

Bi  **vaccines**
NIGERIA LIMITED

RC 633335

Advancing health through Innovation

Annual Report & Accounts 2022



One Nation, One Voice, One Commitment

"Vaccines are one of the most cost-effective healthcare interventions with significant economic impact"

For every \$1 spent on immunisation

\$16
healthcare impact
reduction in morbidity
and mortality

\$44
broader economic
& social benefits

Source: GAVI estimates (*Health Affairs* 35 NO. 2 (2016) <https://doi.org/10.1377/hlthaff.2015.1086>)

Mobilising all stakeholders
to achieve **Vaccine Security**
for Nigeria

Bi  **vaccines**
NIGERIA LIMITED
Advancing health through innovation



M&B

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CHAIRMAN'S STATEMENT - CONT'D

d) Visit by the Indonesian Ambassador

We hosted the Indonesian Ambassador at the BVNL Head Office on August 4, 2022. AVM (Ret.) Dr H. Usra Hendra Herahap, the Ambassador to Nigeria and 14 other African countries; Benin, Togo, Burkina Faso, Ghana, Gabon, Cameroun, Liberia, Congo, Niger, São Tome & Principe, Equatorial Guinea, Central African Republic, Chad and ECOWAS, led a team of four. The Ambassador's visit further demonstrated and strengthened the support of the Government and people of Indonesia for the capacity-building efforts in Nigeria.

e) Visit by Serum Institute, India (SII) Director of International Business

Mr Vijay Patil – Director, International Business, Serum Institute, India on September 12-15, 2022, also visited us on account of our collaboration on this most important project for our dear country.

Outlook

We have suffered a lot of unnecessary delays and must double our resolve to demonstrate the required sense of urgency necessary for a project of this nature. Whilst appreciating the efforts of the outgoing government in ensuring that local vaccine production takes off, there were too many diversions and stumbling blocks along the way, which delayed the journey. As such, we are very hopeful on the incoming government to accord this project the required priority. For the health security of the nation, and especially the life of our children, the commencement of local vaccine production in Nigeria must be accorded a national issue of great concern and emergency status. There must be a national consensus on this issue, in which we all agree to subsume our personal and individual interests below the national interest. The future, indeed, derives from today.

I maintain that it always seems impossible until it is done! To move from 1% local manufacturing and 99% import to no less than 60% local manufacturing and 40% import, by 2040. The vision of the African Union/ Africa Centre for Disease Control (CDC) is clear. We must be deliberate in taking the small steps to get us there. It only requires courage and hardwork.

Again, I wish to thank our Shareholders, my distinguished colleagues on the board, and the management and staff of our company for their continuing contributions and keeping faith with this most important Nigerian aspiration.

Thank you.



Professor Oyewale Tomori
Chairman, Board of Directors

► NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 17th (Seventeenth) Annual General Meeting of **BIOVACCINES NIGERIA LIMITED** will be held at the Company's Offices, 445 Herbert Macaulay Way, Yaba, Lagos on Thursday, 17th August 2023 at 2.00 p.m. for the following purposes:

ORDINARY BUSINESS:

1. To lay before the meeting, the Financial Statements for the year ended 31st December 2022 and the Reports of the Directors and Auditors thereon.
2. To disclose the remuneration of Managers.
3. To authorise the Directors to fix the remuneration of the Auditors.

SPECIAL BUSINESS:

4. To approve the remuneration of the Directors for the year ended 31st December 2022.

BY ORDER OF THE BOARD



A.O. OYEBANJO
For: MARINANOMINEES LIMITED
Secretaries to the Company

LAGOS

13th April 2023

Note:

A Form of Proxy is contained herein for execution by your authorised officers and, to be valid, the Form must be stamped by the Commissioner for Stamp Duties.

► CHAIRMAN'S STATEMENT

Our Distinguished Shareholders: The Federal Government of Nigeria (FGN) May & Baker Nigeria PLC (MBN) Members of the Board of Directors Ladies and Gentlemen of the press

You are welcome to the 17th Annual General Meeting of our company, and I am delighted to present before you the Annual Report and Accounts of our company for the year ending December 31, 2022.

The COVID-19 pandemic, the first global pandemic of this century appears to have ebbed. The WHO in September 2022 declared that the end of the pandemic is in sight. Many countries have relaxed the restriction measures on account of the success of vaccines and chemotherapies in reducing the chances of dying from COVID. Many people had also gotten infected and developed some immunity to the virus.

Operating Environment

2022 was characterised by multiple shocks arising from the continuing recovery from the COVID-19 pandemic, the global supply chain disruptions on account of the protracted Russia-Ukraine standoff, spiralling inflation, and the rising interest rates to check inflation. The rising interest rates is creating debt crises for many poorer nations. Real incomes were significantly impacted by rising food and energy prices, precipitating a global cost of living crisis, especially for the most vulnerable groups.

These global events have also impacted Africa in the reduced continental real GDP growth from 4.8% in 2021 to 3.8% in 2022.

Nigeria's GDP growth slowed to 3.3% in 2022 from 3.6% in 2021, largely due decline in oil production. Growth in per capita income declined to 0.8% in 2022 from 1.2% the previous year. Inflation peaked at 18.8% propelled by energy and food prices increase and the trickle-down effect of the currency devaluation. Recall that the price of diesel went from N321/litre in January to N800/litre in December 2022. The monetary policy rate peaked at 16.5% in November 2022 from 11.5% in January to check the rising inflation.

Poverty remained high at 63% (113 million Nigerians now live in poverty), according to the 2022 Nigerian Multidimensional Poverty Index, and unemployment continues to trend at 33.3%. The fiscal deficit reduced to 4.9% of GDP in 2022 from 5.2% in 2021 and was financed with borrowing. Consequently, public debt grew to US\$ 103.1 billion (about 22% of GDP) from US\$ 92.6 billion in 2021. External reserves went down by 7.5% to US\$ 37.1 billion

Exchange rate devaluation continued with the gap between the official CBN rates and the parallel market

CHAIRMAN'S STATEMENT - CONT'D

widening. Whilst the parallel rate moved from N516/USD\$1 in January to N735/USD\$ in December (30%), the official CBN rate moved from N433/USD\$1 in January to N461/USD\$ in December (4%).

2022 was also an electioneering campaign year. Politics took centre stage by Q2 and relegated the economy to the background.

The Vaccines Industry

The 2022 World Market for Vaccines Report estimated the global vaccine market size for preventive vaccines at US\$ 202.6 billion, up from US\$ 34.1 billion and US\$25 billion in 2017 and 2010 respectively. COVID-19 vaccines being the largest segment constitute approximately two-thirds of the 2022 figures.

Research and development efforts to introduce newer vaccines for diseases of pandemic potential will continue to drive growth. On August 31, 2022, the Coalition for Epidemic Preparedness (CEPI) announced the Phase 1 Clinical Trial for four of their six Lassa fever candidate vaccine by the International AIDS Vaccine Initiative (IAVI) in Ghana and Liberia. Other growth drivers include population growth, rising life expectancy, and indication expansion. However, concerns about safety, availability in developing countries, and refusal to get vaccinated are likely drawbacks.

The distribution and manufacturing capacities continue to be skewed leading to regional supply insecurity especially for the African region, as we saw with COVID. Consequently, a fine balance between the triad of strategic national/country objectives, global health security and commercial incentives must be maintained to guarantee equitable access to vaccines.

Financial Results

For the year ended December 31, 2022, we posted a cumulative loss of -N-50.1 million, a narrowing of 26% on the previous year's loss of -N-66.6 million, as shown in our audited financial report. This is on account of the contraction in our Admin expenses from -N-93 million in 2021 to -N-74 million in 2022. Our Licences and permits, and Professional and consultancy fees reduced significantly. Commercial activity did not commence in 2022 as anticipated. Consequently, the required revenue to absorb the expenses did not happen. However, the Federal Executive Council approval for the Market Access MOU has come through in September 2022.

Developments in the company

Despite the distractions due to the preparations for the general elections, a few very significant achievements were bagged in 2022. They include.

a) Environmental Impact Assessment (EIA) Report Approval

The Federal Ministry of Environment has approved the BVNL Integrated Biotech Park Pharmaceutical (vaccine) manufacturing at the 15.3 hectares greenfield site, Ota Local Government Area, Ogun State.

b) Market Access MOU Approval

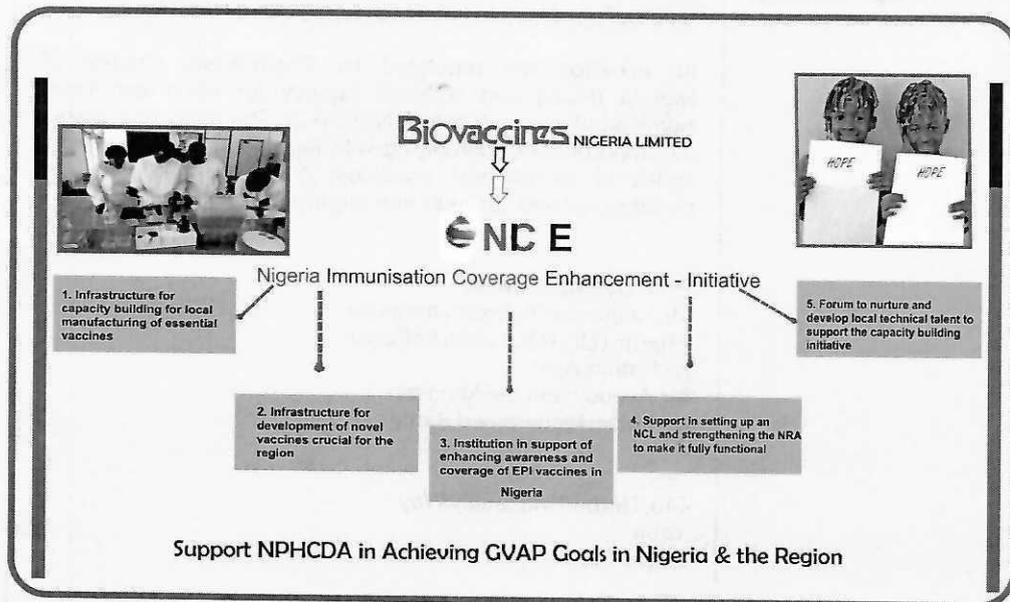
The Federal Executive Council (FEC) approved the Market Access MOU conditional for Technology Transfer on September 14, 2022. We are, however, yet to receive the Instrument of Ratification.

c) NOTAP Approval

We had since signed contracts for the design of the BVNL greenfield facility and obtained the approval of the National Office for Technology Acquisitions and Promotions (NOTAP) to activate the contract. This is again another major step forward on the project.

ABOUT BIOVACCINES NIGERIA LIMITED

Biovaccines Nigeria Limited (BVNL) is a Joint Venture between the Federal Government (FGN) and May & Baker Nigeria PLC (MBN). It was incorporated as a Special Purpose Vehicle to revive vaccine production in the country. However, due to statutory technicalities, the Board was re-inaugurated in January 2018. The re-inauguration of the Board became possible following the ratification of the Joint Venture arrangement by the Federal Executive Council of the President Muhammadu Buhari led administration at its June 8, 2017 meeting and signing of the Instrument of Ratification by President Muhammad Buhari on August 29th, 2017. The company is owned 51% by MBN and 49% by FGN.



Starting from the 1940's, Nigeria produced some categories of vaccines, such as Yellow Fever, Smallpox and Anti Rabies, through the efforts of the Federal Vaccine Production Laboratory (FVPL) in Yaba, Lagos, with long term plans to extend to other vaccines for Routine Immunization. But, the FVPL was shut down in 1991 for upgrading and modernization. However, the Lab could not be reopened because of failure to achieve the required World Health Organization (WHO) standards of Good Manufacturing Practice (GMP). Consequently, the country found herself an importer of all her human vaccines.

This made the Federal Government of Nigeria (FGN) to consider the involvement of the private sector in the venture. And in 2004, the FGN decided to go into partnership with experienced, tested and knowledgeable private sector players. This strategy would harness the savviness of the private sector business acumen, supported by the instrumentality of the Federal Government, to ensure that such sensitive activity is kept within, given the health security implications for the country.

Objectives

Our objective is to produce safe and affordable vaccines for Nigeria and create a regional centre for vaccine production in the West Africa sub region to reverse high morbidity and mortality from Vaccine Preventable Diseases (VPD).

Our Vision

To be a trusted ally in immunization in Africa

Our Mission:

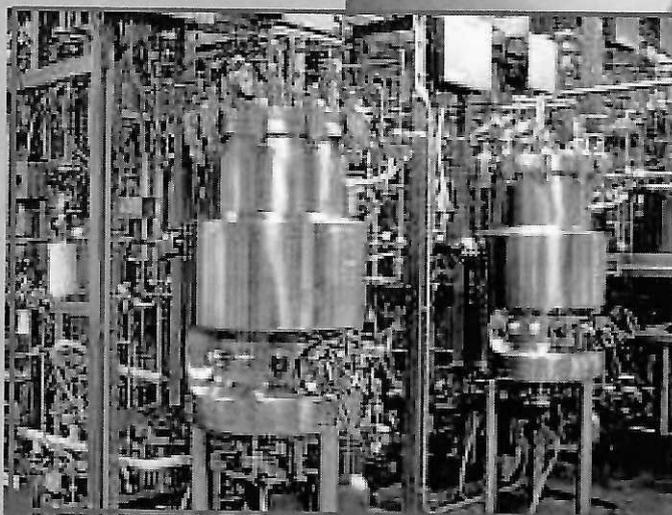
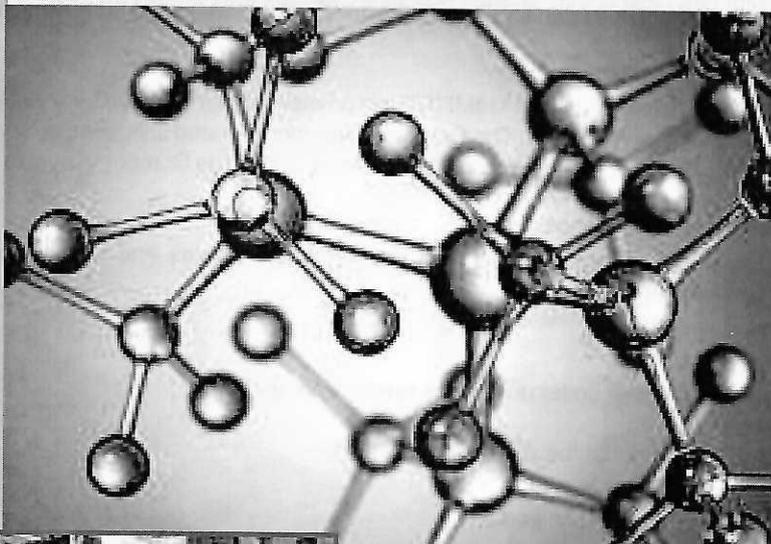
To accelerate disease control, protect and support human health through research and development, Manufacturing and supply of essential and novel vaccines.

CORPORATE INFORMATION

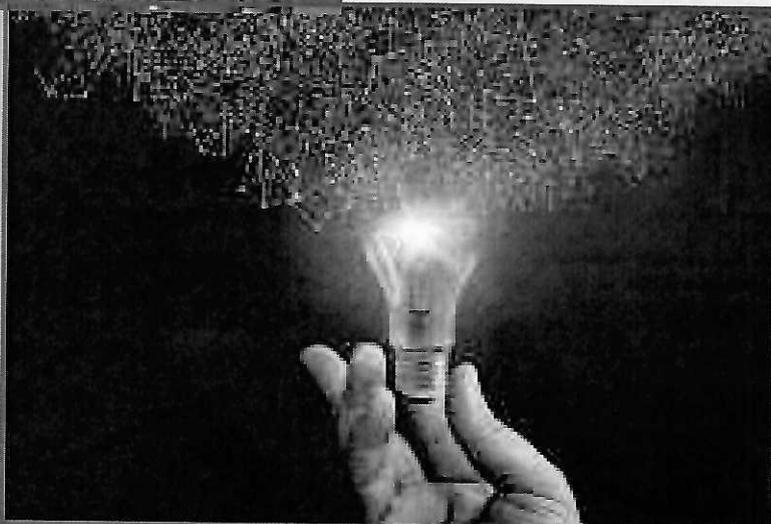
BIOVACCINES NIGERIA LTD	(Registration Number: RC 633335)
Country of Incorporation and domicile	Nigeria
Company Registration Number	RC 633335
Nature of Business and Principal activities	<p>Biovaccines Nigeria Limited is into production, sales and distribution of human vaccines, biologicals and devices.</p> <p>Its activities are regulated by Pharmacists Council of Nigeria (PCN) and National Agency for Food and Drug Administration and Control (NAFDAC). The entity recognizes the importance of complying with legislation, regulation and codes of global best practices; it is also committed to professional and business integrity in all its activities.</p>
Directors	<p>Prof. Oyewale Tomori Mr. Kolawole Olalekan Durojaiye Pharm. (Mrs) Olubunmi Aribeana Mr Patrick Ajah Mr. Ayodeji Samuel Aboderin Dr. Faisal Mohammed Barbas Shuaib</p>
Registered Office	<p>445, Herbert Macaulay Way Yaba Lagos State</p>
Factory Address	<p>Igbo Oloye Village Ota Ogun State</p>
Bankers	<p>Zenith Bank Plc Fidelity Bank Plc</p>
Auditors	<p>Howard Partners & Co. 228, Ikorodu road, Obanikoro, Lagos</p>
Company Secretary	<p>Marina Nominees Limited 233, Ikorodu road, Lagos</p>
Lawyers	<p>Usman and Elema (Barrister and Solicitors) 2, Reverend Ogunbiyi Street Off Obajinjobi Way, GRA Ikeja Lagos.</p>

Tipping Point For Developing Nigeria's Biotechnological Base

Acquiring the technology for local vaccine manufacturing would greatly impact on the development of the biotechnological base that Nigeria requires to fast-track its technological advancement not only in the health sector but also in other sectors. This is because vaccine development is very complex and requires specialised human resources, special facilities and equipment.



One of the motivations for seeking local vaccine manufacturing capacity is the fact that Nigeria has a large birth cohort which makes her vaccine market to be attractive to potential technology transfer partners. This is the time for Nigeria to **USE HER LARGE VACCINE MARKET** to **ATTRACT** the **BIOTECHNOLOGICAL CAPACITY** she needs to advance her **DEVELOPMENT** in many sectors of the economy.



DIRECTORS REPORT

For The Year Ended 31st December, 2022

The Directors are pleased to submit to members of Biovaccines Nigeria Limited ("the Company") their report together with the financial statements and the Auditors' report thereon as at 31st December 2022.

LEGAL FORM

BIOVACCINES NIGERIA LIMITED is a private company limited by shares established in partnership with Federal Government of Nigeria. The Company was incorporated in Nigeria in September 2005 and formally handed over to May & Baker Nigeria Plc on 27 November, 2005. The Company is yet to commence commercial operations.

PRINCIPAL ACTIVITIES

Biovaccines Nigeria Limited is into production, sales and distribution of human vaccines, biologicals and injection devices.

RESULTS

During the year under review, the results were as follows :

	2022 N'000	2021 N'000
Loss for the year before taxation	(50,128)	(67,669)
Taxation	-	-
Loss after Taxation	<u>(50,128)</u>	<u>(67,669)</u>

Shareholding structure

The shareholding structure during the period were :

	Shareholding	Percentage
May & Baker Plc	51,000,000	51%
Federal government of Nigeria	49,000,000	49%
	<u>100,000,000</u>	<u>100%</u>

The Directors had no other interest in the shares of the Company other than as shown above.

In accordance with Section Section 303 of the Companies and Allied Matters Act (CAMA) 2020, none of the Directors has notified the Company of any declarable interests in contracts with the Company.

EMPLOYMENT OF DISABLED PERSONS

BIOVACCINES NIGERIA LIMITED has no disable persons in its employment. However , applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled, every effort will be made to ensure that their employment with the Company continues and that appropriate training is arranged . it is the policy of the Company that the training , career development and promotion of disabled persons should as far as possible be identical with that of other employees.

EMPLOYEES' INVOLVEMENT AND TRAINING

The Company is committed to keeping employees fully informed as much as possible regarding the Company's performance and progress and seeking their views where practicable on matters, which particularly affect them as employee.

► DIRECTORS REPORT - CONT'D

For The Year Ended 31st December, 2022

HEALTH, SAFETY AND WELFARE ARRANGEMENTS

Health and safety precautions are in force at the employees' place of work and the Company takes interest in the welfare of its employees. The Company provides first-aid within the office for employees. Company also organises safety lectures and courses on a regular basis for employees. Fire-fighting, suppression and detection equipment are provided at the Company's premises. The Company provides subsidies to employees in the areas of transportation, lunch and housing.

PROPERTY, PLANT AND EQUIPMENT

Movement in property, plant and equipment during the year is shown on Note 11 to the financial statements. In the opinion of the directors, the market value of the Company's properties is not less than the value shown in the financial statements.

SUPPLIERS

The Company obtains all its materials and supplies at arm's length from various overseas and local suppliers.

CUSTOMERS

Major customers of the Company are corporate and private customers.

CHARITABLE GIFTS AND DONATIONS

There were no donations made during the year.

COMPANY SECRETARIES

The Company retained Marina Nominees Limited as the company secretary.

AUDITORS

The Auditors, Messrs Howard Partners & Co., have indicated their willingness to continue in office in accordance with Section 401(2) of the Companies and Allied Matters Act 2020.



Abiodun Oyebanjo
FRC/2013/ICSAN/00000003281
For: Marina Nominees Limited
Company Secretaries
Lagos, Nigeria
21st April, 2023.

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

For The Year Ended 31st December, 2022

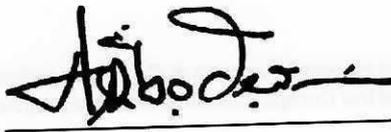
The Companies and Allied Matters Act (CAMA) 2020 requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. The responsibilities include ensuring that 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 (CAMA) 2020;
- (b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- (c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act (CAMA) 2020.

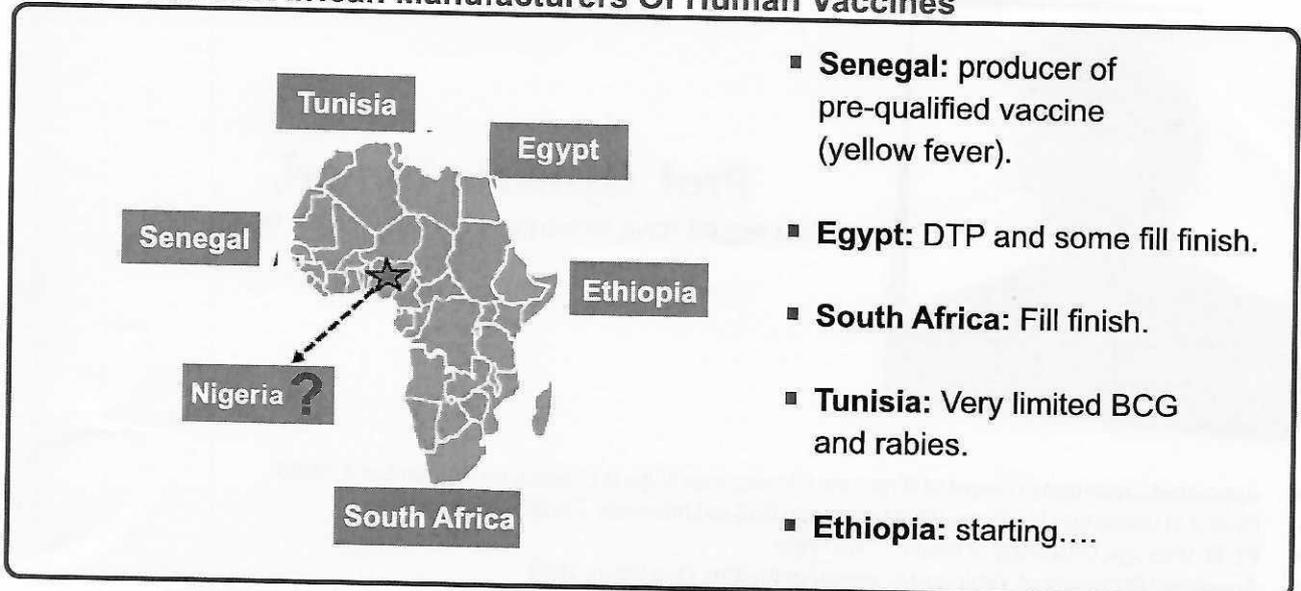
The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of 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.


Director
Director

The Most Populous Country in Africa Does Not Produce Vaccines

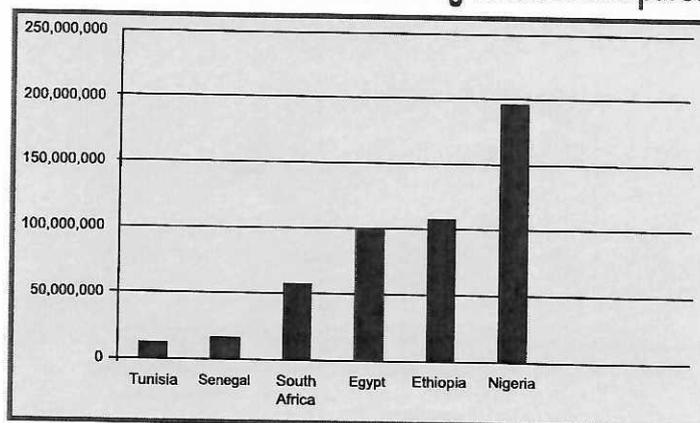
Current African Manufacturers Of Human Vaccines



Source: http://www.who.int/immunisation/research/forums_and_initiatives/1_William_Ampofo_Vaccine_Manufacturing_Africa.pdf

- Large population is usually a boost for any country intending to develop vaccine manufacturing capacity. Yet, Nigeria, the most populous country in Africa does not produce human vaccines.
- The population of countries in Africa which produce human vaccines are not anywhere close to Nigeria's population. This belies the country's touted stature as the 'giant of Africa'.
- On February 25, 2016, African Ministers of Health, Finance, Education, Social Affairs and Local Government signed on behalf of their governments the Addis Declaration on Immunisation and made a commitment to "Promoting and investing in regional capacity for the development and production of vaccines in line with the African Union Pharmaceutical Manufacturing Plan including the strengthening of national regulatory authorities".
- The time has therefore come for Nigeria to ACT to bring to life this Commitment.

Current population of African countries manufacturing vaccines compared to Nigeria's population



Population figures source: Worldometers (www.worldometers.info)

► BOARD OF DIRECTORS AND THE MANAGEMENT PROFILE

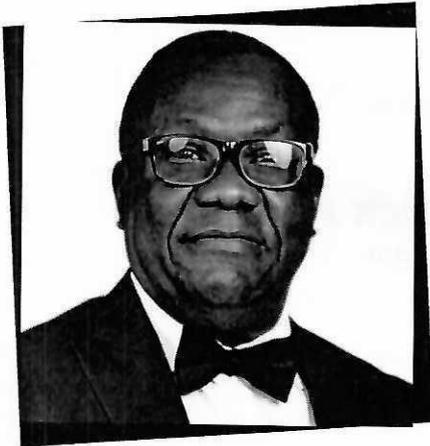


Prof. Oyewale Tomori,

DVM, Ph.D, FAS, FCVSN, FRCPath (UK) NNOM, FASTMH, NAM - Chairman

- Appointed Chairman of Board of Directors, Biovaccines Nigeria Limited, on September 1, 2005
- Doctor of Veterinary Medicine (DVM) Ahmadu Bello University, Zaria, Kaduna State
- Ph.D. Virology, University of Ibadan, Oyo State,
- Appointed Professor of Virology, University of Ibadan, Oyo State, 1981
- United States Department of Health and Human Services Public Health Service Certificate of contribution to Lassa Fever research 1981
- Head of Department, Department of Virology, University of Ibadan, Oyo State, 1984
- Regional Virologist, WHO Africa Region 1994-2004
- The immediate past President of the Nigerian Academy of Science,
- The pioneer Vice-Chancellor (2004-2011), at the Redeemer's University, Nigeria.
- Fellow of the Royal College of Pathologists (UK), Nigeria Academy of Science, Nigeria College of Veterinary Surgeons and American Society of Tropical Medicine and Hygiene.
- Recipient of Nigeria National Order of Merit (NNOM), Nigeria's highest award for academic, intellectual attainment and national development
- International member of the US National Academy of Medicine.
- Served and currently serves on several national and international advisory bodies
- Member of the 15 Commissioners and Vice Chairman of the Commission on Creating a Global Health Risk Framework for the Future and the World Bank IWG on Financing Preparedness and Response.
- Senior Editor of the African Journal of Laboratory Medicine (AJLM)
- Currently serves on the ASLM Board as well as that of the Network of African Science Academies (NASAC).
- Date of birth: February 3, 1946

► BOARD OF DIRECTORS AND THE MANAGEMENT PROFILE



Kolawole Olalekan Durojaiye

HICB, FCA Director

- Appointed member of Board of Directors, Biovaccines Nigeria Limited, on December 9, 2021
- Masters in Banking and Finance (MBF) University of Lagos.
- Director, CBN, April -July 2017.
- Fellow, Institute of Chartered Accountants of Nigeria (ICAN) (FCA)
- Vast training and exposure in strategy formulation, development, and implementation of core business functions
- Vast experience in various capacities on research, training, auditing, accounting, and banking supervision.
- Date of birth: August 3, 1960



Pharm. (Mrs.) Olubunmi Stella Aribéana

Director

- Appointed member of Board of Directors, Biovaccines Nigeria Limited, on April 21, 2022
- Bachelor of Pharmacy, Obafemi Awolowo University, Ile-Ife, Osun State, 1990
- M.Pharm., University of Lagos, Akoka, Yaba, 2007
- Diploma in Supply Chain Management, MIT
- Member PSN
- Director, Food and Drug Services, Federal Ministry of Health (FMoH)
- Date of birth: June 22, 1966

BOARD OF DIRECTORS AND THE MANAGEMENT PROFILE



Mr. Patrick Ajah

Director

- Appointed member of Board of Director Biovaccines Nigeria Limited February 10, 2021
- Managing Director/CEO of May & Baker Nigeria PLC
- (B. Pharm) degree from the University of Ibadan, Oyo State, in 1994
- MBA Obafemi Awolowo University (2002-2005)
- Wealth of experience with several awards for outstanding performance
- Has participated in several professional and leadership courses
- Date of birth: January 10, 1967



Ayodeji Aboderin

Director

- Appointed member of Board of Directors, Biovaccines Nigeria Limited, on January 19, 2018
- Higher National Diploma in accounting from the Polytechnic, Ibadan. 1993
- Holds a Commonwealth Executive MBA degree from the National Open University of Nigeria and Commonwealth of Learning, Canada.
- Director, Finance and Accounts, May & Baker Nigeria Plc
- Alumnus of the Prestigious Lagos Business School/Pan-Atlantic University
- Member of both the Chartered Institute of Management Accountants, UK and the Association of International Certified Professional Accountants
- Fellow, Institute of Chartered Accountants of Nigeria (ICAN) (FCA)
- Member, Institute of Directors (AIOD)
- Cognate experience in the FMCG industry and has worked across diverse blue-chip multinational companies.
- Date of birth: October 20, 1968

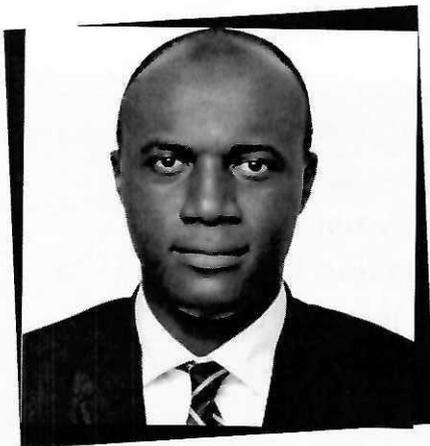
► BOARD OF DIRECTORS AND THE MANAGEMENT PROFILE



Dr. Faisal Shuaib

MD, MPH, Dr PH-Director

- Appointed member of Board of Directors, Biovaccines Nigeria Limited, on January 19, 2018
- Holds a medical degree from the Ahmadu Bello University Zaria,
- Doctor of Public Health degree from the University of Alabama at Birmingham, USA
- Senior Program Officer at the Bill and Melinda Gates Foundation in Seattle, USA
- Served as the Incident Manager/Head of the Nigeria Ebola Emergency Operation Center during the July-October 2014 outbreak of Ebola Virus Disease.
- Senior Technical Advisor to the Minister of State for Health on Immunization and Polio Eradication.
- Executive Director/Chief Executive Officer of National Primary Health Care Development Agency (NPHCDA) 2017 till date
- Broad experience as states coordinator of WHO activities in North Central Nigeria
- Date of birth: August 14, 1969



Everest Okeakpu

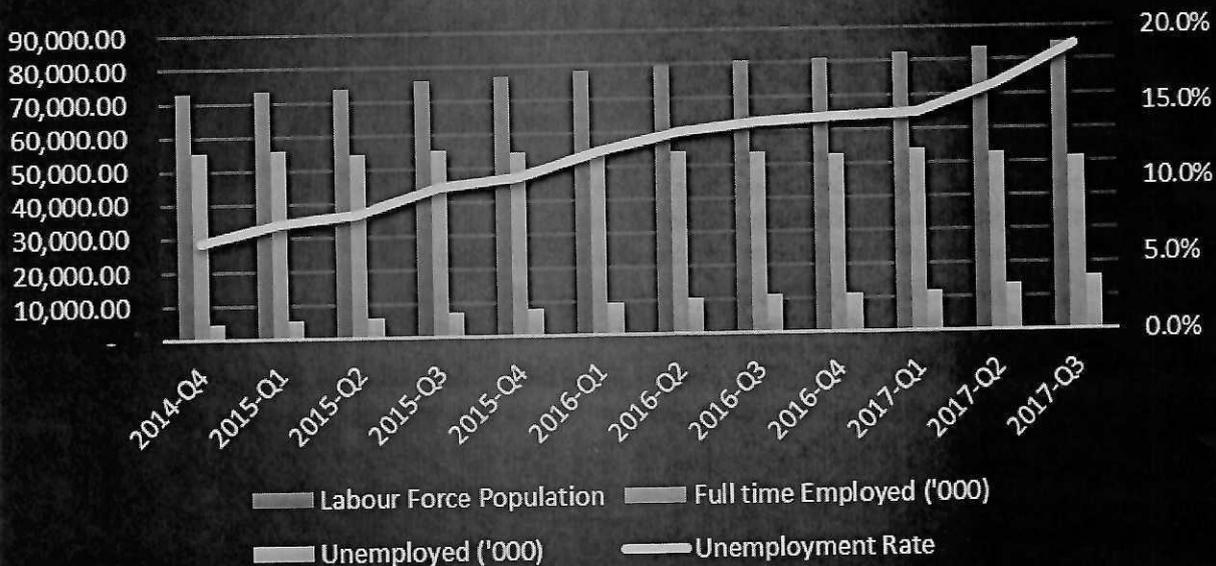
Chief Operating Officer

- Bachelor of Pharmacy, Obafemi Awolowo University, Ile-Ife, Osun State, 2005
- International Import-Export Institute, Glendale, Arizona, USA 2012-2013
- MBA (in-view) University of Ibadan School of Business
- Member, Nigeria Association of Industrial Pharmacists
- Member, African Vaccines Manufacturing Initiative (AVMI) August 2018
- Date of birth: May 21, 1978

A Strong Local Vaccine Manufacturing Value Chain

Can Enhance Job Creation

Nigeria Job statistics
Source: NBS



Continuous reliance on imported vaccines is supportive of the economies of other countries. We are unwittingly exporting jobs to other economies, while promoting unemployment in ours. Local vaccine manufacturing will help in responding to unmet health needs as well as promote socio-economic, industry and life science development (VMPA Study, 2017); promoting **NATIONAL DEVELOPMENT**.

- BVNL, when fully operational, will add over 2,000 jobs to the Nigerian economy through it's entire value chain and associated value systems.

► **REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF BIOVACCINES NIGERIA LIMITED**

We have audited the financial statements of Biovaccines Nigeria Limited as at 31st December 2022 set out on pages 5 to 8 which have been prepared on the basis of the significant accounting policies on pages 9 to 18.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act (CAMA) 2020. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Nigeria. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the Company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act (CAMA) 2020. The financial statements give a true and fair view of the financial position of Biovaccines Nigeria Limited as at 31st December 2022 and of its financial performance in accordance with International Financial Reporting Standards (IFRS).


Alaba Adedotun
FRC/2014/ICAN/0000006722
Howard Partners & Co.
Chartered Accountants
Lagos, Nigeria



2023

2023

Local Vaccine Manufacturing & National Development

- Nigeria is committed to eliminating and/or reducing vaccine-preventable diseases (VPD) in the country.
- Achieving **VACCINE SECURITY** is critical for realising this commitment.
- Nigeria is currently the 7th most populous country in the world and is projected to be the 3rd most populous country by 2050 with a population of 411 million people. This makes development of local capacity for vaccine manufacturing an imperative.
- Among the top 10 most populous countries in the world, Nigeria is the only one without local vaccine production capacity. Even some countries in Africa with lesser population such as Tunisia and Senegal are producing human vaccines, thus securing their people.
- Apart from achieving **VACCINE SECURITY**, there are other **NATIONAL DEVELOPMENT** benefits the country would derive from developing local manufacturing capacity for vaccines:
 - ▶ **Job creation.**
 - ▶ **Foreign exchange earnings** from exports to other African countries.
 - ▶ **Development of biotechnological base** required to fast-track the country's technological advancement in all sectors of the economy.
 - ▶ **Ability to develop novel vaccines** for fighting Africa-specific diseases such as Lassa Fever, Ebola, etc.
 - ▶ **Security of quality** vaccine supply.
 - ▶ **Dealing efficiently** with pandemic diseases and outbreaks.
 - ▶ **Socio-economic**, industry and life science development.
 - ▶ **Partnership** opportunities.
- It is important that all stakeholders join hands, speak with one voice and commit to making the achievement of **VACCINE SECURITY** and **ENHANCED NATIONAL DEVELOPMENT** for our country a reality.
- A necessary **ACTION** in this direction is the creation of the enabling environment to attract the needed technology from relevant global players in the vaccine production business.

3rd Most Populous Country by 2050...

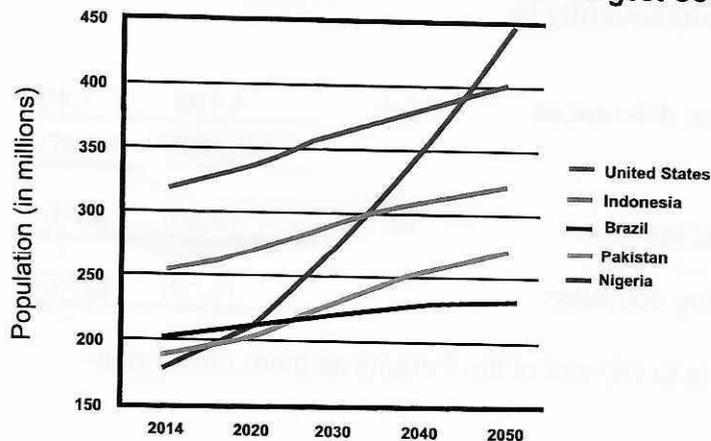
How Ready is Nigeria?

Rank	Country	2018 Population	Growth Rate	Vaccine Production Capacity
1	China	1,415,045,928	0.39%	✓
2	India	1,354,051,854	1.11%	✓
3	United States	326,766,748	0.71%	✓
4	Indonesia	266,794,980	1.06%	✓
5	Brazil	210,867,954	0.75%	✓
6	Pakistan	200,813,818	1.93%	✓
7	Nigeria	195,875,237	2.61%	Nil
8	Bangladesh	166,368,149	1.03%	✓
9	Russia	143,964,709 -	0.02%	✓
10	Mexico	130,759,074	1.24%	✓

Population figures source: UN/World Population Review



Population Projections of the 3rd - 7th Largest Countries



Graph by Wait But Why/Projections courtesy esa.un.org

- Of the 10 most populous countries in the world, Nigeria, ranked 7th is the only one that currently does not produce human vaccines.
- Nigeria is projected to become the 3rd most populous country in the world by 2050, supplanting the United States of America and three other countries. It is projected the country's population would be 411 million people (*The UN*) by 2050 which is more than double of today's population.
- Unless **ACTION IS TAKEN** to develop **LOCAL VACCINE PRODUCTION CAPACITY**, Nigeria would continue to find herself without **ADEQUATE VACCINE SECURITY** to cater for her large birth cohort and teeming population.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For The Year Ended 31st December, 2022

	Note	2022 N'000	2021 N'000
Continuing operations			
Revenue	5	-	-
Cost of sales		-	-
Gross profit		-	-
Other operating income	6	20,154	16,737
Administrative expenses	11.3	(73,948)	(93,286)
Operating loss		(53,794)	(76,549)
Finance costs	8	(5,349)	(1,139)
Interest Income	7	9,016	10,018
Loss before tax		(50,128)	(67,669)
Tax expense		-	-
Loss for the year		(50,128)	(67,669)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Unrealised foreign exchange translation differences	16.4	4,499	1,400
Total comprehensive income		(45,628)	(66,270)
Earnings per share			
Basic (kobo per share) from continuing operation	10	(0.50)	(67.67)
Diluted (kobo per share) from continuing operation		(0.50)	(67.67)

The loss of the Company is attributable to Owners of the Parents as there are no non-controlling interests.

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
For The Year Ended 31st December 2022

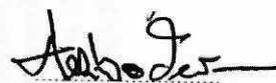
	Note	2022 N'000	2021 N'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	1,571,352	1,577,992
Total non-current assets		1,571,352	1,577,992
Current assets			
Trade and other receivables	12	6,365	122,897
Other assets	14	279,512	283,025
Cash and cash equivalents	13	94,703	17,915
Total current assets		380,580	423,837
Total assets		1,951,932	2,001,829
Equity and Liabilities			
Share capital	15	100,000	100,000
Share premium account	15.1	1,563,793	1,563,793
Retained earnings	16.1	(938,757)	(892,785)
Revaluation reserve	16.2	1,201,890	1,205,627
Fair value reserve	16.3	6,500	2,001
Total equity		1,933,426	1,978,636
Non-current liabilities			
Deferred tax liabilities		-	-
Total non-current liabilities		-	-
Current liabilities			
Trade and other payables	17	18,506	23,193
Current tax liabilities		-	-
Total current liabilities		18,506	23,193
Total liabilities		18,506	23,193
Total equity and liabilities		1,951,932	2,001,829



Chief Operating Officer



Chairman



Director

STATEMENT OF CHANGES IN EQUITY
For The Year Ended 31st December, 2022

	Share capital N'000	Share premium account N'000	Retained earnings N'000	Revaluation reserves N'000	Fair value reserves N'000	Total N'000
Equity attributable to equity holders of the Company						
At 1 January 2021	100,000	1,563,793	(828,853)	1,209,364	601	2,044,905
Loss for the Period	-	-	(67,669)	-	-	(67,669)
Transferred of excess depreciation on revalued assets	-	-	3,737	(3,737)	-	-
Unrealised foreign exchange translation differences	-	-	-	-	1,400	1,400
At 31 December 2021	100,000	1,563,793	(892,785)	1,205,627	2,001	1,978,636
At 1 January 2022	100,000	1,563,793	(892,785)	1,205,627	2,001	1,978,636
Prior year adjustment (Note 16.2)	-	-	419	-	-	419
At 1 January 2022 restated	100,000	1,563,793	(892,366)	1,205,627	2,001	1,979,054
Loss for the Period	-	-	(50,128)	-	-	(50,128)
Transferred of excess depreciation on revalued assets	-	-	3,737	(3,737)	-	-
Unrealised foreign exchange translation differences	-	-	-	-	4,499	4,499
At 31 December 2022	100,000	1,563,793	(938,757)	1,201,890	6,500	1,933,426

► **STATEMENT OF CASH FLOWS**
For The Year Ended 31st December, 2022

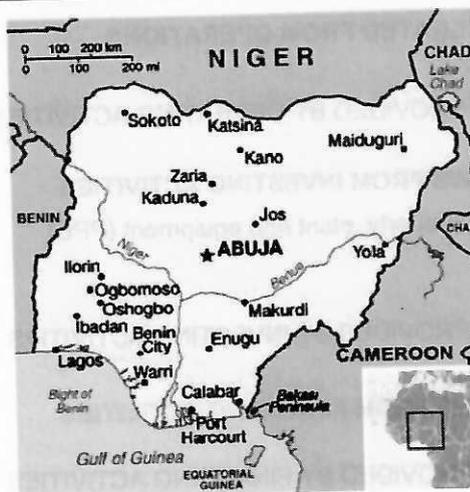
	Note	2022	2021
		N'000	N'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss from operating activities		(50,128)	(67,669)
Adjustments for non-cash items:			
- depreciation of PPE	11	6,882	7,433
- Prior period adjustments		424	-
- Unrealised foreign exchange translation differences	16.3	4,499	1,400
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES		(38,323)	(58,837)
WORKING CAPITAL CHANGES INFLOW / (OUTFLOW):			
Decrease/(increase) in Trade & other receivables	12&14	120,045	180,032
(Decrease)/increase in Trade & other payables	17	(4,688)	3,123
CASH GENERATED FROM OPERATIONS			
Taxes paid		115,357	176,909
NET CASH PROVIDED BY OPERATING ACTIVITIES		115,357	176,909
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment (PPE)	11	(247)	(525)
NET CASH PROVIDED BY INVESTING ACTIVITIES		(247)	(525)
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH PROVIDED BY FINANCING ACTIVITIES		-	-
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at 1 January		76,787	(236,270)
Cash and cash equivalents at 31 December		17,915	254,185
		94,703	17,915
CASH AND CASH EQUIVALENTS AT 31 DECEMBER COMPRISE:			
Cash at Bank		5,687	17,875
Cash at Hand		-	40
Short-term placement		89,016	-
Cash and cash equivalents at 31st December		94,703	17,915

Local Vaccine Manufacturing

The Need
of the
Hour

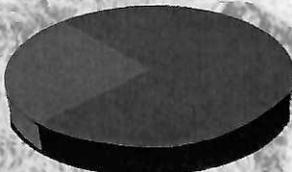
To set up state-of-the-art Research, Development & Manufacturing facility in Nigeria for Essential & Important Vaccines for the region & beyond...

Total population (2017)	191,835,907
Birth cohort (2017)	7,322,279
Surviving Infants (surviving to 1 year per year, 2017)	6,822,481
Infant mortality rate (deaths < 1 year per 1000 births, 2015)	69/1000
Child mortality rate (deaths < 5 years per 1000 births, 2015)	109/1000
World Bank Index, IDA (2015)	3.41
Gross Nation Income (per capita US\$, 2015)	2,820
Co-financing group (2017)	Accelerated transition
No. of districts/territories (2015)	774



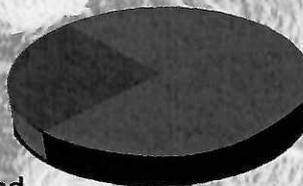
Source: www.gavi.org/country/nigeria

WHO African Region



- Deaths from communicable diseases and complications of pregnancy and childbirth
- Deaths from other sources

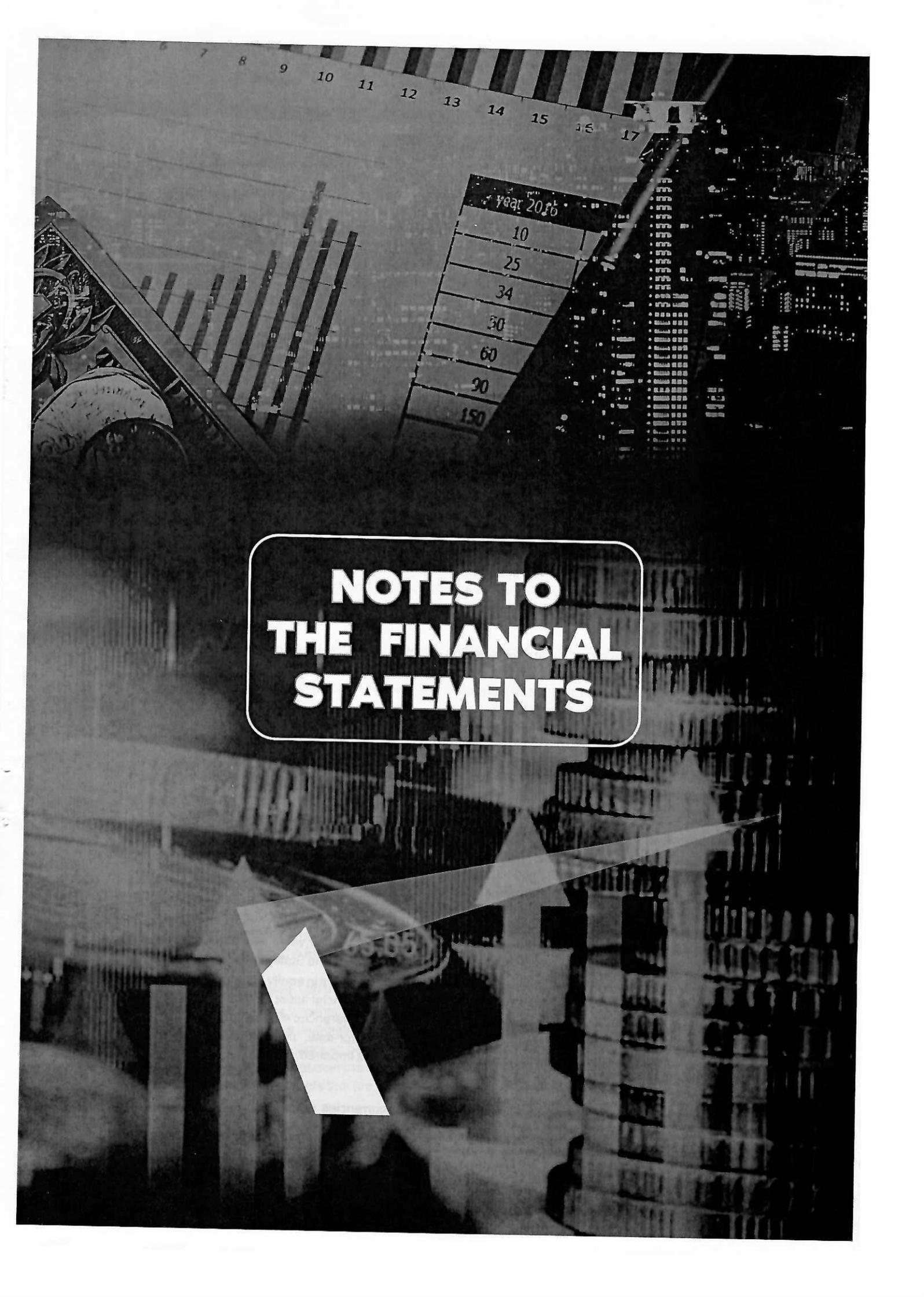
Other WHO Regions



Source: All countries.org

Bi **vaccines**
NIGERIA LIMITED
Advancing health through innovation

Registered Office: 445 Herbert Macaulay Way, P.M.B. 2010, Yaba, Lagos.
Factory Site: Igbo-Oloye village, O ffdi-Iroko Road, Ota, Ogun State.
Tel: +234 906 375 5237
E-mail: info@biovaccinesig.com Website: www.biovaccinesig.com



**NOTES TO
THE FINANCIAL
STATEMENTS**

year 2016
10
25
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20
150

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For The Year Ended 31st December, 2022

1. Description of business

BIOVACCINES NIGERIA LIMITED is a private company limited by shares domiciled in Nigeria. The Company's registered office is at 445 Habert Macaulay, Yaba Lagos. The company is strictly established to carry on the business of production, sales and distribution of human vaccines.

2 Significant accounting policies

(a) Basis of preparation

The Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and the requirements of Companies and Allied Matters Act (CAMA) 2020. The Financial Statement is presented in the Nigerian Naira, rounded to the nearest thousand.

(b) Basis of measurement

The Financial Statement is prepared on the historical cost basis.

(c) Use of estimates and judgement

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements are described in notes to the accounts.

(d) Foreign currency translation

(i) Foreign currency transactions

The Naira is the company functional and reporting currency. Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the year-end rates; the resulting foreign exchange gain or loss is recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currency at historical cost are translated using the exchange rate at the date of the transaction; no exchange differences therefore arise. Non-monetary assets and liabilities denominated in foreign currency at fair value are translated using the exchange rate ruling at the date that the fair value was determined. Foreign exchange differences arising on retranslation are recognized in the Income Statement.

Unrealized exchange differences on non-monetary financial assets (investments in equity instruments) are a component of the change in their entire fair value. For a non-monetary financial asset held for trading or designated at fair value through Income Statement, unrealized exchange differences are recognized in the income statement. For non-monetary financial investments available-for-sale, unrealized exchange differences are recorded directly in equity until the asset is sold or becomes impaired.

(ii) Foreign operations

The assets and liabilities of foreign operations, held in functional currencies other than the Naira are

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For The Year Ended 31st December, 2022

translated from their functional currency using the year-end rates. Income and expenses are translated at average rates for the period, provided the average approximates the rates ruling at the date of the transactions. Foreign exchange differences arising on translation are recognized initially in the statement of comprehensive income and only in the Income Statement in the period in which the foreign operation is eventually disposed.

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in Income Statement as incurred.

(iii) Depreciation

Depreciation is recognised in Income Statement on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

The estimated useful lives for the current and comparative period are as follows:

Motor vehicles/Trucks	3-8 Year
Office equipment	3-10 Year
Furniture and fittings	3-10 Year
Plant and Machinery	10-20 Year

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(iv) Revaluation

On revaluation of property, an increase in the net book value is credited to a revaluation surplus reserve. A decrease in the net book value is used to reduce the amount of any existing revaluation surplus on the same item before it is charged to the Income Statement.

(v) De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Income Statement in the year the asset is derecognised.

(f) Intangible assets

The company recognises an intangible asset, whether purchased or self created (at cost) if, and only if:

- it is probable that the future economic benefits that are attributable to the asset will flow to the entity;
- and
- the cost of the asset can be measured reliably

This requirement applies whether an intangible asset is acquired externally or generated internally. The Company adopts the same recognition criteria for additional intangible assets.

The probability of future economic benefits must be based on reasonable and supportable assumptions about conditions that will exist over the life of the asset. The probability recognition criterion is considered to be satisfied for intangible assets that are acquired separately or in a business combination.

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For The Year Ended 31st December, 2022

If an intangible item does not meet both the definition of and the criteria for recognition as an intangible asset, such expenditure should be recognised as an expense when it is incurred.

Software acquired by the company is stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in Income Statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is the license period, for acquired software, and off-the-shelf software without license period, the useful life is 3 years. The useful life and residual value of all software are reassessed annually.

(g) Financial instruments

(i) Financial assets

The Company's business model fall into three categories, which are indicative of the key strategies used to generate returns:

- **Hold-to-collect (HTC):** The objective of this business model is to hold loans and securities to collect contractual principal and interest cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent.
- **Hold-to-collect-and-sell (HTC&S):** Both collecting contractual cash flows and sales are integral to achieving the objective of this business model.
- **Other fair value business model:** These business models are neither HTC nor HTC&S, and primarily represent business models where assets are held-for-trading or managed on a fair value basis.

Classification of financial assets

Financial assets, which include both debt and equity securities are amortised at initial recognition at their fair value and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortised costs. Subsequent classification and measurement for debt securities is based on our business model for managing the financial instruments and the contractual cash flow characteristics of the instruments.

(ii) Financial liabilities

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 are trade and other payables.

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash and 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. Cash and cash equivalents form part of the company's financial assets.

(iv) Trade and other receivables

Trade receivables are stated at fair value and subsequently measured at fair value through profit or loss, less provision for impairment. Impairment thereon are computed using the simplified IFRS 9 Expected Credit Loss (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.

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For The Year Ended 31st December, 2022

(v) 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.

(h) Inventories

In accordance with IAS 2 (Inventories), inventories encompass assets held for sale in the ordinary course of business (finished goods and goods purchased for resale), in the process of production for such sale (work in process) or in the form of materials or supplies to be consumed in the production process or in the rendering of services (raw materials and supplies). Inventories are stated at the lower of cost and net realizable value. The net realizable value is the achievable sale proceeds under normal business conditions less estimated cost to complete and selling expenses. Costs of inventories are determined on a first-in-first-out basis. (i) **Fair value measurement**

The Company measures derivatives at fair value at each balance sheet date and, for the purposes of impairment testing, uses fair value less costs of disposal to determine the recoverable amount of some of its non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Ø In the principal market for the asset or liability, or

Ø In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in each circumstance and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy; described as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

Ø Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Ø Level 2 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable

Ø Level 3 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurements, such as derivatives, and non-recurring fair value measurements, such as impairment tests.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or reassessed as per the Company's accounting policies.

The Company also compares the changes in the fair value of each asset and liability with relevant external

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For The Year Ended 31st December, 2022

sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(j) Impairment of financial assets

All assets are reviewed whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. If assets are determined to be impaired, the carrying amounts of those assets are written down to their recoverable amount, which is the higher of fair value less costs to sell and value in use, the latter being determined as the amount of estimated risk-adjusted discounted future cash flow. For this purpose, assets are Companyed into cash-generating units based on separately identifiable and largely independent cash flows. Impairments, except those related to goodwill, are reversed as applicable to the extent that the events or circumstances that triggered the original impairment have changed. Impairment charges and reversals are reported in the Income Statement.

(k) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset (or CGU) may be impaired. Management has assessed its CGUs as being an individual field, which is the lowest level for which cash inflows are largely independent of those of other assets. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets or CGUs recoverable amount. The recoverable amount is the higher of an assets or CGUs fair value less costs of disposal (FVLCD) and value in use (VIU). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets, in which case the asset is tested as part of a larger CGU to which it belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount.

In calculating VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining FVLCD, recent market transactions (where available) are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in the Income Statement and other comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets/CGUs, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the assets or CGUs recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the assets/CGUs recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset/CGU does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation/amortisation, had no impairment loss been recognized for the asset/CGU in prior years. Such a reversal is recognised in the Income Statement and other comprehensive income.

For Intangible Assets with Indefinite Useful Life and Intangible Assets not yet available for use, the assets are tested for impairment annually and when circumstances indicate that the carrying value may be

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For The Year Ended 31st December, 2022

impaired. Impairment is determined for them by assessing the recoverable amount of each CGU (or Company of CGUs) to which they relate. Where the recoverable amount of the CGU is less than its carrying amount including goodwill (in the case of a business combination), an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in Income Statement.

(l) Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(m) De-recognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or when it has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

(n) Finance cost and income

Finance cost and Income for all interest bearing financial instruments, except for those classified at fair value through Profit or Loss, are recognised within 'finance income' and 'finance cost' in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability. The effective interest rate is calculated on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees and points paid or received transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Finance cost and income on all trading assets and liabilities are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Finance cost and income presented in the Income Statement include interest on financial assets and liabilities at amortised cost on an effective interest basis.

(o) Leased assets – lessee

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. Upon initial recognition, the leased asset is measured at an

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For The Year Ended 31st December, 2022

amount equal to the lower of its fair value and the present value of the minimum lease payments and depreciated over the shorter of their useful economic life and the lease term. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised on the Company's balance sheet.

(p) Lease payments made

Payments made under operating leases are recognised in Income Statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(q) Revenue

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts and value added tax. Revenue comprises income from sales of pharmaceuticals and other pharma related products.

Deferred income is income received in advance for which related services have not been rendered. Such turnover is usually deferred until the related service has been rendered. Deferred income is transferred to turnover over the relevant period, when the related services have been rendered.

(r) Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Manufacturing costs between validation and the achievement of normal production are expensed as incurred. Advertising and promotion expenditure is charged to profit or loss as incurred. Shipment costs are charged to cost of sales; distribution costs on sales to customers are included in distribution expenditure.

(s) Income tax

Income tax expense comprises current and deferred tax. Income tax expense 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 which case the tax is recognised in other comprehensive income or equity, respectively.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future and differences arising from investment property measured at fair value whose carrying amount will be recovered through use.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For The Year Ended 31st December, 2022

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(t) Provisions, Contingent liabilities and Contingent assets

A provision is recognized if, it occurs as a result of a past event, the Company has no present legal or constructive obligation that can be estimated reliably, and it is not probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or the Company has a present obligation as a result of past events but is not recognised because it is not likely that an outflow of resources will be required to settle the obligation, or the amount cannot be reliably estimated.

A contingent asset is a possible asset that arises from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are never recognised, rather they are disclosed in the Financial Statements when they arise.

(u) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in Income Statement when they are due.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised 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.

(v) Share capital and reserves

(i) Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(ii) Dividend on ordinary shares

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

(iii) Earnings per share

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For The Year Ended 31st December, 2022

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(w) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services which are subject to risks and rewards that are different from those of other segments (business segment), or in providing products or services within a particular economic environment which are subject to risks and rewards that are different from those of other segments (geographical segment). The Company's primary format for segment reporting is based on business segments.

3 New standards, Amendments and interpretations not yet adopted

Below are amendments to standards are in issue and relevant to the Company but not yet effective and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards. These will be adopted in the period that they become mandatory:

Amendments to IAS 1: Presentation of Financial Statements: CLASSIFICATION OF LIABILITIES -

These narrow-scope amendments, issued in January 2020, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

The standard is effective for annual periods beginning on or after 1 January 2023 and the Company is currently in the process of assessing the impact that the initial application would have on its business and will adopt the standard as applicable.

The Company plans to adopt the amendment on the required effective date, when required. However, based on available information, the Company expects no significant impact on its statement of financial position.

Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors: NEW

DEFINITION OF ACCOUNTING ESTIMATES - On 12 February 2021, the International Accounting Standards Board (the IASB) issued amendments to IAS 8 Accounting Policies, Changes to Accounting Estimates and Errors, in which it introduces a new definition of 'accounting estimates'. The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. In the amended standard, accounting estimates are now defined as, "monetary amounts in financial statements that are subject to measurement uncertainty".

The standard is effective for annual periods beginning on or after 1 January 2023 and the Company is currently in the process of assessing the impact that the initial application would have on its business and will adopt the standard as applicable.

The Company plans to adopt the amendment on the required effective date, when required. However,

NOTES TO THE FINANCIAL STATEMENTS - CONT'D**For The Year Ended 31st December 2022**

based on available information, the Company expects no significant impact on its statement of financial position.

4. Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Chief Financial Officer has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors.

The Chief Financial Officer regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Chief Financial Officer assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Board of Directors.

When measuring the fair value of an asset or a liability, the Company uses observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows;

- * Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- * Level 2: input other than quoted prices included in level 1 that are observable for the assets or liability, either directly (i.e as prices) or indirectly (i.e, as derived from prices)
- * Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the input used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement must be categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For The Year Ended 31st December, 2022

	2022 N'000	2021 N'000
5. Revenue		
An analysis of the Company's revenue is as follows:		
Sale of Goods	-	-
Total revenue	<u>-</u>	<u>-</u>
	2022 N'000	2021 N'000
6. Other operating income		
Income from Bio-farma:Consultancy	20,496	16,618
Sale of mice	57	120
Realised exchange loss	(400)	-
	<u>20,154</u>	<u>16,737</u>
	2022 N'000	2021 N'000
7. Interest Income		
Bank interest	9,016	10,018
	<u>9,016</u>	<u>10,018</u>
8. Finance costs		
Bank charges	5,349	1,139
	<u>5,349</u>	<u>1,139</u>
9. Loss for the year is attributed to:		
Owners of the business	(50,128)	(67,669)
	<u>(50,128)</u>	<u>(67,669)</u>
The loss is attributable to owners of the parent as all the subsidiaries are wholly owned.		
	2022 N'000	2021 N'000
10. Earnings per share		
The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows.		
Earnings		
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the Company	(50,128)	(67,669)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	100,000	100,000
Earnings per share (kobo) - basic	<u>(0.50)</u>	<u>(67.67)</u>
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	100,000	100,000
Earnings per share (kobo) - diluted	<u>(0.50)</u>	<u>(67.67)</u>

NOTES TO THE FINANCIAL STATEMENTS - CONT'D
For The Year Ended 31st December, 2022

11 PROPERTY, PLANT AND EQUIPMENT

	Land & Building N'000	Motor Vehicle N'000	Furniture & Fittings N'000	Plant & Machinery N'000	Office Equipment N'000	Total N'000
Cost/valuation:						
At 1 Jan 2022	1,590,679	5,576	3,122	14,755	3,203	1,617,334
Additions		-	118	129	-	247
At 31st December 2022	<u>1,590,678</u>	<u>5,576</u>	<u>3,240</u>	<u>14,884</u>	<u>3,203</u>	<u>1,617,581</u>
Depreciation:						
At 1 Jan 2022	26,937	5,576	1,508	5,035	285	39,341
Charge for the year	4,534	-	358	1,587	402	6,882
Adjustments	-	-		6		6
At 31st December 2022	<u>31,471</u>	<u>5,576</u>	<u>1,866</u>	<u>6,628</u>	<u>686</u>	<u>46,229</u>
Net book value:						
At 31st December 2022	<u>1,559,207</u>	<u>-</u>	<u>1,373</u>	<u>8,256</u>	<u>2,517</u>	<u>1,571,352</u>
At 31 December 2021	<u>1,563,741</u>	<u>-</u>	<u>1,613</u>	<u>9,720</u>	<u>2,918</u>	<u>1,577,992</u>

The Company has not pledged any of its items of property, plant and equipment as security for liabilities.

11.1 The following depreciation rates were used in the computation of depreciation

Class	
Building	50 Years
Motor vehicles	3-8 Years
Office equipment	3-10 Years
Furniture and fittings	10 Years
Plant and Machinery	10-20 Years

11.2 Impairment of property, plant and equipment

There are no indicators of impairment at the end of the reporting period. Thus, the directors are of the opinion that allowance for impairment is not required.

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For The Year Ended 31st December, 2022

	2022	2021
	N'000	N'000
11.3 Depreciation charged for the year is included in:		
Cost of sales	-	-
Administrative expenses	73,948	93,286
Audit fee	681	575
Canteen	-108	
Depreciation Expense	6,882	7,433
General office expenses	359	1,222
Award/Gifts	516	464
Reps & other expenses	-	2
Insurance	986	120
ITF	102	810
Licences & permit	7,326	16,753
Quarters expenses	1,040	505
Advertisement	1,021	821
Repairs & maintenance	1,234	875
Medical Expenses	82	58
Motor Vehicle Expenses	279	425
NSITF	102	72
Directors Fees	2,200	2,200
Board meetings, AGM & Conference	3,941	5,849
Expenses Outsourced manpower	1,214	1,930
Pension	1,145	724
Printing & stationery	799	561
Consultancy/Professional Fee	9,420	27,875
Security & Cleaning	6,735	4,321
Salaries & wages	16,164	11,731
Electricity & other utilities	905	1,189
Telephone Expenses	96	306
Travelling & Accommodation	8,676	5,780
Other admin/management expenses	2,043	578
	73,948	93,286
	2022	2021
	N'000	N'000
12. Trade and other receivables		
Staff loans and advances	2,512	361
Withholding tax recoverable	788	788
Prepayments - Others	-	288
Due from related companies	3,066	121,460
	6,365	122,897
Total trade and other receivables	6,365	122,897

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For The Year Ended 31st December, 2022

	2022 N'000	2021 N'000
13. Cash and cash equivalents		
Cash in hand	-	40
Cash at bank	5,687	17,875
Short term Investment	89,016	17,875
	<u>94,703</u>	<u>17,915</u>

Reconciliation of cash and bank balance to cash and equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdraft and commercial acceptances. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	2022 N'000	2021 N'000
Cash in hand and bank	94,703	17,915
As per statement of cash flows	<u>94,703</u>	<u>17,915</u>

	2022 N'000	2021 N'000
14. Other assets		
Prepayments	279,512	283,025
	<u>279,512</u>	<u>283,025</u>

15. Share capital		
<i>Authorised:</i>		
100,000,000 ordinary shares of 1 naira each	100,000	100,000
<i>Issued and fully paid:</i>		
100,000,000 ordinary shares of 1 naira each	<u>100,000</u>	<u>100,000</u>

	2022 N'000	2021 N'000
15.1 Share premium account		
At 1 January	1,563,793	1,563,793
At 31 December	<u>1,563,793</u>	<u>1,563,793</u>

16. Reserves		
16.1 Retained earnings		
At 1 January	(892,785)	(828,853)
Prior year adjustment (Note 16.2)	419	-
Retained earnings restated at 1 January	<u>(892,367)</u>	<u>(828,853)</u>
Loss for the Period	(50,128)	(67,669)
Excess Depreciation transfer from revaluation reserves	3,737	3,737
At 31 December	<u>(938,757)</u>	<u>(892,785)</u>

16.2 During the year 2021, provision for =N=418,800 Industrial Training Fund (ITF) expenses was duplicated. This was retrospectively corrected in 2022.

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For The Year Ended 31st December, 2022

16.3 Revaluation Reserves

	2022	2021
	N'000	N'000
At 1 January	1,205,627	1,209,364
Excess depreciation transfer to retained earnings	<u>(3,737)</u>	<u>(3,737)</u>
At 31 December	<u>1,201,890</u>	<u>1,205,627</u>

16.4 Fair Value Reserves

At 1 January	2,001	601
Unrealised gain on foreign exchange transactions during the year	<u>4,499</u>	<u>1,400</u>
At 31 December	<u>6,500</u>	<u>2,001</u>

7. Trade and other payables

	2021	2021
	N'000	N'000
LC Liability	-	1,106
Withholding tax payable	6,611	104
Audit Fee	681	575
Other Payables	<u>11,214</u>	<u>21,408</u>
	<u>18,506</u>	<u>23,193</u>
	<u>18,506</u>	<u>23,193</u>

8. Related party information**8.1 Identify related parties**

The related parties to the Company include:

May&Baker Plc - A related Company involved in the manufacturing of pharmaceutical products, holding 51% equity in BVNL.

9. Guarantees and other Financial Commitments**Capital expenditure**

Capital expenditure authorised by the Directors but not contracted was nil (Dec 2021: nil).

The Directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of the financial statement.

10. Contingent liabilities

There were no contingent liabilities resulting from litigations at 31 December, 2022 (December 2021 - Nil).

1. Events after the reporting date

The Directors are of the opinion that there were no significant events after the balance sheet date which would have had any material effect on the accounts which have not been adequately provided for or disclosed in the financial statement.

NOTES TO THE FINANCIAL STATEMENTS - CONT'D
For The Year Ended 31st December, 2022

22 Employees remunerated at higher rates

The number of employees excluding Directors in respect of emoluments excluding provident fund contributions and allowances:

		2022	2021
N	N		
500,000 -	1,000,000	-	-
1,000,001 -	3,000,000	3	2
3,000,001 -	5,000,000	-	1
5,000,001 -	10,000,000	1	-
10,000,001 -	15,000,000	-	-
		<u>4</u>	<u>3</u>

The average number of persons employed in the financial year are as follows:

Managerial	1	1
Senior staff	3	2
Junior staff	-	-
	<u>4</u>	<u>3</u>

23 Financial Risk Management

Financial risk factors

The Company is exposed to the following risks from its use of financial instruments:

- i Credit risk
- ii Liquidity risk
- iii Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

Financial assets of the Company include cash at bank and in hand and trade and other receivables. Financial liabilities of the Company include Bank overdrafts, short term loans and trade and other payables.

(i) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that services are rendered to clients with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

For The Year Ended 31st December, 2022

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Company recognises impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this amount are a specific loss component that relates to individually significant exposures and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2022	2021
	N '000	N'000
Trade and other receivables	6,365	122,897

Trade and other receivables

As the Company deals with a number of customers, management believes that the risk of credit concentration for a particular customer or with few customers is limited. Out of the total receivables of =N=6,365m, the sum of =N=3,066m is due from the Parent Company (May & Baker).

(ii) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	1 year or less	Over 1 year
31st December 2022			
Bank overdrafts	-	-	-
Trade and other payables	18,506	18,506	-
	18,506	18,506	-

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Currency Risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies, primarily the Naira (N).

In respect of monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Interest rate risk

Interest rate risk is the risk that expenditure or the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the Company does not have any interest-bearing financial instruments.

NOTES TO THE FINANCIAL STATEMENTS - CONT'D
For The Year Ended 31st December, 2022

24 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while increasing the return to owners through the strive to improve the debt to equity ratio. The Company's overall strategy remains unchanged from last year.

The Company's management follows the policy of providing a firm capital base which allows supporting the trust of shareholders, creditors and market and ensuring future business development.

In relation to capital management, the Company's objectives are as follows: maintaining the Company's ability to adhere to the going concern principle in order to provide income for shareholders and benefits to other interested parties, and also maintaining the optimal capital structure with the purpose of its cost reduction.

During the year there were no changes in approaches to capital management. The Company is not subject to any external regulatory capital requirements.

VALUE ADDED STATEMENT

For The Year Ended 31st December, 2022

	N'000	%	N'000	%
Turnover:	-		-	
Other income	29,170		16,737	
	<u>29,170</u>		<u>16,737</u>	
Bought in materials and services:				
Local	49,689		(64,103)	
Foreign	-		-	
	<u>49,689</u>		<u>(64,103)</u>	
Value added	<u>(20,519)</u>	100.00	<u>(47,366)</u>	100.00
DISTRIBUTION:-				
EMPLOYEES				
Salaries, wages and benefits	17,377	(84.69)	11,731	(24.77)
THE FUTURE				
Depreciation	6,882	(33.54)	7,433	(15.69)
GOVERNMENT				
Taxation charge/(net credit)	-		-	
THE PROVIDER OF FUNDS				
Interest Expense	5,349	(26.07)	1,139	-2.40
Loss for the year	<u>(50,128)</u>	244.30	<u>(67,669)</u>	142.86
	<u>(20,519)</u>	100.00	<u>(47,366)</u>	100.00

FIVE-YEAR FINANCIAL SUMMARY
For The Year Ended 31st December, 2022

	STATEMENT OF FINANCIAL POSITION			
	2022	2021	2020	2018
	N'000	N'000	N'000	N'000
ASSET EMPLOYED				
Non-current asset:				
Property, plant and equipment	1,571,352	1,577,992	1,584,901	1,588,355
Deferred tax asset	-	-	-	-
Net current assets	362,074	400,644	460,004	503,722
Total assets	1,933,426	1,978,636	2,044,905	2,092,077
Non-current liabilities	-	-	-	-
Net total assets	1,933,426	1,978,636	2,044,905	2,092,077
EQUITY				
Share capital	100,000	100,000	100,000	100,000
Share premium	1,563,793	1,563,793	1,563,793	1,563,793
Retained earnings	(938,757)	(892,785)	(828,853)	(784,817)
Revaluation reserve	1,201,890	1,205,627	1,209,364	1,213,101
Fair value reserve	6,500	2,001	601	-
Total equity and liability	1,933,426	1,978,636	2,044,905	2,092,077
TURNOVER				
LOSS AFTER TAXATION	(50,128)	(67,669)	(47,773)	(24,832)
EARNING PER SHARE				
	(0.50)	(67.67)	(47.77)	(0.25)
NET ASSETS PER SHARE				
	19.33	19.79	20.45	20.92
				5.53

NET WORTH AND EQUITY

SWISSAIR AG AND
 AIR OPERATING
 PARTNERS

IN MILLIONS

AS AT 31 DECEMBER

2008
 2007
 2006
 2005
 2004

ASSETS

2008

2007

2006

2005

2004

2008

2007

2006

2005

2004

2008

2007

2006

2005

2004

► PROXY FORM

We,

of

being a member of BIOVACCINES NIGERIA LIMITED hereby appoint

.....

of.....

or failing him/her.....

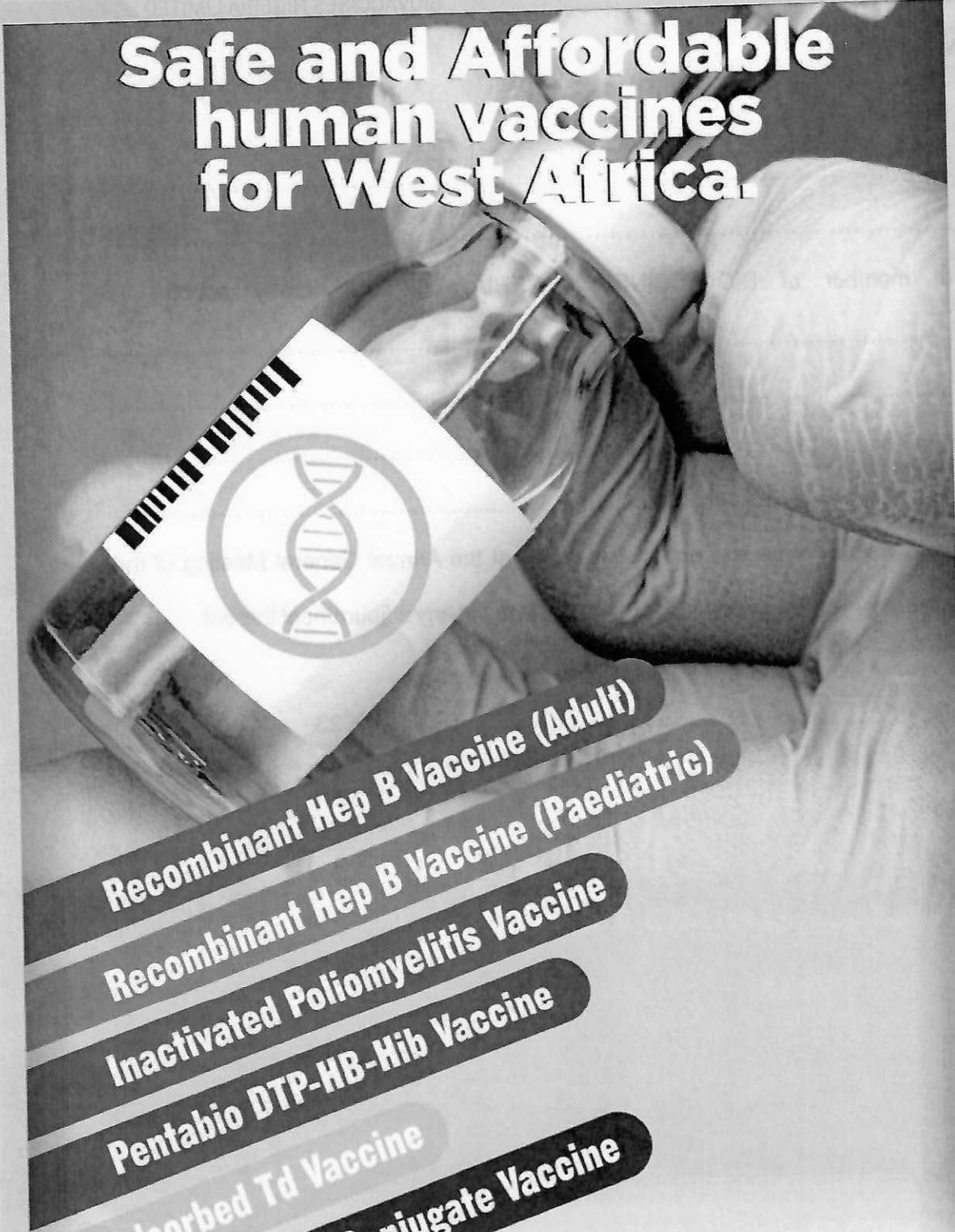
of.....

as our proxy to vote for us and act on our behalf at the Annual General Meeting of the Company to be held on Thursday, 17th August 2023 and at any adjournment thereof.

Signed this.....day of.....2023.



Safe and Affordable human vaccines for West Africa.



Recombinant Hep B Vaccine (Adult)

Recombinant Hep B Vaccine (Paediatric)

Inactivated Poliomyelitis Vaccine

Pentabio DTP-HB-Hib Vaccine

Adsorbed Td Vaccine

Pneumococcal Conjugate Vaccine

445, Herbert Macaulay Way,
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► PROXY FORM

We,
of
being a member of BIOVACCINES NIGERIA LIMITED hereby appoint
.....
of.....
or failing him/her.....
of.....
as our proxy to vote for us and act on our behalf at the Annual General Meeting of the
Company to be held on Thursday, 17th August 2023 and at any adjournment thereof.

Signed this.....day of.....2023.



Safe and Affordable human vaccines for West Africa.

Recombinant Hep B Vaccine (Adult)

Recombinant Hep B Vaccine (Paediatric)

Inactivated Poliomyelitis Vaccine

Pentabio DTP-HB-Hib Vaccine

Adsorbed Td Vaccine

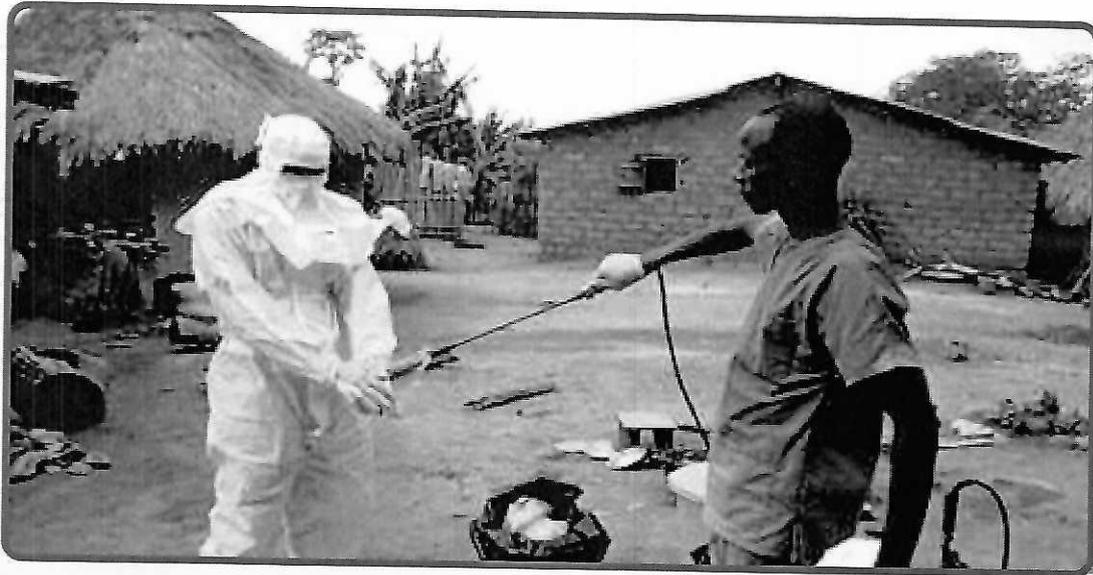
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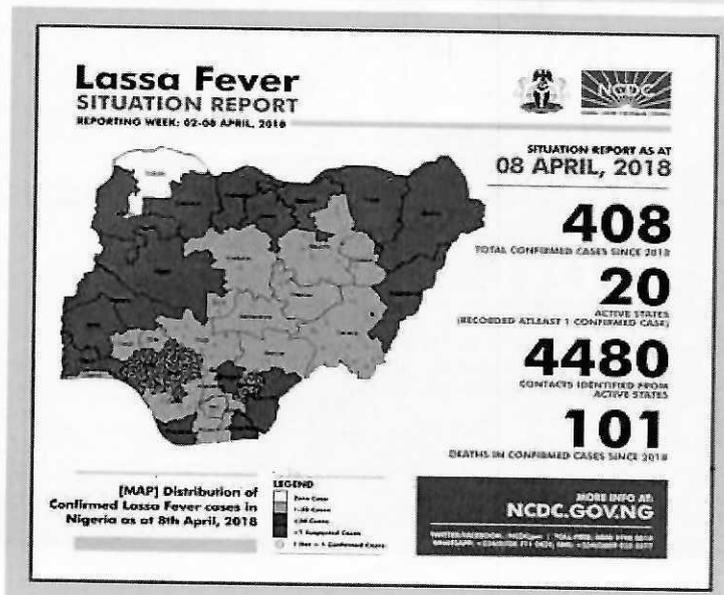


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Developing Effective Vaccines For Africa-specific Diseases Can Be a Reality



In most cases, investment by developed countries in vaccine manufacturing is driven by profit motives. Commercialisation is a major consideration by the global vaccine manufacturing hubs in their decision to develop vaccines for diseases. Unless where they become a global threat, diseases such as Ebola and Lassa Fever that have been ravaging Africa may not appeal to the commercial interest of Western vaccine production hubs. BVNL plans to develop local capacity in R&D to enable our scientists develop vaccines against Africa-specific diseases.



Epitomising Nigeria's

'Better Brotherhood' Role in Africa

BVNL plans to create a regional hub for vaccine production in West Africa and indeed Sub-Saharan Africa thereby establishing Nigeria as a global player in vaccine business.

Nigeria will consequently be an **EXPORTER** of vaccines to its neighbours in Africa and be **EARNING FOREIGN EXCHANGE** through it thereby boosting non-oil revenues.

This is especially important as price of crude oil in the global market has been unreliable and sometimes negatively impacting the country's revenue earnings.



► CORPORATE EVENTS



SERUM INSTITUTE, INDA, DIRECTOR VISITS NIGERIA



VISIT OF THE INDONESIAN AMBASSADOR



INTRODUCTORY BIOTECH TRAINING SEOUL SOUTH KOREA



HANDOVER CEREMONY OF PENTA VACCINES FROM INDONESIA TO NIGERIA



NIGERIA CONSORTIUM FOR mRNA TT VISITS BIOVAC

CORPORATE EVENTS



COURTESY CALL BY BIOFARMA DELEGATION TO DFDS-FMOH



EIA CERTIFICATE



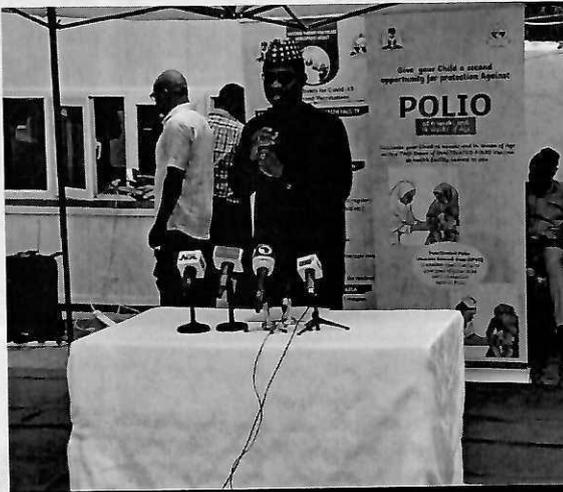
SIGNATURE EVENT AT THE HANDOVER CEREMONY OF PENTA VACCINES FROM INDONESIA TO NIGERIA



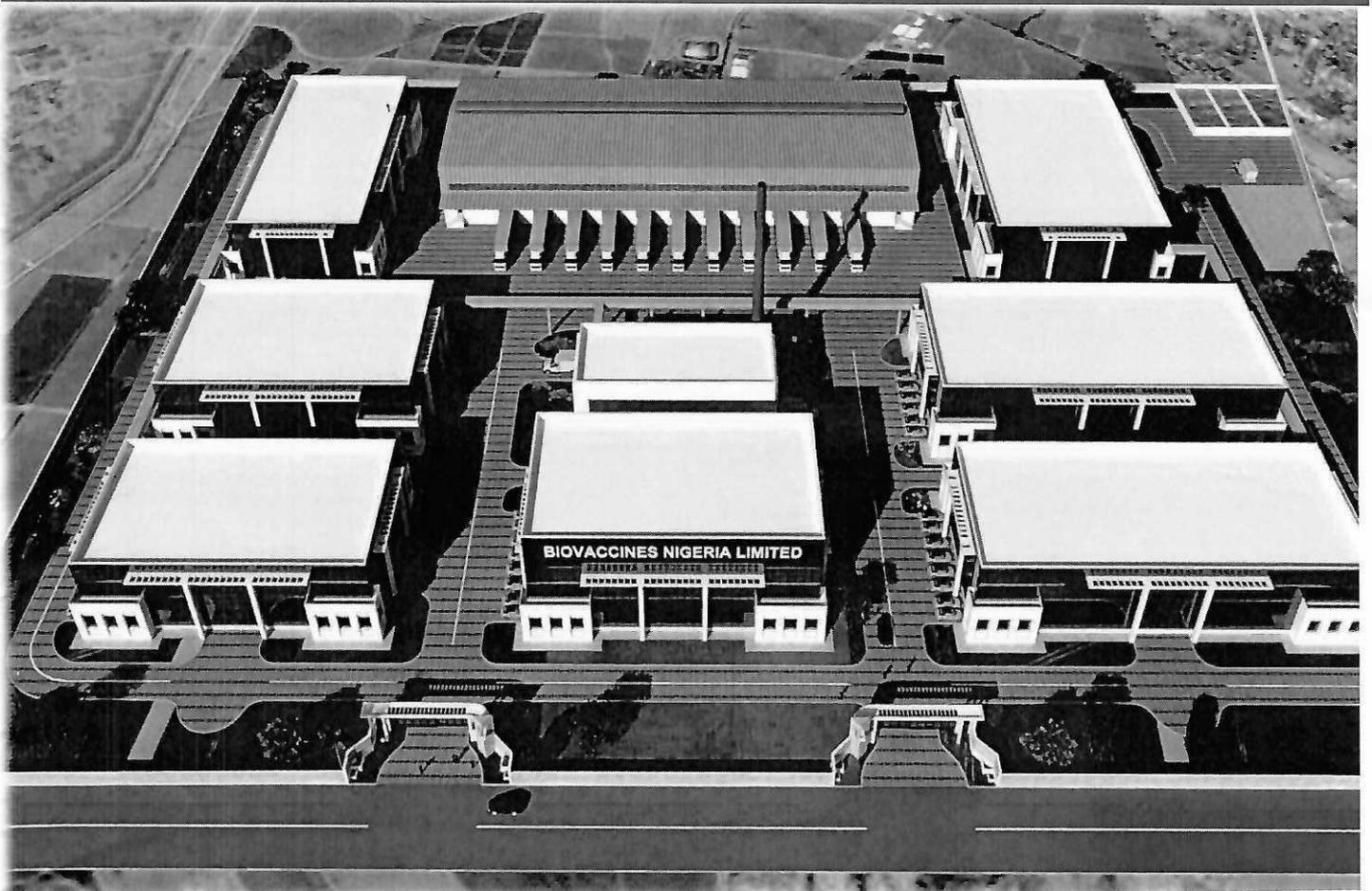
OFFICIAL HANDOVER CEREMONY OF PENTA VACCINES FROM INDONESIA TO NIGERIA



NIGERIA DELEGATION AT THE WHO mRNA TT HUB AFRIGEN, SOUTH AFRICA



HANDOVER CEREMONY OF PENTA VACCINES FROM INDONESIA TO NIGERIA



LOCAL VACCINE MANUFACTURING: AN IMPERATIVE

- Nigeria is the 7th most populous country in the world and most populous in Africa, with current estimated 195.8 million people (*UN / World Population Review*) or 2.5% of the world population.
- Nigeria's population is projected to reach approximately 450 million people by 2050 (*UN Dept of Economic and Social Affairs, DESA*).
- Amongst the 10 most populous countries in the world, Nigeria is the only one currently that does not produce human vaccines.
- Nigeria's immunisation programme faces a possible gap due to transition from GAVI support. (*Nigeria Multiple Indicator Cluster Survey, 2016-2017, Survey Finding Report*)
- Nigeria has the highest number of under-immunised children, with 4.5 million children under-immunised. (*Nigeria Multiple Indicator Cluster Survey, Ibid*)
 - Decline in DPT3 / Penta3 coverage from 52% in 2014 to 33% in 2016. (*Nigeria Multiple Indicator Cluster Survey, Ibid*)
 - Short supply of vaccines during outbreaks and epidemics.
 - Vaccines unavailability accounts for 21% of the reasons for incomplete immunisation. (*NSIPPS, 2018 – 2028, P.21*)

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Bi  **vaccines**
NIGERIA LIMITED

RC 633335

Advancing health through Innovation
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Hambak