



NEIMETH INTERNATIONAL
PHARMACEUTICALS PLC



**Pioneering Leadership in
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2021
ANNUAL
REPORT
AND ACCOUNTS

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Neimeth International Pharmaceuticals Plc

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

Customer Satisfaction Line: 09032523202

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



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Neimeth International Pharmaceuticals Plc



Our Vision

To be the Leading Innovative
Healthcare Provider out of Africa

Our Mission

To Promote Healthy Confident Living

CORE VALUES

CUSTOMER DELIGHT

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

INNOVATION

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

INTEGRITY

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

GOD CONSCIOUSNESS

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

LEADERSHIP

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

COMMUNITY

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

TEAMWORK

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

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Dr. Ambrosie B. C. Orjiako OFR
Chairman

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

He is Chairman of Seplat, amongst several other high networth companies and organizations where he is and has been chairman and president.

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



Pharm. Matthew O. Azoji *FPSN, FPCPharm, FNaPharm, M.IoD*
Managing Director / CEO

Matthew O. Azoji has been Managing Director/CEO of Neimeth International Pharmaceuticals Plc since February 2019. He is a pharmacist with over 20 years' demonstrable leadership experience at Executive Management level in the public health and pharmaceutical sectors of Nigeria.

Pharm. Azoji holds a first class honours degree in Pharmacy and an M. Phil. in Pharmacy Administration both from Obafemi Awolowo University, Ile-Ife; an M.Sc in Public Health from University of London, UK and an MBA (Marketing) from ESUT, Enugu. He is a member of Lagos Business School (LBS) Alumni Association, having participated in its Advanced Management Programme and holds certificates in Pharmaceutical Policy Analysis and Pharmacoeconomics from Utrecht University, The Netherlands; a World Health Organization (WHO) Collaborating Centre. He has had numerous other training exposures both locally and internationally on diverse subjects in business and leadership.

Prior to joining Neimeth, Pharm. Azoji had worked at Executive Management level with leading pharmaceutical organizations, including May & Baker Nigeria Plc, CHAN Medi Pharm Ltd/Gte and Biovaccines Nigeria Limited, a public-private partnership company involving the Federal Government of Nigeria with focus on local manufacturing of vaccines. He has served on several other Boards, both locally and internationally and still serves on others.

Pharm. Azoji is a Fellow of Pharmaceutical Society of Nigeria (FPSN), Fellow West African Postgraduate College of Pharmacists (FPCPharm) and Fellow, Nigerian Academy of Pharmacy (FNAPharm). He is also a member of other professional bodies including the International Pharmaceutical Federation (FIP), Institute of Directors (M.IoD), Nigerian Association of Industrial Pharmacists (NAIP), Nigerian Institute of Management and National Institute of Marketing of Nigeria (NIMN).

He is a delighted winner of the 2019 Business Day/Nigerian Stock Exchange Top 25 CEOs Award among other awards.



Pharm. (Mrs.) Roseline A. Oputa
Executive Director, Sales and Marketing

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

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



Mrs. Temitayo O. Nelson
Executive Director, Finance

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

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



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

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

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

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

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



Engr. Godwin E. Omene
Non - Executive Director

Engr. Omene was invited to the Board on 25th February 2008. A first class graduate of Imperial College of Science and Technology, London, he was the pioneer Managing Director of Niger Delta Development Commission (NDDC) and a retired Deputy Managing Director of Shell Petroleum Development Company.

He has also been both Chairman and Director of several companies spanning the oil industry, security printing, finance/banking and pharmaceutical businesses.

He was appointed the Group Managing Director of FJ Energy Limited by the European Economic Development Council in April 2007. He is a thorough bred professional with vast Board experience.



Prof. Elijah N. Sokomba
Non - Executive Director

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



Prof. Maurice M. Iwu
Non - Executive Director

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

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

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



Sir. Ike T. Onyechi
Non - Executive Director

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

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

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



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

Mr. Thomas T. Osobu
Non - Executive Director



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

Mrs. Bashirat O. Odunewu
Independent Non - Executive Director

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Neimeth International Pharmaceuticals Plc



DIRECTORS:	Dr. A. B. C. Orjiako	Chairman
	Pharm. M. O Azoji	MD/CEO
	Mrs. R. A Oputa	Executive Director
	Mrs. T. O. Nelson	Executive Director
	Mazi S. I. Ohuabunwa	Non-Executive Director
	Engr. G. E. Omene	Non-Executive Director (Retired 1/2/2022)
	Prof. E. N. Sokomba	Non-Executive Director
	Prof. M. M. Iwu	Non-Executive Director
	Sir. I. T. Onyechi	Non-Executive Director
	Mr. T. T. Osobu	Non-Executive Director
	Mrs. B. O. Odunewu	Independent Non-Executive Director

SECRETARY: Mrs. F. I. Onyenekwe

REGISTERED OFFICE: 16, Doherty Akanni Layout (Billings Way)
Oregun Industrial Estate
Oregun.
Tel: 08033128663, 08030509676
E-mail: info@neimethplc.com.ng
Website: www.neimethplc.com.ng.

AUDITORS: PKF Professional Services
PKF House, 205A Ikorodu Road
Obanikoro, Lagos.
Tel: +234(0) 9030001351, 9030001352
E-mail lagos@pkf-ng.com

REGISTRARS: Meristem Registrars and Probate Services Limited
213, Herbert Macaulay Way
Adekunle – Yaba, Lagos.
Telephone Nos: +234 (1) 2809250 - 3, +234 (1) 8920491 - 2
E-mail: info@meristemregistrars.com

**LEGAL ADVISER/
SOLICITOR:** Chris O. Omolabi & Associates
REALS PLAZA, 1, Junaid Dosunmu Street,
Off Hakeem Balogun Street, CBD Alausa,
Ikeja, Lagos.
E-mail: dec8_2000@yahoo.com
Telephone: 08033063829, 07067498945

BANKERS: Fidelity Bank Plc
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...Still the trusted name in family medicines

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Major Statement of Comprehensive

Income items:

	Year ended 30-Sept-21 ₦'000	Year ended 30-Sept-20 ₦'000	% Change
Turnover	3,046,661	2,839,119	7
Profit before taxation	365,285	297,388	23
Profit after taxation	270,576	212,476	27
Share Capital	949,579	949,579	-
Shareholders' funds	1,414,067	1,274,661	11

Per Share Data:

Earnings per share (Kobo) (Basic)	14	11
Dividend per share (Kobo)	7	6.5
Net assets per share (Kobo)	74	67
Number of employees	202	196
Market price as at 30 th September	1.75	1.85



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Neimeth International Pharmaceuticals Plc



NOTICE IS HEREBY GIVEN THAT the 63rd Annual General Meeting of the members of **NEIMETH INTERNATIONAL PHARMACEUTICALS PLC.** will be held at NECA House Plot A2, Hakeem Balogun Street, Alausa, Ikeja, Lagos on Tuesday, 22nd March 2022 at 11.00am to transact the following businesses:

ORDINARY BUSINESS:

- 1 Receive the Report of the Directors, Statement of Financial Position as at September 30th 2021 together with the Statement of Comprehensive Income for the year ended on that date and the Reports of the Auditors and Audit Committee thereon.
- 2 Declare Dividend
- 3 Re-elect the following Directors who in accordance with Section 285(2) of the Companies and Allied Matters Act (CAMA) 2020 are retiring by rotation, but are eligible and have offered themselves for re-election:
 - Mazi S. I. Oluabunwa
 - Mrs. T. O Nelson
- 4 To approve the appointment of a new External Auditor for the Company and to authorize the Directors to fix their remuneration.
- 5 To disclose the Remuneration of Managers in accordance with Section 257 of CAMA
- 6 To elect the Shareholders Representatives of the Statutory Audit Committee.

SPECIAL BUSINESS:

7. Approve the remuneration of Directors.

To consider, and if approved, to pass, with or without modification, the following Resolutions:
8. “That the accounting reference date and financial year-end of the Company be and is hereby changed from 30th September to 31st December”
- 9.1 “That subject to obtaining the approval of the relevant regulatory authorities, the Directors of the Company (the “Directors”) be and are hereby authorised to raise equity capital of ₦3,679,618,625 (Three Billion, Six Hundred and Seventy Nine Million, Six Hundred and Eighteen Thousand, Six Hundred and Twenty Five Naira Only) by way of creation of 2,373,947,500 Ordinary Shares of 50kobo Each at ₦1.55k per share on the basis of five (5) new Ordinary Shares for every four (4) Ordinary Shares (Rights Issue) on such other terms and conditions as the Directors may deem fit to determine”.
- 9.2 “That the Rights Issue be underwritten by an appointed Underwriter on a standby basis to ensure full subscription to the Rights Issue and that in the event of an under-subscription of any Rights Issue undertaken by the Company, the Shareholders hereby waive their pre-emptive rights to any unsubscribed shares under the Rights Issue and the Directors are hereby authorised to issue such shares to interested investors, as far as practicable, on the same terms as the Rights Issue”.
- 9.3 “That the Directors of the Company be and are hereby authorised to do all acts and things and to approve, sign and/or execute all documents, appoint such professional parties and advisers, perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of any regulatory authority”.
- 9.4 “That all acts carried out by the Directors and Management of the Company hitherto in connection with the above, be and are hereby ratified”.
- 10.1 “That the Company raise equity capital of ₦1,320,381,375.60 (One Billion, Three Hundred and Twenty Million, Three Hundred and Eighty-One Thousand, Three Hundred and Seventy-Five Naira and Sixty Kobo Only) by way of Special/Private Placement to finance the establishment of a new plant and working capital needs”.
- 10.2 “That the Company issue up to 628,753,036 ordinary shares of 50k each at ₦2.10k per Share to raise the above capital”.
- 10.3 “That the level of dilution from the above capital raise be limited to 12.83%”.
- 10.4 “That the Directors be and are hereby authorized to enter into any necessary agreements towards the implementation of the above resolutions”.

- 11 “That the Minimum Issued Share Capital of the Company be increased from ₦1,000,000,000.00 to ₦2,450,929,268 by the creation of additional thereunto of 2,901,858,536 Ordinary Shares of 50kobo each, such new shares to rank pari-passu in all respects with the existing shares in the capital of the Company”.

NOTES:

1. PROXY:

In view of the COVID-19 pandemic and relevant directives on the maximum number of persons at a gathering and social distancing, attendance at this AGM shall be by proxy only.

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself. A proxy needs not be a member. Therefore, Members who are entitled to attend and vote at the AGM are advised to appoint a proxy of their choice from the following proposed proxies to attend and vote in their stead:

i.	Pharm. Matthew Azoji	-	Managing Director/CEO
ii.	Pharm. Mrs. Roseline Oputa	-	Director
iii.	Mr. Boniface Okezie	-	Shareholder
iv.	Mr. Matthew Akinlade	-	Shareholder
v.	Dr. Anthony Omojola	-	Shareholder
vi.	Mr. Nornah Awoh	-	Shareholder
vii.	Pst. Alex Adio	-	Shareholder
viii.	Mr. Patrick Ajudua	-	Shareholder
ix.	Mr. Bright Nwabughogu	-	Shareholder
x.	Dr. Marcel Ojinka	-	Shareholder
xi.	Mr. Augustine Ezechukwu	-	Shareholder
xii.	Mr. Moses Igbrude	-	Shareholder
xiii.	Mrs. Esther Augustine	-	Shareholder

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

Note that payment of stamp duties for all proxy forms shall be at the Company’s expense.

2. CLOSURE OF REGISTER

i. Qualification

Members whose names appear in the Register of Members at the close of business on Monday, 14th March 2022 shall be qualified to receive dividend.

ii. Closure of Register

The Register of Members and Transfer Books of the Company will be closed on Tuesday 15th March, 2022 and re-open on Monday, 21st March, 2022 for the purpose of updating the Register of Members.

3. DIVIDEND WARRANT

If the payment of the Dividend of 7kobo per share recommended by Directors is approved by members at the 63rd Annual General Meeting, the Warrant/Transfer for the dividend will be posted or E-payment made on or before Friday 25th March, 2022 to holders of shares whose names are in the Register of Members as at Monday, 14th March 2022.

4. STATUTORY AUDIT COMMITTEE

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

5. RIGHTS OF SECURITIES' HOLDERS TO ASK QUESTIONS

Securities holders have a right to ask questions not only at the meeting but also in writing prior to the meeting and such questions must be submitted to the Company Secretary on or before 15th March 2022.

6. E-DIVIDEND/BONUS MANDATE

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

7. UNCLAIMED DIVIDEND

Shareholders are hereby informed that some dividends have remained unclaimed and returned to the Registrar. The list of all unclaimed dividends will be circulated to affected shareholders and they are advised to contact the Registrars to resolve any related issue.

8. LIVE STREAMING

Stakeholders who will not be able to attend the meeting physically are encouraged to join the meeting virtually, as it will be streamed live online. The link for the live streaming /log-in details will be made available subsequently on the Company's website and by the Registrars through telephone numbers and email addresses of shareholders.

Copies of the Annual Report and Accounts of Neimeth International Pharmaceuticals Plc for the financial year ended 30th September 2021 will be mailed to Shareholders and will be available on the Company's website www.neimethplc.com.ng. Printed copies can also be obtained by contacting Meristem Registrars and Probate Services Limited 213, Herbert Macaulay Way, Adekunle, Yaba, Lagos.

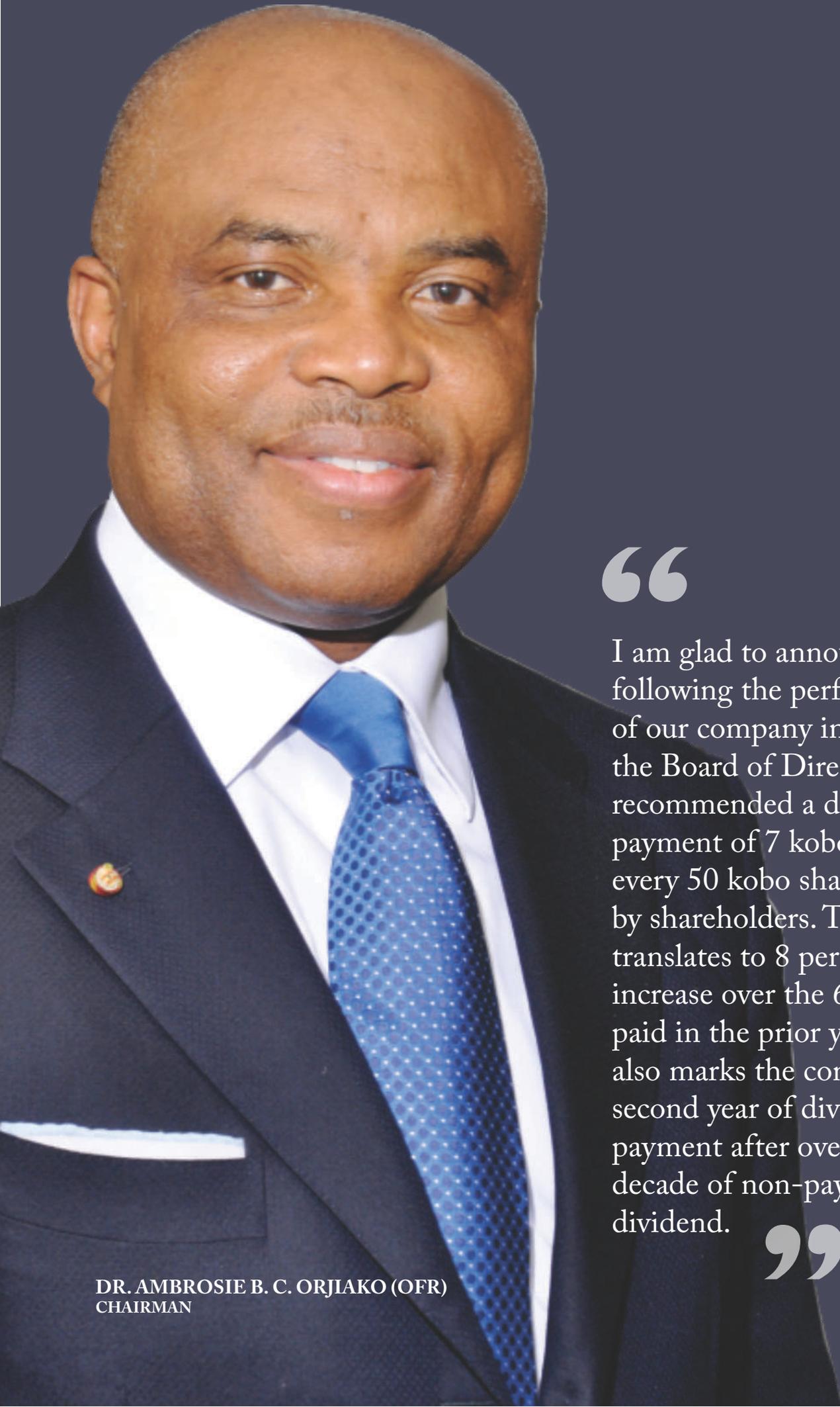
Dated this 28th day of January, 2022



F. I. ONYENEKWE (MRS.)

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





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

“

I am glad to announce that following the performance of our company in 2021, the Board of Directors has recommended a dividend payment of 7 kobo per every 50 kobo share held by shareholders. This translates to 8 per cent increase over the 6.5 kobo paid in the prior year. It also marks the consecutive second year of dividend payment after over a decade of non-payment of dividend.

”

My Colleagues on the Board of Directors

Distinguished Shareholders

Gentlemen of the Press

Ladies & Gentlemen

I welcome you all to the 63rd Annual General Meeting (AGM) of our company, Neimeth International Pharmaceuticals Plc.

I am delighted to have all of you here in good health despite the ravaging Corona virus pandemic. I thank God none of our members has been caught by the wave of this dangerous disease and I pray that we shall all witness its eventual elimination.

Permit me to present before you the Report and Accounts of our business operations for the financial year which commenced October 1, 2020 and ended September 30, 2021.

THE BUSINESS ENVIRONMENT

Global Environment

The consequences of the COVID-19 pandemic for the global economy will continue to unfold. The persistent pandemic is now recognised to have constituted the greatest clog in global economic performance and GDP growth in recent history.

Although countries seem to have taken a lesson from the 2008/2009 global financial crisis to mitigate the impact of the pandemic by the use of stimulus programmes to counter recessionary forces, global economy remains hard hit by this singular health crisis. On the other hand, the stimulus packages adopted by governments world over, increased public sector spending and borrowing, the consequence of which was hyperinflation especially in developing economies. For most countries in the developing world or the Least Developed Countries (LDCs), whichever term you prefer, it is not yet clear how this mass of debt will ultimately be financed.

The United Nations Conference on Trade and Development (UNCTAD) in its Trade and Development Report 2021 projected global economy to achieve a 5.3 per cent GDP growth, in 2021, but several downside risks stood against this and caused the global economy to underperform. The drivers of optimism in the last few months of 2021, suggesting a vigorous recovery from the COVID-19 crisis, include world merchandise trade recovery above the pre-pandemic level, growth in global industrial production and increase in the prices of key raw materials, such as copper, iron ore and lumber, which reached record levels in the second quarter of 2021. Crude oil prices also climbed to a two-year high above \$70 per barrel in June 2021 compared to \$9 at its ebb in 2020.

The recovery in 2021 was however highly uneven, with growth along regional and country lines. Instead, debt defaults precipitated by rising interest rates caused financial market panic, which spread rapidly given the huge debt burdens governments assumed. Pandemic induced measures also led developing countries to shrinking tax bases and this kept several LDC economies down. Those countries which experienced the deep 2020 slump especially in the second quarter when lockdown measures were in full force have yet to recover even beyond 2021.

African Environment

Africa's GDP contracted 2.1 per cent in 2020 the worst in 50 years. By the end of 2020 over 39 million Africans reportedly fell back into poverty. Despite the \$3 billion injected by the African Development Bank by way of an Africa focused social bond in the global capital market, the continent entered 2021 with an economic condition, exemplified by unemployment, weak exchange rates, business failures and gruelling poverty, low purchasing power or weak demand for goods and services.

Yet the continent's economic handlers were optimistic enough to project a growth of 3.4 per cent in 2021. This optimism was driven by hopes of resumption in tourism, rise in commodity prices especially crude oil and removal of 2020 COVID -19 lockdown measures. Another source of hope was the expected full

implementation of the African Continental Free Trade Agreement (AfCFTA).

These hopes were not realised because new variants of COVID -19 surfaced to belittle recovery in some key areas like aviation, hospitality, and tourism.

In reality, many factors hindered the achievement of the expected growth, Currency depreciation happened across Africa in 2021 as a result of drastic reduction in foreign exchange inflows. Foreign Direct Investment (FDI), Official Development Assistance (ODA) and Diaspora remittances all fell short of target.

Nigerian Environment

Back home in Nigeria, the economy entered a recession in 2020, the second in four years. The drastic fall in crude oil prices because of low global demand and COVID -19 containment measures by nations which affected the aviation, tourism, manufacturing and hospitality industries accounted for the 2020 depression. The constriction that was experienced in these sectors offset demand driven expansion in financial markets and the communications technology sectors. By the end of 2020, Nigeria's real GDP shrank by 1.92 per cent. Inflation rose to 12.8 per cent from 11.4 per cent in 2019.

This situation did not abate in 2021. Increases in electricity tariff, and fuel pump prices, constraints on domestic food supplies due to mounting security challenges led to food scarcity and hyperinflation on core commodities especially food. Government resort to extensive borrowing to finance infrastructure and curtail pandemic related expenses led to high debt servicing payments which crossed 50 per cent of federally collected revenue. By the end of 2021, Nigeria's public debt stock stood at ₦39.59 trillion according to the Debt Management Office (DMO). At the same time, there was a fall in all federally collected receipts coupled with dwindling external inflows. The country's foreign reserves fell below eight months imports. However, the sharp recovery in oil prices sustained growth, while the reopening of land borders improved access to commodities, especially food items.

The year was also characterised by weakness of the local currency thus making imported finished and raw materials very expensive. For companies like ours that rely on imported input materials, high cost of foreign exchange gulped substantial part of revenue at a time it was highly difficult to increase prices because of weak local purchasing power.

The Pharmaceutical Sector

Nigeria like other Sub Saharan African countries is heavily reliant on pharmaceutical imports. A good percentage of the country's medicine needs is met with imports from China, India and Western Countries such as Europe and USA. In 2020 alone, Nigeria imported ₦562.4 billion (\$1.5 billion) worth of pharmaceutical products which is about 70 per cent of the country's annual pharmaceutical consumption. The implication of this is that there remains a very large room to grow pharmaceutical manufacturing business in Nigeria. Despite government efforts to make Nigeria not only self-sufficient in medicine production but also the hub of pharmaceutical manufacturing in Africa, there continues to be little local drug production. Local drug manufacturing according to the new National Drug Policy, launched September 2021 account for a mere 30 per cent of drug consumption in the country.

On the other hand, Nigeria's pharmaceutical exports are hindered by the present low level of internationally recognized current standards of good manufacturing practice certification which, if approved across more local firms, would expose Nigeria to more lucrative trade partners especially in Africa. The perception that the country is riddled with pharmaceuticals counterfeiting further restricts exports even within the West African sub region. In 2020 Nigeria exported pharmaceutical products worth ₦127.9mn only as Nigerian pharmaceutical manufacturers are yet to rise up to the challenge of AfCFTA and the opportunities it offers.

The fledging local drug production industry depends essentially on imported inputs including Active Pharmaceutical Ingredients (API) and excipients. With the high cost of foreign exchange in 2021, the implication for local drug makers was severe.

Though Nigeria is responsible for 60 per cent of drug manufacturing in Africa her production system and capacity remain residual. Only four out of over 120 pharmaceutical manufacturers have ever obtained WHO or any other international certification on good manufacturing practice. The implication is that the country is far from being seen to be able to make medicines fit for global consumption.

As a pharmaceutical manufacturing concern, opportunities exist for us not only to produce more medicines but also to seek international accreditation to become a continental and global player.

OUR BUSINESS PERFORMANCE

Despite the rather excruciating business environment in 2021, our company put up an impressive performance. Our turnover had a modest 7 per cent growth from ₦2.84 billion in 2020 to ₦3.05 billion in 2021. Impressively effective cost management and other prudent measures gave us a 23 per cent increase in profit before tax from ₦297.39 million in 2020 to ₦365.29 million in 2021. Similarly Profit After Tax grew by 27 per cent from ₦212.48 million in 2020 to ₦270.58 million in 2021. Our Earning Per Share grew 27 per cent from 11 kobo in 2020 to 14 kobo in 2021.

Dividend

Last year I promised you that we shall strive to increase your dividends progressively, as our performance improves. I am glad to announce that following the performance of our company in 2021, the Board of Directors has recommended a dividend payment of 7 kobo per every 50 kobo share held by shareholders. This translates to 8 per cent increase over the 6.5 kobo paid in the prior year. It also marks the consecutive second year of dividend payment after over a decade of non-payment of dividend. Our plan is to continue in this direction thus effectively ending the era of losses and non-payment of dividend in your Company.

Share Offer

At our last AGM, you shareholders graciously approved that our company approach the capital market to raise funds. In implementing your directive, we encountered some statutory challenges which warrant that we return to the house for a fresh approval of this fund raise. I assure you that once you approve the changes at this meeting, we shall go ahead to drive the capital raise within the current financial year.

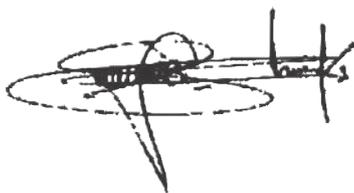
Facility Upgrade

We have commenced our planned Oregun facility upgrade as announced at the last AGM in phases. The first phase which is more than 85% of the plan is expected to be completed within this financial year.

Conclusion

This is our fourth year of consistent profit making. I owe immense gratitude to our Directors on the Board for their invaluable contributions in charting a new positive direction for the company. I also thank the current Executive Management for their hard work in executing the policies of the Board thereby taking the business to great new heights. The sky is indeed our starting point.

Thank you all and God bless.



DR. AMBROSIE B. C. ORJIAKO (OFR)

CHAIRMAN, BOARD OF DIRECTORS

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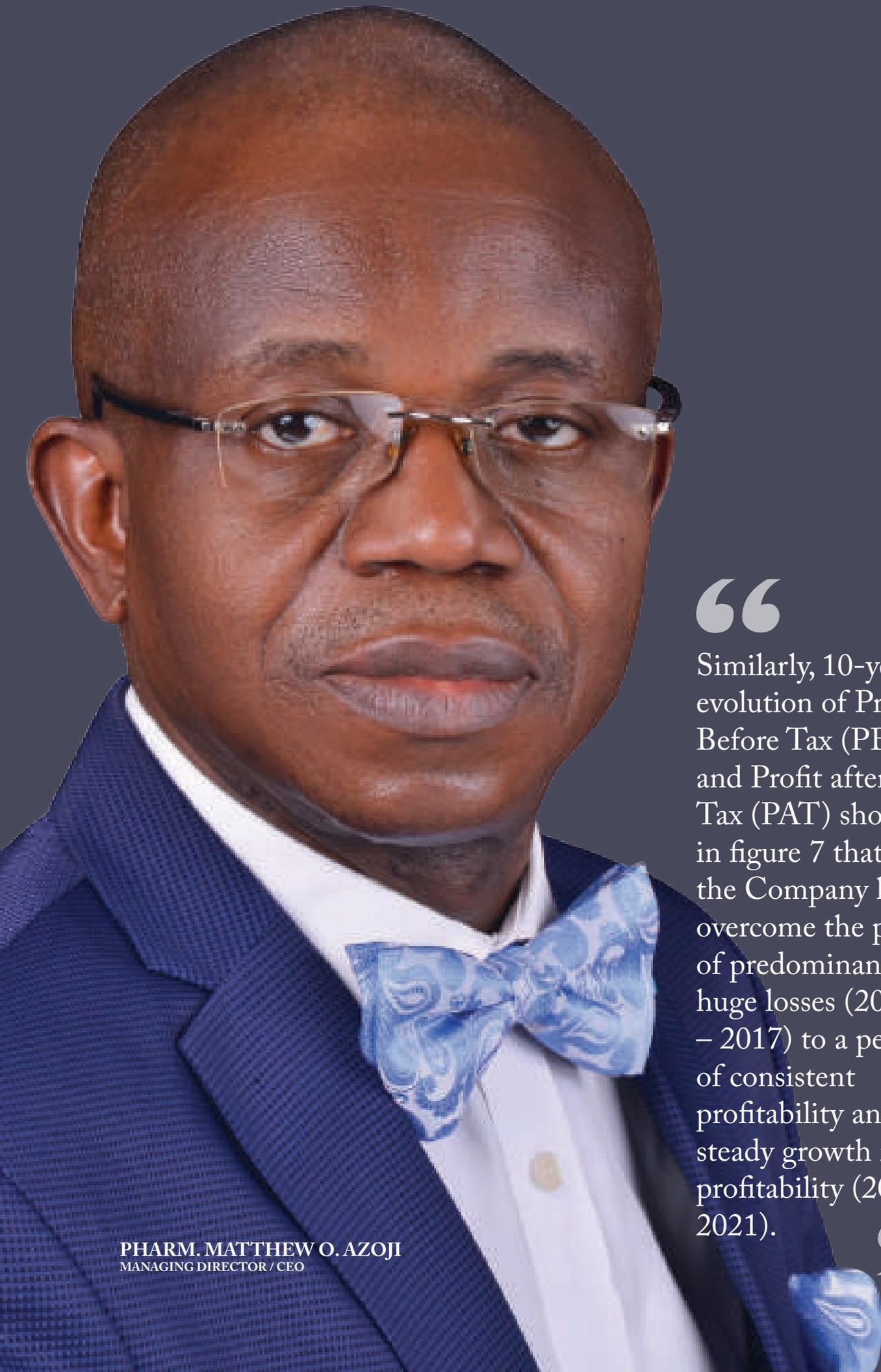
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www.neimethplc.com.ng email: info@neimethplc.com.ng





PHARM. MATTHEW O. AZOJI
MANAGING DIRECTOR / CEO

“

Similarly, 10-year evolution of Profit Before Tax (PBT) and Profit after Tax (PAT) shows in figure 7 that the Company has overcome the period of predominantly huge losses (2012 – 2017) to a period of consistent profitability and steady growth in profitability (2018 – 2021).

”

Esteemed Chairman and Directors of Neimeth International Pharmaceuticals Plc

Distinguished Shareholders

Gentlemen of the Press

Ladies & Gentlemen

It is a pleasure for me to present to you the Management Report of your company for the 2021 business year.

ECONOMIC REALITIES IN THE BUSINESS YEAR

We started the financial year in October 2020, when Nigeria's economy had entered a recession. The Nigerian Gross Domestic Product (GDP) had contracted for the second consecutive quarter in 2020; thereby causing the economy to slip into the second recession in four years. The National Bureau of Statistics (NBS) had announced that the nation's GDP recorded a negative growth of 3.62 percent in the third quarter of 2020 after its earlier contraction of 6.10 percent achieved in the second quarter of same year. This recession of 2020 became the second since 2016, and the worst economic decline in Nigeria in almost four decades. The now persistent COVID-19 pandemic and subsequent containment measures affected aviation, tourism, hospitality, restaurant, manufacturing, and trade. Though the country came out of the recession in the last quarter of 2020 by showing a positive GDP growth of 0.11%; overall Nigeria's real total annual GDP shrunk by 1.92 per cent in 2020 compared to a positive growth of 2.27 percent in 2019. This was due largely to mitigating measures in the Economic Sustainability Programme (ESP) enunciated by the Government which prevented the decline from being much worse. Stimulus measures outlined in the ESP and the Finance Act of 2020 helped to reflate the economy.

The economic situation in the first 9 months of 2021 comprising our business year was to say the least daunting. From the increase in petroleum products prices, shortage of foreign exchange, the consequential high exchange rates, and the coronavirus pandemic, miserable state of roads and power supply, unmitigated security risks and much more, meant that life in Nigeria in 2021 was barely liveable and business was for the survival of the fittest.

For manufacturers like Neimeth increase in cost of raw materials; some more than 100 per cent, delays as well as high cost of shipment and even custom duties coupled with a grime security situation that made many locations inaccessible for commercial activities, made business management a nightmare in 2021.

Growing incidence of flooding as well as drought caused largely by climate change in some communities in Nigeria and rising insecurity across different regions of the country continued to hamper agricultural production. Low agricultural output not only fuels inflation but it is also causing growing concerns for national food security. Nigerian foreign reserves during the financial year October 1, 2020 to September 30, 2021 averaged US\$34.9 billion after it depleted from US\$38.6 billion as at December 31, 2019 representing about 7.6 months of import cover. This dire state of foreign reserves prevailed for most of the year leading to an unprecedented scarcity of foreign exchange, devaluation of the Nigerian currency as well as fueling inflationary pressures. The emergence of new variants of COVID-19, namely the Delta and Omicron variants gave room for more caution in opening up of the economy and global supply chain challenges. And with unemployment at 27 per cent, poverty at 40 per cent and public debt above 25 per cent of GDP, the purchasing power of the ordinary Nigerian was devastated, thereby making the market very weak to buy goods and services.

Due to high debt service payments and the country's inability to attract external private financial flows, growth was stunted. Generally, there was subdued economic activity in Nigeria in 2021 though the Central Bank of Nigeria (CBN) was optimistic that the economy which barely moved away from recession by last quarter of 2020 would achieve a positive 3.10 percent GDP growth at the end of the year; the Federal

Government of Nigeria (FGN) gave a forecast of 3% while 2.6% was given by the International Monetary Fund (IMF).

The Nigerian Bureau of Statistics (NBS) announced on Thursday February 17, 2022 that Nigeria's GDP grew by 3.98% in the fourth quarter of 2021, thereby sustaining the positive trajectory which began in the last quarter of 2020 heralding exit from the recession which hit the economy in 2020. The fourth quarter growth marked the continuation of the steady economic recovery resulting in an annual growth of 3.40% in 2021, which was better than all the forecasts of CBN, FGN and IMF. The only challenge is that the steady economic growth which is being enhanced by increasing oil prices in the international market has not yet brought any improvement on the foreign exchange market, as the scarcity of forex and high exchange rates continue to persist. Hopefully, the situation may change positively in the new business year which is the yearning of all manufacturing companies like Neimeth.

HEALTH CARE & PHARMACEUTICAL SECTOR

The Nigerian healthcare sector remains even more challenged than the economy. Nigeria accounts for a substantial part of the African disease burden in addition to the COVID-19 scourge.

A very key part of this challenge is the provision of quality and affordable medicines. According to the new National Drug Policy launched in 2021, Nigeria manufactures locally about 30 per cent of local drug consumption, leaving the whopping 70 per cent to imports. There are about 120 manufacturers of medicines in Nigeria.

Despite this seemingly abysmal record, Nigerian medicine manufacture accounts for 60 per cent of Africa wide made drugs. This is because many countries in the continent depend 100 per cent on imports for their drug needs.

NEW OPPORTUNITIES: NEW NATIONAL DRUG POLICY 2021

The above scenario throws up a yawning gap for locally made drugs not only to fill the gap in Nigeria but to take up the huge African drug challenge.

The new National Drug Policy 2021 targets a 70 per cent increase in capacity between 2021 and 2025. It therefore makes provision for concerted effort in promoting local manufacture of drugs in Nigeria.

The pharmaceutical industry in Nigeria will benefit from the newly launched National Drug Policy. According to the policy document, more realistic targets have been set and the Nigerian government believes that this edition will bring visible improvements in many areas of the country's pharmaceutical industry. This includes local production, patronage of locally produced drugs, effective drug procurement, as well as the rational use of drugs. The policy seeks to strengthen the health system and the delivery of medicines, vaccines and other health technologies and supplies.

With the NDP 2021, local production of medicines is set to increase through favourable policies and incentives for local manufacturing. Some of the attractions are set to come in the form of lower tariffs for raw material imports. There will be import bans on some essential drugs or products that can be produced in Nigeria. This is to ensure that the local pharmaceutical industry becomes a major actor in providing good quality essential medicines for our health care programmes.

In addition, importers of drugs into the country are being given a ten-year period during which they must commence local manufacture of such medicines.

The improvement in local manufacture of medicines is expected to be led by generic drugs because most local manufacturers are reproducers of generic medicines whose patents have expired. With improvements in local production, the capacity to export especially to African countries will be boosted. Fitch Solutions project that by 2025 Nigerian pharmaceutical export will grow from ₦97.7 million (US\$270,000.00)

in 2020 by 10.7% and 5.7% in local currency and US Dollar terms respectively to hit ₦162 million (US\$400,000.00). Factors which Fitch Solutions projected could hinder export of pharmaceuticals include lack of good manufacturing practice certification for most local manufacturers in Nigeria which if the situation could improve from current state of affairs will open opportunities to win more lucrative foreign trade partners and the poor perception of Nigeria as regards counterfeiting of medicines.

Similar to the NDP, the Federal Government also launched the maiden edition of Nigeria Vaccine Policy (NVP), 2021. This is meant to enhance access and use of vaccines for protection of citizens from infectious diseases. With the Nigeria Vaccine Policy, the Government expects to boost local production of vaccines in Nigeria so as to make vaccines available to Nigerians and other West African countries. This has equally placed a huge expectation on pharmaceutical manufacturers to spearhead the research and investment in this direction.

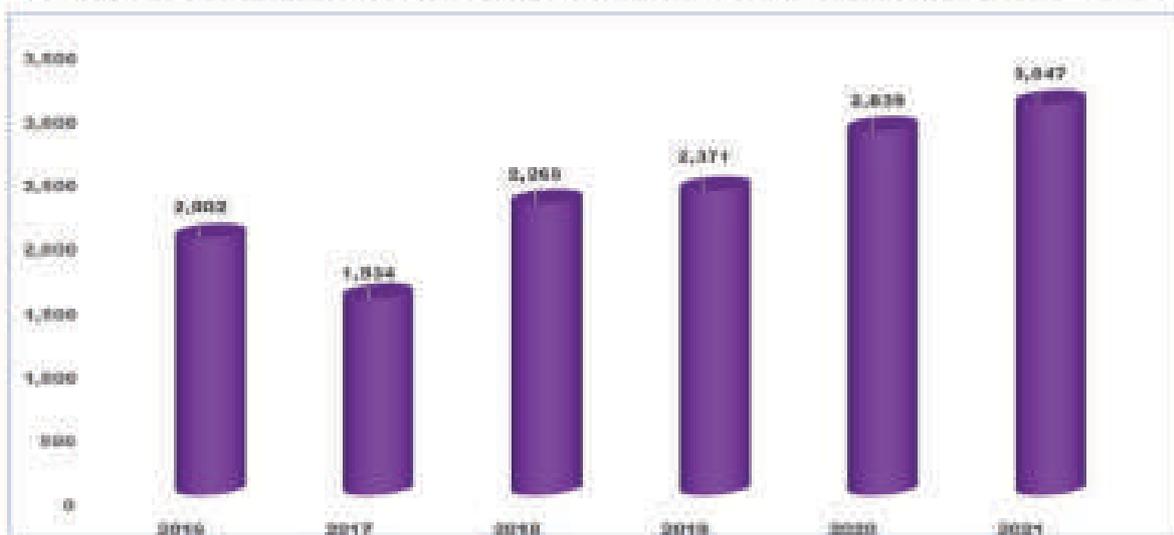
Therefore, both the NDP and the NVP open new vistas of opportunity for Neimeth as a Company with a vision; *“to be the leading innovative healthcare provider out of Africa”*, to invest more in Research and Development as well as in new manufacturing infrastructure with a view to ensure we achieve and maintain international certifications in current standards of Good Manufacturing Practice (cGMP).

OUR RESULT IN 2021 AND PERFORMANCE TRAJECTORY

Respected shareholders, we have remained faithful in implementing the growth plans and objectives of the company as enunciated by the Board of Directors. In the 2020/2021 business year, we achieved a modest turnover growth of 7 per cent, from ₦2.84 billion to ₦3.05 billion. This was achieved despite the very harsh operating environment. A 6-year evolution of annual revenues in figure 1 shows that there has been consistent growth in revenues over the past 4 years. Only the year 2017 when the Company suffered an unfortunate devastating fire incident experienced a decline in revenue in the last six years.

Our human pharmaceutical manufacturing business grew by 13 per cent from ₦2.5 billion in 2020 to ₦2.8 billion in 2021. We are re-strategizing on the performance of our veterinary products and export businesses to begin to make similar contributions to the business.

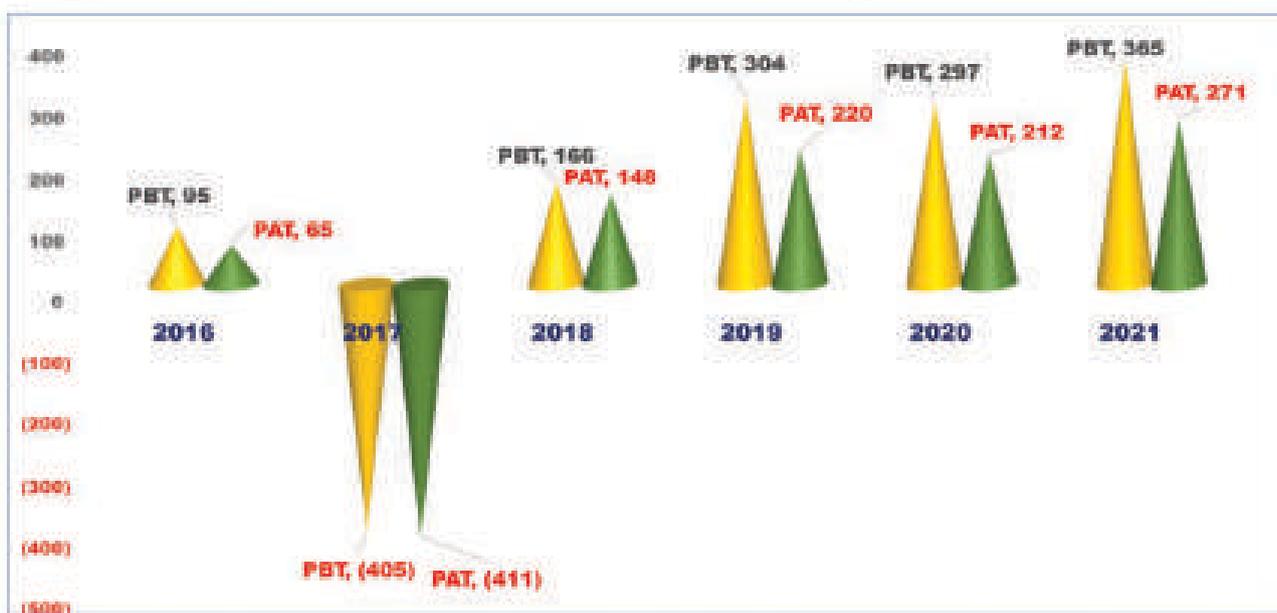
Figure 1: Evolution of Turnover in Millions of Nigerian Naira: 2016 - 2021



Sales performance in 2021 was adversely affected by the multiple challenges of the economy in the financial year. However, we were able to rein in costs for greater profitability. So, we achieved 23 per cent and 27 per cent growth in Profit Before (PBT) and Profit After Tax (PAT) respectively, clearly above industry average. Similar to revenues, your Company has grown steadily in profitability over the last four years from

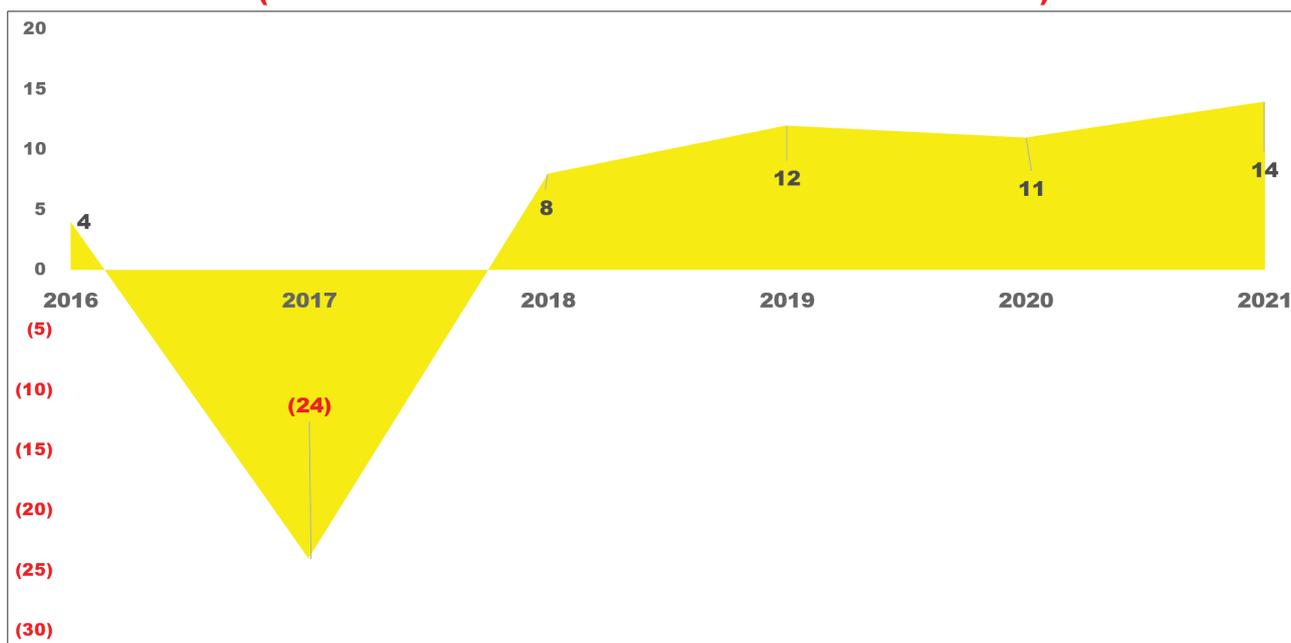
2018 to 2021 as can be seen in figure 2.

Figure 2: Evolution of PBT and PAT in Millions of Nigerian Naira: 2016 - 2021



Our financial summary for the past six business years explains our growth trajectory. Between 2016 and 2021 we have grown by 52 per cent in turnover. We have even done better in profitability both in Profit Before tax and comprehensive income (Profit After Tax). Going from 2016 to 2021, PBT grew by 284 percent while PAT has grown by 317 percent over the six-year period. The same pattern of growth also shows in our Earnings Per Share (EPS) or the rate at which we grow the wealth of shareholders of the company which is depicted in figure 3.

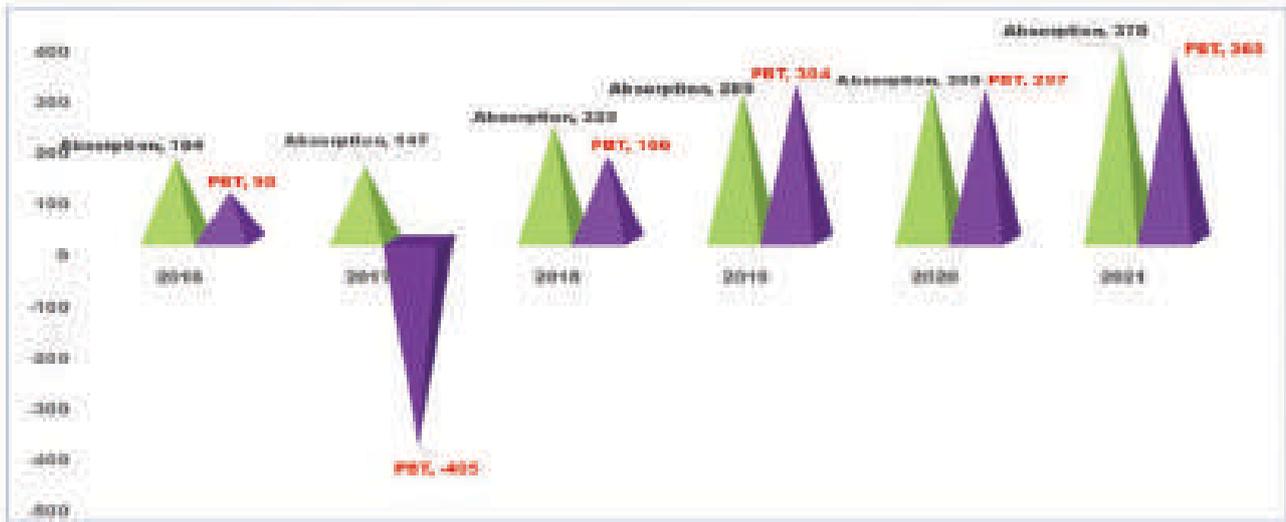
**Figure 3: Evolution of Earnings Per Share in Nigerian Kobo: 2016 - 2021
(Growth Trend of Measure of Shareholder Wealth)**



One of the major factors contributing to enhanced profitability over the past few years is Management's consistent focus on absorption of Plant Operations Overhead. Overhead consists of relatively fixed costs of the plant which must be absorbed by production outputs and if not will become major losses in the

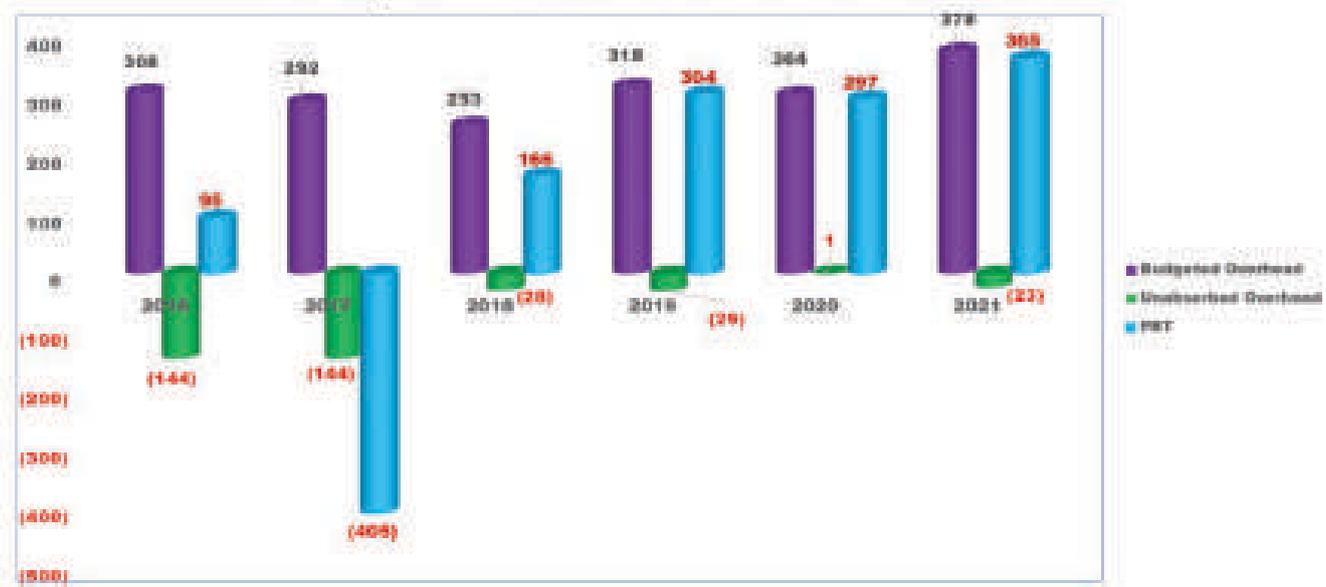
business. Figure 4, illustrates that the current financial year had the highest overhead absorption of ₦378 million which was 24% better than the overhead absorption for 2019/2020 financial year at ₦305 million; and was also the highest absorption in 5 years when compared with the other years ranging from ₦164 million to ₦289 million. Figure 4 also depicts that 2021 with the highest overhead absorption also had the highest PBT of ₦365 million while 2017 with the least overhead absorption recorded a major loss.

Figure 4: Trend of PBT and Overhead Absorption in Millions of Nigerian Naira; 2016 - 2021



The other perspective to the issue of relationship between overhead absorption and profitability is to compare the level of unabsorbed overhead and the profit for a given period. Figure 5 shows comparison of budgeted overhead, unabsorbed overhead and PBT for the 6-year period from 2016 to 2021.

Figure 5: Evolution of Impact of Absorption of Budgeted Overhead on PBT in Millions of Nigerian Naira for 6 - Year Period: 2016 - 2021



A look at figure 5 will reveal that the 2 years of 2016 and 2017 with the highest unabsorbed overhead of ₦144 million each had the worst profit figures leading to very high loss in 2017 while the 4 years of 2018 to 2021 with the least unabsorbed overhead figures recorded the highest PBT ranging from ₦166 million in 2018 to ₦365 million in 2021; though it is noteworthy that the unfortunate fire event was part of what significantly affected the outcomes in 2017.

CONSISTENT GROWTH IN TURNOVER AND PROFIT

2019/2020 financial year was the first time in over ten years that Neimeth achieved growth in both turnover and to some extent profit; 3 years in a row. 2020/2021 financial year saw the Company growing 7% on turnover when compared against prior year, 2019/2020 and also grew 23% on Profit Before Tax (PBT) and 27% on Profit After Tax (PAT) over same period. This became the 4th year in a row showing growth in both turnover and profit.

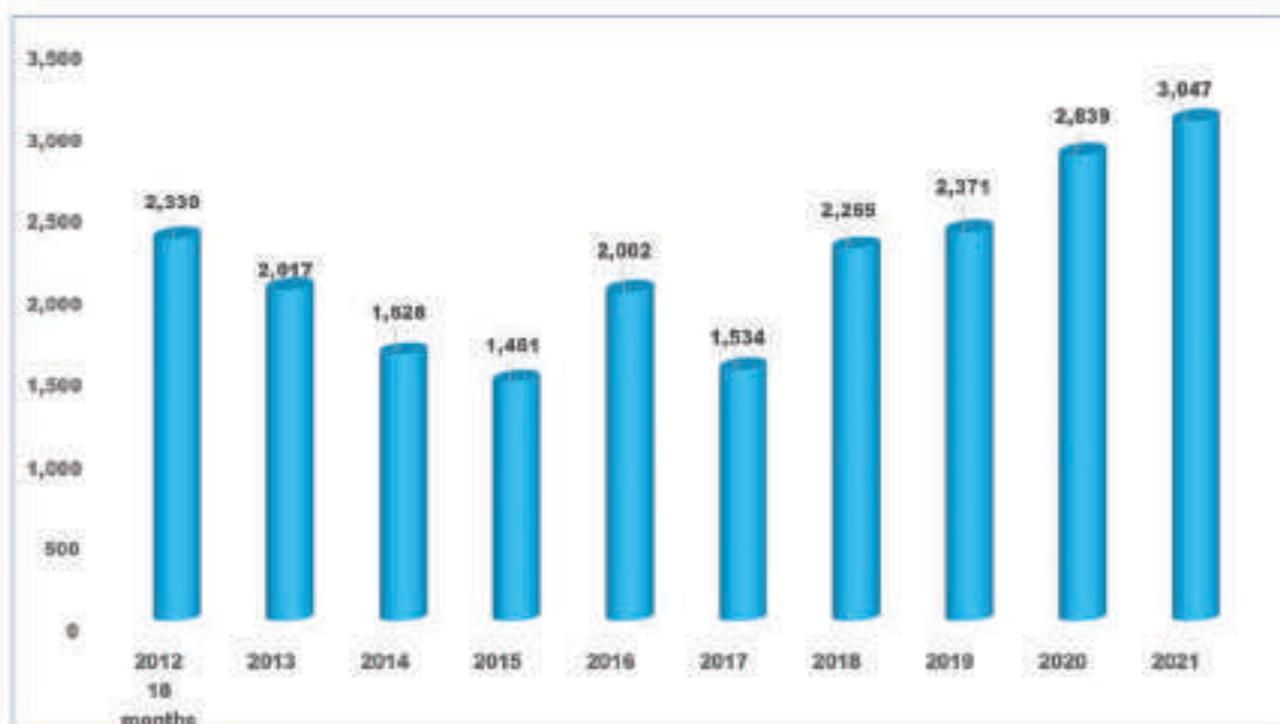
There are two important aspects here:

- The Company consistently recorded profit in the last 4 years, thereby ending the era of losses that bedeviled the Company in the past.
- Both the turnover and profit grew year on year consistently over the 4-year period with exception of 2019/2020 financial when there was slight dip against prior year, due to huge foreign exchange loss occasioned by macroeconomic woes caused by Covid-19 pandemic.

This is an important development showing that the Company's future is getting brighter and better. Management shall continue to work assiduously with the support of the Board to ensure that this trend is not only sustained but also improved upon in terms of quantum of turnover and profit.

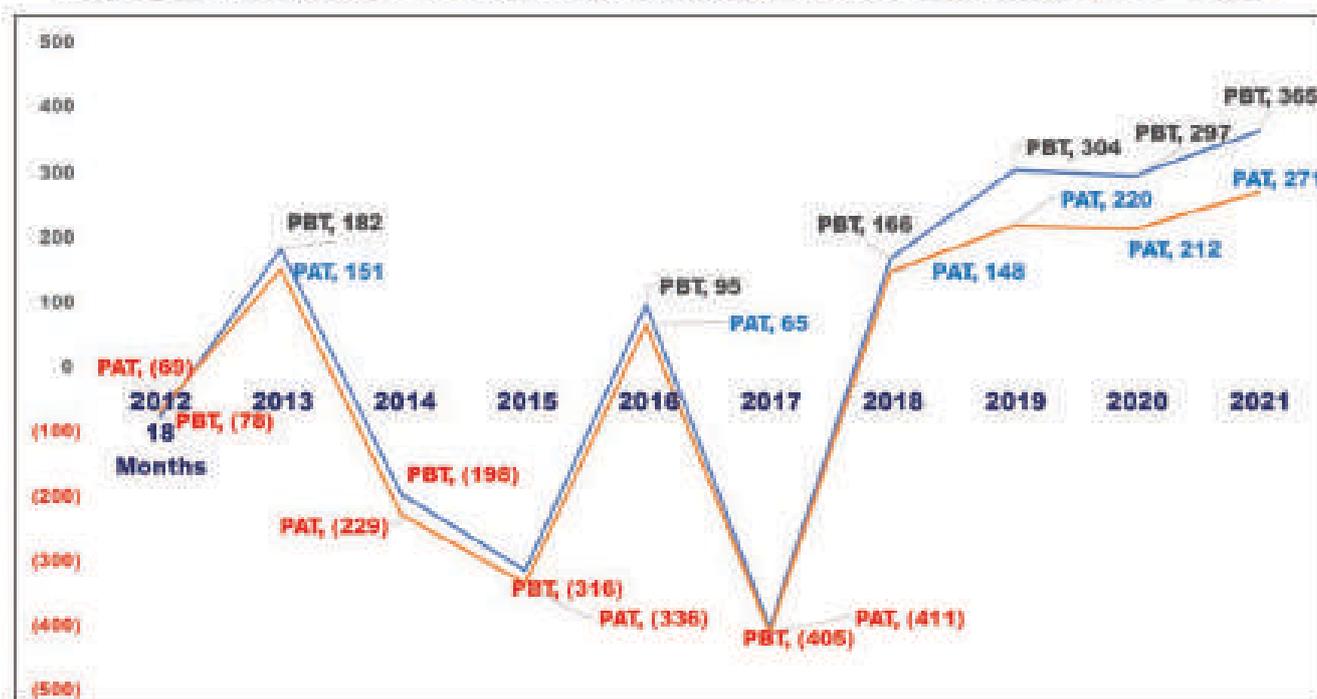
A 10-year evolution of annual turnovers demonstrates in figure 6 that the Company has emerged from an era of constant decline (2012 – 2015) to a period of steady growth in turnover (2018 – 2021).

Figure 6: Evolution of Turnover in Millions of Nigerian Naira: 2012 - 2021



Similarly, 10-year evolution of Profit Before Tax (PBT) and Profit after Tax (PAT) shows in figure 7 that the Company has overcome the period of predominantly huge losses (2012 – 2017) to a period of consistent profitability and steady growth in profitability (2018 – 2021).

Figure 7: Evolution of PBT and PAT in Millions of Nigerian Naira: 2012 - 2021



The Board and Management are not satisfied with the current level of growth accomplished in the business and are therefore presently working assiduously to get your Company into a new dawn of quantum leap with consistency in year-on-year growth in both revenues and profitability.

VALUE CREATION FOR SHAREHOLDERS

There is significant consistency in value creation for shareholders since the 2018/2019 financial year in two key areas:

- **Capital Gains**

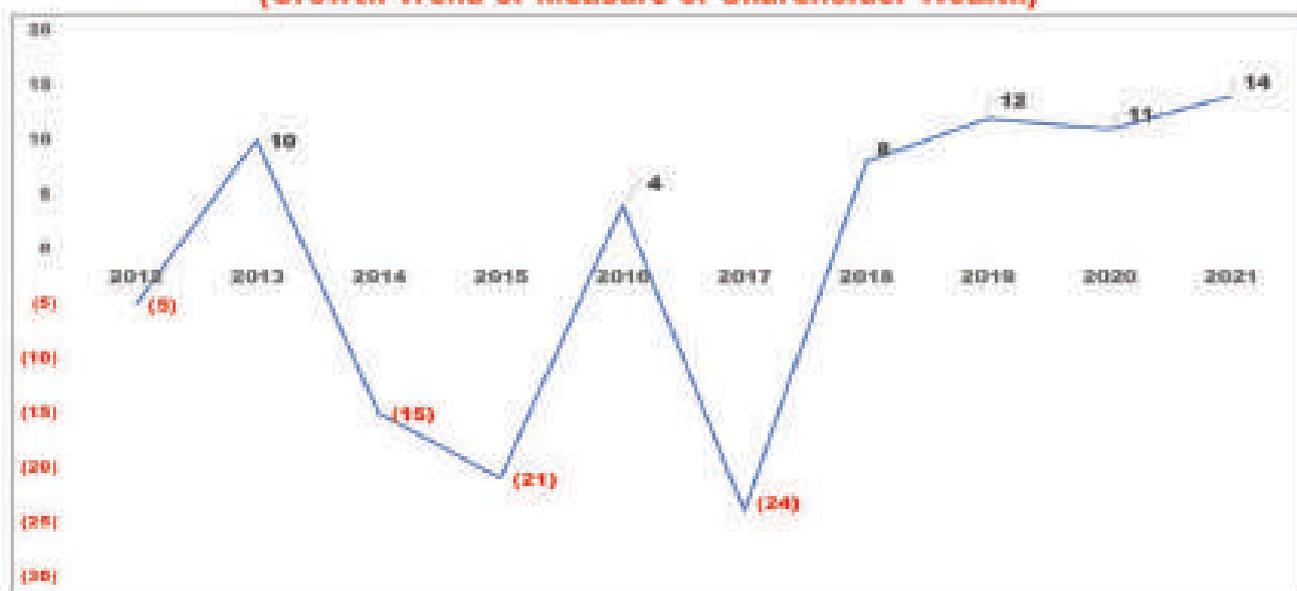
The share price of Neimeth increased from 40 kobo as at September 30, 2019 to ₦1.85 as at September 30, 2020. This represented 365% growth in value but dipped as at the end the financial year under review on September 30, 2021 to ₦1.75; still representing a 338% growth over 2019 figure. As at today, Thursday February 17, 2022 the shares of Neimeth closed at a price of ₦1.90. This represents 375% growth over 2019, meaning that a shareholder who had ₦1 million worth of shares on September 30, 2019; the value of same shares today is ₦4.75 million.

This is why **Neimeth won the 2021 Nigerian Investor Value Awards (NIVA 2021)** organized by the Business Day Media Ltd in conjunction with the Nigerian Exchange Ltd (NGX) for the category of “**Best Performing Stock (Healthcare)**”.

Neimeth was also nominated as “**Listed Company of the Year**” along with FBN Holdings Plc and Airtel Africa Plc. Though Neimeth did not win this particular award, what it means is that these 3 nominated companies created the most value for their shareholders out of about 160 listed companies in the Exchange. This is a very significant development for Neimeth which came from an industry with a smaller market size than the other two nominees.

Figure 8 shows the growing shareholder wealth in form of Earnings per share from negative 5 kobo in 2012 to 14 kobo in 2021, a growth of 280 percent over the 10-year period. It also reveals that there has been steady growth in Earnings per Share (EPS) or Shareholder Wealth during the last four years of 2018 to 2021.

Figure 6: Evolution of Earnings Per Share in Nigerian Kobo: 2012 - 2021
(Growth Trend of Measure of Shareholder Wealth)



- **Dividend Payment**

Neimeth returned to Dividend payment in 2021 after a decade of drought based on the 2019/2020 financial year performance. This was part of what may have thrilled you, our distinguished shareholders during the last Annual General Meeting held March 9, 2021.

It is heartwarming that the Board has again proposed a dividend of 7kobo/share for approval of shareholders during this AGM. This will represent the second consecutive year of dividend payment since 2019 when the Company commenced again to grow in both turnover and profitability.

OUR PLANS

We informed you last year of our expansion plans, both to build a new manufacturing facility at Amawbia, Anambra State which will comply to World Health Organization (WHO) current standards of Good Manufacturing Practice (cGMP) and plant upgrade of our Oregon factory. Progress is being made on both projects. We are hopeful that before the end of this business year we should have completed the work at Oregon factory which is expected to increase our manufacturing capacity by more than 300 per cent, particularly of liquid products. This will enable the Company to grow more rapidly in both turnover and profit. Amawbia project is also expected to have reached advanced stage of implementation by the end of the current financial year and is expected to contribute to the next business year in 2023.

RESEARCH AND DEVELOPMENT

In pursuit of our corporate vision to be the leading innovative healthcare provider out of Africa, we are pioneering in the research and development of African home-grown solutions to various diseases. We have in the kitty many therapeutic formulations that will provide solutions to various human and animal diseases.

Similarly, we are partnering with overseas pharmaceutical companies to formulate medicaments for various common ailments on the continent. Currently we have about 13 different human pharmaceutical lines undergoing registration while our veterinary products in the pipe line are about 9 in number. About 25 other human pharmaceutical products will soon be submitted to the National Agency for Food and Drug Administration and Control (NAFDAC) for registration. Most of these products will be introduced into the market in the current business year and this will expand our portfolio. But more importantly the new products will position us as a leading innovator in the industry.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The development of the communities in which we do business is crucial to us as a Company. A key initiative of Neimeth in this regard is what we call “Fight the Good Fight Against Hypertension” (FITGAH). Under this programme we create and promote awareness against the dreaded hypertension disease which has become a major and silent killer not only in our country, Nigeria but also globally. We offer free blood pressure (BP) checks at our office in Ikeja, Lagos. We retain the services of professionals, namely doctors and nurses to test and advise people who test positive or show signs of hypertension.

To ensure that patients access the necessary drugs, Neimeth provides one-month free starter anti-hypertensive drugs for new patients. Taking it further we partner with target clinics and health facilities to provide drugs for some special cases up to six months.

In the 2020/2021 business year, a total of 1,134 persons visited the FITGAH clinics and 160 patients were diagnosed and placed on free Neimeth products.

AWARDS

Neimeth was nominated in three award categories at the Nigerian Investor Value Awards (“NIVA”) 2021 organized by Business Day and Nigerian Exchange (NGX), formerly Nigerian Stock Exchange. The categories were:

- **Best Performing Stock (Healthcare)**
- **Most Profitable Company (Healthcare)** and
- **Listed Company of the Year.**

Out of the three categories, **Neimeth won the award for Best Performing Stock (Healthcare)** ahead of two other major players in the pharmaceutical industry quoted at the Exchange.

Also notable, is our company's nomination in the award category of **Listed Company of the Year** alongside FBN Holdings Plc and Airtel Africa Plc – this is out of over 160 companies' shares that are currently traded on the floor of Nigerian Exchange Limited. Although this award eluded us, but same together with the **Award of the Best Performing Stock (Healthcare) which Neimeth won** are indications of the significant growth achieved and significantly higher shareholders' value created over the past year under review.

CONCLUSION

Permit me to use this medium to thank the Neimeth Board of Directors led by Dr. A B C Orjiako for holding our hands in the much the company has accomplished so far. We shall continue to rest on your support and that of the entire shareholders to take this company to a higher new level. I also appreciate the Staff and Management for their dedication to duty and pledge that we shall remain focused on the direction of the business as projected by the Board.

I am deeply grateful to key stakeholders of the Company including our customers, suppliers, regulatory agencies, our communities and the Government for their unflinching support and cooperation.

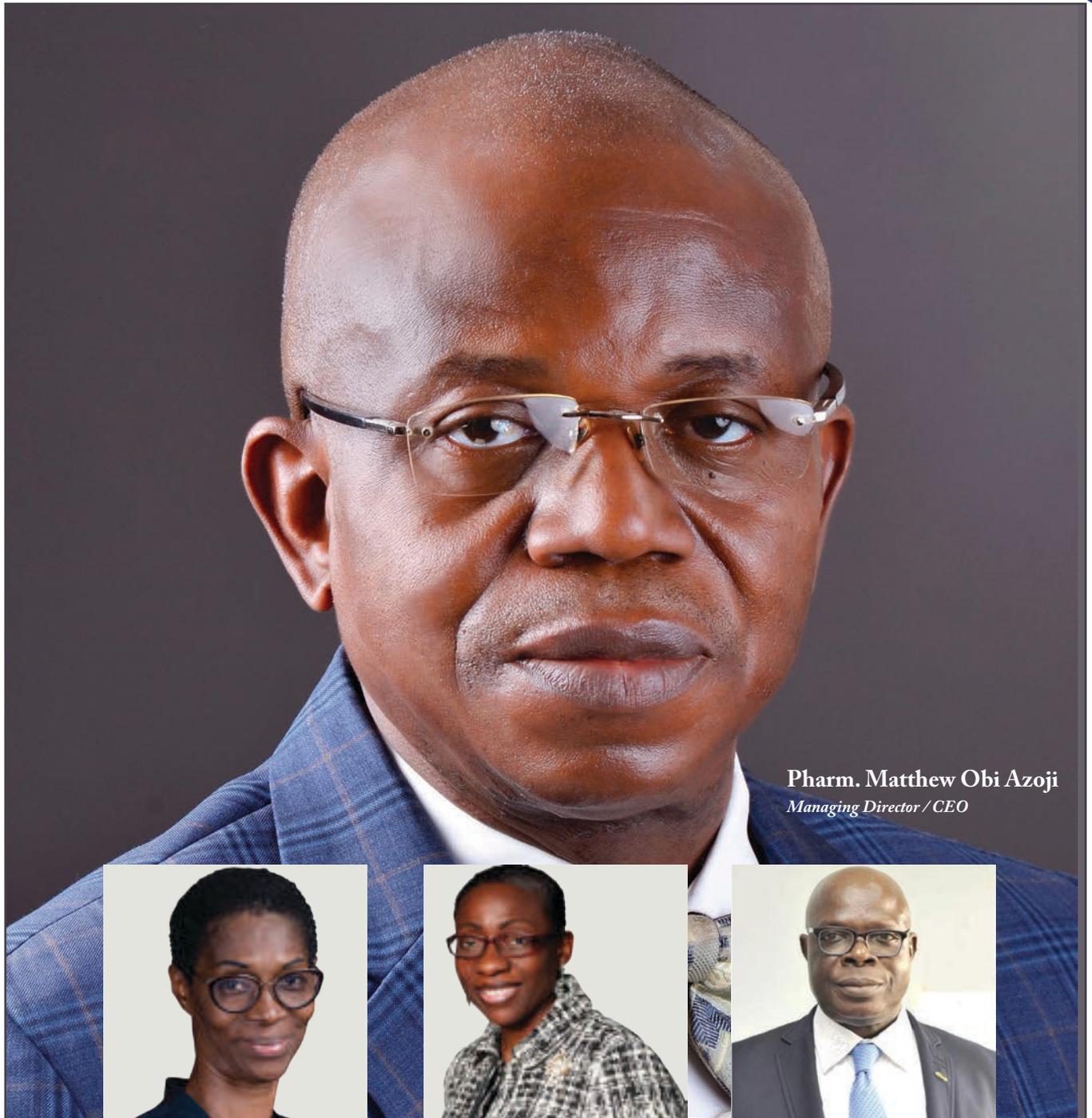
Above all, we give all glory to God Almighty for all we were able to achieve during what was ordinarily a difficult year and look forward to more of His Grace upon the Company in the years to come.

Thank you all and best regards



Pharm. Matthew O. AZOJI, *FPSN, FPCPharm, FNAPharm, M.IoD*

Managing Director/CEO



Pharm. Matthew Obi Azoji
Managing Director / CEO



Pharm. Mrs. Roseline A. Oputa
Executive Director
Sales and Marketing



Mrs. Temitayo O. Nelson
Executive Director - Finance



Mr. Isaac O. Igbanoi
Director of Administration



Mr. Adekunle A. Adebowale
Plant Business Manager



Mrs. Florence I. Onyenekwe
Company Secretary / Chief
Compliance Officer



Mr. Ijezie M. Emedosi
Head of Legal

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Neimeth International Pharmaceuticals Plc



It is the commitment of Neimeth International Pharmaceuticals Plc. to imbibe the highest standards of corporate governance and conduct its business in line with international best practices. It is therefore the intent of this report to show how the affairs of Neimeth have been directed and controlled by the Board and to outline the corporate governance approach of the Board.

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

The primary responsibility for ensuring good corporate governance in the Company lies with the Board, and it is dedicated to promoting the interest of shareholders and committed to ensuring that the Company meets the highest standards of performance and governance in conducting its business. It is this commitment to high ethical conduct and best practices that has necessitated the practice of regularly reviewing our processes in order to align them with applicable laws, rules and regulations in Nigeria, in particular, the Companies and Allied Matters Act (CAMA) 2020, The Financial Reporting Council's Nigerian Code of Corporate Governance (NCCG), The Corporate Governance Guidelines of The Nigerian Securities and Exchange Commissions (SCGG) and the rules of The Nigerian Exchange Limited.

THE BOARD OF DIRECTORS

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

In performing its role, the Board is required to work as a team and meet on a regular basis. The Board is required to have a minimum of four (4) scheduled meetings every year. The record of meeting attendance of the Board and its Committees in the year under review is contained in this report.

BOARD COMPOSITION

The Board in line with relevant provisions is of a sufficient size relative to the scale and nature of the Company's business, and is composed in such a way that ensures diversity of experience without compromising independence, compatibility, integrity and availability of members to attend meetings.

The Board comprised a mix of Executive and Non-Executive Directors, headed by a Non-Executive Director who provides leadership as Chairman of the Board. The majority of board members are non-Executive, one of which is an Independent Director. The Non-Executive Directors are independent of Management and exercise their judgment as Directors without any constraint.

The Board is committed to promoting diversity and equality on its Board, irrespective of gender, age, disability, ethnicity, religion/belief, marital status and background. All Directors are selected on the basis of certain core competencies, as well as knowledge, experience, integrity, diversity, leadership, reputation and ability to understand the Company's business.

BOARD CHANGES

Since the last Annual General Meeting of the Company held on the 9th of March 2021, there has been only one change to the constitution of the Board. Engr. Godwin Eyarubere Omene retired from the Board on the 1st of February 2022. Engr Omene joined the Board on the 25th of February 2008 and has made immense contributions to the growth of the Company. However, due to personal reasons that no longer afford him the time to attend to the business of the Company, he has decided to step down from the Board. The Board remains effective and ably responsible for providing the required strategic leadership.

The Company's Articles of Association provides that the Company's Board shall consist of not more than thirteen directors. In the course of the 2020/2021 financial year, the Board comprised 11 Directors, 8 Non-Executive Directors and 3 Executive Directors.

ROTATION OF DIRECTORS

The Directors retiring from office by rotation, by virtue of the fact that they have been longest in office since their last election, and who will be eligible to seek re-election at the next AGM are:

- Mazi S. I. Oluabunwa
- Mrs. T. O. Nelson

THE ROLE OF THE BOARD

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

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

Specific matters reserved for the Board or its Committees include:

- Determining strategic objectives and approving strategic plans;
- Composition of the Board and its Committees;
- Approval of top executive appointments and top management succession plans;
- Top management terms of employment;
- The appropriation and distribution of profits;
- Monitoring of information on major risks and exposures and final decisions regarding those exposures;
- Acquisitions, disposals, mergers and joint ventures;
- Major capital, organizational or corporate changes;
- Periodic and regular review of actual business performance relative to established objectives;
- Oversight of company operations;
- Remuneration of Executive Directors;
- Induction and training of new Directors;
- Approval of periodic and Annual Report and Accounts;
- Approval of Committee's Terms of Reference;
- Review of Company's Corporate Governance framework.

SEPARATION OF THE POSITION OF CHAIRMAN AND MANAGING DIRECTOR

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

BOARD APPOINTMENT PROCESS

The Board appointment process is as follows:

- i. Analysis of the requirements of the position in the case of an Executive Director
- ii. Receipt of recommendations/nominations/applications by the Nomination Committee
- iii. Background check along with the screening of nominee's CV to ensure appropriate balance of skills, experience and knowledge
- iv. Evaluation of the candidates to be carried out through oral interview or other means (This evaluation and background check as mentioned above may be conducted by external consultants if considered appropriate)

- v. Shortlisted candidates to be reviewed by the Committee on a one-on-one basis
- vi. Recommendations of the Committee shall be made to the Board through the Chairman
- vii. A chat shall be conducted with the nominee(s) by the Chairman and other members of the Board if need be
- viii. Appointment of successful candidates shall be ratified at the meeting of the shareholders.
- ix. In the case of an Independent Director, the Board shall satisfy itself that the person proposed to be appointed fulfills the specified regulatory conditions and that the proposed Director is independent of the Management.
- x. Where there is disagreement among the interview panelists as to the success of a candidate, the majority view shall prevail.
- xi. The appointment of a Director shall be formalized through a letter of appointment.

BOARD PERFORMANCE EVALUATION

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

In carrying out the evaluation process, every member is expected to complete a detailed questionnaire and participate in a one-on-one oral interview session upon completion of the questionnaires. The outcomes are put together and summarized for discussion purposes. Individual responses are kept confidential to ensure receipt of honest and candid feedback.

The effectiveness of the Committees of the Board is also reviewed and assessed as part of the evaluation exercise and relevant changes to Committee composition and strength are made where need be, to ensure the Committees are supporting the Board effectively. For the year under review, the Company did not engage the services of external facilitators to evaluate the performance of the Board. The last external evaluation was conducted in the previous year.

The results of a director's performance evaluation shall be considered in a director's re-election process.

BOARD TRAINING

The Board is committed to evolving a continuing education programme to ensure existing Directors are up-to-date with the Company's business and objectives as well as relevant industry information and other external information such as corporate governance requirements and best practices. The Board Corporate Governance and Compliance Committee is responsible for making recommendation of training schedules and topics to the Board, bordering on the need for enhanced effectiveness.

RISK MANAGEMENT POLICIES AND PRACTICES

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

CODE OF BUSINESS ETHICS

At Neimeth, it is believed that success at the expense of the Company's reputation will be short-lived, thus a Code of Ethics and Professional Conduct has been adopted to establish a public image of good behaviour. The Code is intended as a guide in making the right decisions and sets out the principles that affect

decision making, as well as expected standards of behaviour and ethical responsibilities of the Employees, Management and Directors of Neimeth International Pharmaceuticals Plc. It will also help to serve as a guide on conduct suitable for representatives of the Company. This Code addresses responsibilities to the Company, staff, customers, suppliers, consumers and the government, and is designed to ensure consistency in how employees conduct themselves within the Company and in their dealings outside of the Company. The Code deals with a wide-range of topics such as Fair Employment Practices, Anti Bribery and Improper Payments, Money Laundering & Financing of Terrorism, Intellectual Property, Quality, Privacy, Conflict of Interest and Ethical Standards for Directors of the Board.

RECORD OF DIRECTORS' ATTENDANCE

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

BOARD MEETINGS

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

S/No.	Members	Status	Meetings						Total No. Attended
			4 th Nov. 2020	7 th Dec. 2020	7 th Jan. 2021	28 th Apr. 2021	31 st May 2021	29 th July 2021	
1.	Dr. A. B. C. Orjiako	Non-Executive Director/Chairman	✓	✓	✓	✓	✓	✓	6
2.	Pharm. M. O. Azoji	Executive Director	✓	✓	✓	✓	✓	✓	6
3.	Mazi S. I. Oluwabunwa	Non-Executive Director	✓	✓	✓	✓	✓	✓	6
4.	Prof. M. M. Iwu	Non-Executive Director	✓	✓	✓	✓	✓	✓	6
5.	Engr. G. E. Omene	Non-Executive Director	X	X	✓	X	X	✓	2
6.	Prof. E.N. Sokomba	Non-Executive Director	✓	✓	✓	✓	✓	✓	6
7.	Mr. T. T. Osobu	Non-Executive Director	✓	✓	✓	✓	✓	✓	6
8.	Sir I. T. Onyechi	Non-Executive Director	✓	✓	✓	X	✓	✓	5
9.	Mrs. R. A. Oputa	Executive Director	✓	✓	✓	✓	✓	X	5
10.	Mrs. T. O. Nelson	Executive Director	✓	✓	✓	✓	✓	✓	6
11.	Mrs. B. O. Odunewu	Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	6

BOARD COMMITTEES

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

Finance & Budget Committee

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

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

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

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

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

S/No	Members	Status	Meetings							Total No. Attended
			23 rd Oct. 2020	30 th Nov. 2020	12 th Jan. 2021	20 th Jan. 2021	24 th April 2021	21 st July 2021	28 th Sept. 2021	
1.	Mrs. B. O. Odunewu	Chairman	✓	✓	✓	✓	✓	✓	✓	7
2.	Engr. G. E. Omene	Member	X	✓	✓	X	X	X	X	2
3.	Sir. I. T. Onyechi	Member	✓	✓	✓	✓	✓	✓	✓	7
4.	Mr. T. T. Osobu	Member	✓	✓	✓	✓	✓	✓	✓	7

Establishment/Remuneration Committee

At the commencement of the financial year under review, the Committee was made up of three members, all of which were Non-Executive Directors. However, the Committee was later reconstituted to a four-man committee, all of which remained Non-Executive Directors.

The Terms of Reference of the Committee include:

- Review of overall performance of staff;
- Review of overall welfare of staff;
- Review and recommend remuneration and compensation for staff with performance target to management;
- Review Human Resource policies and procedures, and make recommendations to the Board;
- Review existing disciplinary actions and procedures;
- Review and make recommendations to the Board on the organizational structure of the Company.
- Ensure a robust succession plan for the Company;
- Review and make recommendations on the Remuneration Policy for Directors and Senior Management and when necessary, recommend specific remuneration review/adjustments for Senior Managers and Directors including Non-Executive Directors;

- Review adequacy of skills, talents and competencies of staff and make recommendation to the Board.

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

S/No.	Members	Status	Meetings						Total No. Attended
			14 th Oct. 2020	20 th Jan. 2021	20 th April 2021	26 th April 2021	27 th April 2021	10 th Sept. 2021	
1.	Mazi S. I. Oluabunwa	Chairman	✓	✓	✓	✓	✓	✓	6
2.	Mr. T. T. Osobu	Member	✓	✓	✓	✓	✓	✓	6
3.	Engr. G. E. Omene	Member	✓	✓	X	X	X	N/A	2
4.	Prof. E. N. Sokomba	Member	N/A	N/A	N/A	N/A	N/A	✓	1
5.	Mrs. B. O. Odunewu	Member	N/A	N/A	N/A	N/A	N/A	✓	1

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

Innovation/Strategy Committee

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

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

- Providing direction on the Company's research and development programme;
- Reviewing the strategic plan of the Company and the effectiveness of its operational plan in accomplishing the vision and mission of the Company.

The Committee is made up of four Non-Executive Directors, and they met three times during the 2020/2021 financial year. Meeting dates and attendance of each Director are reflected below.

S/No.	Members	Status	Meetings			Total No. Attended
			25 th Jan. 2021	12 th April 2021	27 th August 2021	
1.	Prof. M. M. Iwu	Chairman	✓	✓	✓	3
2.	Mazi S. I. Oluabunwa	Member	✓	✓	✓	3
3.	Mr. T. T. Osobu	Member	✓	✓	✓	3

Corporate Governance and Compliance Committee

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

The Terms of Reference of the Committee include:

- To address all corporate governance issues to ensure compliance;
- To review the corporate governance practices of the Company and ensure that they are up-to-date and in compliance with relevant regulatory and legal provisions and best practices;
- To establish the criteria for board and board committee memberships, review candidates' qualifications and any potential conflict of interest, assess the contribution of current directors in connection with their re-nomination and make recommendations to the Board;
- To prepare a job specification for the Chairman's position, including an assessment of time commitment required of the candidate;

- To periodically evaluate the skills, knowledge and experience required on the Board;
- To make recommendations on experience required by Board committee members, committee appointments and removal, operating structure, reporting and other committee operational matters;
- To review and make recommendations to the Board for approval of the company's organizational structure and any proposed amendments;
- To ensure that the Board conducts a board evaluation on an annual basis and
- To make recommendations to the Board on any changes as necessary to the corporate governance practices of the Company.

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

S/No.	Members	Status	Meetings				Total No. Attended
			15 th Oct. 2020	21 st Jan. 2021	20 th April 2021	14 th July 2021	
1.	Mr. T. T. Osobu	Chairman	✓	✓	✓	✓	4
2.	Mrs. B.O. Odunewu	Member	✓	✓	✓	✓	4
3.	Prof. M. M. Iwu	Member	✓	✓	✓	✓	4
4.	Prof. E. N. Sokomba	Member	✓	✓	✓	✓	4

Risk/Health/Quality Assurance Committee

This Committee was constituted of six Directors during the year under review, five Non-Executive Directors and one Executive Director. However, its meetings were attended by the Internal Auditor and other relevant members of the Senior Management of the Company. The Committee is responsible for assisting in the oversight of the risk profile, risk management framework and the risk reward strategy determined by the Board.

The Terms of Reference of the Committee include to:

- Review and approve the Company's risk management policy, including risk appetite and risk strategy;
- Oversee the establishment of management framework that defines the company's risk policy;
- Ensure risk management is integrated into the day-to-day operations of the business and provide guidelines and standards for administering the acceptance and on-going management of the risk;
- Undertake at least annually a thorough risk assessment covering all aspects of the Company's business;
- Obtain and review periodical relevant reports to ensure on-going effectiveness of the Company's risk management framework;
- Ensure the Company's risk management policies are disclosed in the annual report;
- Review the adequacy and effectiveness of risk management and controls;
- Oversee management processes for the identification of significant risks across the Company and the adequacy of prevention, detection and reporting mechanisms;
- Ensure periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the Company's risk profile;
- Review and recommend for the approval of the Board, risk management procedures and controls for new products and services;
- Review Neimeth's level of compliance with applicable laws and regulatory requirements including those that may impact Neimeth's risk profile;
- Receive reports from, review with, and provide feedback to Senior Management on the categories

of risk that Neimeth faces, including credit, market and operational, the exposures in each category, significant concentrations within those risk categories, the metrics used to monitor the exposures and management's views on the acceptable and appropriate levels of those risk exposures;

- Review Neimeth's credit, market, liquidity and operational risk management frameworks, including significant policies, processes and systems that senior management uses to manage risk exposures, as well as risk measurement methodologies;
- Review procedures and controls for any new business acquired or developed by Neimeth;
- Receive Information from appropriate sources, regarding matters relating to risk management;
- Exercise oversight over the process for the identification and assessment of risks across the Company, and the adequacy of prevention, detection and reporting mechanisms;
- Review the adequacy and frequency of risk reporting to the Board;
- Review the company's policies and procedures for detecting fraud and prevention of bribery, including review of the Company's Whistle-blowing policy and procedures;
- Evaluate the effectiveness of Neimeth's policies and systems for identifying and managing environmental, health and safety risks within its operations;
- Assess the policies and systems within Neimeth for ensuring compliance with environmental, health and safety regulatory requirements etc.;
- Evaluate the effectiveness of Neimeth's policies and systems for identifying and managing quality assurance risks within its operations;
- Assess the policies and systems within Neimeth for ensuring compliance with quality assurance regulatory requirements etc.

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

S/No.	Members	Status	Meetings				Total No. Attended
			15 th Oct. 2020	21 st Jan. 2021	20 th April 2021	14 th July 2021	
1.	Sir I. T. Onyechi	Chairman	✓	✓	✓	✓	4
2.	Mrs. B. O. Odunewu	Member	✓	✓	✓	✓	4
3.	Mazi S. I. Ohuabunwa	Member	✓	✓	✓	✓	4
4.	Prof. E. N. Sokomba	Member	✓	✓	✓	✓	4
5.	Sir. G. E. Omene	Member	X	X	X	X	-
6.	Mrs. T. O. Nelson	Member	✓	✓	✓	✓	4

Executive Search Committee

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

The Committee did not meet in the year under review as there was no relevant vacant position to fill.

Members of the Committee are:

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

Amawbia Project Committee

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

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

S/N	Members	Status	Meetings								Total No. Attended	
			26 th Oct. 2020	26 th Nov. 2020	4 th Dec. 2020	18 th Dec. 2020	22 nd Dec. 2020	28 th Dec. 2020	27 th Apr. 2021	13 th Oct. 2021		
1.	Sir I. T. Onyechi	Chairman	✓	✓	✓	✓	✓	✓	✓	X	✓	7
2.	Mazi S. I. Ohuabunwa	Member	✓	✓	✓	✓	X	✓	✓	✓	✓	7
3.	Mr. T. T. Osobu	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	8
4.	Mrs. B. O. Odunewu	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	8

Statutory Audit Committee

In accordance with section 404(3) of the Companies and Allied Matters Act 2020, the Statutory Audit Committee comprised five members, three shareholders representatives and two Board representatives during the year under review. The following members and Directors were elected and nominated at the 2021 Annual General Meeting (AGM) and will serve on the Committee up to the conclusion of year 2022 Annual General Meeting. Members of the Committee with meetings attended are as below.

S/N	Members	Status	Meetings								Total No. Attended	
			27 th Oct. 2020	4 th Dec. 2020	26 th Jan. 2021	4 th Mar. 2021	4 th May 2021	26 th July 2021	9 th Aug. 2021	28 th Sept. 2021		
1.	Dr. M. O. Ojinka	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	8
2.	Aare K. A. Danjuma	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	8
3.	Alhaji M. I. Jinadu	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	8
4.	Mr. T. T. Osobu	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	8
5.	Mazi S. I. Ohuabunwa	Member	✓	✓	✓	X	✓	✓	✓	✓	✓	7

The functions of the Committee are provided in section 404(7) of the Companies and Allied Matters Act 2020.

DISCLOSURE OF AGE

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

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

UNCLAIMED DIVIDEND

Total unclaimed dividend fund in the Company stood at approximately ₦27,516,110.78 as at 30 September 2021. Shareholders are strongly advised to contact the Company Registrar or the Company Secretary to retrieve their unclaimed dividends.

RELATIONS WITH SHAREHOLDERS

Neimeth International Pharmaceuticals Plc. respects the rights of its Shareholders and believes that it is important for the Board of Directors (the “Board”) and Management to have direct regular and constructive engagement with them in order to allow and encourage open dialogue. It is believed constructive engagement with shareholders can provide valuable insight that will assist the Board in maintaining the high standards of governance to which the Board is committed. The Company has therefore adopted a Shareholders Engagement Policy to facilitate regular engagement between Shareholders and the Company in such a way that Shareholders’ needs, interests and expectations are balanced with the objectives of the Company. The Company remained committed to the sustenance of good relationship with its shareholders during the year under review and continued to maintain good level of communication and make regular disclosures through the Issuer’s portal of the Nigerian Exchange Limited and the Company website.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Company is committed to absolute compliance with the Nigerian Code of Corporate Governance (NCCG/ the Code) and the SEC Corporate Governance Guidelines (SCGG), and under the leadership of the Board, it ensures that the Company’s business and practices are guided by the Code, all relevant rules and regulations and best practices. However, compliance is a continuum and by virtue of the annual NCCG Report and the SCGG Report (Revised Form 01) submitted to the Financial Reporting Council and relevant Regulators, the progress of the Company in complying with the provisions of the Code is monitored. These reports are available on the Issuer’s Portal of The Nigerian Exchange Limited and the Company website.

The Board remains committed to improving on the Company’s compliance level with the Code and SCGG, until a position of total compliance is attained.

CORPORATE GOVERNANCE RATING

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

SECURITIES TRADING POLICY AND DEALING IN 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. The Company’s Security Trading Policy is available on the Company’s website (www.neimethplc.com.ng)

REMUNERATION POLICY

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



CONFLICT OF INTEREST POLICY

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

WHISTLE-BLOWING POLICY

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

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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

COMPLAINT MANAGEMENT POLICY

In accordance with the Securities and Exchange Commission Rules (SEC Rules) relating to the Companies Management Framework of the Nigerian Capital Market (the Framework) of 16th February, 2015 and the Nigerian Stock Exchange Directive (NSE Directive) (NSE/LARD/LRD/CIR6/15/04/22), every listed company is required to establish a clearly defined Complaints Management Policy to handle and resolve complaints within the scope of the Framework.

It is pursuant to the above-mentioned SEC Rule and NSE Directive that Neimeth International Pharmaceuticals Plc. has formulated a Complaint's Management Policy.

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

All Complaints shall be addressed to:

The Company Secretary

Neimeth International Pharmaceuticals Plc.

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

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

E-mail: info@neimethplc.com.ng, companysecretary@neimethplc.com.ng

This Policy is available on the Company's website (www.neimethplc.com.ng).

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...Every home needs ncp protection.

- Daily Bath
- Oral & Dental Care
- Wound Care
- Skin Care
- Aftershave
- Acne
- Personal Hygiene
- Manicure & Pedicure



...the trusted name in family medicines

Neimeth International Pharmaceuticals Plc

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

Customer Satisfaction Line: 09032523202

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

 @Neimethplc

 @Neimethplc

 Neimeth International Pharmaceuticals Plc



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

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

VISION STATEMENT

To be the leading innovative healthcare provider out of Africa

MISSION STATEMENT

To promote healthy confident living

CORE VALUES

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

NEIMETH SALES AND MARKETING DEPARTMENT AND PRODUCTS

SALES DEPARTMENT

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

To effectively perform and efficiently compete in the very dynamic indigenous and regional markets, Neimeth's sales and marketing operational objectives have been aligned with a focus-driven business structure split into four distinct units namely (1) The Ethical Business Unit (2) The Healthcare Business Unit (3) NCP Merchandizing Unit and (4) The Veterinary Business Unit. These are all configured into territorial markets for ease of management and control. Each business unit is independently managed by Heads of Business who have been mandated to run the units as business entities, managing their Profit and Loss accounts.

A functional description of each unit is described as follows:

i. ETHICAL BUSINESS UNIT

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

ii. HEALTHCARE BUSINESS UNIT

This Unit focuses on the sale & marketing of a group of Pharmaceutical products that can be sold off the shelf without prescription, categorized as **Over-The-Counter (OTC) Medicines**. Products in the category can be advertised in open media such as Television, Radio & Billboards. In this Unit, Field force marketing activities encompass demand generation through Clinical meetings, Doctor & Pharmacy calls and others. The plethora of advertising mediums facilitated the targeting of Prescribers, Brand influencers as well as final consumers. The Healthcare brands include high volume products like Pyrantrin, Obron 6, Homtamin G, Nimartem and others. This business unit grew by 47% in 2020/2021 financial year with a major contribution by the Pyrantrin brand which grew by 26% and sold N1.2b, highlighting its potential as a multi-billion naira brand.

iii. NCP MERCHANDISING UNIT

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

iv VETERINARY BUSINESS UNIT

Neimeth in 1997 re-entered the lucrative Nigerian Animal Health business, which has very robust volume and profit potentials. We introduced our own brands of poultry and large animal range of anthelmintics, as well as egg production enhancing formulation. We also entered into strategic alliances in key disease areas that show great business potentials. Plans are underway to regain a controlling market share in a few years.

MARKETING DEPARTMENT

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

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

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

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

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

1. Establishment of the NCP Merchandising Units

The 2021 budget expectation on NCP as the highest volume driver in the history of the company in that particular year, necessitated an appropriate Marketing action to help to drive the budget actualization objectives in the year under review and beyond. To this end, Sales & Marketing Department set up the Neimeth Merchandising Scheme which is driven by a set of Merchandisers to operationalize and drive the vision.

The scheme comprising 10 Merchandisers per location, has its activities coordinated by a supervisor with a National NCP Merchandising coordinator overseeing the activities of all locations nationally. The scheme is currently operational in the following towns and still expanding: Lagos (2 locations), Ibadan, Abuja, Kano, Port-Harcourt, Aba, and Onitsha. These locations cover two or three other major towns in neighbouring states

2. Purchase of NCP Merchandising Buses

To facilitate and enhance operations of the NCP Merchandising Unit, NCP branded buses were purchased for use in all operational locations.



3. Obron 6 Hospital Activation

A major activity in 2021 was the Obron-6 Hospital activation programme in Primary Health Centres, General Hospitals, Private hospitals and Maternity Centres in Lagos, Ibadan, Onitsha, Port-Harcourt, Kano and Abuja. The programme had a target to reach 27,360 mothers by November 2021, but surpassed the target by 178%, reaching 48,820 mothers, while 4,683 mothers (comprising those awaiting conception, pregnant and lactating mothers) were captured. The activation was supported with massive Radio and TV campaigns on regular radio and TV stations including DSTV. A 15 minute radio sponsorship programme tagged: "Pregnancy matters with Obron -6" was also part of the total campaign efforts.

The success of the programme was expressed in the overall unit sales of both pack presentations (30's and 90's) which was higher in 2020/2021 than in 2019/2020 financial year. This positive trend will be sustained as the programme continues with progressive improvements throughout the year as the activations are currently being implemented by our field force with encouraging results.



4 *Promo Driven Sales*

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

5. *Products Donation/Sponsorships*

Various NGOs and Organizations were beneficiaries of Neimeths benevolence towards the underprivileged in the society, improving their access to Healthcare interventions thorough receipt of donated drugs and programme sponsorships.

6. *Integrated Mass Media Campaign*

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

7. *Digital Media Campaign*

Part of the major Marketing activities for the year, included the commissioning of digital media campaign to focus on 7 key brands and revitalization of the company website. There was a heavy presence of Neimeth brands on all social media platforms. Brands marketed through social media platforms were Pyrantrin, NCP, Obron-6, Homtamin, Hemafofin, Nimartem and Pancemol.

8. *NCP Hand Sanitizers Donation to National Population Commission*

Neimeth donated Hand sanitizers to the National Population Commission, Lagos to assist in maintaining COVID-19 protocols during the Enumeration Area Demarcation (EAD) exercise for population census. This took place in September, 2021. This gesture was also extended to Delta Business School, Lagos amongst others.

9. *New Products Introduction*

Unaben, our brand of Albendazole (Anthelmintic) was reformulated and re-introduced as 200mg x 2 tablets and 400mg x 1 Tablet. This is envisaged to expand our Anthelmintics Products portfolio beyond Pyrantrin and offer prescribers and consumers alike flexibility of choice in the relevant therapeutic segment. New products are growth drivers, and considering this, some other new products are expected to be launched in the 2021/2022 business year with some of them in various stages of development as reflected in (10) below.

10. *New Products Development/ Introduction*

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

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

Oral Solid Dosage Forms	Liquid Dosage Forms	Personal Care Products	Nutraceuticals
Metformin 500mg & 1000mg SR tablets	Zinc Dispersible tablets	Sportgesic spray	Bitter leaf capsules
Azithrocin Capsules (Azithromycin 250mg)	Neimelyn Cough syrup (Adult)	Sulphur Hair cream	
Vitamin C 100mg+Zinc 15mg Effervescent tablet		Sulphur Skin ointment	
Gasmag Chewable tablets	Gasmag suspension	Whitfield's ointment	
Brumol capsule (Paracetamol +Ibuprofen + Caffeine)	Brumil suspension (Ibuprofen 125mg/5ml)	Ketoconazole cream	
Vitamin C +Glucose		Ketoconazole shampoo	
Flucosyd 150/ 200mg capsules			
Artemisinin 500mg capsules			
Cetirizine Tablets			

PRODUCTS FROM OVERSEAS MANUFACTURERS UNDERGOING REGISTRATION PROCESS WITH NAFDAC.

HUMAN PRODUCTS

1. Alpha Beta Areteether injection 75mg/ml
2. Cetriaxone Igm injection
3. Beta Methasone+ Clotrimazole+ Gentamicin cream
4. Cefixime 200mg & 400mg Tablets
5. Cefixime +Clavulanate Tablets (400/125mg)
6. Cefuroxime Axetil 500mg tablets
7. Cephalexine 500mg capsules
8. ORS +Pre and Probiotics 3 x 25gm satchets
9. Dihydroartemisinin + Piperaquine Tablets 1 x 3s
10. Rosuvastatin 10mg, 20mg & 40mg Tablets
11. Molnupiravir 200mg tablets
12. Hydrosine Butyl Bromide Tablet and injection
13. Hydrocortisone Sodium succinate
14. Raberprazole + Domperidone tablets75mg Tablets
15. Erythromycin Ethyl succinate 250mg & 500mg Tablets
16. Erythromycin Ethyl succinate 125mg/5ml & 250mg/5ml suspension
17. Garlic soft gels
18. Nimartem QS Soft gel

VETERINARY PRODUCTS

1. Penstrept injection (Penicillin 200mg/ml + Dihydrostreptomycin sulphate 250mg/ml) x 100ml
2. Ciprofloxacin 20% sus[pension x 100ml, 1000ml
3. Albendazole 2.5% suspension (Drench) 100ml, 500ml & 1000ml
4. Diminazene Aceturate 7% injection 100ml
5. Dexamethasone Sodium phosphate injection(2mg/ml) x 100ml
6. Amprolium 200mg + Sulphaquinoxaline 150mg + VIT. K3 5mg x 100gm Powder x 1oogm, 150gm.
7. Diclazuril 2.5% suspension x 100ml, 1000ml
8. Tyodox Powder(Tylostin 15% + Doxycycline 20%) x 100gm, 150gm
9. Ciprofloxacin 20% suspension x 100ml & 1000ml
10. Ivermectin injection
11. Nitroynil 34% injection x 100ml
12. Levamisole 10% injection x 100ml



NEIMETH CURRENT PRODUCT LIST BY BUSINESS UNIT

ETHICAL BUSINESS UNIT

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

HEALTHCARE BUSINESS UNIT

S/N	PRODUCTS	NAFDAC NO.	ACTIVE INGREDIENT(S)	THERAPEUTIC SEGMENT / INDICATION
1	Pyrantrin Suspension 250mg/ 5ml	04-7510	Pyrantel Pamoate	Anthelmintic
2	Pyrantrin Tablets 125mg x 6 x25	04-7511	Pyrantel Pamoate	Anthelmintic
3	Antimal Tablets x3	04-1951	Sulphadoxine/ Pyrimethamine	Anti-malarial (Intermittent Preventive Therapy in Pregnancy)
4	Nimartem Tablets x 24	A4-3524	Artemether Lumefantrine 20/120mg	Anti-malarial
5	Nimartem QS Tablets x 6	B4-3215	Artemether Lumefantrine 80/480mg	Anti-malarial
6	Hemafolin Caps x 30	A4-2022	Multivitamin /Iron	Haematinic
7	Hemafolin Tonic x 200ml	A4-4548	Multivitamin /Iron	Haematinic
8	Homtamin G Capsules	04-2555	Multivitamin Ginseng extract/aloevera extract	Multivitamin/Stress Management/Enhance immunity
9	Neimelyn Cough Syrup x 100ml	A4-0503	Diphenhydramine	Cough and Cold
10	Pancemol Syrup x 60ml	04-2115	Paracetamol 120mg/5ml	Pain and Fever
11	Pancemol Tablets x 96	04-2116	Paracetamol 500mg	Pain and Fever
12	Sportgesic greaseless ointment	04-7509	Methyl Salicylate	Anti-rheumatic rub for Arthritis, sports injury such as sprains and muscle aches

MERCHANDIZING UNIT

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

VETERINARY BUSINESS UNIT

S/N	PRODUCTS	NAFDAC NO.	ACTIVE INGREDIENT	STRENGTH	INDICATION	ANIMAL SPECIES
1	Malumint tab	04-4870	Morantel Citrate	300mg	Ascaris/nodular worms in sheep, goat and cattle.	Swine, goat and sheep
2	Neimycin-soluble Powder	04-4874	Oxytetracycline	55g/kg	Blue Comb CRD, infectious synovitis, infectious sinusitis, scours, colibacillosis, corysa, fowl cholera.	Birds, Calves and Swine
3	Neimycin-Neo soluble Powder	04-4872	Oxytetracycline + Neomycin sulphate	55g/kg + 38.5g/kg	CRD, infectious synovitis, blue comb, early chick mortality, bacterial enteritis	Birds, Calves and Swine
4	Neimycin-Egg formula	04-4875	Oxytetracycline +Essential Vitamins	55g/kg	Drop in egg production	Laying Birds
5	Neimycin Chick formula	04-4873	Oxytetracycline +Essential Viatmins	55g/kg	<ul style="list-style-type: none"> Reduces early chick mortality Brooding of chicks 	Bird chicks
6	Neiva stress	04-4876	Essential vitamins		<ul style="list-style-type: none"> Prevents/cures deficiency diseases. Maintains weight gain Stimulates and maintains egg production 	Birds, Rabbits and Swine
7	Piperazine	04-4871	Piperazine citrate	17% w/v	Acaris/Nodular worms in swine and birds	Swine and Birds

ECOWAS MARKET

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

SALES DISTRIBUTION

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

COMMUNITY SERVICE

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

OTHER COMMUNITY DRIVEN PROGRAMMES**1. PYRANTRIN KIDS CLUB (PKC)**

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

2. *HELP*

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

3. *FITGAH*

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

4. *SMAPEX*

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

5. *SICKLE CELL CLUB*

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

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

RESEARCH & DEVELOPMENT

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

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

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

Our External R&D activities entail working with Medical Scientists/Researchers to develop new products, conduct drug clinical trials and in-vitro drug studies. These drugs could be natural, and /or chemical (synthetic), oral, or parenteral. To this end, we review research, working with our indigenous Universities based on local raw materials, focusing on specific disease areas that are generally neglected by the global/multinational companies. We seek to provide new local health remedies in these areas at affordable costs. Our first success in this area is Ciklaviv; the first home-grown natural product for the effective management of Sickle Cell disease. Other collaborative work are on Phytomedicines such as Detox Tea for control of viral load, Immunovit for improved immunity, Physogen and Streptol for common cold and throat infections respectively.

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

CIKLAVIT

NUTRITIONAL SUPPLEMENT

For management of sickle cell disorder



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



...the trusted name in family medicines

Neimeth International Pharmaceuticals Plc

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

Customer Satisfaction Line: 09032523202

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Neimeth International Pharmaceuticals Plc



The Directors submit herewith to the members of the Company the Statement of Financial Position as at 30th September, 2021 together with the Comprehensive Income Statement for the year ended on that date.

LEGAL FORM

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

PRINCIPAL ACTIVITIES

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

INTERNAL CONTROL

There exists effective internal control function within the Company, which gives reasonable assurance against any material misstatement or loss. The responsibility includes oversight functions of Internal Audit Control and System Analysis.

RESULTS FOR THE YEAR

	N'000
Profit for the year before taxation	365,285
Taxation	(94,708)

Profit after taxation	270,579
	=====

DIRECTORS AND THEIR INTERESTS

- The names of current Directors are shown on page 7.
- The Directors retiring by rotation at this Annual General Meeting in accordance with the Company's Articles of Association are Mazi S. I. Oluabunwa and Mrs. T. O. Nelson who being eligible, offer themselves for re-election.
- The interest of each Director in the share capital of the Company is as follows:

DIRECTORS' INTERESTS AS AT 30TH SEPTEMBER 2021

S/N	DIRECTORS	DIRECT HOLDINGS AS AT 30 SEPT.2021	DIRECT HOLDINGS AS AT 30 SEPT 2020	INDIRECT INTEREST	INDIRECT HOLDINGS AS AT 30 SEPT. 2021	INDIRECT HOLDINGS AS AT 30 SEPT. 2020
1	DR. AMBROSIE B.C. ORJIAKO	*****	*****	ORDREC INVESTMENTS LIMITED	217,701,820	217,701,820
				HELKO NIG. LTD.	191,913,432	191,913,432
2	PHARM MATTHEW O. AZOJI	2,138,878	2,138,878	*****	*****	*****

3	MAZI SAMUEL I. OHUABUNWA	127,398,348	132,078,348	MASTA SERVICES COY LTD & ESI OHUABUNWA & SONS LTD	6,146,511 756,346	6,146,511 756,346
4	MR. GODWIN G. OMENE	5,413,571	10,413,571	*****	*****	*****
5	PROF. ELIJAH N. SOKOMBA	605,000	605,000	INTERCEDD HEALTH PRODUCTS LTD	450,842,893	450,842,893
6	PROF. MAURICE M. IWU	20,093,687	20,093,687	*****	*****	*****
7	MR. IKECHUKWU T. ONYECHI	37,387,465	39,630,518	ALPHA PHARMACY & STORES LIMITED	72,503,197	72,503,197
8	MR. THOMAS T. OSOBU	81,174,601	81,174,601	*****	*****	*****
9	MRS. ROSELINE A. OPUTA	226,316	226,316	*****	*****	*****
10.	MRS. BASHIRAT O. ODUNEWU	*****	*****	*****	*****	*****
11.	MRS. TEMITAYO O. NELSON	*****	*****	*****	*****	*****

d. **Directors' Interest in Contract**

None of the Directors has notified the Company in line with Section 303 of the Companies and Allied Matters Act 2020 of any declarable interest in contracts in which the Company is involved as at 30th September, 2021.

e. **Directors' Responsibilities**

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

- Proper accounting records are maintained;
- Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets, and prevent/detect fraud and other irregularities;
- Applicable accounting standards are followed;
- Suitable accounting policies are adopted and consistently applied;
- Judgments and estimates made are reasonable and prudent; and
- The going concern basis is used, unless it is inappropriate to presume that the company will continue in business.



ANALYSIS OF SHAREHOLDING

Range of Holdings	No. of Holders	Holders %	Units	Units %
1 - 1,000	6,904	22.47	3,208,879	0.17
1,001 - 5,000	12,495	40.67	30,809,828	1.62
5,001 - 10,000	4,502	14.66	32,138,964	1.69
10,001 - 50,000	5,192	16.90	112,334,228	5.92
50,001 - 100,000	813	2.65	58,923,451	3.10
100,001 - 500,000	661	2.15	137,447,029	7.24
500,001 - 1,000,000	77	0.25	54,321,992	2.86
1,000,001 - 5,000,000	49	0.16	102,873,235	5.42
5,000,001 - 10,000,000	12	0.04	81,680,173	4.30
10,000,001 - ABOVE	15	0.05	1,285,419,328	67.68
GRAND Total =	<u>30,720</u>	<u>100.00</u>	<u>1,899,157,107</u>	<u>100.00</u>

SUBSTANTIAL INTEREST IN SHARES

According to the Register of Members, the following shareholders of the Company held more than 5% of the Minimum Issued Share Capital of the Company as at 30th September 2021.

S/N	NAMES OF SHAREHOLDERS	UNITS	PERCENTAGE (%)
1	OHUABUNWA S. IHEANYICHUKWU	127,398,348	6.71%
2	HELKO NIGERIA LIMITED	191,913,432	10.11%
3	ORDREC INVESTMENTS LIMITED	217,701,820	11.46%
4	INTERCEDD HEALTH PRODUCTS LTD	450,842,893	23.74%

VALUE OF ASSETS

Particulars of the changes arising from additions and disposals of Property, Plant and Equipment during the year are contained in Note 16. Details of other assets of the Company as at 30th September 2021 are given in Notes 17 to 31 of the Statement of Financial Position.

CORPORATE SOCIAL RESPONSIBILITY

The development of the communities in which we do business is crucial to the sustainability of our business. We take deliberate steps to promote the environment in which we operate, in this case the entire Nigerian space with some tilt to Lagos State.

Corporate social giving is therefore a part and parcel of our business strategy. For this reason, we initiate, plan and operate Corporate Social Responsibility (CSR) programmes that encourage awareness, promote education, healthcare and general good of society.

We sponsor people and community development activities sometimes directly and in many instances through partnership with government and non-governmental organizations.

A key initiative of Neimeth in this regard is what we call “Fight the Good Fight Against Hypertension” (FITGAH). Under this programme, we create and promote awareness against the dreaded hypertension disease which has become a major and silent killer in the country. We offer free blood pressure (BP) tests at our office at Oregun, Lagos and our regional and state offices. We retain the services of professionals, namely doctors and nurses to test and advise people who test positive or show signs of hypertension.

To ensure that patients access the necessary drugs, Neimeth provides one-month free starter anti-hypertensive drugs for new patients. Taking it further, we partner with target clinics and health facilities to

provide drugs for some special cases up to six months.

In the 2020/2021 business year, a total of 1,134 persons visited the FITGAH clinics and 160 patients were diagnosed and placed on free Neimeth products.

Apart from FITGAH, Neimeth carries out other CSR programmes. We have sponsored agencies of the Lagos State government such as the Directorate of Citizens Rights on health care awareness programmes.

With the outbreak of COVID-19 pandemic we carried out extensive nationwide awareness campaigns especially in the West and East of the country to enlighten people on how to prevent the disease using NCP disinfectant, a product of the Company. We were also quick to introduce NCP Hand Sanitizer and spray to deal with hygiene issues associated with COVID. Neimeth also collaborated with the Federal Road Safety Commission (FRSC) to run enlightenment campaigns at motor parks and bus stops to educate motorists and commuters on the need to maintain safe and healthy travel habits.

Our CSR initiatives and activities are endless and driven by the needs of the society.

COMPANY'S DISTRIBUTORS

An exclusive distribution agreement was entered into in April 2015 with World Wide Health Care Limited (WWCVL). The Company distributed 66% of Neimeth major brands during the year under review.

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

Iykmavian Pharmacy Ltd, Lagos
 Safeline Pharmacy, Lagos
 Santus Pharmacy, Lagos
 Spine Products Ltd, Lagos
 New Height Pharm, Lagos
 Danny Faith Pharmacy, Lagos
 Simko Pharmacy, Ota
 Micoson Pharmcy, Ota
 Ramsgate Pharmacy, Ota
 Goodall Pharmacy Ltd, Ibadan
 Fiolu Pharm, Ilorin
 Eben Pharmacy, Akure
 Royal Michael Pharm, Benin
 Canez Pharmarcy, Onitsha
 Eco Blessed Pharm Ltd Onitsha
 Prodave Pharmacy Ltd, Onitsha
 Warneck Pharmacy, Aba
 Jay Moore Pharmacy, Aba
 Ebus Pharmacy, P/Harcourt
 Bez Pharmacy, Calabar
 New Health Pharmacy Ltd, Abuja



Klen Pharmacy, Abuja
Skylark Pharmacy, Abuja
H-Medix Pharmacy, Abuja
La-med Pharmacy, Jos
Dilimi Pharmacy, Jos
Latnas Pharmacy, Kano
Tony Pharmacy, Kano

SUPPLIERS

The Company's significant suppliers are:

Saga Overseas Limited
Drug & Healthcare Limited
Real Value Trust Limited
Afkar Printing and Publishing Company Limited
Maple Plastic Ltd
Beta Gloss Plc
Rolandhill Nig. Ltd
Omnik Limited
Tarabichii Printing & Packaging Nig. Ltd
Multibase Pharma Ind. Nig. Ltd.
Abtevic Pharm Limited
Hizzy Chemical Enterprises
Shoutong Packaging Nig. Ltd
Dapson Renny Ventures
Mapleleaf Press Limited
Mich Bamidele Ent.
Jostraws Pharmachem Point Nig. Ltd
Ethlene Products and Lubricants Ltd.
De-Daltex Nigeria Ent. Limited
Ls Scientific Limited
Temitia Scientific Ventures
Breeze Industries Ltd
Multibase Pharma. Ind. Nig. Ltd
Longman Global Business Ltd.
K3 Packaging Industries Ltd
Sproxit Nigeria Limited



BASF West Africa Ltd
 Bimolag Temny
 Katchey Company Ltd
 Odusola Printing Press

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

MANUFACTURING AND DISTRIBUTION AGREEMENTS

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

Royalty charge during the year amounted to ₦2,487,285.88 (2020 – ₦2,427,647.21)

RESEARCH AND DEVELOPMENT

Over the years, Neimeth has taken great strides to meet the evolving demands of the pharmaceutical market, using proper research and development as its wheels. By improving existing formulations, developing new product formulations and forming partnerships with overseas manufacturers, the Company has and will continue to maintain her vision of being the leading innovative healthcare provider out of Africa.

Currently, the Company is introducing several new products, some of which are undergoing the formulation phase, product registration phase as well as the market introduction stage. Some of these are:

- i. Metformin 500mg & 1000 mg SR Tablets.
- ii. Azithrocin Capsules (Azithromycin 250 mg).
- iii. Gasmag Chewable Tablets & Suspension (Chewable Antacid tablet & Compound Aluminium hydroxide suspension)
- iv. Vitamin C 1000 mg & Zinc 15mg Effervescent Tablet
- v. Vitamin C + Glucose Tablets.
- vi. Ketoconazole 2% Cream.
- vii. Ketoconazole Hair shampoo.
- viii. Sportgesic Spray.
- ix. Brumol Capsule (Paracetamol + Ibuprofen + Caffeine)
- x. Brumol Suspension (Ibuprofen 125 mg/5ml & 250mg/5ml Suspension).
- xi. Flucosyd 150 mg & 200 mg Capsules (1x10's & 1x1's)
- xii. Artemisinin 500 mg Capsules.
- xiii. Zinc 20 mg Dispersible tablets (10x10's)
- xiv. Neimelyn Cough Syrup (Adult)
- xv. Cetirizine 10 mg Tablets
- xvi. Sulphur Hair Cream
- xvii. Sulphur Skin Ointment.
- xviii. Whitfield's Ointment
- xix. Bitter Leaf Capsules.

Product from overseas manufacturers undergoing registration process with NAFDAC:

HUMAN PRODUCTS:

1. Alpha Beta Arteether Injection 75mg/ml
2. Cetriaxone 1gm Injection.
3. Beta Methasone + Clostrimazole + Gentamicin Cream.
4. Cefixime 200 mg & 400 mg Tablets.
5. Cefixime + Clavulanate Tablets (400/125mg).
6. Cefuroxime Axetil 500mg Tablets.
7. Cephalexine 500mg Capsule.
8. ORS+PRE & Probiotics 3X25 gm Sachets.
9. Dihydroartemisini + Piperaquini Tablets 1 x 3'S.
10. Rosuvastatin 10mg & 40mg Tablets
11. Molnupiravir 200mg Tablets
12. Clopidogrel 75mg Tablets
13. Rabeprazole + Domperidone Tablets
14. Hyoscine Butly Bromide Tablet & Injection
15. Hydrocortisone Sodium Succinate
16. Erythromycin Ethyl Succinate 250mg & 500mg Tablets
17. Erythromycin Ethyl Succinate 125mg/5mg & 250mg/5ml Suspension
18. Garlic Soft Gels
19. Nimartem QS Soft Gel

VETERINARY PRODUCTS:

1. Penstrept Injection (Procaine Penicillin G 200mg/ml + Dihydrostreptomycin Sulphate 250mg/ml) X 100ml
2. Ciprofloxacin 20% Suspension X 100ml, 1000ml.
3. Albendazole 2.5% Suspension (DRENCH) 100ml, 500ml & 1000ml.
4. Diminazene Aceturate 7% Injection 100mls
5. Dexamethasine Sodium phosphate Injection (2mg/ml) x100ml.
6. Amprolium 200mg + Sulphaquinoxaline 150mg + VIT. K3 5mg x 100gm Powder x 100gm, 150gm
7. Diclazuril 2.5% Suspension x 100ml & 1000ml.
8. Tyodox Powder (Tyosin 15% + Doxycycline 20%) x 100gm, 150gm
9. Ciprofloxacin 20% Suspension x 100ml & 1000ml
10. Ivermectin Injection
11. Nitroynil 34% Injection x 100ml
12. Levamisole 10% Injection x 100ml.



EMPLOYEE INVOLVEMENT AND TRAINING

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

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

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

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

HEALTH, SAFETY AND WELFARE OF EMPLOYEES

Environmental Management Policy

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

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

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

Environmental Sustainability

At Neimeth, we make use of a wide-range of resources like fuel, water and paper. The usage of these natural resources is monitored and measured and operational controls put in place to avoid wastages, thereby promoting sustainability of these natural resources. In the case of water usage, this is achieved through the metering of the portable and de-ionized water lines and conducting regular leak audits which are quickly addressed. The percentage water usage in 2020 was 3.26% while in 2021 it was 3.04%. The marginal reduction was as result of better water usage culture adopted by staff as well as better awareness initiatives created. In the case of paper usage, sending more memos via emails than hard copies and the use of both sides of the paper has reduced the paper used annually, thereby ensuring sustainable operations. On energy usage, a lot of improvement was also recorded.

We have done a lot in the area of waste to landfill management through the introduction of various initiatives and as such we maintained a waste to landfill percentage of 0.8% in 2020, but in 2021 there was an increment to 3.24% due to increased production as well as the increased revenue drive by the State but with continuous improvement on the forefront of our priority burner for subsequent years.

Some of these initiatives employ the three Rs technique of Re-use, Reduce and Recycle, this we have been

able to achieve through the segregation of our waste as comingling of waste was formerly the order of the day. Some of the waste like nylon, paper and waste cartons are sold to middle men which become raw material for some other companies thereby converting waste to wealth. Some of the production waste from the natural products are sold to pig farmers and used as feed for the pigs.

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

Health & Safety

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

We have built a safety culture in our personnel through regular trainings, teaching them that their safety is in their hands and that safety is everybody's responsibility and not only a function of the Management. The Management has on its own part made tremendous strides towards the provision of various controls both engineering and administrative and has also made adequate provision of PPEs for employees. The target is to have a zero-accident environment where the employees come to work safe and go back same. Visual aids in the form of safety signs have been made in the simplest of forms and language so that even the unlettered can decipher them. Employees are encouraged to report near misses and accident investigations are carried out accordingly and CAPA (Corrective and Preventive Actions) are put in place. This giant stride is a huge improvement from previous years.

In 2020, no Lost Time accident was recorded while only 2 Lost Time Accident were recorded in 2021. Our target is still zero accidents which we strive to achieve through regular safety awareness programmes and trainings for the personnel. The Management has so embraced safety that a week-long activity had been introduced known as a "Safety Week" where various safety trainings are given to the personnel as well as First Aid training. In 2020, a 'Covid-19 Monitoring Committee' was created by the Management which is responsible for creating awareness about the virus and ensuring compliance to strict Covid-19 protocols and guidelines. In 2021, more Covid-19 awareness programs were embarked on through the provision of several signage around the facility bearing the Covid-19 protocols, provision of Hand Wash stands at several locations around the facility to sensitize the personnel about regular hand washing and institute a culture of hand washing.

Neimeth COVID-19 Policy

Neimeth recognizes the importance of prioritizing employee safety, welfare and overall wellbeing which has become even more germane in the wake of the unprecedented global and national public health crises caused by the Covid-19 pandemic. Therefore, Neimeth has adopted a Covid-19 policy which seeks to ensure that:

- Any staff that is unwell should stay home and call in sick.
- Visitors who have no business being on the premises are restricted from entry.
- Personnel and visitors to our facility are expected to comply with strict personal hygiene both at home and within the premises.
- No personnel or visitor to the facility must be allowed within the premises without a face mask thereby implementing a **"NO FACE MASK, NO ENTRY POLICY"**
- Every personnel or visitor to the facility must present themselves for a temperature check and anyone whose temperature is 38°C and above is barred from entry and politely asked to go home and take care of himself/herself.
- Hand washing or the use of a 70% alcoholic rub is insisted on and the security have been detailed to enforce this.
- Virtual meeting is now the 'new normal' as meetings which will involve large gatherings are not allowed to hold physically but only through the medium of remote technology such as Zoom, Skype and the likes.

- Personnel who do not use private or commercial vehicles are conveyed from designated locations using the staff bus with numerous trips ensuring social distancing as the bus conveys 50% of its capacity.
- The canteen lunch periods are shuffled to have as many as 4-5 groups to avoid overcrowding and maintain Social Distancing thereby ensuring that at any given time the canteen sits not more than 50% of its capacity.

Neimeth HIV/AIDS Policy

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

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

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

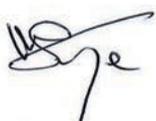
POST BALANCE SHEET EVENTS

There were no other significant post balance sheet events, which could have had material effect on the state of affairs of the company for the period ended 30th September, 2021 which had not been adequately provided for or disclosed.

AUDITORS

Messrs. PKF Professional Services has completed its ten-year tenure as External Auditor to Neimeth. Section 20(2) of the Nigerian Code of Corporate Governance 2018 stipulates that external audit firms should be retained for no longer than 10 years continuously. A resolution will be proposed at the Annual General Meeting to approve the appointment of a new External Auditor.

By Order of the Board.



MRS. F. I. ONYENEKWE (FRC/ICAN/00000010082)

Company Secretary

Lagos, Nigeria

23rd of December, 2021

NIGERIAN INVESTORS VALUE AWARDS





ACTIVATION TRAINING IN ASABA



NCP MARKET ACTIVATION IN LAGOS



OBRON-6 ACTIVATION TRAINING IN KANO



OBRON-6 HOSPITAL ACTIVATION IN IBADAN



PATENT MEDICINE DEALERS PROGRAMME



STRESS MANAGEMENT PROGRAMME AT FAAN



Neimeth International Pharmaceuticals Plc. RC.1557

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www.neimethplc.com.ng



REPORT OF THE STATUTORY AUDIT COMMITTEE TO THE MEMBERS OF NEIMETH INTERNATIONAL PHARMACEUTICALS PLC FOR THE YEAR ENDED 30TH SEPTEMBER 2021

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

- reviewed and considered the Financial Statement for the year ended 30th September, 2021;
- reviewed the External Auditors report thereon and
- confirmed that the accounting and reporting policies of the Company for the year ended 30th September 2021 are in accordance with legal requirements and agreed ethics.

In our opinion, the scope and planning of the audit for the year ended 30th September, 2021 were adequate and we reviewed the External Auditors' findings on Management matters and are satisfied with the Management responses.

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

Dated 8th December, 2021


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

Other members of the Audit Committee

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

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



**BREAKTHROUGH
AT LAST!!!**

Ciklavit*

1st Natural Nutritional Supplement in the management of sickle cell disorder.



...improving the well-being of people living with sickle cell anaemia

Board of Directors:

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



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Companies and Allied Matters Act, 2020, requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss and other comprehensive income. The responsibilities include ensuring that the company:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the companies and allied matters act, 2020; establishes adequate internal controls to safeguard its asset and to prevent and detect fraud and other irregularities; and
- c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

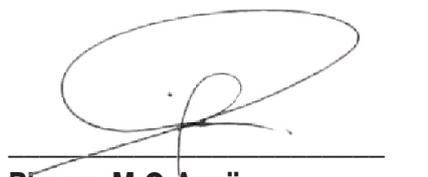
The Directors accept responsibility for the Company annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; in compliance with Financial Reporting Council of Nigeria Act No. 6, 2011 and in the manner required by the Companies and Allied Matters Act, 2020.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit for the year ended 30 September 2021. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the Company financial statements, as well as adequate systems of internal financial control.

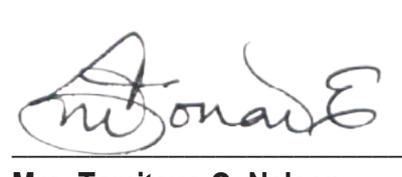
Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.



Dr. A. B. C. Orjiako
Chairman
FRC/2013/IODN/00000003161



Pharm. M.O Azoji
Managing Director / CEO
FRC/2016/PCNNG/00000014686



Mrs. Temitayo O. Nelson
Executive Director - Finance
FRC/2019/ICAN/00000019924

Dated: 21 December 2021

Dated: 21 December 2021

Dated: 21 December 2021

STATEMENT OF COMPLIANCE FOR THE YEAR ENDED 30 SEPTEMBER 2021

Certification Pursuant to Section 405(1) of Companies and Allied Matter Act, 2020

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 30 September 2021 that:

a) We have reviewed the report:

To the best of our knowledge, the report does not contain:

- Any untrue statement of a material fact; or
- Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made.

b) To the best of our knowledge, the financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in this report.

c) We:

- are responsible for establishing and maintaining internal controls;
- have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within the entity particularly during the period in which the periodic reports are being prepared;
- have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.

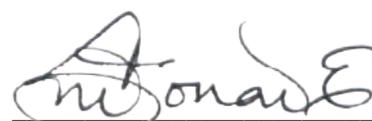
d) We have disclosed to the auditor of the Company and Audit Committee:

- All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls; and
- Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls.

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Pharm. M. O. Azoji
Managing Director / CEO
FRC/2016/PCNNG/00000014686



Mrs. Temitayo O. Nelson
Executive Director - Finance
FRC/2019/ICAN/00000019924

PKF Professional Services



Independent Auditor's report

To the Members of Neimeth International Pharmaceuticals Plc

Opinion

We have audited the financial statements of Neimeth International Pharmaceuticals Plc (the "Company"), which comprise the statement of financial position at 30 September 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at 30 September 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and with the requirements of the Companies and Allied Matters Act, 2020.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including international Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Nigeria.

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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List of Partners and Partner equivalents are available at 205A Ikorodu Road • Obanikoro • Lagos.

Offices in: Abuja • Jos • Kaduna • Kano • Port Harcourt

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Key Audit Matter	How the matter was addressed in the audit
<p>Accuracy of recognition and measurement of revenue Neimeth International Pharmaceuticals Plc revenue amounted to N3.0 billion for the year ended 30 September 2021.</p> <p>The application of IFRS 15, involves certain key judgement relating to identification of distinct performance obligations, the appropriateness of basis used to measure revenue recognised, determination of transaction price of the identified performance obligations and recognition of revenue when performance obligation is met.</p> <p>There could be pressure on management which could lead to recognising revenue when performance obligations have not been met and risk and reward has not been transferred to the third party.</p> <p>Also, given the nature of contracts with some of the customers, there could be issues around cut off and revenue recognition based on satisfaction of performance obligation.</p> <p>All issues identified above made revenue a key audit matter.</p>	<p>The following audit procedures were performed among others:</p> <ul style="list-style-type: none"> - Reviewed the accounting policy for consistency and management's procedures in the recognition and recording of revenue. - Evaluated the design and implementation and the operating effectiveness of internal controls over the approval of products sold. - For sale of goods to major customers during the year, we compared on a sample basis, postings into revenue ledger which is evidenced by delivery notes and copy of invoice. We also verified and matched on a sample basis customers' purchase order, delivery notes and signed contract agreement. - Tested the accuracy of samples of journal entries relating to revenue by matching them against approved credit notes to customers with respect to sales returns. - Tested whether revenue transactions occurring both prior and post year end date were recognized in the correct period. - Reviewed the controls around information technology systems and performed data integrity check on revenue.
<p>b) Impairment of trade and other receivables The Company is exposed to credit arising from the company trade receivables.</p> <p>The determination of the impairment charge for trade receivables requires the assessment of Expected Credit Loss Model (ECL) using the simplified approach on recoverable amounts in line with IFRS 9.</p> <p>The ECL model involves the application of considerable level of judgements and estimation in determining inputs which are derived from historical records obtained within and outside the company in formulating the financial model. The models also requires assumptions in the estimation of forward looking macro-economic variables in computing the probability of default (PD).</p> <p>The appropriateness of impairment calculation for long overdue debts which require significant management's judgement and assumptions, makes it a key audit matter.</p>	<p>Focused our testing of impairment on the assumption made by management and in line with IFRS 9, Expected Credit Loss Model (ECL).</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> - Assessed and tested the design and operating effectiveness of the controls over impairment calculations. - Reviewed the age analysis of debtors and internal controls over recoverability of receivables - Reviewed impairment model adopted by management and evaluated whether the model used to calculate the recoverable amount complies with the requirements of IFRS 9 and is in agreement with our understanding of the business and the industry in which Neimeth operates. - We challenged management's assessment on the recoverability of overdue receivables, collection pattern, considering historical patterns of debt and repayment as well as recent communications with their counterparties. - Evaluated the accounting principles underlying revenue recognition, which form the basis for the recognition of trade receivables.

Other Information

The Directors are responsible for the other information. The other information comprises the Chairman's statement, Directors' Report, Audit Committee's Report, Corporate Governance Report and Company Secretary's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with the Companies and Allied Matters Act, 2020 and with the requirements of the International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011, and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- iv) Conclude on the appropriateness of the Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided the Audit Committee with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable related safeguards.

From the matters communicated with the Audit Committee, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of fifth schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- ii) The Company has kept proper books of account, so far as it appears from our examination of those books.
- iii) The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.


 Benson C. Adejayan, FCA
 FRC/2013/ICAN/00000002226
 For: PKF Professional Services
 Chartered Accountants
 Lagos, Nigeria

Dated: 21 December 2021



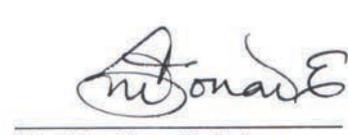
Statement of Financial Position
at 30 September 2021

	Notes	2021 N'000	2020 N'000
Assets			
Non-current assets			
Property, plant and equipment	16.	1,411,998	1,175,242
Investment properties	17	35,096	35,965
		<u>1,447,094</u>	<u>1,211,207</u>
Current assets			
Inventories	18.	1,464,421	1,439,156
Trade and other receivables	19.	1,276,208	1,026,085
Other current assets	20.	61,708	91,229
Cash and cash equivalents	21.1	2,025,239	2,634,814
		<u>4,827,576</u>	<u>5,191,284</u>
Total assets		<u>6,274,670</u>	<u>6,402,491</u>
Liabilities			
Current liabilities			
Trade and other payables	24	793,525	713,664
Current borrowing	22.4	13,565	297,981
Current portion of long term borrowings	22.1	1,099,734	995,852
Finance lease liabilities	29.	-	6,358
Current tax payable	26.	135,726	193,720
Deferred fair value gain on loan	23	76,926	6,900
		<u>2,119,476</u>	<u>2,214,475</u>
Non-current liabilities			
Non-current portion of long term borrowings	22.1	1,932,727	1,996,220
Deferred fair value gain on loan	23	702,174	882,431
Deferred tax liability	27.	106,226	34,704
		<u>2,741,127</u>	<u>2,913,355</u>
Total liabilities		<u>4,860,604</u>	<u>5,127,830</u>
Net assets		<u>1,414,067</u>	<u>1,274,661</u>
Equity			
Ordinary shares	30.2	949,579	949,579
Share premium	30.3	104,880	112,606
Retained earnings	31.	359,608	212,476
Total equity		<u>1,414,067</u>	<u>1,274,661</u>

These financial statements were approved by the Board of Directors on **21 December 2021** and signed on its behalf by:


Dr. A. B. C. Orjiako
Chairman
FRC/2013/IODN/00000003161


Pharm. M. O. Azoji
Managing Director / CEO
FRC/2016/PCNNG/00000014686


Mrs. Temitayo O. Nelson
Executive Director - Finance
FRC/2019/ICAN/00000019924

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

	Note	2021 N'000	2020 N'000
Turnover	8	3,046,661	2,839,119
Cost of sales	9	<u>(1,601,458)</u>	<u>(1,329,701)</u>
Gross profit		1,445,203	1,509,418
Other income	10	202,023	146,169
Marketing and distribution expenses	11	(579,694)	(505,109)
Administrative expenses	12	(513,938)	(452,281)
Exchange loss	13	<u>(93)</u>	<u>(188,052)</u>
Operating profit		553,501	510,145
Finance costs	14	<u>(188,216)</u>	<u>(212,757)</u>
Profit before taxation		365,285	297,388
Income tax expense	28	<u>(94,708)</u>	<u>(84,912)</u>
Profit for the year from continued operation		<u>270,576</u>	<u>212,476</u>
Other comprehensive income			
Gain on available for sale assets		-	-
Total other comprehensive income		-	-
Total comprehensive income		<u>270,576</u>	<u>212,476</u>
Basic earnings per share	32	<u>14</u>	<u>11</u>

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

Statement of Changes in Equity for the Year Ended
30 September 2021

	Ordinary shares N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
At 1 October 2019	<u>949,579</u>	<u>1,020,603</u>	<u>(898,164)</u>	<u>1,072,018</u>
Changes in equity the year				
Profit for the year	-	-	212,476	212,476
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive profit for the year	<u>-</u>	<u>-</u>	<u>212,476</u>	<u>212,476</u>
Transfer between share capital/premium	-	(898,164)	898,164	-
Transaction costs for equity issue	-	<u>(9,833)</u>	<u>-</u>	<u>(9,833)</u>
At 30 September 2020	<u>949,579</u>	<u>112,606</u>	<u>212,476</u>	<u>1,274,661</u>
At 1 October 2020	<u>949,579</u>	<u>112,606</u>	<u>212,476</u>	<u>1,274,661</u>
Changes in equity for the year				
Profit for the year	-	-	270,576	270,576
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive profit for the year	<u>-</u>	<u>-</u>	<u>270,576</u>	<u>270,576</u>
Dividend declared and paid	-	-	(123,445)	(123,445)
Transaction costs for equity issue	-	<u>(7,726)</u>	<u>-</u>	<u>(7,726)</u>
At 30 September 2021	<u>949,579</u>	<u>104,880</u>	<u>359,608</u>	<u>1,414,067</u>

Statement of Cash Flow for the Year Ended
30 September 2021

	Notes	2021 N'000	2020 N'000
Profit for the year		270,576	212,476
Adjustment for:			
Depreciation of property, plant and equipment	16	107,065	110,723
Adjustment on PPE	16	247	-
Depreciation of investment properties	17	869	-
Gain or loss on disposal	10	(4,857)	-
Impairment loss on trade receivables	19.2	59,030	-
Provision no longer required	10	(57,343)	-
Impairment write back	19.2	-	(4,580)
Finance cost	14	188,216	212,757
Exchange loss	13	93	188,052
Income tax expenses	28	23,186	143,254
		587,082	862,683
Changes in:			
Increase in inventories		(25,265)	(666,399)
(Increase)/decrease in trade receivables		(309,153)	6,353
Decrease/(increase) in other asset		29,521	(17,462)
Increase in trade and other payables		79,862	226,187
Decrease in finance lease liability		(6,358)	(7,562)
Decrease in deferred tax liability		71,522	(58,342)
Cash generated from operating activities		427,212	345,458
Income tax paid	26.	(81,180)	(42,933)
Net cash from operating activities		346,032	302,525
Cash flows from investing activities			
Purchase of property plant and equipment	16	(344,068)	(564,052)
Proceed from disposal of property, plant and equipment	10.1	4,857	-
Net cash used in investing activities		(339,211)	(564,052)
Cash flows from financing activities			
Proceed from import finance facility	22.4.2	-	221,293
Repayment of loans		(36,303)	(294,227)
Current borrowing (paid) / obtained	22.4	(297,981)	297,981
Finance cost paid	14	(174,604)	(146,752)
Proceeds from term loan	22	-	2,750,000
Dividend paid	31	(123,445)	-
Capital restructuring cost	30.3	(7,726)	(9,833)
Net cash (used in)/from financing activities		(640,059)	2,818,462
Effect of exchange rate changes on cash and cash equivalents		10,099	4,087
Net (decrease)/increase in cash and cash equivalents		(633,238)	2,556,935
Cash and cash equivalents at 1 October		2,634,814	73,792
Cash and cash equivalents at 30 September	21.2	2,011,674	2,634,814

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 Stock Exchange was incorporated on 30 August 1957 as a limited liability company and commenced operation 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 30 September 2021 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011. 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 and 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. Summary of Standards and Interpretations effective for the first time

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation specifies how an entity should reflect the effects of uncertainties in accounting for income taxes.

2.5.1 Standards Issued and Effective on or after 1 January 2022

a) IFRS 17 Insurance Contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS.

The key principles in IFRS 17 are that an entity:

- a) identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain, future event (the insured event) adversely affects the policyholder;
- b) separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- c) divides the contracts into groups it will recognise and measure;
- d) recognises and measures groups of insurance contracts at a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all the available information about the fulfilment cash flows in a way that is consistent with observable market information plus (if this value is a liability) or minus (if this value is an asset) an amount representing the unearned profit in the group of contracts (the contractual service margin);
- e) recognises the profit from a group of insurance contracts over the period the entity provides insurance coverage, and as the entity is released from risk, if a group of contracts is or becomes loss-making, an entity recognises the loss immediately;
- f) presents separately insurance revenue, insurance service expenses and insurance finance income or expenses;
- g) discloses information to enable users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of the entity. To do this, an entity discloses qualitative and quantitative information about:
 - the amounts recognised in its financial statements from insurance contracts;
 - the significant judgements, and changes in those judgements, made when applying the Standard; and
 - the nature and extent of the risks from contracts within the scope of this Standard.

2.5.2 Narrow Scope Amendments deferred until further notice

a) IFRS 10 consolidated financial statements

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

b) IAS 28 Investments in Associates and Joint Ventures

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

2.5.3 New standards, amendments and interpretations issued but without an effective date

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but without an effective: This includes:

Amendments to IFRS 10 and IAS 28 consolidated financial statements and Investments in Associates and Joint Ventures

Amends IFRS 10 consolidated financial statements and IAS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- Require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations);

- Require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

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 asset unless such lives are indefinite. These charges are included in other expenses in profit or loss. Intangible assets with an indefinite useful life are tested for impairment annually.

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

3.1.2 Intangible assets generated internally

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

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

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

3.2 Property, plant and equipment

3.2.1 Initial recognition

All property, plant and equipment assets 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 / ₂

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 year.

3.2.4 Derecognition

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

3.2.5 Reclassification

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

3.3 Investment properties

Investment Properties are Properties that are held for long-term rental yields or for capital appreciation or both, that are not occupied by any of the department within the Company. Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any. If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. It's 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 it's 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 period 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

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 flow 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 instrument 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 consolidated 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 measure 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.

3.9 Equity instruments

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

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

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

3.10 Borrowing costs

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

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

3.10.1 Loans and borrowings

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

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

3.10.2 Deferred fair value gain on loans

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

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

3.13.3 Termination benefit

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

3.13.4 Short term employee benefits

These are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.14 Taxation

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

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

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

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period 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 available-for-sale investments 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 period, taking into account the risks and uncertainties surrounding the obligation.

3.16 Revenue recognition

3.16.1 Sale of goods

Revenue from the sale of goods in the ordinary course of business is measured at the fair value of consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence persists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of consideration is probable, the associated cost and possible return of goods can be estimated reliably, there is no continuing involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discount will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

3.17 Foreign currencies

Foreign currency transactions

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

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

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

3.18 Segment reporting

An operating segment is a component of an entity:

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

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

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

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

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

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

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

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

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

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

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

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

Certain entity wide disclosures are also required for all entities, including those entities that have a single reporting segment, including information about: products and services; geographical areas; and major customers. An entity shall report the revenues from external customers for each product and service, or each group of similar products and services, unless the necessary information is not

available and the cost to develop it would be excessive, in which case that fact shall be disclosed. The amounts of revenue reported shall be based on the financial information used to produce the entity's financial statements.

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

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

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

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

4. Critical accounting estimates and judgement

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

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

a) Defined benefit obligation

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

b) Impairment of available-for-sale equity financial assets

The Company determines that available-for-sale equity 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

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 flow. 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:

	2021 N'000	2020 N'000
Financial assets		
Trade and other receivables	1,276,208	1,026,085
Cash and cash equivalents	<u>2,025,239</u>	<u>2,634,814</u>
Ageing of past due receivables:		
0 - 90 days	16,951	27
91 - 180 days	23,961	5
181 - 270 days	2,248	6
271 - 365 days	714	2,866
Over 365 days	<u>716,972</u>	<u>698,912</u>
Total	<u>760,846</u>	<u>701,816</u>

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 shares, share premium and retained earnings).

The debt-to-capital ratios at 30 September 2021 and its comparative year were as follows:

	2021 N'000	2020 N'000
Total liabilities	<u>4,860,603</u>	<u>5,127,830</u>
Total liabilities and equity	<u>6,274,670</u>	<u>6,402,491</u>
Debt-to-capital ratio	<u><u>0.77</u></u>	<u><u>0.80</u></u>

The decrease in the debt-to-capital ratio during 2021 resulted primarily from the decrease 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 3.5, financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statement of income or comprehensive income. These categories are: fair value through profit or loss; loans and receivables; available for sale assets; and, for liabilities, amortized cost or fair value through profit or loss.

	2021 N'000	2020 N'000
8. Segment information		
8.1 Operating segments		
The Company has two reportable business segments, summarised as follows:		
Pharmaceuticals product group:		
This include the marketing and sales of the Company's branded products, and the consumer product group.		
Animal health product group:		
This include the marketing and sales of poultry and large animal range of anthelmintic as well as production enhancing medicaments.		
Pharmaceuticals	2,803,466	2,470,102
Animal health	<u>243,195</u>	<u>369,017</u>
	<u>3,046,661</u>	<u>2,839,119</u>
8.2 Geographical segment		
The Company operates in two geographic regions namely Nigeria and Ghana.		
Nigeria	3,011,319	2,806,777
Ghana	<u>35,342</u>	<u>32,342</u>
	<u>3,046,661</u>	<u>2,839,119</u>

The reported revenue for animal health segment is not significant to the total turnover, 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.

	2021 N'000	2020 N'000
9. Cost of sales		
Raw material		
Opening stock at 1 October	726,947	415,075
Add purchases	<u>1,247,555</u>	<u>1,321,770</u>
	1,974,502	1,736,845
Less: Closing stock at 30 September	<u>(734,778)</u>	<u>(726,947)</u>
Product Cost	<u><u>1,239,724</u></u>	<u><u>1,009,898</u></u>
Factory overhead expenses		
Production salaries and wages	269,444	203,737
Power and fuel	30,792	19,304
Factory other expenses	130,191	116,067
Depreciation: - Plant and machinery	56,263	61,830
- Building	3,967	4,806
Obsolete, excess inventory recovery	26,026	1,640
(Increase)/decrease in finished goods	(116,764)	(105,661)
(Increase)/decrease in work in progress	(37,033)	19,590
(Increase)/decrease in spares parts	<u>(1,152)</u>	<u>(1,510)</u>
	<u>361,734</u>	<u>319,803</u>
	<u><u>1,601,458</u></u>	<u><u>1,329,701</u></u>
10. Other income		
Gains on disposal of property, plant and equipment (Note 10.1)	4,857	-
Sundry receipts (Note 10.2)	141	1,941
Sales of scrap	2,014	973
Insurance claim	-	260
Lease rental income (Note 10.3)	20,000	16,667
Provision no longer required	-	9,444
Reversal of accrued interest on Daewoo loan (10.4)	57,343	-
Fair value adjustment	<u>117,668</u>	<u>116,884</u>
	<u><u>202,023</u></u>	<u><u>146,169</u></u>

	2021 N'000	2020 N'000
10.1. Gain on disposal of property, plant and equipment		
Cost	52,633	-
Accumulated depreciation	<u>(52,633)</u>	<u>-</u>
Carrying amount	-	-
Proceed on disposal	<u>4,857</u>	<u>-</u>
Profit on disposal	<u><u>4,857</u></u>	<u><u>-</u></u>
10.2. This represent merging account balances from closed Zenith bank account to another similar account.		
10.3. This represent leased rental income from Neimeth property (former office complex) at 1 Henry Carr, Ikeja.		
10.4. This represent reversal of accrued interest on Daewoo loan no longer required from 12 September, 2019 to 30 September 2021. Daewoo Securities (Europe) Limited was dissolved following a member voluntary winding up and a liquidator was appointed to file the final account at the company house in UK. Further provisioning of accrued interest on Daewoo has been put on hold and the interest accrued from September 2019 to September 2021 is now reversed.		
11. Marketing and distribution expenses		
Employee cost	205,378	196,839
Transport and travelling	47,939	60,467
Advert and promotions	224,459	156,238
Depreciation of motor vehicle	38,614	34,959
Communication and subscription	2,072	761
Donation	261	1,017
Printing and stationeries	1,634	1,408
Rent and rate	1,771	3,383
Product registration expenses	8,654	13,831
Training and seminar	-	3,200
Medical expenses	552	502
Energy cost	16,398	10,029
Repairs and maintenance	8,474	13,790
Telephone and postages	4,617	4,272
Corporate expenses	12,698	4,063
Others	<u>6,173</u>	<u>352</u>
	<u><u>579,694</u></u>	<u><u>505,109</u></u>

	2021 N'000	2020 N'000
12. Administration expenses		
Employee costs	188,726	166,226
Impairment allowance for trade and other receivables	59,030	-
Corporate expenses	15,654	6,133
Transport and travelling	33,222	31,438
Legal, consultancy and professional fees	13,320	20,781
Energy cost	47,359	39,441
Rent and rate	1,500	-
Bank charges and commission	18,055	64,140
Insurance	12,414	19,041
Repairs and maintenance	11,575	4,764
Printing and stationeries	2,946	2,169
Training and seminar	3,604	6,016
Conference and meetings	42,540	27,106
Medical expenses	18,151	18,306
Telephone and postages	13,610	6,090
Communication and subscription	5,795	5,026
Depreciation of office and computer equipment	12,188	13,935
Audit fee	8,894	8,894
Gift and donation expenses	548	8,878
Security expenses	3,876	2,983
Others (Note 12.1)	931	916
	<u>513,938</u>	<u>452,281</u>
12.1 Others represent public relations expenses and clinical/ laboratory testing expenses.		
13. Foreign exchange loss		
Loss on currency translation	<u>93</u>	<u>188,052</u>
14. Finance costs		
Interest expenses	188,126	152,772
Interest on term loans	-	54,701
Interest on lease	90	5,284
	<u>188,216</u>	<u>212,757</u>
Less accrued interest in the year		
Accrued interest on debenture (Note 22)	-	54,701
Accrued interest (Note 22.1)	<u>13,612</u>	<u>11,304</u>
	<u>13,612</u>	<u>66,005</u>
Finance costs paid	<u>174,604</u>	<u>146,752</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:

	Note	Financial assets		Financial liabilities	Total carrying amount N'000	Fair value N'000
		Fair value through profit or loss N'000	Amortised cost N'000	Amortised cost N'000		
At 30 September 2021						
Assets						
Trade and other receivables	19	-	1,276,208	-	1,276,208	2,005,696
Cash and cash equivalents	21.1	2,025,239	-	-	2,025,239	2,025,239
		<u>2,025,239</u>	<u>1,276,208</u>	<u>-</u>	<u>3,301,447</u>	<u>4,030,935</u>
Liabilities						
Trade and other payables	24	-	-	793,525	793,525	793,525
Borrowings (Current portion)	22.1	-	-	1,099,734	1,099,734	1,099,734
Finance lease payable	29	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>1,893,259</u>	<u>1,893,259</u>	<u>1,893,259</u>
At 30 September 2020						
Assets						
Trade and other receivables	19	-	1,026,085	-	1,026,085	1,624,498
Cash and cash equivalents	21.1	2,634,814	-	-	2,634,814	2,634,814
		<u>2,634,814</u>	<u>1,026,085</u>	<u>-</u>	<u>3,660,899</u>	<u>4,259,312</u>
Liabilities						
Trade and other payables	24	-	-	713,664	713,664	713,664
Borrowings (Current portion)	22.1	-	-	995,852	995,852	995,852
Finance lease payable	29	-	-	6,358	6,358	6,358
		<u>-</u>	<u>-</u>	<u>1,715,874</u>	<u>1,715,874</u>	<u>1,715,874</u>

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 year.

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).

	Software	
	2021	2020
	N'000	N'000
17. Investment properties		
At 30 September	<u>49,427</u>	<u>49,427</u>
Accumulated depreciation		
At 1 October	13,462	12,593
Charged in the year	<u>869</u>	<u>869</u>
	<u>14,331</u>	<u>13,462</u>
Carrying amount		
At 30 September	<u>35,096</u>	<u>35,965</u>

Investment property represents Neimeth office complex at 1 Henry Carr street, Ikeja. The office complex is currently held for lease rental. On 30 September 2020, the Company obtained N60,000,000 as rental income for a period of 3 years, commencing 1 December 2019. At 30 September 2021, the company recognised N20,000,000 (2020 : N16,666,667.00) as rental income in the statement of profit or loss and other comprehensive income. The value of N23,333,333 was deferred and will be released to income statement in subsequent year. It is management's intention to continue to keep this property as investment property. The Company is currently using the cost model for recognising investment property. However its fair value at 30 September 2021 is N695,183,139. The valuation was done by Tope Ojo & Tunde Olonisakin Estate Surveyors & Valuers on 24 September 2021.

	2021	2020
	N	N
18. Inventories		
Raw materials	734,778	726,947
Work in progress	74,441	37,408
Finished goods	453,969	337,205
Spare parts	<u>21,558</u>	<u>20,406</u>
	1,284,746	1,121,966
Goods in transit	<u>179,675</u>	<u>317,190</u>
	<u>1,464,421</u>	<u>1,439,156</u>

18.1 Inventories to the value of N1.464 billion (2020 : N1.439 billion) were carried at net realisable value. Inventory write down during the year amounted to N26.03million (2020: N1.64 million). No inventories are pledged as security for liabilities.

19. Trade and other receivables		
Trade receivables	1,972,261	1,708,099
Other receivable (Note19.1)	<u>64,793</u>	<u>19,802</u>
	2,037,054	1,727,901
Impairments allowance (Note 19.2)	<u>(760,846)</u>	<u>(701,816)</u>
	<u>1,276,208</u>	<u>1,026,085</u>

	2021 N'000	2020 N'000
19.1 Other receivables		
Staff loans	33,435	20,080
Debit balance in trade payables (Note 19.1.1)	32,237	-
Impairment on other receivables	(879)	(278)
	<u>64,793</u>	<u>19,802</u>

19.1.1 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.

19.2 Impairments allowance on trade receivable

At 1 October	701,816	706,396
Additional charge during the year (Note 12)	59,030	-
Provision no longer required	-	(4,580)
At 30 September	<u>760,846</u>	<u>701,816</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.

	2021 N'000	2020 N'000
20. Other assets		
Prepayments	18,582	25,971
Withholding tax receivable	22,491	22,000
Advance payment to suppliers	2,468	25,091
Replaceable stocks (Note 20.1.)	18,167	18,167
	<u>61,708</u>	<u>91,229</u>

20.1 Replaceable stocks represents finished product 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.

	2021 N'000	2020 N'000
21. Cash and cash equivalents		
21.1 Cash and cash equivalents as per statement of financial position		
Cash in hand	-	60
Cash in banks	2,025,239	2,634,754
	<u>2,025,239</u>	<u>2,634,814</u>

	2021 N'000	2020 N'000
21.2 Cash and cash equivalents as per statement of cash flow		
Cash and cash equivalents		
Cash and bank balances (Note 21.1)	2,025,239	2,634,814
Bank overdrafts (Note 22.4)	(13,565)	-
	<u>2,011,674</u>	<u>2,634,814</u>
22. Borrowings		
Term loans		
At 1 October	3,716,448	719,610
Addition in the year	-	2,750,000
Accrued interest on debenture	-	54,701
Write back of accrued interest on debenture	(57,343)	-
Repayment during the year	(25,000)	-
Exchange loss	10,192	192,137
	<u>3,644,297</u>	<u>3,716,448</u>
Other loan (Note 22.3)	167,264	164,955
	<u>3,811,561</u>	<u>3,881,403</u>
At 30 September		
Analysis by maturity:		
22.1 Current		
Bank of Industries (Note 22.2.3)	166,824	18,100
CBN Intervention Fund (Note 22.2.2)	-	-
Daewoo Securities (Europe) Limited (Note 22.2.1)	919,298	966,448
Accrued interest on other loan (Note 22.3)	13,612	11,304
	<u>1,099,734</u>	<u>995,852</u>
Non-current:		
Bank of Industries (Note 22.2.3)	493,300	640,189
CBN Intervention Fund (Note 22.2.2)	1,285,776	1,202,379
	<u>1,779,076</u>	<u>1,842,569</u>
Other loan (Note 22.3)	153,651	153,651
	<u>1,932,727</u>	<u>1,996,220</u>
Deferred fair value gain on loan (Note 23)	779,100	889,331
	<u>3,811,561</u>	<u>3,881,403</u>
22.2 Analysis of Term loans		
Daewoo Securities (Europe) Limited (Note 22.2.1)	919,298	966,448
Bank of Industries (Note 22.2.3)	660,124	658,289
CBN Intervention Fund (Note 22.2.2)	1,285,775	1,202,379
IFRS Interest (Amortisation difference)	779,100	889,331
	<u>3,644,297</u>	<u>3,716,448</u>
Other loan (Note 22.3)	167,264	164,955
	<u>3,811,561</u>	<u>3,881,403</u>

22.2.1 Daewoo Securities (Europe) Limited

400 million Japanese Yen (JPY) zero coupon bond issued by the Company in 2007 financial year. The bond 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 30 September, 2021.

22.2.2 CBN Intervention Fund

This represents N2.4 billion CBN Intervention Funds. Utilisation is made up of N2 billion which is to be used to part finance the establishment of a new WHO cGMP Multi-Product factory at Amawbia, Anambra State, while N400 million is to be used to augment the Company working capital requirement at interest rate of 5% per annum and to matured on 28 February 2021. Thereafter, interest will revert to 9% per annum from 1 March 2021.

22.2.3 Bank of Industries (BOI)

This consists of multiple loan facility of N750 million from BOI on 24 December 2019, comprising of a term loan of N500 million and a working capital facility of N250 million required to purchase items of equipment and raw materials for the manufacturing of pharmaceutical products at Neimeth factory at Oregun Lagos. Repayment for the term loan is 48 equal and consecutive monthly instalments of N10,416,666.67 commencing immediately after the moratorium period of 12 months. For the working capital facility component of the loan facility, thirty (30) equal and consecutive monthly instalments of N8,333,333.33.

22.3 Other loan

At 1 October
Accrued Interest
Repayment in the year

At 30 September

	2021 N'000	2020 N'000
	164,955	159,270
	13,612	11,304
	<u>(11,303)</u>	<u>(5,619)</u>
	<u>167,264</u>	<u>164,955</u>

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.

22.3.1 Related Party Transaction

			2021		2020
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	37,900		38,758
2. Dr. A. B. C. Orjiako	Director	Loan	64,360		62,771
3. Mr Emmanuel Ekunno	Former Director	Loan	1,076		1,049
4. Fall River Production Ltd	Mr. T. T. Osobu - Director in Fall River Prod. Ltd	Loan	10,227		10,461
5. Engr. Godwin E. Omene	Director	Loan	2,142		2,088
6. Bio Resources Institute of Nigeria	Prof. M. M. Iwu - Director in Bio Resources Inst.	Loan	51,559		49,813
			167,264		164,940

22.4 Current borrowings

Bank overdraft (Note 22.4.1)	13,565	-
Import finance facilities (Note 22.4.2)	-	-
CBN Intervention Fund (current) (Note 22.4.4)	-	297,981
	13,565	297,981

22.4.1 The interest payable on BOI multiple loan and principal repayment which was guaranteed by Fidelity Bank. However, a N100million overdraft facility was obtained from Fidelity Bank Plc on March 13 2019, to support the Company's' working capital requirement for clearing/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 flow from the Company's daily operations and other sources available to the Company. This facility was not renewed after expiration of it tenure during the financial year ended 30 September 2020 in view of the N400m working capital received from CBN during the year ended 30 September 2020.

22.4.2 Import finance facilities

At 1 October	-	53,311
Additions in the year	-	221,293
Repayment during the year	-	(274,604)
At 30 September	-	-

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

In addition, a N100,000,000.00 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 and was not renewed. The security are as follows:

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

22.4.4 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 vis a vis procurement of raw materials for production, 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 28 February 2021 and thereafter interest on the facility shall revert back to 9% (all inclusive from 1 March 2021. Repayment is quarterly of principal and interest (after the moratorium) from Neimeth operational cash flow as well as other sources available to the Company. Security is on all assets debenture of the Company's fixed and floating assets both present and future to be shared in parri passu with other lender.

	2021 N'000	2020 N'000
23. Deferred fair value gain on loan		
Deferred fair value gain	<u>779,100</u>	<u>889,331</u>
Analysis of deferred fair value gain on loan into:		
23.1 Current portion	<u>76,926</u>	<u>6,900</u>
23.2 Non current portion	<u>702,174</u>	<u>882,431</u>

23.3 These represent the benefit of CBN intervention and BOI loan at a below the market rate of interest measured at the difference between proceeds received and the fair value of the loan based on prevailing market interest rate. The day 1 gain has been recognised as deferred income which will be recognised in the profit or loss on a systematic basis over the tenure of the loan with re-measurement gain embedded in it. in the current year N18 million was released in the income statement to reduce the finance cost of the loan.

	2021 N'000	2020 N'000
24. Trade and other payables		
Trade payables	140,322	73,814
Other accruals (Note 24.1)	385,952	414,060
Statutory deductions (WHT payable)	70,021	50,630
Royalties	54,077	53,665
Dividend payable	24,095	24,095
Other payables	56,845	54,907
Define contribution plan (Note 24.2)	40,365	20,645
Defined benefit obligation (Note 24.3)	<u>21,848</u>	<u>21,848</u>
	<u>793,525</u>	<u>713,664</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.

	2021	2020
	N'000	N'000
24.1 Other accruals		
Unclaimed wages	3,389	1,316
Directors payable	281	5,303
Accrued electricity	-	2,768
Accrued audit fees	8,894	8,894
Import finance obligation	339,348	347,943
Property clearing	23,263	43,263
Others (Note 24.1.1)	10,778	4,573
	385,952	414,060
24.1.1 This represent unidentified customer lodgment.		
24.2. Defined contribution plan		
At 1 October	20,645	12,506
Provision for the year	77,912	51,347
Payment during the year	(58,192)	(43,208)
	40,365	20,645
24.3 Define benefit obligation		
At 1 October	21,848	29,410
Payment	-	(7,562)
	21,848	21,848

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

25. Maturity profile of financial liabilities

	Due within			Total
	Below one	One - five	Five years	
	year	years	and above	N'000
	N'000	N'000	N'000	
2021				
Loans and borrowings	1,099,734	1,932,727	-	3,032,461
Trade and other payables	793,525	-	-	793,525
	1,893,259	1,932,727	-	3,825,986
2020				
Loans and borrowings	995,852	1,996,220	-	2,992,072
Trade and other payables	713,664	-	-	713,664
Finance lease obligation	6,358	-	-	6,358
	1,715,874	1,996,220	-	3,712,094

26. Current tax liability

	2021 N'000	2020 N'000
At 1 October	193,720	93,400
Payment in the year	(81,180)	(42,933)
Charge for the year (Note 28)	85,259	143,253
Over provision in prior year	(62,073)	-
At 30 September	<u>135,726</u>	<u>193,720</u>

The charge for taxation has been computed in accordance with the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 and the Education Tax Act, CAP E4, LFN 2004 as amended.

27. Deferred tax liability

At 1 October	34,704	93,046
Charge/(write back) in the year	71,522	(58,342)
At 30 September	<u>106,226</u>	<u>34,704</u>

27.1 Deferred tax assets and liabilities

Reconciliation of deferred tax assets and liabilities.

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Property, plant and equipment	(17,709)	-	123,963	91,119	141,672	(14,321)
Exchange loss	(28)	(56,416)	-	-	(28)	(56,416)
Provisions/unrecouped loss/capital allowance	-	-	-	-	-	2,654
Tax liability carried forward	(17,737)	(56,416)	123,963	91,119	106,226	34,703
Tax liability brought forward	-	-	-	-	34,703	93,046
Movement in deferred tax (asset)/liability	<u>(17,737)</u>	<u>(56,416)</u>	<u>123,963</u>	<u>91,119</u>	<u>71,523</u>	<u>(58,343)</u>

	2021 N'000	2020 N'000
28. Current tax		
Income	77,033	132,001
Education tax	8,207	11,253
Police levy	18	-
Over provision in prior year	(62,073)	-
Deferred taxation charged/(write back) (Note 27)	<u>23,186</u>	<u>143,254</u>
As per statement of profit or loss and other comprehensive income	<u>94,708</u>	<u>84,912</u>

The Company income tax computation for the year ended 30 September 2021 was based on the provisions of the Company Income Tax Act Cap C21 LFN 2004.

Education tax was computed at the rate of 2% of assessable profit in accordance with the provisions of the Act.

	2021 N'000	2020 N'000
28.1 Reconciliation of effective tax rate		
The tax expense for the year is reconciled to the profit/(loss) for the year as follows:		
Profit before tax	365,285	297,388
Tax thereon @ 30%	109,585	89,217
Deductible items	13,524	79,587
Balancing charge	1,457	-
Capital allowance	(109,588)	(36,803)
Education tax	8,207	11,253
Deferred tax effect charged/(write back)	71,522	(58,342)
Tax expense for the year	94,708	84,912
Profit after tax	270,576	212,476
	%	%
28.2 The tax rate is reconciled to the effective tax rate as follows:		
Tax rate	30	30
Deductible items	4	27
Balancing charge	-	-
Unrelieved Loss brought forward	-	-
Capital allowance	(30)	(12)
Education tax	2	4
Deferred tax effect	20	(20)
Total effective tax rate	26	29
	N'000	N'000
29. Finance lease obligation		
At 1 October	6,358	20,362
Addition	-	-
Repayment in the year	(6,358)	(14,004)
At 30 September	-	6,358
Analysed into:		
Current portion	-	6,358
Non-current portion	-	-
	-	6,358

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

	2021 N'000	2020 N'000
30. Ordinary shares		
30.1 Authorised:		
2,000,000,000 ordinary shares of 50k each	<u>1,000,000</u>	<u>1,000,000</u>
30.2 Issued and fully paid:		
At 1 October	949,579	863,254
Bonus issue transfer from share premium	<u>-</u>	<u>86,325</u>
At 30 September	<u>949,579</u>	<u>949,579</u>
1,899,158,000 ordinary shares (2020: 1,899,158,000 ordinary shares @ 50k each).		

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

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

	2021 N'000	2020 N'000
30.3 Share premium		
At 1 October	112,606	1,020,603
Transfer to reserve (Note 30.4)	-	(898,164)
Capital restructuring expenses (Note 30.5)	<u>(7,726)</u>	<u>(9,833)</u>
At 30 September	<u>104,880</u>	<u>112,606</u>

30.4 The shareholders at the Annual General Meeting on 5 March, 2020 approved the reduction of the share premium of the Company by N898,164,000 from N1,020,603,000 to N122,439,000 and the amount by which the share premium account is so reduced be credited to a capital restructuring reserve account.

The reduction in share premium was subsequently approved by the court and other regulatory authorities, including Securities and Exchange Commission (SEC) and the Financial Reporting Council of Nigeria.

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

	2021 N'000	2020 N'000
31. Retained earnings		
At 1 October	212,476	(898,164)
Profit for the year	270,576	212,476
Dividend	(123,445)	-
Transfer from share premium (Note30.3)	-	898,164
At 30 September	359,608	212,476

For the current year, the Directors proposed a dividend 7 kobo (2020 : 6.5kobo) per 50k ordinary shares held as at 30 September 2021, amounting to N132,941,060. This is subject to shareholders ratification at the Annual General Meeting. The payment of this dividend is subject to withholding tax at the appropriate rate.

32 Basic earnings per share

Earnings per share (basic) have been computed for each year on the profit after tax attributable to ordinary shareholders and divided by the number of issued and fully paid up 0.50 kobo ordinary shares during the year.

Profit after taxation	270,576	212,477
Number of shares	1,899,158	1,899,158
Earnings per share (kobo)	14	11

33. Information regarding Directors and Employees

33.1 Directors' emoluments

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

Fees:

- Chairman	500	500
- Other Directors	2,800	3,300
- Sitting allowance	1,600	1,600
Emolument of executive directors	62,740	62,740
	67,640	68,140

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

Chairman	500	500
Highest paid director	28,820	28,820

33.3 Scale of Directors' remuneration

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

		2021 Number	2020 Number
	N		
	N		
Below	- 10,000,000	-	-
10,000,001	- 12,500,000	3	3
Above	12,500,001	-	-
		<u>3</u>	<u>3</u>
The number of Directors who received emoluments		<u>4</u>	<u>4</u>
The number of Directors who did not receive emoluments		<u>8</u>	<u>8</u>

33.4 Personnel compensation

Personnel compensation comprised:

	N'000	N'000
Short-term employee benefits	585,034	515,455
Contribution to compulsory pension fund scheme	77,912	51,347
	<u>662,946</u>	<u>566,802</u>
Analysis by function:		
Production	269,444	203,737
Marketing and distribution	205,378	196,839
Administration	188,124	166,226
	<u>662,946</u>	<u>566,802</u>

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

	Number	Number
Management	12	49
Senior staff	150	93
Junior staff	40	54
	<u>202</u>	<u>196</u>

33.6 Scale of employees' remuneration

	N	N	
Below	- 250,000		-
250,001	- 500,000		-
500,001	- 750,000		49
750,001	- 1,000,000	50	43
1,000,001	- 1,250,000	45	25
1,250,001	- 1,500,000	27	9
Above	1,500,001	80	70
		<u>202</u>	<u>196</u>

34. Financial commitments

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

35. Capital commitments

The Directors are of the opinion that there were no capital commitments at 30 September 2021 (2020 - Nil).

36. Contingent liabilities

The Company is subject to various pending litigations arising in the normal course of business. The contingent liabilities in respect of pending litigations based on the response received from the company solicitors' was N153,638,102 as at 30 September 2021 (2020 : N81,974,706). In the opinion of the Directors and based on the response obtained from the legal adviser, the Company is of the opinion that no payment will be made in respect of pending litigations.

37. Impact of Covid-19 on Company's operations

There was an outbreak of Covid-19 Pandemic that started from Wuhan, China since December 2019. On 11th March 2020, the World Health Organization (WHO) declared the virus a pandemic in recognition of its widespread impact across the world. As a result of this, the Federal Government of Nigeria intensified drive for awareness on safety protocols and ordered lockdown in three States of the Federation (Lagos, Ogun and Federal Capital Territory Abuja) previous year for five weeks. The constraints to business in terms of manufacturing logistics this financial year ended was less disruptive when compared to the previous year.

The Company continued to operate its factory to supply healthcare products needed to battle COVID-19 including products like, antiseptics, disinfectants and hand sanitisers which also supported the fight against COVID-19. All these contributed to increase revenue for these relevant products.

The Directors have made assessment of the Pandemic on the Company's ability to continue as a going concern as follows:

Revenue generation

As a Company operating in healthcare and pharmaceutical industry, the Company is in a position to bring out relevant quality products that will be used to manage the disease. The Company was among the first to produce hand sanitizers as the index cases were being reported and continue in the production in the current financial year. This is expected to boost sales for the period of the pandemic and push revenue growth over same period in the previous year. COVID-19 had some negative impact on our supply chain during the business year especially delayed delivery of new manufacturing equipment ordered from India. China, India and some of the European Countries are among the Countries that suffered protracted lock down after the year 2020 which saw the onset of the Pandemic. Being our major source of imported raw materials for production and new equipment supplies, some of our materials came in late alongside new equipment that could aid optimal production and invariably, revenue generation was affected during the year.

Liquidity

In response to the Pandemic, the Central Bank of Nigeria (CBN) has earmarked intervention funds of ₦100 billion for Pharmaceutical/Healthcare companies to support their business in March 2020. The Company was qualified to access this intervention loan, submitted its application and was awarded the sum of ₦2.4 billion in April 2020. This further enhanced the liquidity position of the Company during the year ended 30 September 2021 and supported ongoing expansion of the plant operation towards constructing a WHO cGMP compliant manufacturing plant in Anambra State in the quest for business growth as well as support additional working capital for the plant operations in the current year under review.

Profitability

In the past three years, the business has been reporting profits and the Directors believe that this current year presents an opportunity to maintain the trend. The Company is also improving operating efficiency through cost reduction example: travel is reduced and mixed with virtual meetings in a more cost-effective manner. The business also had challenge accessing foreign exchange to fund importation of raw materials during the COVID-19 Pandemic where FOREX was sourced at parallel market at huge cost. The Company opted for opportunity cost of buying FOREX at higher and expensive rate in the open market to meet urgent raw material importation needs and often had to change from less expensive sea shipment to more costly air shipment to meet production and business needs during the year ended 30 September 2021. The Company is also taking advantage of all opportunities presented at this time including reduced cost of financing through CBN intervention Funds, securing reduced loan interests rates from our bankers, managing overhead and administrative cost most efficiently and advocating cost controls across our business units.

In view of the above, the Directors are of the opinion that COVID-19 has no negative impact on the going concern status of the Company.

38. Events after reporting date

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

39. Comparative figures

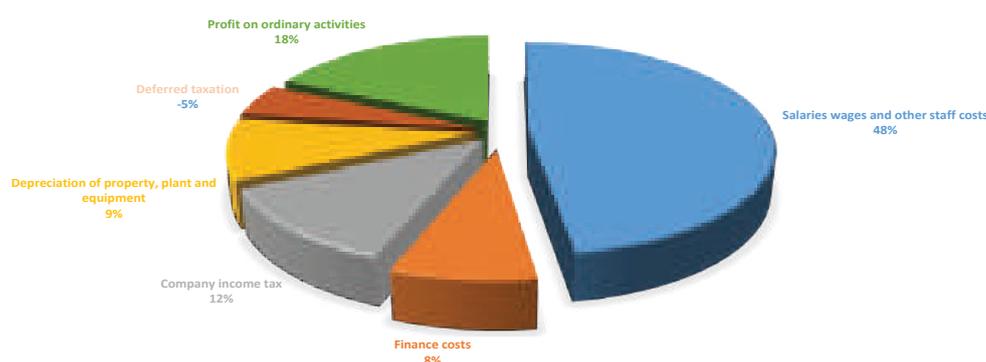
Where necessary, comparative figures have been reclassified to ensure proper disclosure and uniformity in the current year's presentation. This reclassification have no net impact on these financial statements.

Statement of Value Added
for the Year Ended 30 September 2021

	2021 N'000	%	2020 N'000	%
Turnover	3,046,661		2,839,119	
Other income	202,023		146,169	
	3,248,684		2,985,288	
Cost of goods and services - local	(696,026)		(572,975)	
Cost of goods and services - foreign	(1,229,147)		(1,224,642)	
Value added	1,323,512	100	1,187,671	100
Applied as follows:				
To pay employees:				
Salaries wages and other staff costs	662,946	49	566,803	48
To providers of capital:				
Finance costs	188,216	14	212,757	18
To pay Government:				
Company income tax	23,186	2	143,254	12
To provide for assets replacement:				
Depreciation of property, plant and equipment	107,065	8	110,723	9
Retained for future expansion:				
- Deferred taxation	71,522	5	(58,342)	(5)
- Profit on ordinary activities	270,576	20	212,476	18
Value added	1,323,512	100	1,187,671	100

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

VALUE ADDED STATEMENT - 2021

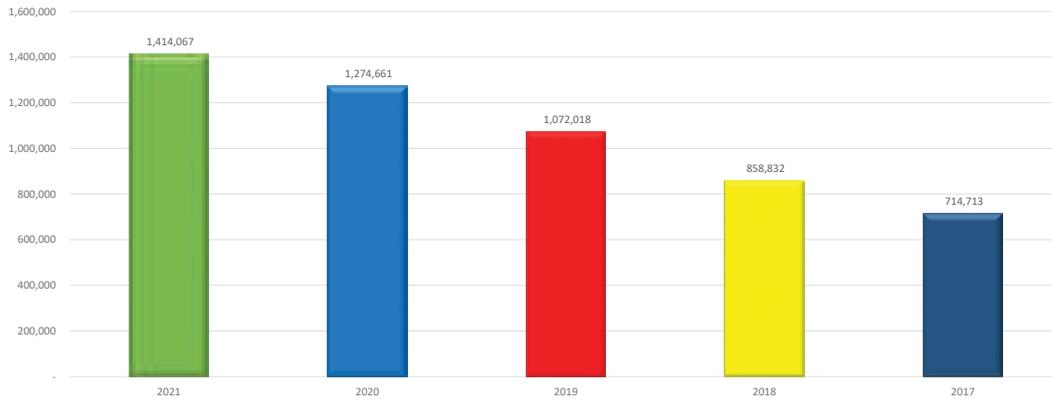


	2021 N'000	2020 N'000	2019 N'000	2018 N'000 *Restated	2017 N'000 *Restated
Statement of financial position					
Property, plant and equipment	1,411,998	1,175,242	757,878	714,377	568,933
Intangible assets	-	-	-	-	24,765
Investment property	35,096	35,965	-	-	-
Net current assets	2,708,100	2,976,809	560,837	390,665	400,769
Non current liabilities	(2,741,127)	(2,913,355)	(248,697)	(246,210)	(279,754)
Net assets	1,414,067	1,274,661	1,070,018	858,832	714,713
Equity and reserves					
Ordinary shares	949,579	949,579	949,579	863,254	863,254
Share premium reserve	104,880	112,606	1,020,603	1,113,889	1,113,889
Retained earnings/ accumulated loss	359,608	212,476	(898,164)	(1,118,311)	(1,262,430)
Total equity and reserves	1,414,067	1,274,661	1,072,018	858,832	714,713
Statement of comprehensive income					
Turnover	3,046,661	2,839,119	2,371,311	2,269,004	1,534,003
Profit/(loss) before tax	365,285	297,388	304,439	166,460	(404,920)
Taxation	(94,708)	(84,912)	(84,292)	(18,444)	(6,564)
Profit/(loss) for the year	270,576	212,476	220,147	148,016	(411,484)
Other comprehensive income/ (loss) for the year	-	-	-	-	-
Total comprehensive income/ (loss) for the year	270,576	212,476	220,147	148,016	(411,484)
Per share data:					
Earnings/(loss) per share (kobo) - Basic	14	11	12	8	(24)
Net assets per ordinary share (kobo)	74	67	56	45	41

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

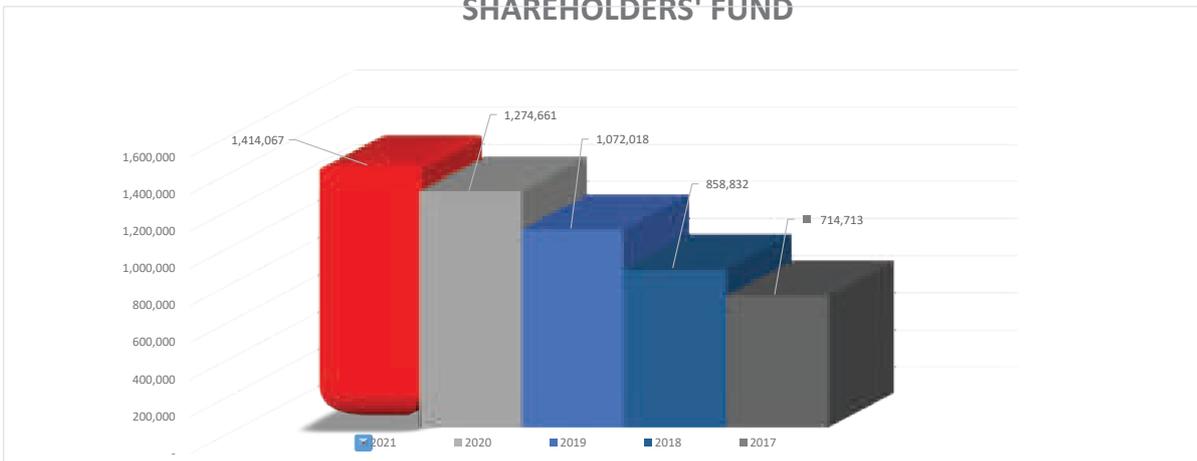
NET ASSETS



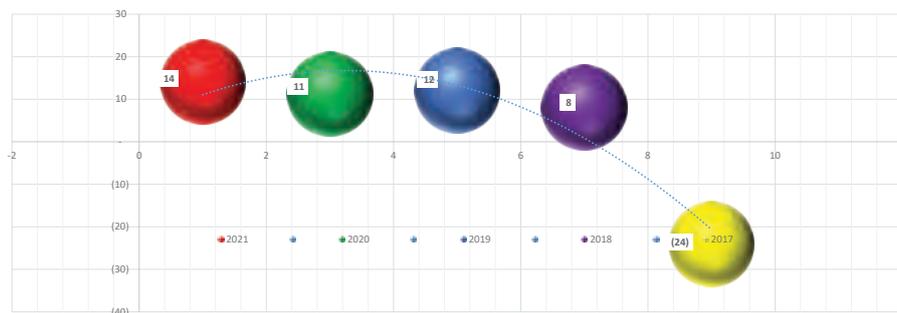
PROFIT AFTER TAX



SHAREHOLDERS' FUND



EARNING PER SHARE



UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Members are hereby informed that since Pfizer Product Plc became a Public Quoted Company, and subsequent Management Buy Over by Neimeth International Pharmaceuticals Plc, 31 Dividends had been declared and Seven (7) bonus certificates had been issued.

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

A. DIVIDEND ISSUED

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

B. CERTIFICATES ISSUED

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

At the moment, the unclaimed accounts show that some dividend warrants have not been presented to the Banks for payment. A number of share certificates have also been returned to the Registrar as unclaimed.

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

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

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

NEIMETH INTERNATIONAL PHARM PLC CAPITAL HISTORY

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



The 63rd Annual General Meeting of the members of **Neimeth International Pharmaceuticals Plc** will be held at NECA House Plot A2, Hakeem Balogun Street, Alausa, Ikeja, Lagos on Tuesday 22nd March 2022 at 11.00 a.m.

I/We* _____

Of _____

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

Or failing him, the Chairman of the meeting as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held on 22nd March 2022 and any adjournment thereof.

Dated this..... day of 2022

Shareholder's Signature.....

IF YOU ARE UNABLE TO ATTEND THE MEETING

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

Provision has been made on this form for any of the listed Directors of the Company to act as your proxy, but if you wish, you may insert in the blank space on the card (marked*) the name of any of the below listed proposed proxies who will attend and vote on your behalf instead of the Directors.

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

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

List of Proposed Proxies:

1. Pharm. Matthew Azoji
2. Pharm. Mrs. Roseline Oputa
3. Mr. Boniface Okezie
4. Mr. Mathew Akinlade
5. Pst. Alex Adio
6. Mr. Nornah Awoh
7. Dr. Marcel Ojinka
8. Mr. Augustine Ezechukwu
9. Mr. Patrick Ajudua
10. Dr. Anthony Omojola
11. Mr. Moses Igbrude
12. Mrs. Esther Augustine
13. Mr. Bright Nwabughogu

NUMBER OF SHARES				
	RESOLUTION	FOR	AGAINST	ABSTAIN
1.	Receive the Report of the Directors, the Statement of Financial Position as at September 30th, 2021, together with the Statement of Comprehensive Income for the year ended on that date and the Reports of the Auditors and Audit Committee thereon.			
2.	Declare Dividend			
3.	Re-elect as Directors i. Mazi S. I. Oluabunwa ii. Mrs. T. O. Nelson			
4.	To approve the appointment of a new External Auditor for the Company and to authorize the Directors to fix their remuneration.			
5.	Disclose the remuneration of managers			
6.	Elect Shareholders Representatives of the Statutory Audit Committee			
7.	Special Business: Approve the remuneration of Directors			
8.	Consider and if thought fit, pass the following resolutions as Special Resolutions: That the accounting reference date and financial year-end of the Company be and is hereby changed from 30 th September to 31 st December.			
9.1	That subject to obtaining the approval of the relevant regulatory authorities, the Directors of the Company (the "Directors") be and are hereby authorised to raise equity capital of ₦3,679,618,625 (Three Billion, Six Hundred and Seventy Nine Million, Six Hundred and Eighteen Thousand, Six Hundred and Twenty Five Naira Only) by way of creation of 2,373,947,500 Ordinary Shares of 50kobo Each at ₦1.55k per share on the basis of five (5) new Ordinary Shares for every four (4) Ordinary Shares (Rights Issue) on such other terms and conditions as the Directors may deem fit to determine.			
9.2	That the Rights Issue be underwritten by an appointed Underwriter on a standby basis to ensure full subscription to the Rights Issue and that in the event of an under-subscription of any Rights Issue undertaken by the Company, the Shareholders hereby waive their pre-emptive rights to any unsubscribed shares under the Rights Issue and the Directors are hereby authorised to issue such shares to interested investors, as far as practicable, on the same terms as the Rights Issue.			
9.3	That the Directors of the Company be and are hereby authorised to do all acts and things and to approve, sign and/or execute all documents, appoint such professional parties and advisers, perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of any regulatory authority.			
9.4	That all acts carried out by the Directors and Management of the Company hitherto in connection with the above, be and are hereby ratified.			
10.1	That the Company raise equity capital of ₦1,320,381,375.60 (One Billion, Three Hundred and Twenty Million, Three Hundred and Eighty-One Thousand, Three Hundred and Seventy-Five Naira and Sixty Kobo Only) by way of Special/Private Placement to finance the establishment of a new plant and working capital needs.			
10.2	That the Company issue up to 628,753,036 ordinary shares of 50k each at ₦2.10k per Share to raise the above capital.			
10.3	That the level of dilution from the above capital raise be limited to 12.83%.			
10.4	That the Directors be and are hereby authorized to enter into any necessary agreements towards the implementation of the above resolutions.			
11	That the Minimum Issued Share Capital of the Company be increased from ₦1,000,000,000.00 to ₦2,450,929,268 by the creation of additional thereunto of 2,901,858,536 Ordinary Shares of 50kobo each, such new shares to rank pari-passu in all respects with the existing shares in the capital of the Company'.			
Please indicate with an "X" in the appropriate box for how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.				

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



ADMISSION CARD

To the Annual General meeting to be held at 11.00 a.m. on Tuesday, 22nd March 2022 at NECA House, Plot A2, Hakeem Balogun Street, Alausa, Ikeja, Lagos.

PLEASE NOTE

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

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

Signature of person attending.....

SERIAL NUMBER.....
NUMBER OF SHARES.....



Application Form

for e-bonus & e-dividend

Neimeth International Pharmaceuticals Plc
(RC: 1557)

Dear Shareholder(s)

SHAREHOLDER\S DATA UPDATE

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

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

E-mail Add: Name of Bank

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

No. of Units held

NAME OF SHAREHOLDER/CORPORATE SHAREHOLDER

PRESENT/NEW ADDRESS.....
.....
.....

REGISTRAR’S USE
NAME.....
SIGNATURE.....
USE

NAME OF COMPANY IN WHICH YOU HAVE SHARES

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

Yours faithfully,

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

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

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

2022

SIGNATURE/RIGHT THUMBPRINT OF SHAREHOLDER

--

In case of Corporate Shareholder, use company seal.

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC
(RC: 1557)





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

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- Convenient packaging
- No water needed



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Neimeth International Pharmaceuticals Plc

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

Customer Satisfaction Line: 09032523202

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- During Pregnancy
- During Breastfeeding
- Supplement for blood loss during menstruation



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Neimeth International Pharmaceuticals Plc

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