue of the instruments. Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

The entity subsequently measures all equity investments at fair value. Where the entity's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### 3.10 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

Interest-bearing borrowings are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

#### 3.10.1 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the income statement.

### **3.10.2 Deferred fair value gain on loans**

Deferred fair value gain on loans are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the gains will be received. Deferred fair value gain on loans are recognised in profit or loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the gains are intended to compensate. Specifically, deferred fair value gain on loans whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. The amount recognised as deferred fair value gain on loan is recognised in profit or loss over the year the related expenditure is incurred.

Deferred fair value gain on loans that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the year in which they become receivable. The benefit of a deferred fair value gain on loans at a below-market rate of interest is treated as a deferred fair value gain on loans, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and it is amortised over the life span of the loan.

### **3.11 Cash and cash equivalents**

Cash equivalents comprises of short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term.

For the purpose of presenting the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts.

### **3.12 Trade and other payables**

Trade and other payables are stated at their original invoiced value. The Directors consider the carrying amount of other payables to approximate their fair value.

### **3.13 Employee benefits**

#### **3.13.1 Defined contribution plan**

In accordance with the provisions of the amended Pension Reform Act, 2014 the Company has instituted a Contributory Pension Scheme for its employees, where both the employees and the Company contribute 8% and 10% of the employee total emoluments. The Company's contribution under the scheme is charged to the profit and loss while employee contributions are funded through payroll deductions.

Obligations for contributions to the defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Contributions to a defined contribution plan that is due more than twelve months after the end of the period in which the employees render the service are discounted to their present value.

Payments to defined contribution plans are recognised as an expense as they fall due. Any contributions outstanding at the year end are included as an accrual in the statement of financial position.

**3.13.2 Defined benefit plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's net obligation in respect of defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any recognized past service costs and fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Company's obligation and that are denominated in the currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected credit unit method.

The Company recognizes all actuarial gains or losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in personnel expenses in profit or loss.

The Company recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on settlement or curtailment comprises any resulting change in the fair value of the plan asset, any change in the present value of defined benefit obligation, any related actuarial gains or losses and past services cost that had not been previously recognised.

**3.13.3 Termination benefit**

Termination benefits are recognized as an expense when the Company is demonstrably committed without realistic possible withdrawal, to a formal detail plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefit for voluntary redundancies is recognized as expenses if the Company has made an offer of voluntary redundancy and it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If the benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

**3.13.4 Short term employee benefits**

These are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized 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.

**3.14 Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit (loss), it is not accounted for.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of financial assets through OCI and cash flow hedges, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the income statement together with the deferred gain or loss.

### 3.15 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting date, taking into account the risks and uncertainties surrounding the obligation.

### 3.16 Revenue recognition

#### 3.16.1 Identification of contracts

Every revenue from contracts with customers begins with identification of a contract which can either be written, oral or implied by the company's business practices and should meet all the following criteria:

- (a) The contract must have commercial substance.
- (b) The contract must be approved by all parties to the contract.
- (c) Each party's rights regarding products to be transferred can be identified.
- (d) The payment terms for products to be transferred can be identified.
- (e) Each party is committed to perform their obligation.
- (f) It is probable that the company will collect the consideration to which it is entitled.



**3.16.2 Performance obligation and timing of revenue recognition**

Revenue represents the fair value of the consideration received or receivable for sales of goods and services, in the ordinary course of the Company's activities and is stated net of value-added tax (VAT). The Company derived revenue principally from the manufacturing and marketing of pharmaceutical and animal health products. Revenue is recognised at a point in time when control of goods has transferred, being when the products are delivered to the customers (end users). Delivery occurs when the products have been shipped to the specific location and the control has been transferred and evidence of delivery received from the customers and the Company has objective evidence that all criteria for acceptance have been satisfied. No sales are reported if control of the goods has not been transferred to the customers.

**3.16.3 Determining the transaction price**

Most of the Company's revenue is derived from fixed price contract and the amount of revenue to be earned from each contract is determined by reference to those fixed prices. The Company has full discretion over the price to sell the products.

**3.16.4 Allocating amounts to performance obligation**

For most contracts, there is a fixed unit price for each of the product sold. There is no judgement involved in allocating the contract price to each unit ordered in such contract (It is the total contract price divided by the number of units ordered), Where a customer orders more than one item, the Company is able to determine the split of the total contract price between each product by referencing to each product's stand alone selling prices.

**3.16.5 Revenue recognition**

Revenue is recognised when the Company satisfies performance obligation. Satisfaction occurs when the Company transfers control of products to the customers. Control is the ability to direct the use and obtain substantially all of the remaining benefits from an asset.

**3.17 Foreign currencies****Foreign currency transactions**

Monetary items denominated in foreign currencies are retranslated at the exchange rates applying at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings which are regarded as adjustments to interest costs, where those interest costs qualify for capitalization to assets under construction.
- Exchange differences on transactions entered into to hedge foreign currency risks.
- Exchange differences on loans to or from a foreign operation for which settlement is neither planned nor likely to occur and therefore forms part of the net investment in the foreign operation, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

**3.18 Segment reporting**

An operating segment is a component of an entity:

- a) That engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to transactions with other components of the same entity);
- b) Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment, assess its performance; and

c) For which discrete financial information is available.

Quantitative thresholds have been set for determining operating segments for which separate information should be disclosed. Separate information should be disclosed for any operating segment:

- With revenue (including both external sales and intersegment transfers) that is 10% or more of the total revenue of all the operating segments;
- With assets that are 10% or more of the combined assets of all the operating segments; or
- Where its profit or loss which, in absolute terms, is 10 per cent or more of the greater, in absolute amount, of the combined reported profit of all profit making operating segments; and
- The combined reported loss of all loss-making operating segments.

An entity may combine information about operating segments that do not meet the quantitative thresholds with information about other operating segments that do not meet the quantitative thresholds to produce a reportable segment only if the operating segments have similar economic characteristics and share a majority of the aggregation criteria.

If the total external revenue reported by operating segments constitutes less than 75% of the entity's revenue, additional operating segments shall be identified as reportable segments until at least 75% of the entity's revenue is included in reportable segments.

If an operating segment is identified as a reportable segment in the current period in accordance with the quantitative thresholds, segment data for a prior period presented for comparative purposes shall be restated to reflect the newly reportable segment as a separate segment, even if that segment did not satisfy the criteria for reportability in the prior period, unless the information is not available and the cost to develop it is excessive.

The disclosure of segmental cash flows enables users to obtain a better understanding of the relationship between the cash flows of the business as a whole and those of its component parts and the availability and variability of segmental cash flows.

The Company should disclose the factors used to identify its reportable segments. This should include the basis of organisation, for example by difference in products or services, geographical areas, regulatory environments or a combination of factors.

The Company should disclose the types of products and services from which each reportable segment derives its revenues.

Information about other business activities and operating segments that are not reportable shall be combined and disclosed in an 'all other segments'.

The sources of the revenue included in the 'all other segments' category shall be described.

An entity shall provide an explanation of the measurements of segment profit or loss, segment assets and segment liabilities for each reportable segment.

Certain entity wide disclosures are also required for all entities, including those entities that have a single reporting segment, including information about: products and services; geographical areas; and major customers. An entity shall report the revenues from external customers for each product and service, or each group of similar products and services, unless the necessary information is not available and the cost to develop it would be excessive, in which case that fact shall be disclosed. The amounts of revenue reported shall be based on the financial information used to produce the entity's financial statements.

An entity shall report geographical information for revenue from external customers:

i) Attributed to the entity's country of domicile and

ii) Attributed to all foreign countries in total from which the entity derives revenues. If revenues from external customers attributed to an individual foreign country are material, those revenues shall be disclosed separately. An entity shall disclose the basis for attributing revenues from external customers to individual countries.

An entity shall report geographical information for non-current assets (other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts) located in the entity's country of domicile; and

An entity shall provide information about the extent of its reliance on its major customers. If revenue from transactions with a single external customer amount to 10 per cent or more of an entity's revenues, the entity shall disclose that fact, the total amount of revenues from such customer, and the identity of the segment or segments reporting the revenues. The entity need not disclose the identity of a major customer or the amount of revenues that each segment reports from that customer. For the purposes of this IFRS, a group of entities known to a reporting entity to be under common control shall be considered a single customer, and a government (national, state, provincial, territorial, local or foreign) and entities known to the reporting entity to be under the control of that government shall be considered a single customer.

#### **4. Critical accounting estimates and judgement**

The Company makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgment are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumption.

The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the period of the change, if the change affects that period only, or in the period of change and future period, if the change affects both the estimates and assumptions that have a significant risks of causing material adjustment to the carrying amount of asset and liabilities in the next financial statements are discussed below:

##### **a) Defined benefit obligation**

The present value of defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the defined benefit obligation include the discount rate, the Company determines the discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimate future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high- quality corporate bond that are denominated in the currency in which the benefits will be paid, and have terms to maturity approximating the terms of the defined benefit obligation.

##### **b) Impairment of FVOCI financial assets**

The Company determines that FVOCI financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Company evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and financing and operational cash flows.

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them.

To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### **c) Impairment of property, plant and equipment and intangible assets**

Management is required to make judgement concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate impairment exist.

#### **d) Others are:**

- Residual values of items of property, plant and equipment.
- Estimated useful lives of item of property, plant and equipment.
- Allowance for obsolete stock.
- Allowance for doubtful debts.

### **5. Risk management framework**

The primary objective of the company's risk management framework is to protect their stakeholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having efficient and effective risk management systems in place.

The Company has established a risk management function with clear terms of reference from the Board of Directors, its committees and the executive management committees.

This is supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Lastly, the Internal Audit unit provides independent and objective assurance on the robustness of the risk management framework, and the appropriateness and effectiveness.

**Strategic risks** - This specifically focused on the economic environment, the products offered and market. The strategic risks arises from a Company's ability to make appropriate decisions or implement appropriate business plans, strategies, decision making , resource allocation and its inability to adapt to changes in its business environment.

**Operational risks** - These are risks associated with inadequate or failed internal processes, people and systems, or from external events.

**Financial risks** - Risk associated with the financial operation of the Company, including underwriting for appropriate pricing of plans, provider payments, operational expenses, capital management, investments, liquidity and credit.

The Board of Directors approves the Company's risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting to the corporate goals, and specify reporting requirements to meet.

### 5.1 Strategic risks

The following capital management objectives, policies and approach to managing the risks which affect its capital position are adopted by the Company.

- To maintain the required level of financial stability thereby providing a degree of security to clients and plan members.
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- To retain financial flexibility by maintaining strong liquidity.
- To align the profile of assets and liabilities taking account of risks inherent in the business and regulatory requirements.
- To maintain financial strength to support new business growth and to satisfy the requirements of the regulators and stakeholders.

### 5.2 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors such as provider tariffs, medical costs, premium review for adequacy, prompt premium payments and collections. Others are legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including independent authorisation of transactions.
- requirements for the reconciliation and monitoring of transactions.
- compliance with regulatory and other legal requirements.
- documentation of controls and procedures.
- training and professional development.
- ethical and business standards.



### 5.3 Financial risks

The Company's operations expose it to a number of financial risks. A risk management programme has been established to protect the Company against the potential adverse effects of these financial risks. There has been no significant change in these financial risks since the prior year and they are:

- Credit risks
- Liquidity risks
- Market risks

#### a) Credit risks

The Company invests some of its surplus funds in high quality liquid market instruments. Such investments have a maturity no greater than three months. To reduce the risk of counterparty default the Company deposits the rest of its surplus funds in approved high quality banks. Concentrations of credit risk with respect to customers are limited due to the Company's customer base being large and unrelated. Customers are assessed for credit worthiness and where appropriate the Company obtains security for its exposure to the risk of default. Credit limits are also imposed on customers and reviewed regularly.

#### Exposure to risk

The Company's maximum exposure to credit risk, without taking into account any collateral held or other credit enhancements:

	31 December 2022 N'000	30 September 2021 N'000
<b>Financial assets</b>		
Trade and other receivables	1,391,841	1,276,208
Cash and cash equivalents	448,370	2,025,239
<b>Ageing of past due receivables:</b>		
0 - 90 days	23,695	16,951
91 - 180 days	63,346	23,961
181 - 270 days	36,747	2,248
271 - 365 days	15,814	714
Over 365 days	677,743	716,972
<b>Total</b>	<b>817,345</b>	<b>760,846</b>

The Company allows an average debtors period of 30 days after invoice date. It is the Company's policy to assess trade receivables for recoverability on an individual basis and to test for impairment where it is considered necessary. In assessing recoverability the Company takes into account any indicators of impairment up until the reporting date.

#### b) Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The Company employs policies and procedures to mitigate its exposure to liquidity risk.

#### c) Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

**d) Currency risk**

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's principal transactions are carried out in Naira and its financial assets are primarily denominated in the Naira and its exposure to foreign exchange risk is minimal.

**6. Capital management**

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and customers.

The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis.

**Approach to capital management**

In the management of its capital, the Company has certain objectives which it intends to achieve. These include:

The safeguarding of the Company's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders by pricing products commensurately with the level of risk.

Consistently with others in the industry, the Company monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt ÷ capital:

Net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Capital comprise all components of equity (i.e. ordinary share capital, share premium and retained earnings).

The debt-to-capital ratios at 31 December 2022 and its comparative period were as follows:

	31 December 2022 N'000	30 September 2021 N'000
Total liabilities	5,732,735	4,860,603
Total liabilities and equity	6,511,503	6,274,670
Debt-to-capital ratio	0.88	0.77

The increase in the debt-to-capital ratio during 2022 resulted primarily from the increase in the entity's borrowings.

The Company's primary source of capital is borrowed funds from various financial institutions repayable with interest at specified dates.

There was no significant change to its capital structure during the period.

**7. Financial instruments and fair values**

As explained in Note 3.6, financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statement of income or comprehensive income. These categories are: fair value through profit or loss; loans and receivables; FVOCI; and, for liabilities, amortized cost or fair value through profit or loss.

31 December  
2022  
N'000

30 September  
2021  
N'000

## 8. Segment information

### 8.1 Operating segments

The Company has two reportable business segments, summarised as follows:

Pharmaceuticals product group:

This include the marketing and sales of the Company's branded products, and the consumer product group.

Animal health product group:

This include the marketing and sales of poultry and large animal range of anthelmintic as well as production enhancing medicaments.

Pharmaceuticals

3,555,290

2,803,466

Animal health

93,863

243,195

3,649,153

3,046,661

### 8.2 Geographical segment

The Company operates in two geographic regions namely Nigeria and Ghana.

Nigeria

3,649,153

3,011,319

Ghana

-

35,342

3,649,153

3,046,661

The reported revenue for animal health segment is not significant to the total revenue, hence, it was not separated for direct cost allocation in order to determine the gross profit.

There is no disclosure of depreciation, amortisation and assets per business segment because the assets of the Company are not directly related to a particular business segment.

N'000

N'000

## 9. Cost of sales

Raw material

Opening stock at 1 October

734,778

726,947

Add purchases

1,769,604

1,247,555

2,504,382

1,974,502

Less: Closing stock at 31 December

(781,154)

(734,778)

Product Cost

1,723,228

1,239,724

	31 December 2022 N'000	30 September 2021 N'000
<b>Factory overhead expenses</b>		
Production salaries and wages	286,342	269,444
Power and fuel	81,832	30,792
Factory other expenses	154,471	130,191
Depreciation: - Plant and machinery (Note 16)	88,854	56,263
- Building	3,967	3,967
Obsolete, excess inventory recovery	-	26,026
Inventory written down	80,220	-
Increase in finished goods	(42,520)	(116,764)
Increase in work in progress	(42,667)	(37,033)
Increase in spares parts	(10,184)	(1,152)
	<u>600,315</u>	<u>361,734</u>
	<u>2,323,543</u>	<u>1,601,458</u>
<b>10. Other income</b>	<b>N'000</b>	<b>N'000</b>
Gains on disposal of property, plant and equipment (Note 10.1)	-	4,857
Sundry receipts (Note 10.2)	-	141
Sales of scrap	-	2,014
Insurance claims	12	-
Lease rental income (Note 10.3)	35,925	20,000
Reversal of accrued interest on Daewoo loan (10.4)	-	57,343
Fair value adjustment	161,516	117,668
	<u>197,453</u>	<u>202,023</u>
	<b>N'000</b>	<b>N'000</b>
<b>10.1. Gain on disposal of property, plant and equipment</b>		
Cost	-	52,633
Accumulated depreciation	-	(52,633)
	<u>-</u>	<u>-</u>
Carrying amount	-	-
Proceed on disposal	-	4,857
	<u>-</u>	<u>4,857</u>
Profit on disposal	-	4,857

10.2. This represents merging account balances from closed Zenith bank account to another similar account.

10.3. This represents leased rental income from Neimeth property (former office complex) at 1 Henry Carr, Ikeja.

10.4. This represents reversal of accrued interest on Daewoo loan no longer required from 12 September, 2019 to 30 September 2021. Daewoo Securities (Europe) Limited was dissolved following a member voluntary winding up and a liquidator was appointed to file the final account at the company house in UK. Further provisioning of accrued interest on Daewoo has been put on hold and the interest accrued from September 2019 to September 2021 was reversed.

	31 December 2022 N'000	30 September 2021 N'000
<b>11. Marketing and distribution expenses</b>		
Employee cost	304,970	205,378
Transport and travelling	86,073	47,939
Advert and promotions	259,090	224,459
Depreciation of motor vehicle (Note 16)	39,968	38,614
Communication and subscription	324	2,072
Donations	498	261
Printing and stationeries	936	1,634
Rent and rate	5,059	1,771
Product registration expenses	815	8,654
Training and seminar	25	-
Medical expenses	191	552
Energy cost	22,911	16,398
Repairs and maintenance	14,087	8,474
Telephone and postages	4,815	4,617
Corporate expenses	6,007	12,698
Others	9,996	6,175
	<u>755,765</u>	<u>579,696</u>
<b>12. Administrative expenses</b>		
Employee costs	267,822	188,726
Impairment allowance for trade and other receivables (Note 19.2)	56,499	59,030
Corporate expenses	33,606	15,654
Transport and travelling	54,697	33,222
Legal, consultancy and professional fees	16,860	13,320
Energy cost	58,694	47,359
Rent and rate	-	1,500
Bank charges and commission	53,257	18,055
Insurance	20,066	12,414
Repairs and maintenance	19,972	11,575
Printing and stationeries	8,846	2,946
Training and seminar	5,504	3,604
Conference and meetings	51,731	42,540



	31 December 2022 N'000	30 September 2021 N'000
Medical expenses	25,613	18,151
Telephone and postages	18,061	13,610
Communication and subscription	11,188	5,795
Depreciation of office and computer equipment (Note 16)	15,045	12,188
Audit fee	7,000	8,894
Gift and donation expenses	2,446	548
Security expenses/ Laboratory Expenses	6,199	3,876
Industrial relations expenses	42,559	-
Others (Note 12.1)	7,114	930
	<u>782,779</u>	<u>513,937</u>

12.1 Others represent public relations expenses and clinical/ laboratory testing expenses.

### 13. Foreign exchange Gain/(loss)

Gain/(loss) on currency translation	<u>N'000</u> 2,429	<u>N'000</u> (93)
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### 14. Finance costs

Interest expenses	<u>N'000</u> 375,002	<u>N'000</u> 188,126
Interest on lease	<u>-</u>	<u>90</u>

	<u>375,002</u>	<u>188,216</u>
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Less accrued interest in the year

Accrued interest (Note 22.1)	<u>23,093</u>	<u>13,612</u>
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	<u>23,093</u>	<u>13,612</u>
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Finance costs paid

	<u>351,909</u>	<u>174,604</u>
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15. The fair value of financial assets and liabilities together with the carrying amounts shown in the statement of financial position are as follows:

		Financial assets		Financial liabilities		
	Note	Fair value through profit or loss N'000	Amortised cost N'000	Amortised cost N'000	Total carrying amount N'000	Fair value N'000
At 31 December 2022						
Assets						
Trade and other receivables	19	-	1,391,841	-	1,391,841	1,391,841
Cash and cash equivalents	21.1	448,370	-	-	448,210	448,210
		448,370	1,391,841	-	1,840,051	1,840,051
Liabilities						
Trade and other payables	24	-	-	1,266,150	1,266,150	1,266,150
Borrowings (Current portion)	22.1	-	-	2,157,910	2,157,910	2,157,910
		-	-	3,424,060	3,424,060	3,424,060
At 30 September 2021						
Assets						
Trade and other receivables	19	-	1,276,208	-	1,276,208	1,276,208
Cash and cash equivalents	21.1	2,025,239	-	-	2,025,239	2,025,239
		2,025,239	1,276,208	-	3,301,447	3,301,447
Liabilities						
Trade and other payables	24	-	-	793,525	793,525	793,525
Borrowings (Current portion)	22.1	-	-	1,099,734	1,099,734	1,099,734
		-	-	1,893,259	1,893,259	1,893,259

#### 15.1 Fair valuation methods and assumptions

Cash and cash equivalents, trade receivables, trade payable and short term borrowings are assumed to approximate their carrying amounts due to the short-term nature of these financial instruments.

The fair value of publicly traded financial instruments is generally based on quoted market prices, with unrealised gains in a separate component of equity at the end of the reporting period.

The fair value of current financial assets and liabilities are stated at amortized cost.

#### 15.2 Fair value measurements recognised at the reporting date

Financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

**Level 1:** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** for equity securities not listed on an active market and for which observable market data exist that the company can use in order to estimate the fair value.

**Level 3:** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**16. Property, plant and equipment**

Cost	Land N'000	Building N'000	Machinery and N'000	Furniture and fittings N'000	Motor vehicles N'000	Computer equipment N'000	Capital work in progress N'000	Right-of- Use Assets N'000	Total N'000
<b>At 1 October 2020</b>	85,865	132,242	822,580	109,709	401,442	71,463	563,430	88,078	2,274,809
Additions in the year	-	-	-	-	-	-	344,068	-	344,068
Reclassification from CWIP	-	-	74,135	320	53,190	1,239	(128,884)	-	-
Disposal	-	-	-	-	(52,633)	-	-	-	(52,633)
Adjustment	-	-	-	-	-	(270)	-	-	(270)
<b>At 30 September 2021</b>	85,865	132,242	896,715	110,029	401,999	72,432	778,614	88,078	2,565,974
<b>At 1 October 2021</b>	85,865	132,242	896,715	110,029	401,999	72,432	778,614	88,078	2,565,974
Additions in the period/year	-	33,507	346,419	6,766	80,179	15,887	1,104,259	-	1,587,017
<b>At 31 December 2022</b>	85,865	165,749	1,243,134	116,795	482,178	88,319	1,882,873	88,078	4,152,991
<b>Accumulated depreciation and impairment losses</b>									
<b>At 1 October 2020</b>	-	12,532	542,946	66,921	348,439	67,705	-	61,024	1,099,567
Charge for the year	-	3,967	56,263	6,240	20,999	1,981	-	17,615	107,065
Disposal	-	-	-	-	(52,633)	-	-	-	(52,633)
Adjustment	-	-	-	-	-	(23)	-	-	(23)
<b>At 30 September 2021</b>	-	16,499	599,209	73,161	316,805	69,663	-	78,639	1,153,976
<b>At 1 October 2021</b>	-	16,499	599,209	73,161	316,805	69,663	-	78,639	1,153,976
Charge for the period	-	6,153	76,448	8,156	37,706	5,966	-	9,438	143,867
<b>At 31 December 2022</b>	-	22,652	675,657	81,317	354,511	75,629	-	88,077	1,297,843
<b>Carrying amounts</b>									
<b>At 31 December 2022</b>	85,865	143,097	567,477	35,478	127,667	12,690	1,882,873	1	2,855,148
<b>At 30 September 2021</b>	85,865	115,743	297,506	36,868	85,194	2,769	778,614	9,439	1,411,998

	31 December 30 September	
	2022	2021
<b>Analysis of depreciation charged is as follows:</b>		
Cost of sales (Note 9)	N'000	N'000
Marketing and distribution expenses (Note 11)	88,854	56,263
Administrative expenses (Note 12)	39,968	38,614
	15,045	12,188
	143,867	107,065

Depreciation charged is included in the administrative expenses and cost of sales in the statement of profit or loss and other comprehensive income. Property, plant and equipment includes amounts of motor vehicles which the Company acquired under finance lease agreements, now treated as Right-of-use assets.

- Capital work in progress represents plant and equipment items under manufacturing for the upgrade of Oregon plant, the ongoing construction work in Amawbia (Anambra state) and payment made for accounting software (SAP) not yet in use.
- The Company's property, plant and equipment have been used as a collateral for borrowings and are secured over the fixed and floating assets of the Company.
- Reclassification to investment property: Certain classes of assets (land and building) have been reclassified to investment property as a result of change in use.
- Adjustment represent an amount reversed in respect of unreceived item of property, plant and equipment

	31 December 2022 N'000	30 September 2021 N'000
<b>17. Investment properties</b>		
<b>Cost</b>	49,427	49,427
<b>Accumulated depreciation</b>		
At the beginning of the period/year	14,331	13,462
Charged in the period/year	1,086	869
	15,417	14,331
<b>Carrying amount</b>		
At the end of the period/year	34,010	35,096

Investment property represents Neimeth office complex at 1 Henry Carr Street, Ikeja. The office complex is currently held for lease rental. On 30 September 2020, the Company received N60,000,000 as rental income for a period of 3 years, commencing 1 December 2019. At 31 December 2022, the Company recognised N23,333,333 (2021 : N20,000,000) as rental income in the statement of profit or loss and other comprehensive income. It is management's intention to continue to keep this property as investment property. The Company is currently using the cost model for recognising investment property. However its fair value at 31 December 2022 is N750,000,000 (2021: N695,183,139). The valuation was done by Tope Ojo & Tunde Olonisakin Estate Surveyors & Valuers on 10 January 2023.

	31 December 2022 N'000	30 September 2021 N'000
<b>18. Inventories</b>		
Raw materials	781,154	734,778
Work in progress	117,108	74,441
Finished goods	496,489	453,969
Spare parts	31,742	21,558
	1,426,493	1,284,746
Goods in transit	292,657	179,675
	1,719,150	1,464,421

**18.1** Inventories to the value of N1.719 billion (2021 : N1.464 billion) were carried at net realisable value. No inventories are pledged as security for liabilities.

	31 December 2022 N'000	30 September 2021 N'000
<b>19. Trade and other receivables</b>		
Trade receivables	2,115,967	1,972,261
Other receivable (Note 19.1)	93,219	64,793
	<u>2,209,186</u>	<u>2,037,054</u>
Impairment allowance (Note 19.2)	(817,345)	(760,846)
	<u>1,391,841</u>	<u>1,276,208</u>
<b>19.1 Other receivables</b>		
Staff loans	N'000	N'000
Debit balance in trade payables (Note 19.1.1)	57,637	33,435
Impairment on other receivables	36,461	32,237
	(879)	(879)
	<u>93,219</u>	<u>64,793</u>
<b>19.1.1</b> The Debit balance in trade payables relate to advance payment made to local raw materials suppliers for which the raw materials are awaiting delivery as at year end.		
<b>19.2 Impairment allowance on trade receivables</b>	N'000	N'000
At the beginning of the period/year	760,846	701,816
Additional charge during the period/year (Note 12)	56,499	59,030
<b>At the end of the period/year</b>	<u>817,345</u>	<u>760,846</u>

Trade receivables are stated at fair value and subsequently measured at fair value through profit or loss, less provision for impairment. Impairment thereon are computed using the simplified IFRS 9 ECL Model, where the receivables are aged and probability of default applied on each aged bracket. Trade receivables meet the definition of financial assets and the carrying amount of the trade receivables approximates their fair value.

	31 December 2022 N'000	30 September 2021 N'000
<b>20. Other assets</b>		
Prepayments	21,455	18,582
Withholding tax receivable	23,192	22,491
Advance payment to suppliers	3,595	2,468
Replaceable stocks (Note 20.1.)	14,742	18,167
	<u>62,984</u>	<u>61,708</u>

20.1 Replaceable stocks represent finished products bought for sale by Neimeth, but rejected because the products supplied failed quality test. However, the supplier of the products has been notified and has agreed to replace the products. The products are being replaced in batches. The outstanding represents the value of the products yet to be replaced at year end.

	31 December 2022 N'000	30 September 2021 N'000
<b>21. Cash and cash equivalents</b>		
<b>21.1 Cash and cash equivalents as per statement of financial position</b>		
Cash in hand	97	-
Cash in banks	448,273	2,025,239
	<u>448,370</u>	<u>2,025,239</u>



**21.2 Cash and cash equivalents as per statement of cash flows****Cash and cash equivalents**

Cash and bank balances (Note 21.1)

Bank overdrafts (Note 22.4)

**22. Borrowings****Term loans**

At the beginning of the period/year

Addition in the period/year

Write back of accrued interest on debenture

Repayment during the period/year

Exchange (loss)/gain

Other loans (Note 22.3)

**At the end of the period/year****Analysis by maturity:****22.1 Current**

Daewoo Securities (Europe) Limited (Note 22.2.1)

CBN Intervention Fund (Note 22.2.2)

Bank of Industries (Note 22.2.3)

ProvidusBank Plc

Accrued interest on other loan (Note 22.3)

**Non-current:**

CBN Intervention Fund (Note 22.2.2)

Bank of Industries (Note 22.2.3)

Other loan (Note 22.3)

Deferred fair value gain on loan (Note 23)

**22.2 Analysis of Term loans**

Daewoo Securities (Europe) Limited (Note 22.2.1)

CBN Intervention Fund (Note 22.2.2)

Bank of Industries (Note 22.2.3)

Providus Bank Plc

IFRS Interest (Amortisation difference)

Other loan (Note 22.3)

**22.2.1 Daewoo Securities (Europe) Limited**

400 million Japanese Yen (JPY) zero coupon bond issued by the Company in 2007 financial year. The bond was due by 2014 (but was recalled in January, 2008) with options to subscribe ordinary shares of the Company to KDB Daewoo Securities (Europe) Limited. The principal JPY 260million had been repaid leaving outstanding JPY 140 million.

	31 December 2022 N'000	30 September 2021 N'000
Cash and bank balances (Note 21.1)	448,370	2,025,239
Bank overdrafts (Note 22.4)	-	(13,565)
	<u>448,370</u>	<u>2,011,674</u>
<b>22. Borrowings</b>		
<b>Term loans</b>	<b>N'000</b>	<b>N'000</b>
At the beginning of the period/year	3,644,297	3,716,448
Addition in the period/year	2,803,833	-
Write back of accrued interest on debenture	-	(57,343)
Repayment during the period/year	(2,239,984)	(25,000)
Exchange (loss)/gain	(4,290)	10,192
	<u>4,203,856</u>	<u>3,644,297</u>
Other loans (Note 22.3)	69,733	167,264
	<u>4,273,590</u>	<u>3,811,561</u>
<b>Analysis by maturity:</b>		
<b>22.1 Current</b>	<b>N'000</b>	<b>N'000</b>
Daewoo Securities (Europe) Limited (Note 22.2.1)	915,008	919,298
CBN Intervention Fund (Note 22.2.2)	102,165	-
Bank of Industries (Note 22.2.3)	251,904	166,824
ProvidusBank Plc	865,740	-
Accrued interest on other loan (Note 22.3)	23,093	13,612
	<u>2,157,910</u>	<u>1,099,734</u>
<b>Non-current:</b>	<b>N'000</b>	<b>N'000</b>
CBN Intervention Fund (Note 22.2.2)	1,205,246	1,285,776
Bank of Industries (Note 22.2.3)	235,540	493,300
	<u>1,440,786</u>	<u>1,779,076</u>
Other loan (Note 22.3)	46,640	153,651
	<u>1,487,426</u>	<u>1,932,727</u>
Deferred fair value gain on loan (Note 23)	628,254	779,100
	<u>4,273,590</u>	<u>3,811,561</u>
<b>22.2 Analysis of Term loans</b>	<b>N'000</b>	<b>N'000</b>
Daewoo Securities (Europe) Limited (Note 22.2.1)	915,008	919,298
CBN Intervention Fund (Note 22.2.2)	1,307,411	1,285,774
Bank of Industries (Note 22.2.3)	487,444	660,123
Providus Bank Plc	865,740	-
IFRS Interest (Amortisation difference)	628,254	779,100
	<u>4,203,857</u>	<u>3,644,295</u>
Other loan (Note 22.3)	69,733	167,265
	<u>4,273,590</u>	<u>3,811,560</u>

The outstanding balance of JPY 268,803,839 (comprising principal of JPY 140million, interest JPY 128.8 million) has been translated at Central Bank of Nigeria (CBN) ruling rate as at 31 December 2022.

### 22.2.2 CBN Intervention Fund

This represents N2.4 billion CBN Intervention Funds. Utilisation is made up of N2 billion which is to be used to part finance the establishment of a new WHO cGMP Multi-Product factory at Amawbia, Anambra State, while N400 million is to be used to augment the Company working capital requirement at interest rate of 5% per annum (all inclusive) up to 28 February 2021. Thereafter, interest on the working capital facility is now 9% per annum from 1 March 2021 with one year tenure and roll over of not more than 3 years. The N400m working capital was rolled over in October 2022 for the third time and would be due for repayment in October 2023.

### 22.2.3 Bank of Industries (BOI)

This consists of multiple loan facility of N750 million received from BOI on the 24 December 2019, comprising of a term loan of N500 million maturing 17 March 2025 and a working capital facility of N250 million maturing 17 March 2023. The term loan is dedicated for new equipment purchase to upgrade Oregon Plant while the working capital is meant for raw materials procurement for the manufacturing of pharmaceutical products and marketing expenses at Neimeth factory in Oregon Lagos. Repayment for the term loan is sixty (60) equal and consecutive monthly instalments of N10,416,666.67 commencing immediately after the expiration of moratorium period of 12 months. For the working capital facility component of the loan, thirty-six (36) equal and consecutive monthly instalments of N8,333,333.33. The N500m term loan enjoyed 2% interest rate concession up to August 2022 when the rate returned to 10% per annum in September 2022. The working capital loan also enjoyed 2% interest rate concession up to same period when the rate returned to 10.5% per annum in September 2022.

### 22.3 Other loan

At the beginning of the period/year

Accrued Interest

Repayment during the period/year

At the end of the period/year

Other loan represents amount received from Directors and their Companies as indicated in Note 22.3.1 below. The loan attracts 14% interest per annum. A major loan repayment was made to some of the Directors to aid the redemption of their right issue.

31 December 2022 N'000	30 September 2021 N'000
167,264	164,955
23,093	13,612
(120,624)	(11,303)
<u>69,733</u>	<u>167,264</u>

### 22.3.1 Related Party Transactions

Related Party	Relationship	Nature of Transaction	31 December 2022	30 September 2021
			Amount N'000	Amount N'000
1. Alpha Pharmacy & Stores Ltd	Sir. I. T. Onyechi - Director in Alpha Pharmacy Stores	Loan	928	37,900
2. Dr. A. B. C. Orjiako	Director	Loan	1,424	64,360
3. Mr Emmanuel Ekunno	Former Director	Loan	1,190	1,076
4. Fall River Production Ltd	Mr. T. T. Osobu - Director in Fall River Prod. Ltd	Loan	249	10,227
5. Engr. Godwin E. O	Director	Loan	2,369	2,142
6. Bio Resources Institute of Nigeria	Prof. M. M. Iwu - Director in Bio Resources Inst.	Loan	63,573	51,559
			<u>69,733</u>	<u>167,264</u>

**22.4 Current borrowings**

	31 December 2022 N'000	30 September 2021 N'000
Bank overdraft (BOI) (Note 22.4.1)	-	13,565
Import finance facilities (Note 22.4.2)	-	-
CBN Intervention Fund (current) (Note 22.4.3)	-	-
	<u>-</u>	<u>13,565</u>

22.4.1 The interest payable on BOI multiple loan and principal repayment was guaranteed by Fidelity Bank Plc. However, a N100million overdraft facility was obtained from Fidelity Bank Plc in March 13 2019, to support the Company's working capital requirement for clearing and Federal Government duty payment, local raw material purchases, short fall in maturity obligations under the IFF and other operational expenses. The tenor of the overdraft is 365 days with 120 days clean up cycle at an interest rate of 21% per annum. Repayment is the cash flows from the Company's daily operations and other sources available to the Company. This facility was not renewed after expiration of its tenure during the financial year ended 30 September 2020 in view of the N400m working capital received from CBN in 2020.

22.4.2 \$800,000.00 Import Finance Facility, obtained from Fidelity Bank Plc to finance the establishment of Letters of Credit (LC) for the importation of raw materials, available in both naira and dollar. The tenor is 365 days (each LC has 120-day cycle with rollover option for 30 days) at an interest rate of 21% per annum. The original facility principal was restructured in 2021 to cover only the unliquidated sum of the facility at the same terms.

In addition, a N100,000,000 Bond and guarantee Line that was obtained from Fidelity Bank Plc on 13 March, 2019 for issuance of guarantee when required for contracts of supplies to employers at Tenor of 365 days was liquidated in 2021 and was not renewed. The security are as follows:

1. All asset Debenture over fixed and floating assets of the Company.
2. Legal Mortgage on Plot 16 Akanni Doherty Layout Industrial Layout, Oregun, Lagos.
3. Legal Mortgage on No 1 and No 18 1B Henry Carr Street, Ikeja, Lagos.
4. Equity contribution of 10% of transaction for IFF/Confirmation Line.
5. Closure A Marine insurance over goods to be imported with Fidelity Bank interest duly noted.
6. Lien on shipping documents for imported goods to be released to customer upon arrival against trust receipt.

22.4.3 N400 million CBN Intervention loan, obtained from Central Bank of Nigeria as working capital (under the CBN RSSF-DCRR) to augment the Company working capital requirement covering procurement of raw materials for production, marketing and advertisement of products, payment of salaries as well as other working capital requirements. The tenor is one (1) year with a provision for renewal of not more than three (3) years at an interest rate of 5% per annum all inclusive up to 31 August 2022 and thereafter, effective 1 September 2022, interest on the facility was reverted back to 9%. Repayment is made quarterly for the principal and interest (after the moratorium) from Neimeth operational cash flows. Security is on all assets debenture of the Company's fixed and floating assets both present and future to be shared parri passu with other lender.

**23. Deferred fair value gain on loan**

Deferred fair value gain

**Analysis of deferred fair value gain on loan into:****23.1 Current portion****23.2 Non current portion**

**23.3** These represent the benefit of CBN intervention and BOI loan at a below the market rate of interest measured at the difference between proceeds received and the fair value of the loan based on prevailing market interest rate. The day 1 gain has been recognised as deferred income which will be recognised in the profit or loss on a systematic basis over the tenure of the loan with re-measurement gain embedded in it.

**24. Trade and other payables**

Trade payables

Other accruals (Note 24.1)

Statutory deductions (WHT payable)

Royalties

Dividend payable

Other payables

Define contribution plan (Note 24.2)

Defined benefit obligation (Note 24.3)

**31 December**  
**2022**  
**N'000**

**30 September**  
**2021**  
**N'000**

628,254

779,100

119,041

76,926

509,213

702,174

**31 December**  
**2022**  
**N'000**

**30 September**  
**2021**  
**N'000**

113,092

140,323

910,432

385,952

60,197

70,020

54,192

54,077

41,160

24,095

53,155

56,845

18,232

40,365

15,690

21,848

1,266,150

793,525

Trade payables are stated at their original invoice value. The directors consider the carrying amount of trade and other payables to approximate their fair value.

**24.1 Other accruals**

	31 December 2022 N'000	30 September 2021 N'000
Unclaimed wages	4,414	3,388
Directors payable	281	281
Accrued electricity	2,265	-
Accrued audit fees	2,257	8,894
Import finance obligation	817,285	339,348
Property clearing	83,930	23,263
Others (Note 24.1.1)	-	10,778
	<u>910,432</u>	<u>385,952</u>

24.1.1 This represents unidentified customer lodgment.

**24.2. Defined contribution plan**

	N'000	N'000
At the beginning of the period/year	40,365	20,645
Provision for the period/year	110,332	77,912
Payment during the period/year	<u>(132,465)</u>	<u>(58,192)</u>
	<u>18,232</u>	<u>40,365</u>

At the end of the period/year

**24.3 Defined benefit obligation**

	N'000	N'000
At the beginning of the period/year	21,848	21,848
Payment	<u>(6,158)</u>	<u>-</u>
	<u>15,690</u>	<u>21,848</u>

At the end of the period/year

24.3.1 The Company's retirement benefit obligation is on a winding down basis. The Company discontinued the gratuity in 2007 and only employees who are entitled to gratuity as at 2007 are qualified to benefit from the scheme and is to be paid whenever they disengage from the service of the Company.

**25. Maturity profile of financial liabilities**

	Due within			Total N'000
	Below one year N'000	One - five years N'000	Five years and above N'000	
<b>2022</b>				
Loans and borrowings	2,157,910	1,487,426	-	3,645,336
Trade and other payables	<u>1,266,150</u>	<u>-</u>	<u>-</u>	<u>1,266,150</u>
	<u>3,424,060</u>	<u>1,487,426</u>	<u>-</u>	<u>4,911,486</u>
<b>2021</b>				
Loans and borrowings	1,099,734	1,932,727	-	3,032,461
Trade and other payables	<u>793,525</u>	<u>-</u>	<u>-</u>	<u>793,525</u>
	<u>1,893,259</u>	<u>1,932,727</u>	<u>-</u>	<u>3,825,986</u>



	31 December 2022 N'000	30 September 2021 N'000
<b>26. Current tax liability</b>		
At the beginning of the period/year	135,726	193,720
Payment during the period/year	(67,202)	(81,180)
Charge for the period/year (Note 28)	18,245	85,259
Over provision in prior year	-	(62,073)
At the end of the period/year	<u>86,769</u>	<u>135,726</u>
<b>27. Deferred tax liability</b>		
At the beginning of the period/year	N'000 106,226	N'000 34,704
Charge in the year	-	71,522
At the end of the period/year	<u>106,226</u>	<u>106,226</u>

**27.1 Deferred tax assets and liabilities**

Reconciliation of deferred tax assets and liabilities.

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	31-Dec-22 N'000	30-Sep-21 N'000	31-Dec-22 N'000	30-Sep-21 N'000	31-Dec-22 N'000	30-Sep-21 N'000
Property, plant and equipment	-	(17,709)	255,054	123,963	255,054	141,672
Deferred CGT on Investment property	-	-	70,057	-	70,057	-
Exchange gain	-	-	789	-	789	-
Exchange loss	(28)	(28)	-	-	(28)	(28)
Provisions/unrecouped loss/capital allowance	(445,540)	-	-	-	(445,540)	-
Tax (asset)/liability carried forward	(445,568)	(17,737)	325,900	123,963	(119,668)	106,226
Tax liability brought forward	-	-	-	-	106,226	34,704
Movement in deferred tax (asset)/liability	<u>(445,568)</u>	<u>(17,737)</u>	<u>325,900</u>	<u>123,963</u>	<u>(225,894)</u>	<u>71,522</u>

The movement in deferred tax of N225.89million resulted in net deferred assets of N119.67million as at the reporting date. The movement of N225.89million was not recognised in these financial statements because there is no probability that the Company would be able to utilise the net tax assets in the foreseeable future.

<b>28. Current tax</b>	N'000	N'000
Income	-	77,034
Minimum tax	18,245	-
Education tax	-	8,207
Police levy	-	18
Over provision in prior year	-	(62,073)
	<u>18,245</u>	<u>23,186</u>
Deferred taxation charged (Note 27)	-	71,522
As per statement of profit or loss and other comprehensive income	<u>18,245</u>	<u>94,708</u>

The charge for taxation in these financial statements is based on minimum tax in accordance with the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 (as amended)

The Company is not liable to education tax because it has no assessable profit in accordance with the provisions of the Education Tax Act, CAP E4 LFN, 2004 which is 2.5% of the assessable profit for the period

**28.1 Reconciliation of effective tax rate**

The tax expense for the year is reconciled to the profit/(loss) for the year as follows:

	31 December 2022 N'000	30 September 2021 N'000
<b>(Loss)/profit before tax</b>	<u>(388,054)</u>	<u>365,285</u>
Tax thereon @ 30%	(116,416)	109,586
Deductible items	60,473	13,524
Balancing charge	-	1,457
Capital allowance	-	(109,588)
Loss carried forward	55,943	-
Education tax	-	8,207
Minimum tax	18,245	-
Deferred tax effect charged	<u>-</u>	<u>71,522</u>
Tax expense for the year	<u>18,245</u>	<u>94,708</u>
<b>Profit after tax</b>	<u><u>(406,299)</u></u>	<u><u>270,578</u></u>

%

%

**28.2 The tax rate is reconciled to the effective tax rate as follows:**

Tax rate	30	30
Deductible items	(16)	22
Balancing charge	-	-
Unrelieved Loss brought forward	(14)	-
Capital allowance	-	(10)
Education tax	(5)	2
Deferred tax effect	<u>-</u>	<u>20</u>
Total effective tax rate	<u><u>(5)</u></u>	<u><u>64</u></u>

N'000

N'000

**29. Finance lease obligation**

At 1 October	-	6,358
Addition	-	-
Repayment in the year	<u>-</u>	<u>(6,358)</u>
At 31 December	<u><u>-</u></u>	<u><u>-</u></u>
<b>Analysed into:</b>		
Current portion	-	-
Non-current portion	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

This relates to lease obtained on motor vehicle classified as assets under finance lease included in property, plant and equipment.

**30. Ordinary share capital****30.1 Authorised:**

2,000,000,000 ordinary shares of 50k each

**30.2 Issued and fully paid:**

At the beginning and at the end of the period/year

31 December 2022 N'000	30 September 2021 N'000
<u>1,000,000</u>	<u>1,000,000</u>
<u>949,579</u>	<u>949,579</u>

1,899,158,000 ordinary shares (2021: 1,899,158,000 ordinary shares @ 50k each).

**30.2.1 Minimum issued share capital for existing company - Section 124 of CAMA 2020**

In line with the Company's regulations of 2020 released by the Corporate Affairs Commission in December 2020, a Company that has an unissued shares in its capital shall not later than 31 December 2022 fully issue such shares.

**30.3 Share premium**

At 1 October

Capital restructuring expenses (Note 30.4)

Right issue expenses (Note 30.5)

**At 31 December**

31 December 2022 N'000	30 September 2021 N'000
104,880	112,606
-	(7,726)
<u>(96,059)</u>	<u>-</u>
<u>8,821</u>	<u>104,880</u>

30.4 This represents probate services, postage and other related expenses incurred to achieve capital restructuring programmes.

30.5 This represents expenses incurred on right issue in 2022. The right issue proceeds were realised in January 2023. Consequently, ordinary share capital will increase by the total proceeds on the right issue in 2023 financial year

**31. Retained earnings**

At the beginning of the period/year

(Loss)/profit for the period/year

Dividend

**At the end of the period/year**

31 December 2022 N'000	30 September 2021 N'000
359,608	212,477
(406,299)	270,576
<u>(132,941)</u>	<u>(123,445)</u>
<u>(179,632)</u>	<u>359,608</u>

During the Annual General Meeting held on 22 March 2022, the shareholders declared a dividend of 7k per 50k ordinary share held amounting to N132,941,060. The dividend is payable to the shareholders whose names were registered in the Company's register of members at the close of business on 14 March 2022.

**32 Basic (loss)/earnings per share**

(Loss)/earnings per share (basic) have been computed for each period/year on the profit after tax attributable to ordinary shareholders and divided by the number of issued and fully paid up 50 kobo ordinary shares during the period/year.

(Loss)/profit after taxation

Number of shares

(Loss)/earnings per share (kobo)

N'000	N'000
<u>(406,299)</u>	<u>270,576</u>
000	000
<u>1,899,158</u>	<u>1,899,158</u>
(21)	14

**33. Information regarding Directors and Employees****33.1 Directors' emoluments**

Remuneration paid to the Company's Directors (excluding pension contribution) were:

Fees:

- Chairman

- Other Directors

- Sitting allowance

Emolument of executive directors

N'000	N'000
500	500
2,800	3,300
1,600	1,600
<u>98,578</u>	<u>62,740</u>
<u>103,478</u>	<u>68,140</u>

**33.2 Fees and other emoluments (excluding reimbursable expenses disclosed above include amount paid to:**

Chairman

Highest paid director

N'000	N'000
<u>500</u>	<u>500</u>
<u>32,651</u>	<u>28,820</u>

**33.3 Scale of Directors' remuneration**

The number of Directors who received fees and other emoluments (excluding pension contributions, certain benefits and reimbursable expenses in the following range were:

N		N
Below	-	10,000,000
10,000,001	-	12,500,000
Above		12,500,001

The number of Directors who received emoluments

The number of Directors who did not receive emoluments

**33.4 Personnel compensation**

Personnel compensation comprised:

Short-term employee benefits

Contribution to compulsory pension fund scheme

**Analysis by function:**

Production

Marketing and distribution

Administration

**33.5** The average number of persons employed during the year by category:

Management

Senior staff

Junior staff

**33.6 Scale of employees' remuneration**

N		N
Below	-	250,000
250,001	-	500,000
500,001	-	750,000
750,001	-	1,000,000
1,000,001	-	1,250,000
1,250,001	-	1,500,000
Above		1,500,001

31 December 2022 Number	30 September 2021 Number
-	-
-	3
4	-
<u>4</u>	<u>3</u>
<u>4</u>	<u>4</u>
<u>8</u>	<u>8</u>
N'000	N'000
760,114	585,034
124,104	77,912
<u>884,218</u>	<u>662,946</u>
N'000	N'000
311,426	269,444
304,970	205,378
267,822	188,124
<u>884,218</u>	<u>662,946</u>
Number	Number
14	12
118	150
58	40
<u>190</u>	<u>202</u>
Number	Number
-	-
-	-
-	-
45	50
38	45
27	27
80	80
<u>190</u>	<u>202</u>



**34. Financial commitments**

The Directors are of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of these financial statements. These liabilities are relevant in assessing the Company's state of affairs.

**35. Capital commitments**

The Directors are of the opinion that there were no capital commitments at 31 December 2022 (2021 - Nil).

**36. Contingent liabilities**

The Company is subject to various pending litigations arising in the normal course of business. The contingent liabilities in respect of pending litigations based on the response received from the company solicitors' was N53,634,102 as at 31 December 2022 (2021 : N153,638,102). In the opinion of the Directors and based on the response obtained from the legal adviser, the Company is of the opinion that no payment will be made in respect of pending litigations.

**37. Events after reporting date**

The Directors are of the opinion that no event or transaction has occurred since the reporting date, which would have had a material effect on the financial statements as at that date or which needs to be disclosed in the financial statements in the interest of fair presentation of the Company's financial position as at the reporting date or its results for the period then ended.

**38. Comparative figures**

Where necessary, comparative figures have been reclassified to ensure proper disclosure and uniformity in the current period's presentation. This reclassification has no net impact on these financial statements.

**39. Change in Accounting Date**

The Board of Directors approved the change in reporting period from September to December of each year, though the comparative figure for last year is at 30 September 2021

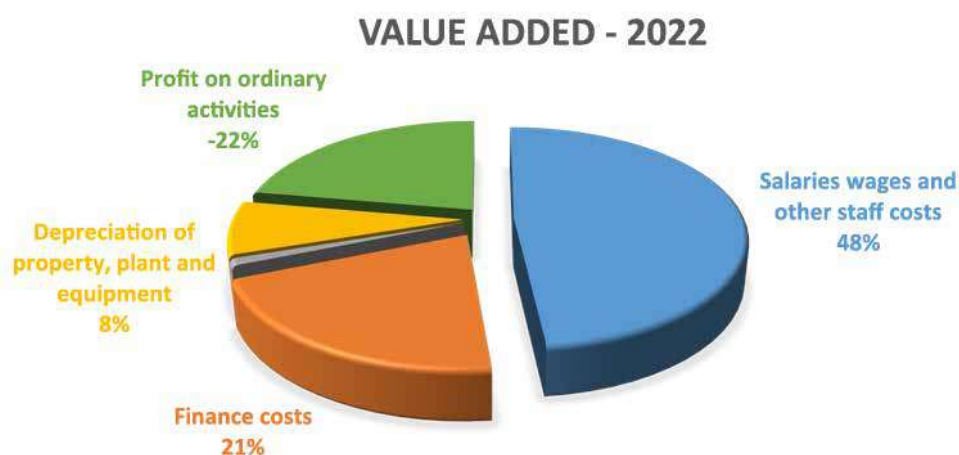
#### 40. SECURITY TRADING POLICY AND DEALING IN SHARES

In compliance with the Nigerian Exchange Limited's (NGX) Listing Rules, Neimeth International Pharmaceuticals Plc has in place regulations to guide its Board and other employees when effecting transactions in the Company's shares and other securities. The Company's Regulations for Dealing in Shares and other Securities ("the Regulations") provide amongst others, the period when transactions are not allowed to be effected on the Company's shares and other securities ("Closed Period") as well as disclosure requirements when effecting such transactions.

All concerned are obliged to observe the provisions of the Regulations when dealing in the Company's shares and securities. The Company regularly notifies (NGX) of its Closed Periods. The Company made inquiries from all affected persons and is not aware of any non-conformity with the Rule or the Regulations during the period under review.

	2022 N'000	%	2021 N'000	%
Turnover	3,649,153		3,046,661	
Other income	197,453		202,023	
	<u>3,846,606</u>		<u>3,248,684</u>	
Cost of goods and services - local	(1,904,202)		(696,026)	
Cost of goods and services - foreign	(927,371)		(1,229,147)	
	<u>1,015,033</u>	<u>100</u>	<u>1,323,511</u>	<u>100</u>
<b>Value added</b>				
<b>Applied as follows:</b>				
<b>To pay employees:</b>				
Salaries wages and other staff costs	884,218	87	662,946	49
<b>To providers of capital:</b>				
Finance costs	375,002	37	188,216	14
<b>To pay Government:</b>				
Company income tax	18,245	2	23,186	2
<b>To provide for assets replacement:</b>				
Depreciation of property, plant and equipment	143,867	14	107,065	8
<b>Retained for future expansion:</b>				
- Deferred taxation	-	-	71,522	5
- (Loss)/profit on ordinary activities	(406,299)	(40)	270,576	20
	<u>1,015,033</u>	<u>100</u>	<u>1,323,511</u>	<u>100</u>
<b>Value added</b>				

Value added represents the additional wealth, the company has been able to create by its own and it's employees' efforts. This statement shows the allocation of wealth among employees, providers of capital government and that retained for future creation of more wealth.



	31 December 2022 N'000	30 September 2021 N'000	30 September 2020 N'000	30 September 2019 N'000	30 September 2018 N'000 *Restated
<b>Statement of financial position</b>					
Property, plant and equipment	2,855,148	1,411,998	1,175,242	757,878	714,377
Investment property	34,010	35,096	35,965		
Net current assets	(7,525)	2,708,100	2,976,809	560,837	390,665
Non current liabilities	(2,102,865)	(2,741,127)	(2,913,355)	(248,697)	(246,210)
<b>Net assets</b>	<b>778,768</b>	<b>1,414,067</b>	<b>1,274,661</b>	<b>1,070,018</b>	<b>858,832</b>
<b>Equity and reserves</b>					
Ordinary shares	949,579	949,579	949,579	949,579	863,254
Share premium reserve	8,821	104,880	112,606	1,020,603	1,113,889
(Accumulated loss)/retained earnings	(179,632)	359,608	212,476	(898,164)	(1,118,311)
<b>Total equity and reserves</b>	<b>778,768</b>	<b>1,414,067</b>	<b>1,274,661</b>	<b>1,072,018</b>	<b>858,832</b>
<b>Statement of comprehensive income</b>					
<b>Turnover</b>	<b>3,649,153</b>	<b>3,046,661</b>	<b>2,839,119</b>	<b>2,371,311</b>	<b>2,269,004</b>
(Loss)/profit/before tax	(388,054)	365,284	297,388	304,439	166,460
Taxation	(18,245)	(94,708)	(84,912)	(84,292)	(18,444)
<b>Profit/(loss) for the year</b>	<b>(406,299)</b>	<b>270,576</b>	<b>212,476</b>	<b>220,147</b>	<b>148,016</b>
Other comprehensive income/ (loss) for the year	-	-	-	-	-
<b>Total comprehensive (loss)/income for the year</b>	<b>(406,299)</b>	<b>270,576</b>	<b>212,476</b>	<b>220,147</b>	<b>148,016</b>
<b>Per share data:</b>					
(Loss)/earnings per share (kobo) - Basic	(21)	14	11	12	8
Net assets per ordinary share (kobo)	0.41	74	67	56	45

(Loss)/profit per share are based on the (loss)/profit after tax and the weighted average number of issued and fully paid ordinary shares at the end of each financial period/year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

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**Neimeth International Pharmaceuticals Plc**


16, Billings Way Oregon, P.M.B 21111, Ikeja, Lagos State, Nigeria

**Customer Satisfaction Line: 0903252302**

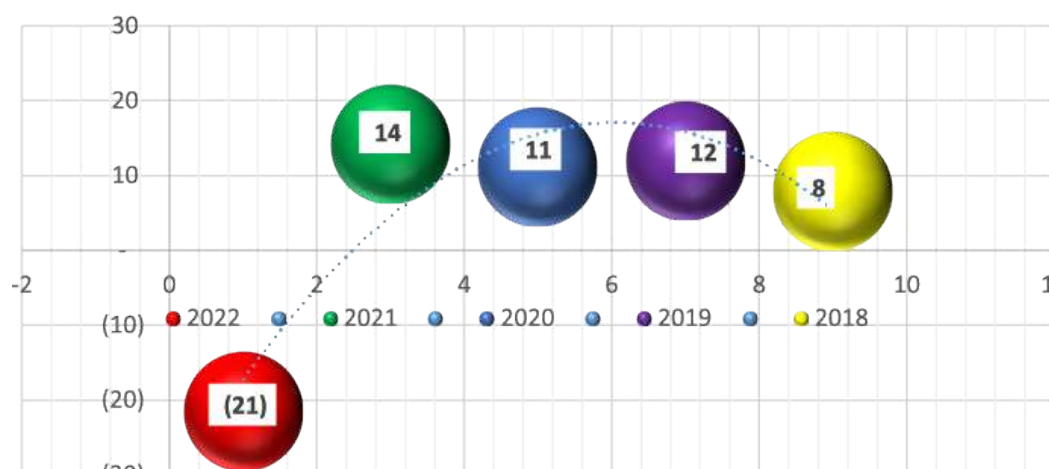
www.neimethplc.com.ng email: info@neimethplc.com.ng

 @Neimethplc

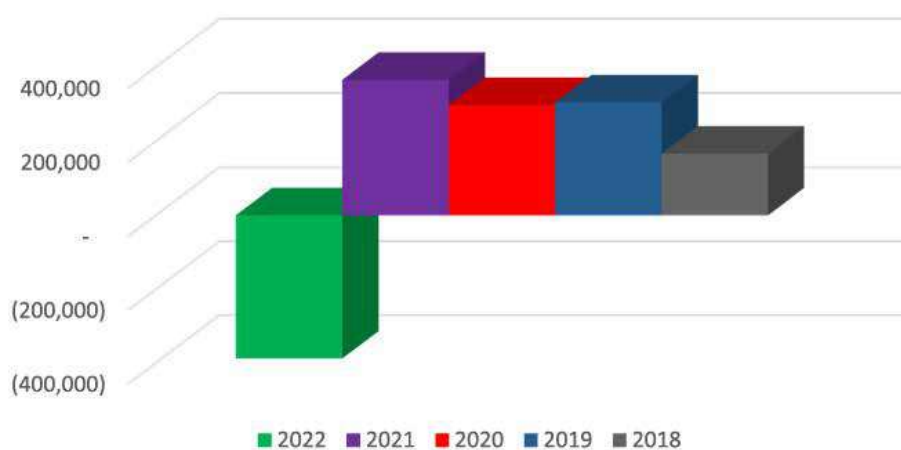
 @Neimethplc

 Neimeth Plc

## EARNING PER SHARE



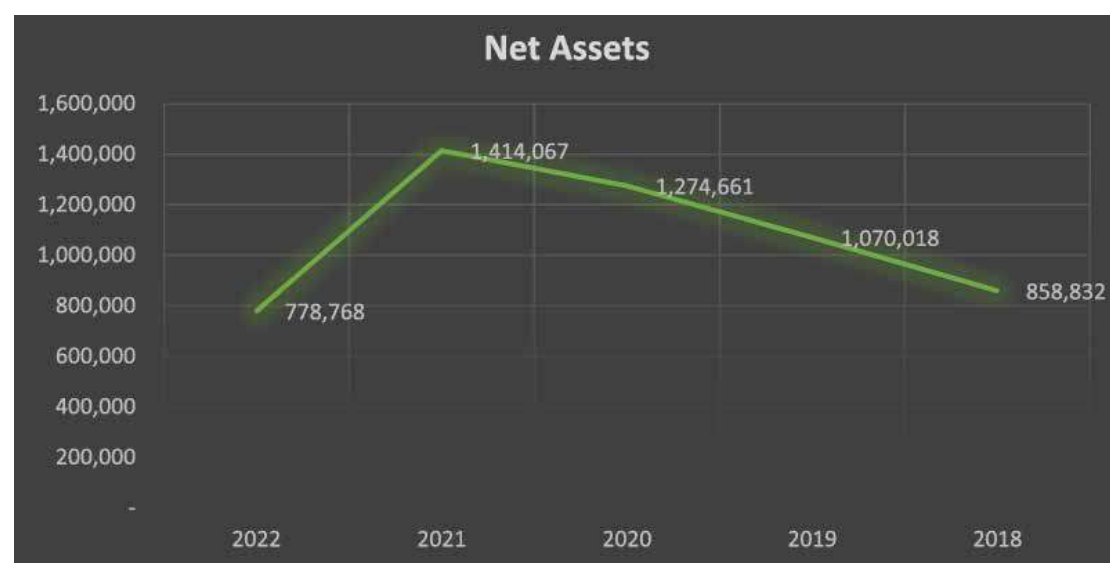
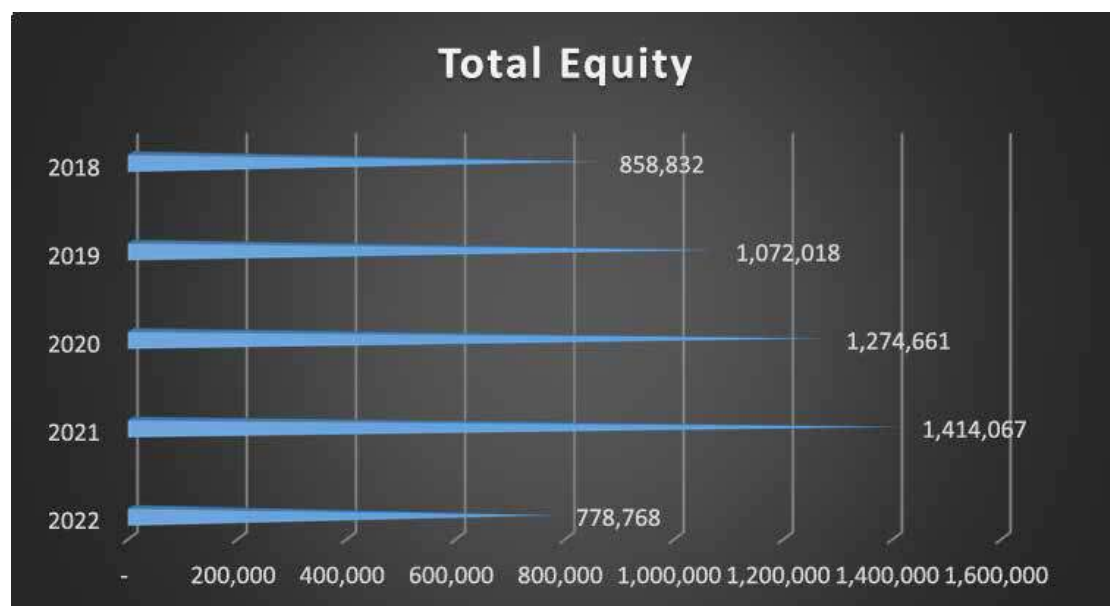
## PROFIT BEFORE TAX



## PROFIT AFTER TAX







**UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES**

Members are hereby informed that since Pfizer Product Plc became a Public Quoted Company, and subsequent Management Buy Over by Neimeth International Pharmaceuticals Plc, 32 Dividends had been declared and Seven (7) bonus certificates had been issued.

The current Twelve years share Certificates and Dividend declared are stated as follows:

**A. DIVIDEND ISSUED**

Dividend No.	Date Declared
18	30-11-1994
19	31-05-1995
20	30-11-1996
21	30-11-1997
22	30-11-1998
23	30-09-2002
24	31-03-2003
25	31-03-2004
26	31-03-2005
27	31-10-2006
29	10-09-2008
30	27-09-2011
31	05-03-2021
32	22-03-2022

**B. CERTIFICATES ISSUED**

No.	Certificate Type	Date Issued
01	Bonus Issue	1998
02	Public Issue	1999
03	Right Issue	1999
04	Bonus Issue	2002
05	Bonus Issue	2005
06	Public Issue	2006
07	Bonus Issue	2008
08	Right Issue	2011
09	Bonus Issue	2014
10	Bonus Issue	2017
11	Bonus Issue	2019

At the moment, the unclaimed dividend accounts show that some dividend payments remain outstanding. Shareholders should therefore contract the Registrars for enquires to resolve any related issue.

This notice, therefore, serves to remind shareholders, in their own interest, to contact the address below for any unclaimed or unpaid dividends and/or any unclaimed share certificates.

The Registrar  
Meristem Registrars and Probate Services Limited  
213 Hebert Macaulay Way  
Adekunle – Yaba,  
Lagos.  
Tel: +234 (1) 2809250  
E-mail: [infor@meristemregistrars.com](mailto:infor@meristemregistrars.com)

The Company Secretary  
Neimeth Int'l Pharms. Plc.  
No. 16, Doherty Akanni Layout (Billings Way)  
Oregun,  
Lagos.  
Tel: 08033128663, 08030509676  
E-mail: [info@neimethplc.com.ng](mailto:info@neimethplc.com.ng)

**NEIMETH INTERNATIONAL PHARM PLC CAPITAL HISTORY**

YEAR	MINIMUM		ISSUED AND PAID UP		CONSIDERATION
	N CHANGE	N CUMMULATIVE	N CHANGE	N CUMMULATIVE	
Aug 57	50,000	50,000	4	4	Cash
Sep 57	-	50,000	6,996	7,000	Cash
1965	950,000	1,000,000	0	0	-
1966	-	1,000,000	303,192	310,192	Cash
1971	-	1,000,000	52,638	362,830	Bonus
1973	-	1,000,000	615,000	977,830	Cash
Mar 77	-	1,000,000	0	0	-
Jul 77	-	1,000,000	488,914	1,466,744	Bonus
Sep 77	Nomin value Changed to 50k p/share	4,000,000	0	0	-
Apr 78	-	4,000,000	783,256	2,250,000	Bonus
Nov 78	-	4,000,000	1,500,000	3,750,000	New Issue
1980	1,000,000	5,000,000	937,500	4,687,500	Bonus
1981	3,000,000	8,000,000	937,500	5,625,000	Bonus
1983	-	8,000,000	1,406,250	7,031,250	Bonus
1985	4,000,000	12,000,000	1,406,250	8,437,500	Bonus
1987	-	12,000,000	2,109,375	10,546,875	Bonus
Jan 92	38,000,000	50,000,000	0	10,546,875	-
Jul 92	-	50,000,000	21,094,000	31,640,875	Rights Issue
Apr 99	-	50,000,000	7,910,218	39,551,093	Bonus
Apr 99	75,000,000	125,000,000	16,737,163	56,288,256	Right/Public Offer
2001	-	125,000,000	228,540	56,516,796	Cash
2002	-	125,000,000	350,000	56,866,796	Cash
Sep 03	-	125,000,000	11,373,359	68,240,155	Bonus
Sep 03	-	125,000,000	1,298,261	69,538,416	Cash
2004	-	125,000,000	12,565,429	82,103,845	Cash
Jul 05	-	125,000,000	10,421,000	92,524,845	Cash
Jul 05	-	125,000,000	18,504,800	111,029,645	Bonus
Sep 05	625,000,000	750,000,000	-	-	-
Mar 06	-	750,000,000	217,600,713	328,630,358	Cash
Sept 08	-	750,000,000	82,158,000	410,788,358	Bonus
Mar 2011	250,000,000	1,000,000,000	-	-	-
Sept 2012	-	1,000,000,000	243,192,000	653,980,358	Rights Issue
Mar 2014	-	1,000,000,000	130,795,944	784,775,664	Bonus
Feb 2017	-	1,000,000,000	78,477,566	863,253,230	Bonus
Mar 2019	-	1,000,000,000	86,325,323	949,578,553	Bonus



The 64th Annual General Meeting of the members of **Neimeth International Pharmaceuticals Plc** will be held at NECA House Plot A2, Hakeem Balogun Street, Alausa, Ikeja, Lagos on Thursday, 18<sup>th</sup> May 2023 at 11.00 a.m.

I/We\* \_\_\_\_\_

Of \_\_\_\_\_

Being member/members of Neimeth International Pharmaceuticals Plc  
hereby appoint\*\*

Or failing him, the Chairman of the meeting as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held on 18<sup>th</sup> May 2023 and any adjournment thereof.

Dated this..... day of ..... 2023

Shareholder's Signature.....

NUMBER OF SHARES				
	RESOLUTION	FOR	AGAINST	ABSTAIN
1.	Receive the Report of the Directors, the Statement of Financial Position as at December 31 <sup>st</sup> 2022, together with the Statement of Comprehensive Income for the year ended on that date and the Reports of the Auditors and Audit Committee thereon.			
2.	Ratify appointment of Director(s)			
3.	Re-elect as Director • Pharm. (Mrs.) Roseline Oputa			
4.	To authorize the Directors to fix the remuneration of the Auditors			
5.	Disclose the Remuneration of Managers			
6.	Elect Shareholders Representatives of the Statutory Audit Committee			
7.	<b>Special Business</b> Approve the remuneration of Directors			
Please indicate with an "X" in the appropriate box for 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.				

Before posting the above card, please tear this off and retain.



SERIAL NUMBER.....

NUMBER OF SHARES.....

#### ADMISSION CARD

To the Annual General meeting to be held at 11.00 a.m. on Thursday 18<sup>th</sup> May 2023 at NECA House, Plot A2, Hakeem Balogun Street, Alausa, Ikeja, Lagos.

#### IF YOU ARE UNABLE TO ATTEND THE MEETING

A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote on a poll by proxy. This card has been prepared to enable you exercise your right to vote, in case you cannot personally attend the meeting.

Provision has been made on this form for any of the Chairman of the Company to act as your proxy, but if you wish, you may insert in the blank space on the card (marked\*) the name of any person, whether a member of the Company or not who will attend and vote on your behalf instead.

Please sign the above proxy and post it as to reach the address on the other side not later than 48 hours before the time of holding the meeting. The company will have a ₦50 Stamp endorsed by the Commissioner for Stamp Duties in the space provided above.

If executed by a Corporation, the Proxy Card should be sealed with the Common Seal.

#### PLEASE NOTE

The name of the Shareholder must be written in BLOCK CAPITALS on the proxy card where marked\*.

This Admission Card must be produced by the shareholder or his proxy to gain entrance to the meeting. Shareholders or their proxies are requested to sign the admission card before attending the meeting

Neimeth International Pharmaceuticals Plc  
(RC: 1557)

**Application Form**  
*for e-bonus & e-dividend*

Dear Shareholder(s)

**SHAREHOLDER\S DATA UPDATE**

In our quest to update shareholders' data with the current market requirement (i.e.) e-bonus & e-dividend, we require you to complete this form with the following information:

Tel. Nos:.....CSCS A/C NO. .... STOCK BROKING FIRM: .....

E-mail Add: ..... Name of Bank .....

Branch of Bank: .....Bank A/C No..... Branch Code.....

No. of Units held .....

NAME OF SHAREHOLDER/CORPORATE SHAREHOLDER .....

PRESENT/NEW ADDRESS.....

.....  
.....  
.....

NAME OF COMPANY IN WHICH YOU HAVE SHARES

REGISTRAR'S USE

NAME.....

SIGNATURE.....

USE .....

Please notify our Registrars, Meristem Registrars Limited of any change in telephone, address and bank whenever it occurs.

Yours faithfully,

**NEIMETH INTERNATIONAL PHARMACEUTICALS PLC**

Note: Please be informed that by filling and sending this form to our Registrar, Meristem Registrars Limited for processing, you have applied for the e-Dividend and e-Bonus; thereby, authorizing NEIMETH INTERNATIONAL PHARMACEUTICALS PLC to credit your account (in respect of dividends and bonuses) electronically.



PLEASE COMPLETE AND RETURN TO  
**Meristem Registrars and Probate Services Limited**  
**213, Herbert Maculay Way**  
**Yaba, Lagos.**  
**Email: [info@meristemregistrars.com](mailto:info@meristemregistrars.com)**

**2023**

SIGNATURE/RIGHT THUMBPRINT OF SHAREHOLDER

In case of Corporate Shareholder, use company seal.

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC  
(RC: 1557)



The Registrar  
Meristem Reigstrars and Probate  
Services Limited  
213, Herbert Macaulay Way,  
Adekunle, Yaba, Lagos.





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