



NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

FINANCIAL STATEMENTS

31 MARCH 2025

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2025.



Contents	Page
Statement of profit or loss and other comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	7 - 45
Other national disclosures:	46
Statement of value added	47
Financial summary	48

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2025



3

		3 month period to 31-Mar-25 N'000	3 month period to 31-Mar-24 N'000	YoY Change Percent
	Note			
Revenue	8	1,206,271	648,257	86
Cost of sales	9	(566,552)	(143,145)	296
Gross profit		639,718	505,112	27
Other Income	10	152,408	32,125	374
Marketing and distribution expenses	11	(133,447)	(198,265)	(33)
Administrative expenses	12	(208,810)	(128,830)	62
Operating Profit		449,869	210,142	114
Finance costs	14	(334,111)	(132,489)	152
Profit before taxation		115,758	77,653	49
Income tax expense	29	-	-	
Profit for the year /period		115,758	77,653	49
Other Comprehensive Income				
Items that will be reclassified to profit or loss		-	-	
Items that will not be reclassified to profit or loss		-	-	
Total other comprehensive income		-	-	
Total comprehensive Profit		115,758	77,653	49
Basic loss per share (kobo)	33	3	2	49
Diluted loss per share (Kobo)	33	3	2	49

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

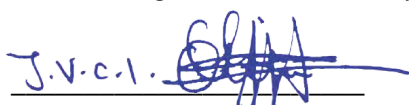
NEIMETH INTERNATIONAL PHARMACEUTICALS PLC
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2025



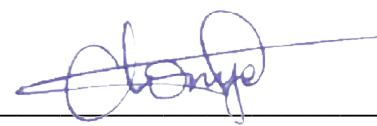
4

		31-Mar-25 N'000	31-Dec-24 N'000
Assets	Notes		
Non-current assets			
Property, plant and equipment	16	4,205,456	4,209,211
Investment properties	17	2,024,585	2,024,585
Intangible Assets	18	16,628	19,003
		<u>6,246,669</u>	<u>6,252,799</u>
Current assets			
Inventories	19	2,592,018	1,868,341
Trade and other receivables	20	1,259,881	1,616,290
Other current assets	21	113,302	103,395
Cash and cash equivalents	22.2	2,201,127	2,146,658
		<u>6,166,328</u>	<u>5,734,684</u>
Total assets		<u>12,412,997</u>	<u>11,987,483</u>
Liabilities			
Current liabilities			
Trade and other payables	25	4,865,224	4,350,944
Current portion of long term borrowings	23	4,852,606	5,061,124
Finance lease liabilities	30	26,253	28,789
Current tax payable	27	87,228	87,228
Deferred fair value gain on loan	24.1	316,685	316,685
		<u>10,147,996</u>	<u>9,844,770</u>
Non-current liabilities			
Non-current portion of long term borrowings	23.1	301,202	294,672
Deferred fair value gain on loan	24.2	90,023	90,023
Deferred tax liability	28	106,226	106,226
		<u>497,451</u>	<u>490,921</u>
Total liabilities		<u>10,645,447</u>	<u>10,335,691</u>
Net assets		<u>1,767,550</u>	<u>1,651,792</u>
Equity			
Share capital	31.1	2,136,552	2,136,552
Share premium	31.3	2,377,756	2,377,756
Accumulated losses	32	(2,746,758)	(2,862,516)
Total equity		<u>1,767,550</u>	<u>1,651,792</u>

These financial statements were approved and authorised for issue by the Board of Directors on April 28, 2025 and signed on its behalf by:



Pharm.Valentine C. Okelu
Managing Director / CEO
FRC/2023/PRO/DIR/003/655491



Mrs. Nonye E. Offorjah
Head of Finance
FRC/2024/PRO/ICAN/001/323635

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

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2025

5



	Share capital N'000	Share premium N'000	Accumulated losses N'000	Total equity N'000
At 1 January 2024	<u>2,136,552</u>	<u>2,377,756</u>	<u>(1,977,183)</u>	<u>2,537,125</u>
Changes in equity for the period				
Loss for the period	-	-	(885,333)	(885,333)
Other comprehensive income	-	-	-	-
Total comprehensive profit for the period	<u>-</u>	<u>-</u>	<u>(885,333)</u>	<u>(885,333)</u>
Issue of share capital	-	-	-	-
Dividend declared and paid	-	-	-	-
Transaction costs for equity issue	-	-	-	-
At 31 December 2024	<u>2,136,552</u>	<u>2,377,756</u>	<u>(2,862,516)</u>	<u>1,651,792</u>
At 1 January 2025	<u>2,136,552</u>	<u>2,377,756</u>	<u>(2,862,516)</u>	<u>1,651,792</u>
Changes in equity for the year				
Loss for the year	-	-	115,758	115,758
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>115,758</u>	<u>115,758</u>
Rights issue	-	-	-	-
Share premium on rights issue	-	-	-	-
Transaction costs for equity issue	-	-	-	-
At 31 March 2025	<u>2,136,552</u>	<u>2,377,756</u>	<u>(2,746,758)</u>	<u>1,767,550</u>

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2025

6



		3 month period to 31-Mar-25	12 month period to 31-Dec-24
	Notes	N'000	N'000
Loss for the year/period		115,758	(885,333)
Adjustments for:			
Depreciation of property, plant and equipment	16	33,871	129,986
Amortisation of Intangible Assets	18	-	9,502
Profit on disposal of property, plant and equipment	10	-	(3,600)
Impairment loss on trade receivables	19.2	10,000	59,959
Write off of impairment on trade receivables	19.2	-	-
Impairment write back	19.2	-	-
Finance costs	14	334,111	873,320
Gain on Revaluation	10	-	(923,659)
Income tax expenses	28	-	30,899
		<u>493,740</u>	<u>(708,926)</u>
Changes in:			
Inventories		(723,677)	196,940
Trade and other receivables		346,409	(832,206)
Other assets		(9,907)	(28,382)
Trade and other payables		514,280	1,781,268
Finance lease liability		<u>(2,536)</u>	<u>(11,846)</u>
Cash (used in)/generated from operating activities		618,309	396,848
Income tax paid	26	-	(12,486)
Net cash (used in)/generated from operating activities		<u>618,309</u>	<u>384,362</u>
Cash flows from investing activities			
Purchase of property plant and equipment	16	(229,173)	(702,919)
Proceed from disposal of property, plant and equipment	10.1	-	3,600
Net cash used in investing activities		<u>(229,173)</u>	<u>(699,319)</u>
Cash flows from financing activities			
Repayment of loans	22	-	(50,000)
Finance cost paid	14	(334,111)	(866,790)
Net cash generated from/(used in) financing activities		<u>(334,111)</u>	<u>(916,790)</u>
Effect of exchange rate changes on cash and cash equivalents		(556)	923,583
Net increase/(decrease) in cash and cash equivalents	22	55,025	(1,231,747)
Cash and cash equivalents at 1 January	21.2	1,944,670	2,252,834
Cash and cash equivalents at 31 March	21.2	<u>1,999,139</u>	<u>1,944,670</u>

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 year ended 31 December 2024 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 (Amendment) Act, 2023 and the requirements of the Companies and Allied Matters Act, 2020 (As amended). 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 Changes in accounting policies

(a) New standards, interpretations and amendments adopted from 1 January 2023

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income
- International Tax Reform - Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2023. See the applicable notes below for further details on how the amendments affected the Company.

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the measurement or presentation of any items in the financial statements of the Company.

Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors)

The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors.

These amendments had no effect on the financial statements of the Company.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

These amendments had no effect on the financial statements of the Company.

International Tax Reform - Pillar Two Model Rules (Amendment to IAS 12 Income Taxes)

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework for a global minimum tax that is expected to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on Pillar Two of the rules.

Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The IASB issued the final Amendments (the Amendments) International Tax Reform - Pillar Two Model Rules, in response to stakeholder concerns on 23 May 2023.

The Amendments introduce a mandatory exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules. The exception is effective immediately and retrospectively. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes.

Management has determined that the Company is not within the scope of OECD's Pillar Two Model Rules and the exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes is not applicable to the Company.

(b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2024:

- Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability. The Company does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Company.

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 the 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 ¹ / ₃

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 other 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 Fair Value through Profit or Loss, 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 operating 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 detailed 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 year 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 been 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

- 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-Mar-25 N'000	31-Dec-24 N'000
Financial assets		
Trade and other receivables	1,259,881	1,616,290
Cash and cash equivalents	2,201,127	2,146,658
Ageing of past due receivables:		
0 - 90 days	190,428	177,256
91 - 180 days	155,449	144,697
181 - 270 days	35,441	32,989
271 - 365 days	31,643	29,455
Over 365 days	24,505	43,069
Total	437,466	427,466

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 2023 and its comparative period were as follows:

	31-Mar-25	31-Dec-24
	N'000	N'000
Total liabilities	10,645,447	10,335,691
Total liabilities and equity	12,412,997	11,987,483
Debt-to-capital ratio	0.86	0.86

The increase in the debt-to-capital ratio during 2023 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 year.

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 profit or loss or other 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-Mar-25
N'000

31-Mar-24
N'000

8. Segment information

8.1 Operating segments

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

Pharmaceuticals product group:

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

Animal health product group:

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

Pharmaceuticals	1,171,066	640,503
Animal health	35,205	7,754
	<u>1,206,271</u>	<u>648,257</u>

8.2 Geographical segment

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

Nigeria	1,206,271	648,257
Ghana	-	-
	<u>1,206,271</u>	<u>648,257</u>

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 January	915,338	1,080,915
Add purchases	<u>712,086</u>	<u>80,347</u>
	1,627,424	1,161,262
Less: Closing stock at 31 March (Note 18)	<u>(1,362,503)</u>	<u>(1,087,112)</u>
Product Cost	<u>264,921</u>	<u>74,150</u>



	31-Mar-25	31-Mar-24
	N'000	N'000
Factory overhead expenses		
Production salaries and wages	60,857	54,574
Power and fuel	44,706	38,602
Factory other expenses	37,131	16,233
Depreciation: - Plant and machinery (Note 16)	17,887	20,251
- Building	2,696	3,967
Amortisation of intangible assets (Note 18.1)	652	-
Obsolete, excess inventory recovery	-	-
Decrease/(Increase) in finished goods	174,821	5,285
Decrease/(Increase) in work in progress	41,885	(69,917)
Decrease/(Increase) in spares parts	(79,003)	-
	<u>301,632</u>	<u>68,995</u>
	<u>566,552</u>	<u>143,145</u>

	31-Mar-25	31-Mar-24
	N'000	N'000
10. Other income		
Sundry receipts	64,538	-
Interest Income	80,670	24,925
Lease rental income (Note 10.2)	7,200	7,200
	<u>152,408</u>	<u>32,125</u>

Interest income represent interest on matured investments with banks.

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



	31-Mar-25	31-Mar-24
	N'000	N'000
11. Marketing and distribution expenses		
Employee costs	68,505	67,695
Transport and travelling	30,606	12,458
Advert and promotions	13,752	83,969
Depreciation of motor vehicles (Note 16)	9,232	9,083
Amortisation of intangible assets (Note 18.1)	271	-
Communication and subscription	415	420
Printing and stationeries	48	22
Rent and rate	1,364	926
Product registration expenses	984	512
Training and seminar	23	-
Medical expenses	92	54
Energy cost	2,917	4,803
Repairs and maintenance	3,398	2,638
Telephone and postages	1,421	739
Corporate expenses	299	549
Others	122	14,396
	<u>133,447</u>	<u>198,265</u>
12. Administrative expenses	N'000	N'000
Employee costs	73,256	63,518
Impairment allowance for trade and other receivables (Note 19.2)	10,000	6,334
Corporate expenses	1,873	1,381
Transport and travelling	34,053	11,208
Legal, consultancy and professional fees	8,662	9,163
Energy cost	844	2,256
Bank charges and commission	2,449	2,260
Insurance	9,388	7,216
Repairs and maintenance	1,926	1,494
Printing and stationeries	1,196	538
Training and seminar	8	-
Conference and meetings	17,926	-



	31-Mar-25	31-Mar-24
	N'000	N'000
Medical expenses	12,235	7,315
Telephone and postages	5,740	2,747
Communication and subscription	4,951	5,008
Depreciation: - Office and computer equipment (Note 16)	4,056	3,771
Amortisation of intangible assets (Note 18.1)	1,453	-
Audit fees	2,250	2,000
Security expenses/ Laboratory Expenses	1,322	581
Others (Note 12.2)	15,225	2,041
	<u>208,810</u>	<u>128,830</u>

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

	N'000	N'000
14. Finance costs		
Interest expenses	332,850	129,712
Interest on lease	1,261	2,777
	<u>334,111</u>	<u>132,489</u>
 Finance costs paid	 <u>334,111</u>	 <u>132,489</u>

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	Amortised cost	Amortised cost	Total carrying amount	Fair value
		N'000	N'000	N'000	N'000	N'000
At 31 March 2025						
Assets						
Trade and other receivables	19	-	1,259,881	-	1,259,881	1,259,881
Cash and cash equivalents	21.1	2,201,127	-	-	2,201,127	2,201,127
		2,201,127	1,259,881	-	3,461,008	3,461,008
Liabilities						
Trade and other payables	24	-	-	4,865,224	4,865,224	4,865,224
Borrowings (Current portion)	22.1	-	-	4,852,606	4,852,606	4,852,606
Finance lease obligation	29			26,253	26,253	26,253
		-	-	9,744,083	9,744,083	9,744,083
At 31 December 2024						
Assets						
Trade and other receivables	19	-	1,616,290	-	1,616,290	1,616,290
Cash and cash equivalents	21.1	2,146,658	-	-	2,146,658	2,146,658
		2,146,658	1,616,290	-	3,762,948	3,762,948
Liabilities						
Trade and other payables	24	-	-	4,350,944	4,350,944	4,350,944
Borrowings (Current portion)	22.1	-	-	5,061,124	5,061,124	5,061,124
Finance lease obligation	29			28,789	28,789	28,789
		-	-	9,440,857	9,440,857	9,440,857

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

	Land	Building	Machinery and equipment	Furniture and fittings	Motor vehicles	Computer Equipment	Capital work in progress	Right-of- Use Assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost									
At 1 January 2024	85,865	183,627	1,057,047	127,601	526,036	93,499	2,965,708	55,376	5,094,759
Additions	-	-	-	-	-	-	647,542	-	647,542
Reclassification from/(to) CWIP		69,808	69,196	3,882		1,970	(144,856)		(0)
Transfer to intangible assets (Note 18)							(28,505)		(28,505)
Disposals					(4,000)				(4,000)
At 31 December 2024	85,865	253,435	1,126,243	131,483	522,036	95,469	3,439,889	55,376	5,709,796
At 1 January 2025	85,865	253,435	1,126,243	131,483	522,036	95,469	3,439,889	55,376	5,709,796
Additions	-	0	223,644	1,118	-	4,411	-	-	229,173
Reclassification from/(to) CWIP	-						(195,023)		(195,023)
Disposals	-								-
Reclassification	-				(9,820)				(9,820)
At 31 March 2025	85,865	253,435	1,349,887	132,601	512,216	99,880	3,244,866	55,376	5,734,125
Accumulated depreciation and impairment losses									
At 1 January 2024		27,898	741,082	85,807	437,206	82,606		-	1,374,599
Charge for the year		6,940	65,903	7,642	37,262	6,864		5,536	130,147
Disposal					(4,000)				(4,000)
At 31 December 2024	-	34,838	806,985	93,449	470,468	89,470	-	5,536	1,500,746
At 1 January 2025	-	34,838	806,985	93,449	470,468	89,470	-	5,536	1,500,746
Charge for the year		1,923	19,782	1,909	7,362	1,511		1,385	33,871
On disposals									-
Reclassification					(5,948)				(5,948)
At 31 March 2025	-	36,760	826,767	95,358	471,882	90,981	-	6,921	1,528,669
Carrying amounts									
At 31 March 2025	85,865	216,675	523,120	37,243	40,334	8,900	3,244,866	48,454	4,205,456
At 31 December 2024	85,865	218,597	319,258	38,034	51,568	5,999	3,439,889	49,839	4,209,050

Analysis of depreciation charged is as follows:

Cost of sales (Note 9)

Marketing and distribution expenses (Note 11)

Administrative expenses (Note 12)

	31-Mar-25	31-Dec-24
	N'000	N'000
Cost of sales (Note 9)	20,583	81,097
Marketing and distribution expenses (Note 11)	9,232	34,594
Administrative expenses (Note 12)	4,056	9,527
	33,871	125,218

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 as at the reporting date.
- 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.

	31-Mar-25 N'000	31-Dec-24 N'000
17. Investment properties		
Fair Value	2,024,585	2,024,585
Carrying amount		
At the end of the year/period	2,024,585	2,024,585

Investment property represents Neimeth office complex at 1 Henry Carr Street, Ikeja. The office complex is currently held for lease rental. At 31 December 2023, the Company recognised N28,800,000 (2022 : N35,925,000) 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. In the current financial year, the Company transitioned from the cost model to the Fair Value Method for recognizing investment property. However, its fair value as at 31 December 2023 was N896,442,265. The valuation was done by Tope Ojo & Tunde Olonisakin Estate Surveyors & Valuers on 31 December 2024.

	31-Mar-25 N'000	31-Dec-24 N'000
18. Intangible Asset		
Fair Value / Cost	28,505	28,505
Accumulated depreciationAmortisation		
At the beginning of the year /period	9,502	-
Charged in the year/period	2,375	9,502
	11,877	9,502
Carrying amount		
At the end of the year/period	16,628	19,003

18.1 Analysis of amortisation charged is as follows:

Cost of sales (Note 9)	652	
Marketing and distribution expenses (Note 11)	271	
Administrative expenses (Note 12)	1,453	
	2,375	-

19. Inventories

Raw materials (Note 9)	1,362,503	915,338
Work in progress	22,764	64,649
Finished goods	605,715	780,536
Spare parts	104,672	25,669
	2,095,654	1,786,192
Goods in transit	496,364	225,234
Allowance for write down of inventories (Note 19.2)	-	(143,085)
	2,592,018	1,868,341

19.1 Inventories to the value of N1.892 billion (2023 : N2.065 billion) were carried at net realisable value. No inventories are pledged as security for liabilities.



	31-Mar-25	31-Dec-24
	N'000	N'000
20. Trade and other receivables		
Trade receivables	1,363,381	1,699,614
Other receivables (Note 19.1)	333,966	344,142
	1,697,347	2,043,756
Impairment allowance (Note 19.2)	(437,466)	(427,466)
	<u>1,259,881</u>	<u>1,616,290</u>
20.1 Other receivables	N'000	N'000
Staff Advances	6,708	16,884
Other Receivables (19.1.2)	25,620	-
Debit balance in trade payables (Note 19.1.1)	302,517	328,137
Impairment on other receivables	(879)	(879)
	<u>333,966</u>	<u>344,142</u>

20.1.1 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.

	N'000	N'000
20.2 Impairment allowance on trade receivables		
At the beginning of the year/period	427,466	367,507
Additional charge during the year/period (Note 12)	10,000	59,959
At the end of the year/period	<u>437,466</u>	<u>427,466</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-Mar-25	31-Dec-24
	N'000	N'000
21. Other assets		
Prepayments	52,304	40,596
Withholding tax receivable	43,269	5,463
Advance payment to suppliers	4,110	15,335
Replaceable stocks (Note 20.1.)	13,619	13,619
	<u>113,302</u>	<u>75,013</u>

21.1 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.

22. Cash and cash equivalents

	31-Mar-25	31-Dec-24
	N'000	N'000
22.1 Cash and cash equivalents as per statement of financial position		
Cash in hand	150	23
Cash in banks	2,200,977	2,429,159
	<u>2,201,127</u>	<u>2,429,182</u>

The Company held cash and cash equivalents of N2.201 billion as at 31 March 2025 (2024: N2.146 billion) which represents its maximum credit exposure on these assets. The Company's cash and cash equivalents are deposited with reputable banks. All cash and cash equivalents are either on demand or have short period of maturity with immaterial risk of changes in value. As at 31 March 2025 the impairment was assessed Nil on the total exposures of N2.201 billion (2024: N2.146 billion)



22.2 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)

31-Mar-25	31-Dec-24
N'000	N'000
2,201,127	2,146,658
(201,988)	(201,988)
<u>1,999,139</u>	<u>1,944,670</u>

23. Borrowings

Term loans

At the beginning of the year /period

Addition in the year/period

Repayment during the year/period

Exchange loss/(gain)

N'000	N'000
5,477,759	4,604,176
-	-
-	(50,000)
<u>0</u>	<u>923,583</u>

Other loans (Note 23.3)

At the end of the year/period

5,477,760	5,477,759
<u>82,757</u>	<u>82,757</u>
<u>5,560,516</u>	<u>5,560,516</u>

Analysis by maturity:

23.1 Current

Daewoo Securities (Europe) Limited (Note 23.2.1)

CBN Intervention Fund (Note 23.2.2)

Bank of Industries (Note 23.2.3)

Providus Bank Plc

Accrued interest on other loan (Note 23.3)

N'000	N'000
2,629,842	2,629,842
1,199,847	1,199,847
322,917	322,917
700,000	700,000
-	6,530
<u>4,852,606</u>	<u>4,859,136</u>

Non-current:

CBN Intervention Fund (Note 23.2.2)

Bank of Industries (Note 23.2.3)

Other loan (Note 23.3)

N'000	N'000
107,904	107,904
110,541	110,541
218,445	218,445
<u>82,757</u>	<u>76,227</u>
<u>301,202</u>	<u>294,672</u>
406,708	406,708
<u>5,560,516</u>	<u>5,560,516</u>

23.2 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)

N'000	N'000
2,629,842	2,629,842
1,307,751	1,307,751
433,458	433,458
700,000	700,000
406,708	406,708
<u>5,477,759</u>	<u>5,477,759</u>
<u>82,757</u>	<u>82,757</u>
<u>5,560,516</u>	<u>5,560,516</u>

23.2.1 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.

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 2024.

23.2.2 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.

23.2.3 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.

23.3 Other loan

At the beginning of the year/period

Accrued Interest

At the end of the year/period

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-Mar-25	31-Dec-24
	N'000	N'000
At the beginning of the year/period	82,757	76,227
Accrued Interest	-	6,530
At the end of the year/period	82,757	82,757

23.3.1 Related Party Transactions

			2025	2024
Related Party	Relationship	Nature of Transaction	Amount	Amount
			N'000	N'000
1. Alpha Pharmacy & Stores Ltd	Sir. I. T. Onyechi - Director in Alpha Pharmacy Stores	Loan	928	928
2. Dr. A. B. C. Orjiako	Director	Loan	1,425	1,425
3. Mr Emmanuel Ekunno	Former Director	Loan	1,469	1,469
4. Fall River Production Ltd	Mr. T. T. Osobu - Director in Fall River Prod. Ltd	Loan	249	249
5. Engr. Godwin E. Omene	Director	Loan	2,927	2,927
6. Bio Resources Institute of Nigeria	Prof. M. M. Iwu - Director in Bio Resources Inst.	Loan	75,759	75,759
			82,757	82,757

	31-Mar-25	31-Dec-24
	N'000	N'000
23.4 Current borrowings		
Bank overdraft (Note 22)	(201,988)	(201,988)

23.4.1 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.

23.4.2 \$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.

23.4.3 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.

	31-Mar-25 N'000	31-Dec-24 N'000
24. Deferred fair value gain on loan		
Deferred fair value gain	406,708	406,708
Analysis of deferred fair value gain on loan into:		
24.1 Current portion	316,685	316,685
24.2 Non current portion	90,023	90,023

24.3 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.

	31-Mar-25 N'000	31-Dec-24 N'000
25. Trade and other payables		
Trade payables	373,562	168,622
Other accruals (Note 24.1)	4,170,043	3,887,155
Statutory deductions (WHT payable)	67,840	66,399
Royalties	54,311	54,311
Dividend payable	59,017	59,017
Other payables	89,685	67,190
Define contribution plan (Note 25.2)	39,856	35,805
Staff final entitlement (Note 25.3)	10,910	12,445
	<u>4,865,224</u>	<u>4,350,944</u>

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.



	31-Mar-25	31-Dec-24
	N'000	N'000
25.1 Other accruals		
Unclaimed wages	21,793	28,605
Directors payable	-	281
Accrued electricity	21,430	-
Accrued audit fees	4,028	1,178
Accrued Legal Fees	-	9,746
Import finance obligation	2,539,999	2,616,329
Property clearing	19,130	26,330
Sundry accruals (Note 24.1.1)	1,563,663	1,204,686
	<u>4,170,043</u>	<u>3,887,155</u>

25.1.1 This represents accruals for interest on loans.

	N'000	N'000
25.2. Defined contribution plan		
At the beginning of the year/period	35,805	49,650
Provision for the year/period	30,596	119,959
Payment during the year/period	(26,545)	(133,804)
At the end of the year/period	<u>39,856</u>	<u>35,805</u>

	N'000	N'000
25.3 Staff final entitlement		
At the beginning of the year/period	12,445	13,360
Payment	(1,535)	(915)
At the end of the year/period	<u>10,910</u>	<u>12,445</u>

25.3.1 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.

26. Maturity profile of financial liabilities

	Below one year N'000	Due within One - five years N'000	Five years and above N'000	Total N'000
2025				
Loans and borrowings	4,852,606	301,202	-	5,153,808
Trade and other payables	4,865,224	-	-	4,865,224
Finance lease obligation	26,253	-	-	-
	<u>9,717,830</u>	<u>301,202</u>	<u>-</u>	<u>10,019,032</u>
2024				
Loans and borrowings	5,061,124	294,672	-	5,355,796
Trade and other payables	4,350,944	-	-	4,350,944
Finance lease obligation	28,789	-	-	-
	<u>9,412,068</u>	<u>294,672</u>	<u>-</u>	<u>9,706,740</u>



	31-Mar-25 N'000	31-Dec-24 N'000
27. Current tax liability		
At the beginning of the year/period	87,228	68,815
Payment during the year/period		(12,486)
Charge for the year/period (Note 28)		30,899
Under provision in prior years - Income tax		-
Under provision in prior years - Education tax		0
At the end of the year/period	<u>87,228</u>	<u>87,228</u>
28. Deferred tax liability	N'000	N'000
At the beginning of the year/period	106,226	106,226
Charge in the year /period	-	-
At the end of the year/period	<u>106,226</u>	<u>106,226</u>

28.1 Deferred tax assets and liabilities

Reconciliation of deferred tax assets and liabilities.

Deferred tax assets and liabilities are attributable to the following:

	Opening balance	Recognized in net income	Recognized in OCI	Recognised directly in equity	Reclassify from equity to net income	Closing Balance
	N'000	N'000	N'000	N'000	N'000	N'000
Deferred Tax Liabilities						
Difference between Carrying Value and TWDV	106,254	316,105				422,359
Unrealised Exchange Gain	-	25,436				25,436
Chargeable Gains on on Investment Property (CGT)		84,702				84,702
Total	106,254	426,243	-	-	-	532,497
Deferred Tax Assets						44,058
Unabsorbed Capital Allowances	-	44,058				504,180
Unrealised Exchange loss	28	504,152				121,277
Impairment of receivables	0	121,277				489,671
Fiscal Loss C/Fwd.	0	489,671				
Total	28	1,159,158				1,159,186
Net deferred tax liability/ (asset)	106,282	(732,913)				(626,689)

The movement in deferred tax of N732.9 million resulted in net deferred assets of N626.7 million as at the reporting date. The movement of N732.9 million 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.

	N'000	N'000
29. Current tax		
Income	-	-
Minimum tax	-	22,426
Under provision in prior years	-	
Income tax (Note 28.1)	-	-
Education tax (Note 28.2)	-	8,473
	-	<u>30,899</u>
Deferred taxation charged (Note 27)	-	-
As per statement of profit or loss and other comprehensive income	-	<u>30,899</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



	31-Mar-25 N'000	31-Dec-24 N'000
29.1 Reconciliation of effective tax rate		
The tax expense for the year is reconciled to the loss for the year as follows:		
Loss before tax	115,758	(854,434)
Tax thereon @ 30%	-	(256,330)
Deductible items	-	(109,528)
Unrelieved loss brought forward	-	-
Non- deductible items	-	175,734
Balancing charge	-	-
Capital allowance	-	-
Loss carried forward	-	190,124
Education tax	-	8,473
Minimum tax	-	22,426
Underprovision in prior years	-	-
Tax expense for the period	-	30,899
Profit/(Loss) after tax	115,758	(885,333)
Effective tax rate (%)	-	-28%
	N'000	N'000
30. Finance lease obligation		
At 1 January	28,789	-
Addition	-	40,635
Repayment in the year	(2,536)	(11,846)
At 31 March	26,253	28,789
Analysed into:		
Current portion	17,390	-
Non-current portion	8,863	-
	26,253	-

This relates to lease obtained on motor vehicle classified as assets under finance lease included in Right-of-use assets.

	31-Mar-25 N'000	31-Dec-24 N'000
31. Share capital		
31.1 Issued and fully paid:		
At the beginning and at the end of the year/period	2,136,552	949,579
Rights issue	-	1,186,973
	<u>2,136,552</u>	<u>2,136,552</u>

4,273,104,607 ordinary shares (2023: 4,273,104,607 ordinary shares @ 50k each).

31.2 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.

	31-Mar-25 N'000	31-Dec-24 N'000
31.3 Share premium		
At 1 January	2,377,756	8,821
Premium on rights issue raised (Note 31.4)	-	2,523,498
Rights issue expenses (Note 31.5)	-	(154,563)
At 31 March	<u>2,377,756</u>	<u>2,377,756</u>

31.4 This represents the rights issue of 2,373,947,500 ordinary shares on a basis of 5 new ordinary shares for every 4 ordinary shares held as at close of business on 22 April 2022 at a premium of N1.05k . The right issue was fully allotted.

31.5 This represents expenses incurred on rights issue. The rights issue proceeds were realised in January 2023. Consequently, ordinary share capital increased by the total proceeds on the rights issue in 2023 financial year

	31-Mar-25 N'000	31-Dec-24 N'000
32. Accumulated losses		
At the beginning of the year/period	(2,862,516)	(1,977,183)
Profit/(Loss) for the year/period	115,758	(885,333)
Dividend	-	-
At the end of the year/period	(2,746,758)	(2,862,516)

The Directors did not recommend payment of dividend for the year ended 31 December 2024 (2023: Nil)

33. Basic loss per share

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

	N'000	N'000
Profit/(Loss) after taxation	<u>115,758</u>	<u>77,653</u>
	N'000	N'000
Number of shares	<u>4,273,104</u>	<u>4,273,104</u>
Loss per share (kobo)	<u>3</u>	<u>2</u>
Diluted loss per share (kobo)	<u>3</u>	<u>2</u>

34. Information regarding Directors and Employees

34.1 Directors' emoluments

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

Fees:	N'000	N'000
- Chairman	500	500
- Other Directors	2,800	2,800
- Sitting allowance	1,600	1,600
Emolument of executive directors	<u>62,740</u>	<u>98,578</u>
	<u>67,640</u>	<u>103,478</u>

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

	N'000	N'000
Chairman	<u>500</u>	<u>500</u>
Highest paid director	<u>28,820</u>	<u>32,651</u>



		31-Mar-25	31-Dec-24
		Number	Number
34.3 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	3	4
		<u>3</u>	<u>4</u>
The number of Directors who received emoluments		<u>3</u>	<u>4</u>
The number of Directors who did not receive emoluments		<u>10</u>	<u>8</u>
		N'000	N'000
34.4 Personnel compensation			
Personnel compensation comprised:			
Short-term employee benefits		609,886	679,126
Contribution to compulsory pension fund scheme		30,596	119,959
		<u>640,482</u>	<u>799,085</u>
Analysis by function:		N'000	N'000
Production		60,857	54,574
Marketing and distribution		68,505	67,695
Administration		73,256	63,518
		<u>202,618</u>	<u>185,787</u>
34.5 The average number of persons employed during the year			
by category:			
Management		Number	Number
		8	12
Senior staff		88	150
Junior staff		100	40
		<u>196</u>	<u>202</u>
34.6 Scale of employees' remuneration			
N	N	Number	Number
Below	- 250,000	-	-
250,001	- 500,000	-	-
500,001	- 750,000	-	-
750,001	- 1,000,000	40	50
1,000,001	- 1,250,000	35	45
1,250,001	- 1,500,000	21	27
Above	1,500,001	100	80
		<u>196</u>	<u>202</u>

35. 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.

36. Capital commitments

The Directors are of the opinion that there were no capital commitments at 31 December 2024 (2023 - Nil).

37. 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 N43,890,688.45 as at 31 December 2024 (2023: N53,638,102). 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.

38. Events after reporting date

(i) 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 year then ended.

(ii) In June 2023, the Central Bank of Nigeria (CBN) announced unification of all segments of the Nigerian Forex market, and this led to a significant fall in the value of the Naira to the U.S. Dollar, Great Britain Pound and Euro from N896.14, N1,140.81 and N989.016 as at 31 December 2023 to N1,415.634 N1,790.352 and N1,534.406 as at 25 March 2024 respectively.

(iii) The changes in the exchange rates will have both favourable and adverse effects on the Company's results for future accounting periods, if condition persists as it is, as the Company has loan US Dollars. The Company also holds cash deposits in US Dollars. An estimate of such effects is yet to be determined.

39. Comparative figures

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



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 year under review.



Other National Disclosures

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC
STATEMENT OF VALUE ADDED
FOR THE PERIOD ENDED 31 MARCH 2025



47

	2025 N'000	%	2024 N'000	%
Revenue	1,206,271		648,257	
Other income	152,408		32,125	
	1,358,679		680,382	
Cost of goods and services - local	(234,457)		(1,840,651)	
Cost of goods and services - foreign	-		-	
Value (eroded)/added	1,124,222	(100)	(1,160,269)	100

Applied as follows:

To pay employees:

Salaries wages and other staff costs	640,482	57	884,218	(76)
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To providers of capital:

Finance costs	334,111	30	667,948	(58)
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To pay Government:

Company income tax	-	-	18,245	(2)
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To provide for assets replacement:

Depreciation of property, plant and equipment	33,871	3	134,656	(12)
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Retained for future expansion:

- Deferred taxation	-	-	-	-
- Profit/(Loss) on ordinary activities	115,758	10	(2,865,336)	247

Value (eroded)/added	1,124,222	100	(1,160,269)	100
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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.

FINANCIAL SUMMARY

	31-Mar-25 N'000	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-22 N'000	30-Sep-21 N'000
Statement of financial position					
Property, plant and equipment	4,205,456	4,209,211	2,855,148	1,411,998	1,175,242
Investment property	2,024,585	2,024,585	34,010	35,096	35,965
Intangible assets	16,628	19,003	-	-	-
Net current assets	(3,981,668)	(4,110,086)	(7,525)	2,708,100	2,976,809
Non current liabilities	(497,451)	(490,921)	(2,102,865)	(2,741,127)	(2,913,355)
Net assets	1,767,550	1,651,792	778,768	1,414,067	1,274,661
Equity and reserves					
Share capital	2,136,552	2,136,552	949,579	949,579	949,579
Share premium	2,377,756	2,377,756	8,821	104,880	112,606
(Accumulated losses)/retained earnings	(2,746,758)	(2,862,516)	(179,632)	359,608	212,476
Total equity and reserves	1,767,550	1,651,792	778,768	1,414,067	1,274,661

	3 months 31-Mar-25 N'000	3 months 31-Mar-24 N'000	3 months 31-Mar-23 N'000	3 months 31-Mar-22 N'000	3 months 31-Mar-21 N'000
Statement of comprehensive income					
Revenue	1,206,271	648,257	468,780	492,624	640,788
(Loss)/profit before tax	115,758	77,653	(189,505)	(104,466)	14,155
Taxation	-	-	-	-	-
(Loss)/profit for the year	115,758	77,653	(189,505)	(104,466)	14,155
Other comprehensive income/(loss) for the year	-	-	-	-	-
Total comprehensive (loss)/income for the year	115,758	77,653	(189,505)	(104,466)	14,155
Per share data:					
(Loss)/earnings per share (kobo) - Basic	3	2 -	4 -	11	1
Net assets per ordinary share (kobo)	0.41	0.39	34.39	56	62

(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.