

ANNUAL REPORT & ACCOUNTS **2021**



Bi  **vaccines**
NIGERIA LIMITED

RC 633335

Advancing health through Innovation

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

Contents

About Biovaccines	2
Corporate Information	3
Chairman's Statement	4
Notice Of Annual General Meeting	7
Directors Report	9
Statement Of Directors Responsibilities	11
Board Of Directors And The Management Profile	13
Report Of The Auditors	19
Statement Of Profit or Loss and Other Comprehensive Income	22
Statement Of Financial Position	23
Statement Of Change In Equity	24
Statement Of Cash Flows	25
Notes To The Financial Statements	28
Value Added Statement	45
Five-Year Financial Summary	46
Proxy Form	47

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

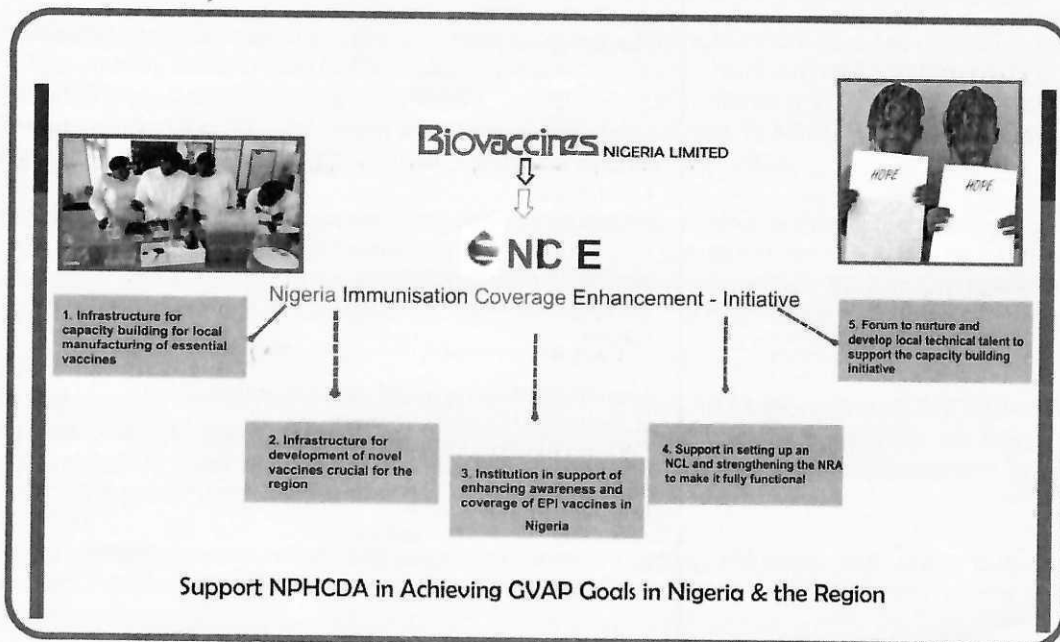
Our objective is to produce safe and affordable vaccines for Nigeria and create a regional centre for vaccine production in the West Africa sub region to reverse high morbidity and mortality from Vaccine Preventable Diseases (VPD).

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	Biovaccines Nigeria Limited is into production, sales and distribution of human vaccines, biologicals and devices. 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.
Directors	Prof. Oyewale Tomori Dr Edugie Abigail Abebe (Retired 23rd Setember, 2021) Mr. Kolawole Olalekan Durojaiye (Appointed 23rd Setember, 2021) Pharm. Olubukola Ajayi (Retired 3rd October, 2021) Pharm. (Mrs) Olubunmi Aribean (Appointed 3rd October, 2021) Mr. Nnamdi Nathan Okafor (Retired 31st December, 2020) Mr Patrick Ajah (Appointed 25th March, 2021) Mr. Ayodeji Samuel Aboderin Dr. Faisal Mohammed Barbas Shuaib
Registered Office	445, Herbert Macaulay Way Yaba Lagos State
Factory Address	Igbo Oloye Village Ota Ogun State
Bankers	Zenith Bank Plc Fidelity Bank Plc
Auditors	Howard Partners & Co. 228, Ikorodu road, Obanikoro, Lagos
Company Secretary	Marina Nominees Limited 233, Ikorodu road, Lagos
Lawyers	Usman and Elema (Barrister and Solicitors) 2, Reverend Ogunbiyi Street Off Oba Akinjobi Way, GRA Ikeja Lagos.

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 16th 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 ended December 31, 2021.

With the lifting of the COVID-19 restrictions across most of the major economies, the year 2021 marked the beginning of recovery from the devastations of the pandemic. However, it is not yet Uhuru! We have been advised to continue to observe the basic guidelines for the prevention of transmission, especially with the recent and sudden upsurge of COVID-19 cases.

Operating Environment

The IMF revised the global economic growth forecast for 2021 to 6%, up from 5.5%. This is on the backdrop of the reopening of the major economies following the increasing access to vaccinations and the large stimulus packages to cushion the effect of the pandemic. However, the global supply chain disruption persists, with rising oil and gas prices due to the increasing demand and supply cuts by OPEC. The COVID-19 pandemic exacerbated the increasing concentration of poverty due to widening social and economic disparities and inequities.

Economic recovery has gained momentum globally. The strong demand is however putting pressure on global supply chains with worldwide shortages and bottlenecks across a range of industries. The supply problem is further exacerbated by weather disruptions earlier in the year, port backlogs, the fire in a major Japanese chip factory and the large vessel blocking the Suez Canal for almost a week

According to the African Development Bank Group, Nigeria's economy grew by 3.6% in 2021 from 1.8% in 2020. This is the strongest growth in the past seven years and the first annual growth since the COVID-19 pandemic-induced recession in 2020. However, annual average inflation stood at 17% against 13.2% in 2020 and above CBN's target of 6-9% for the year. The CBN maintained Monetary Policy rate at 11.5% in 2021 to support economic recovery. Fiscal deficit narrowed to 4.8% of GDP in 2021 from 5.4% in 2020 due to a modest uptick in revenues financed by borrowing. The Disbursement of the US\$ 3.4 billion (0.8% of GDP) IMF Special Drawing Rights (SDR) helped to shore-up reserves to US\$ 40.1 billion in 2021

Poverty (40%) and unemployment (33.3%) remained high, and public debt stood at US\$ 95.8 billion (2.5% of GDP). The country continues to battle insecurity, especially in the Northern and Eastern parts of the country, rising food prices, increasing electricity tariffs, collapse of the national grid, scarcity of petrol and aviation fuel, not to mention the price of diesel which moved from N225/litre to N305/litre. The Naira was devalued, moving from N415/US\$ in January 2021 to N449/US\$ in December 2021.

Insurgents and secessionist movements were more active, posing a threat to business as well as the country's economic and political stability. Infrastructure and structural deficits in areas such as electricity, transportation and security continue to plague the business environment. With many sectors still running below pre-pandemic levels, it is noteworthy that the economy has recorded a significant recovery.

The Vaccines Industry

The global vaccine market size in 2021 was estimated at US\$ 187 billion, and COVID-19 vaccines alone contributed US\$ 137 billion. This is according to ResearchAndMarkets.com. With the rising coronavirus case globally, this trend of COVID-19 vaccines being the largest segment is expected to continue and followed by the pneumococcal vaccine.

The most growth opportunities are expected from emerging markets, like ours, due to increasing government interest in, and initiatives to raise immunization coverage. Other growth drivers will include the

CHAIRMAN'S STATEMENT (CONT'D)

several pharmaceutical companies that are currently engaged in research and development (R&D) activities to introduce novel vaccines to stem the surging cases of COVID-19, giving rise to a strong pipeline for vaccines; technological advancement in the vaccine industry; and high prevalence of diseases.

However, products recalls and inadequate access to vaccines have been identified as key factors that may hinder this growth.

Back home, here in Africa, as part of efforts to stem the vaccine inequity the Africa CDC coordinated and provided leadership, a continental vaccine conference was convened on 12th April 2021 to address the issue of sustainable vaccine development and manufacturing ecosystem in Africa. In order to endure that Africa has timely access to vaccines to protect the population.

The goal of the conference was to develop strategies and a road map for expanding Africa's vaccine manufacturing. Scaling up COVID-19 vaccine manufacturing to address urgent needs was the immediate goal. The immediate-to-long term and mid-to-long term goals were on how the continental vaccine research and development capacity could be strengthened and how the vaccine needs of the continent for emergent and endemic diseases could be addressed.

The Partnership for African Vaccine Manufacturing (PAVM) proposed a guiding framework with five overarching strategies of agenda setting and coordination; establishment of at least five regional vaccine production hubs; resource mobilisation and financing partnerships; strengthening regional vaccine regulatory mechanisms; and technology transfer and work force development.

The aspiration of Africa CDC was to move from a situation of 99% import and only 1% local production of vaccines in 2021 to at least 60% local production by 2040, premised on the building blocks of regulatory strengthening, access to finance, infrastructure, and talent/know-how.

Financial Results

Despite the challenges, we have made a lot of progress albeit slowly. Hopefully, our Market Access MOU Federal Executive Council approval will come in this year (2022) and we can start recording revenue. For the year ended December 31, 2021, we posted a cumulative loss of -N-67.7 million, a growth of 44% on last year's loss of -N-47million, as shown in our audited financial report. This is on account of the growth in our Admin expenses from -N-54million in 2020 to -N-93 million in 2021 contributed majorly by Licences and permits, Professional and consultancy fees and increase in headcount. These are necessary operating expenses and required investments needed for the commencement of commercial activities in 2021.

Developments in the company

The year 2021 was particularly eventful, giving the various activities that went on simultaneously to ensure implementation of this most important mandate. Indeed, we hosted the National Assembly Joint Committee on Health, led by the Chairman, Senator Ibrahim Oloriegbe, here at our head office in Lagos, on account of release of the -N-10 billion Naira allocated to BVNL for Local Vaccines Manufacturing. Some of the other important developments include:

a) Marketing Authorization

Following the signing On Market Access MOU, we have secured the Marketing Authorisation for all the relevant first phase products. This was, of course, made possible by the synergistic working with all the relevant agencies and departments of government. I cannot but commend the cordial working relationship we have enjoyed with NAFDAC especially.

b) Forex Allocation by the CBN

We were delighted when the CBN approved the allocation of Foreign Exchange to BVNL to enable us to pay

CHAIRMAN'S STATEMENT (CONT'D)

our External and Internal Engineering Design company. The Board is most grateful to the leadership at the CBN for this show of commitment to national projects of strategic importance, and we look forward to more support from them. Recall that the Board had approved a company to undertake the basic internal and external engineering as well as the architectural and structural design of the BVNL greenfield integrated Biotech Park.

c) WHO Global mRNA Technology Transfer Hub and Spokes

Towards the end of 2021, we responded to the Expression of Interest (EOI) from the WHO to receive technology transfer for mRNA vaccine and become an mRNA vaccine manufacturer. Nigeria. This effort, complemented by the high-level diplomatic advocacy from the Honourable Minister of Health and his team, resulted in Nigeria being selected as one of the six spokes in Africa alongside Egypt, Kenya, Senegal, Tunisia, and South Africa.

d) Board Changes

- i. Pharm (Mrs.) Olubukola Adunni Ajay retired as Director Food and Drug Services Department, Federal Ministry of Health, and consequently also retired from the BVNL Board on December 9, 2021.
- ii. Dr. Edugie Abebe resigned from the Board of BVNL also on December 9, 2021.
- iii. Appointment of Pharm Mrs. Olubunmi Aribeara, as Director of BVNL to represent the Federal Government of Nigeria on April 21, 2022. Mrs. Aribeara is the Director of the Food and Drug Services Department of the Federal Ministry of Health.
- iv. Appointment of Mr. Kolawole Olalekan Durojaiye as Director BVNL to represent May & Baker. His appointment became effective on December 9, 2021.

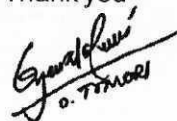
Outlook

It always seems impossible until it is done! The vision articulated by the African Union/ Africa Centre for Disease Control (CDC) is clear. To move from 1% local manufacturing and 99% import to no less than 60% local manufacturing and 40% import, by 2040. We are already taking the consistent small steps that will take us to this future.

We have scheduled the ground-breaking ceremony for the fourth quarter of the year (2022). And we are confident that with the continuing support of the government this event will be another remarkable milestone in the life of this project.

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 16th (Sixteenth) Annual General Meeting of the Company will be held at the Company's Offices, 445 Herbert Macaulay Way, Yaba, Lagos on Thursday, 25th August 2022 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 2021 and the Reports of the Directors and Auditors thereon.
2. To disclose the remuneration of Managers.
3. To elect Mr. Kolawole Durojaiye and Pharm. (Mrs.) Olubunmi Aribeara as Directors of the Company.
4. To authorise the Directors to fix the remuneration of the Auditors.

SPECIAL BUSINESS:

5. To approve the remuneration of the Directors for the year ended 31st December 2021.

BY ORDER OF THE BOARD



A.O. OYEBANJO
For: MARINA NOMINEES LIMITED
Secretaries to the Company

LAGOS

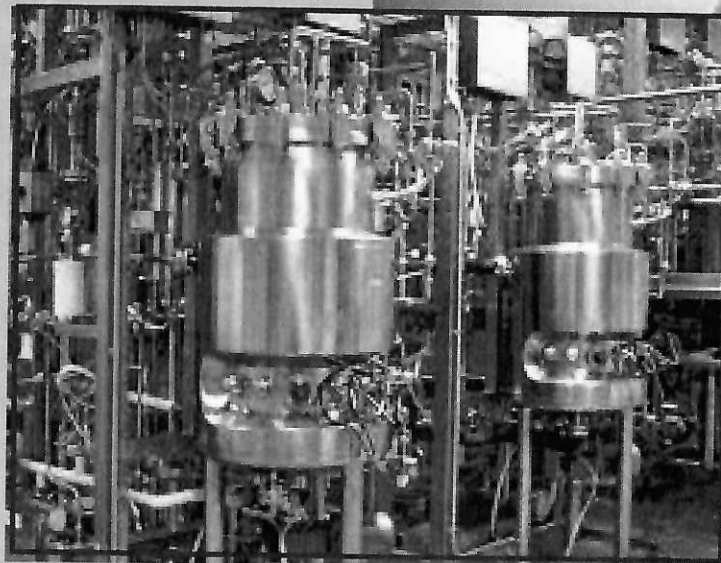
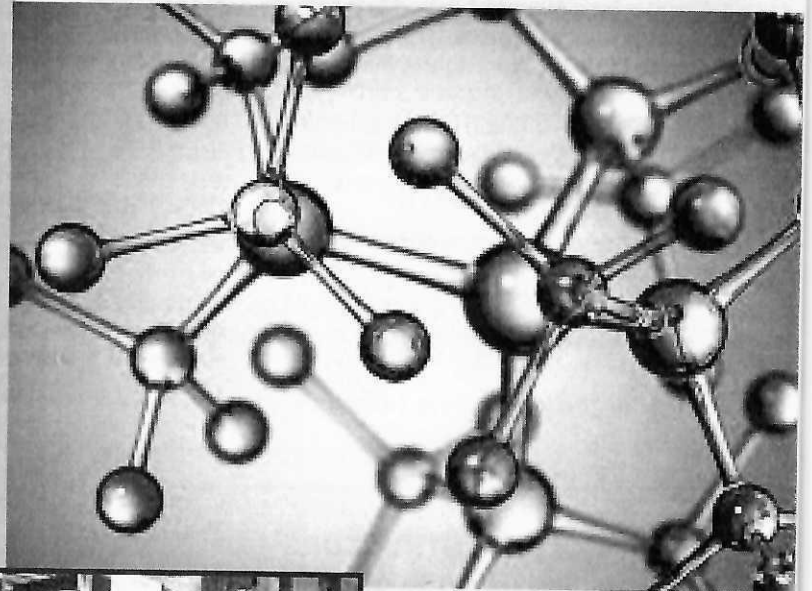
21st April 2022

Note:

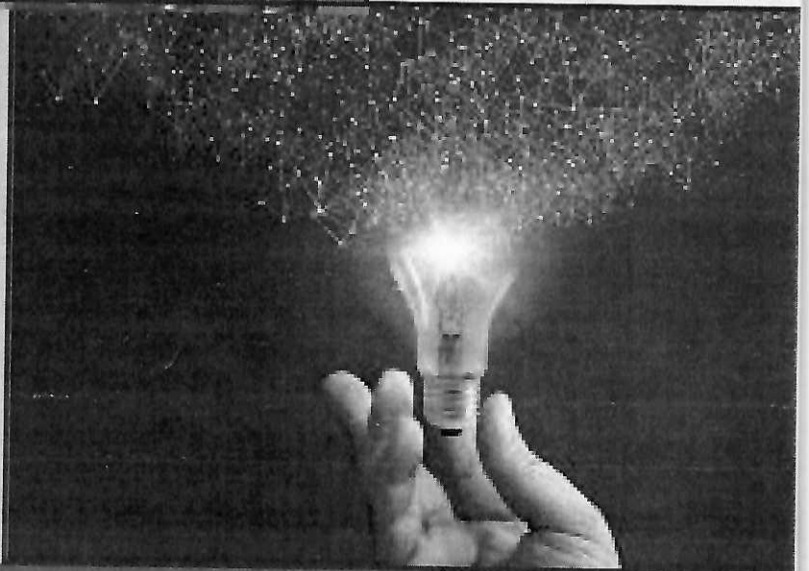
A Form of Proxy is contained herein for execution by your authorised officers and, to be valid, the Form must be stamped by the Commissioner for Stamp Duties.

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, 2021

BIOVACCINES NIGERIA LIMITED

09

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 on 31st December, 2021.

LEGAL FORM

Biovaccines Nigeria Limited is a private company limited by shares established in partnership with the Federal Government of Nigeria. The Company was incorporated in Nigeria on 1st September, 2005 and formally handed over to May & Baker Nigeria Plc on 27th November, 2005. The Company is yet to commence operation.

PRINCIPAL ACTIVITIES

The Company is into production, sales and distribution of human vaccines, biological and injection devices.

RESULTS

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

	2021	2020
	₦'000	₦'000
Loss for the year before taxation		
Taxation	(67,669)	(47,773)
Loss after Taxation	(67,669)	(47,773)

SHAREHOLDING STRUCTURE

The shareholding structure during the period was:

	Shareholding	Percentage
May & Baker Nigeria Plc	51,000,000.00	51%
Federal Government of Nigeria	49,000,000.00	49%
	100,000,000.00	100%

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

DIRECTORS

1. The names of the present Directors are detailed on page 3.
2. Dr. Edugie Abigail Abebe (mni) and Pharm. (Mrs.) Olubukola Adunni Ajayi ceased to be Directors of the Company on 9th December, 2021 respectively. Mr. Kolawole Olalekan Durojaiye and Pharm. (Mrs.) Olubunmi Aribeara were appointed Directors in their places on 9th December, 2021 and 21st April, 2022 respectively. The appointments of Mr. Kolawole Olalekan Durojaiye and Pharm. (Mrs.) Olubunmi Aribeara will be ratified at the 2022 Annual General Meeting of the Company.

DIRECTORS' INTEREST IN CONTRACTS

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

EMPLOYMENT OF PHYSICALLY CHALLENGED PERSONS

The Company has no physically challenged persons in its employment. However, applications for employment by physically challenged 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 physically challenged, 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 physically challenged persons should as far as possible be identical with that of other employees.

DIRECTORS REPORT

For The Year Ended 31st December, 2021

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 employees.

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. The 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

The Company makes donations to charitable organisations at the discretion of Management within the provisions of the Companies and Allied Matters Act, 2020.

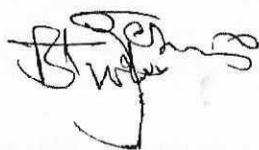
COMPANY SECRETARIES

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.

BY ORDER OF THE BOARD



Abiodun Oyebanjo

FRC/2013/ICSAN/00000003281

For: Marina Nominees Limited

Company Secretaries

Lagos, Nigeria

21st April, 2022.

Statement of Directors Responsibilities in Relation to the Financial Statements For The Year Ended 31st December, 2021

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.

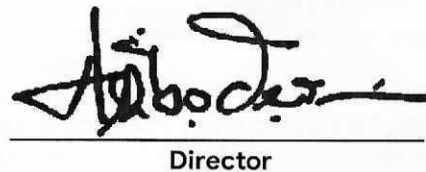
The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies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

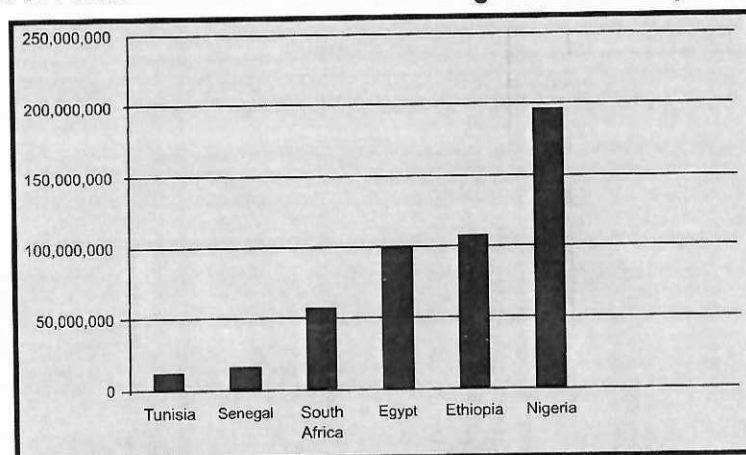


- **Senegal:** producer of pre-qualified vaccine (yellow fever).
- **Egypt:** DTP and some fill finish.
- **South Africa:** Fill finish.
- **Tunisia:** Very limited BCG and rabies.
- **Ethiopia:** starting....

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

Prof. Oyewale Tomori, DVM, Ph.D, FAS, FCVSN, FRCPath (UK) NNOM, FASTMI I, NAM - Chairman



- Appointed Chairman of Board of Directors, Biovaccines Nigeria Limited, on September 1, 2005
- Doctor of Veterinary Medicine (DVM) Ahmadu Bellow 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

Mr. Patrick Ajah Director

- Appointed member of Board of Director Biovaccines Nigeria Limited February 10, 2021
- Managing Director/CEO of May & Baker Nigeria PLC January 2021
- (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

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

Board of Directors and the Management

Pharm Olubukola A. Ajayi (Mrs.) – Director

- Appointed member of Board of Directors, Biovaccines Nigeria Limited, on December 7, 2020
- Ceased to be a Director of Biovaccines Nigeria Limited on December 9, 2021
- Director, Food and Drug Services, Federal Ministry of Health, Abuja.
- Bachelor of Pharmacy from the University of Lagos in 1985
- Master of Science in Pharmaceutics and Pharmaceutical Technology, University of Lagos 1992
- Rich experience in pharmacy and administration spanning over three (3) decades in Nigeria's public health sector encompassing: regulatory, manufacturing, policy development and formulation, hospital pharmacy, policy monitoring and evaluation, management, and administration.
- Has attended various training and conferences, both local and International, and contributed to numerous committees.
- Member on the boards of management of other organizations such as NIPRD, NAUTH etc.
- Date of birth: October 3, 1961



Dr. Edugie Abebe Director

- Appointed member of Board of Directors, Biovaccines Nigeria Limited, on January 19, 2018
- Ceased to be a Director of Biovaccines Nigeria Limited on December 9, 2021
- MBBS, College of Medicine, University of Lagos 1969 - 1974
- M.Sc. Community Health, London School of Hygiene & Tropical Medicine 1978–1979
- Director, Public Health in the Federal Ministry of Health (1999-2005)
- Retired Perm. Sec. Federal Government of Nigeria.
- Serves on the Board of May & Baker Nig. Plc as a non-executive director, from March 14, 2013.
- Member, Nigerian Medical Association
- Member, Institute of Directors (IOD)
- Fellow, Nigerian Institute of Management and London Society of Hygiene and Tropical Medicine
- Alumnus of the National Institute for Policy and Strategic Studies (NIPSS).
- Date of birth: October 17, 1950



Board of Directors and the Management



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 in March 2017.
- 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 (IOD)
- Cognate experience in the FMCG industry and has worked across diverse blue-chip multinational companies.
- Date of birth: October 20, 1968

Kolawole Olalekan Durojaiye FCA, HICB 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) (ACA)
- 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



Board of Directors and the Management



Pharm. (Mrs.) Olubunmi Stella Olalekan

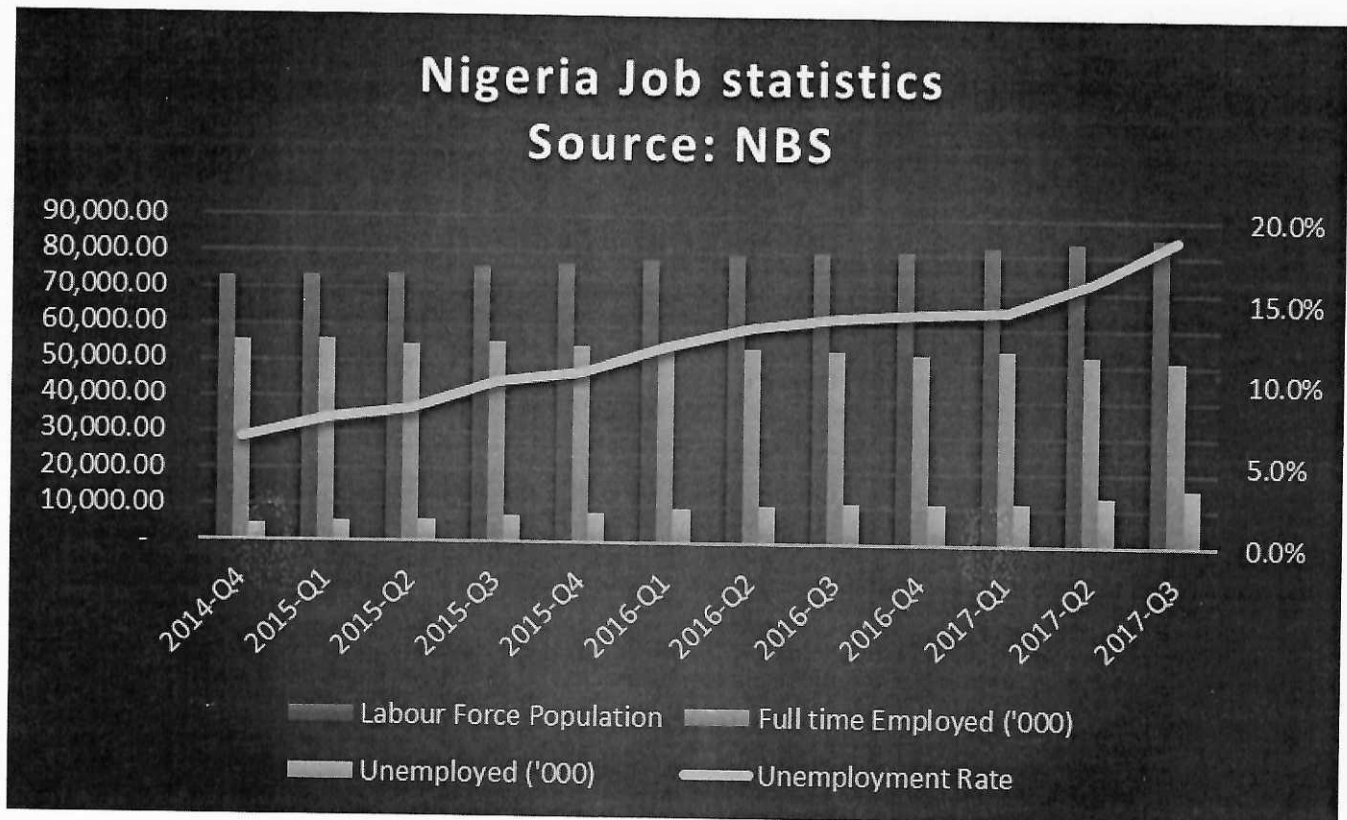
- Appointed member of Board of Directors, Biovaccines Nigeria Limited, on April 21, 2022
- Bachelor of Pharmacy, Obafemi Awolowo University, Ile-Ife, Osun State, 1990
- M.Pharm., University of Lagos, Akoka, Yaba, 2007
- Diploma in Supply Chain Management, MIT
- Member PSN
- Director, Food and Drug Services,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

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



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 (VMFA 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 2021 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 2021 and of its financial performance in accordance with International Financial Reporting Standards (IFRS).

Alaba Adedotun
FRC/2014/ICAN/00000006722
Howard Partners & Co.
Chartered Accountants
Lagos, Nigeria

2022



MARCH 17TH, 2022

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...

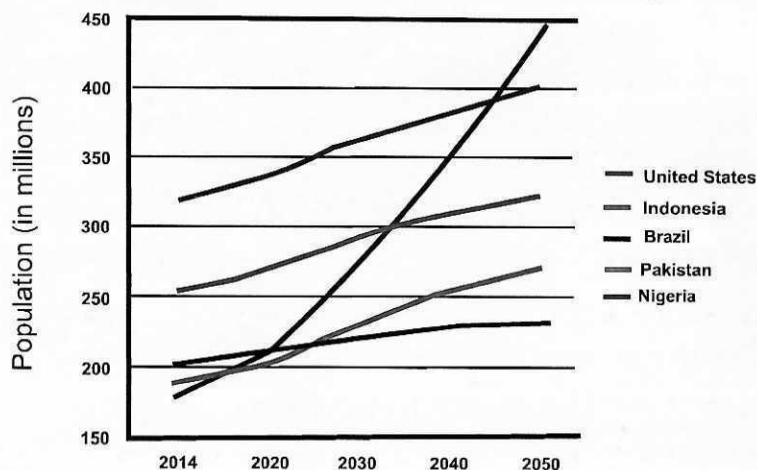
How Ready is Nigeria?

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 2021

	Note	2021 N'000	2020 N'000
Continuing operations			
Revenue	5	-	-
Cost of sales		-	-
		-	-
Gross profit			
Other operating income	6	16,737	255
Administrative expenses	11.3	(93,286)	(54,222)
		(76,549)	(53,967)
Operating loss			
Finance costs	8	(1,139)	(612)
Interest Income	7	10,018	6,806
		(67,669)	(47,773)
Loss before tax			
Current tax expense		-	-
		(67,669)	(47,773)
Loss for the year			
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Unrealised foreign exchange gains	16.2	1,400	601
Total comprehensive income		(66,270)	(47,171)
Earnings per share			
Basic (kobo per share) from continuing operation	10	(67.67)	(47.77)
Diluted (kobo per share) from continuing operation		(67.67)	(47.77)

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

BIOVACCINES NIGERIA LIMITED

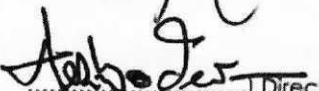
23

For the year ended 31st December 2021

	Note	2021 N'000	2020 N'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	1,577,992	1,584,901
Total non-current assets		<u>1,577,992</u>	<u>1,584,901</u>
Current assets			
Trade and other receivables	12	122,897	225,757
Other assets	14	283,025	132
Cash and cash equivalents	13	17,915	254,185
Total current assets		<u>423,837</u>	<u>480,075</u>
Total assets		<u>2,001,829</u>	<u>2,064,976</u>
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	(892,785)	(828,853)
Revaluation reserve	16.2	1,205,627	1,209,364
Fair value reserve	16.3	2,001	601
Total equity		<u>1,978,636</u>	<u>2,044,905</u>
Non-current liabilities			
Deferred tax liabilities		-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Current liabilities			
Trade and other payables	17	23,193	20,071
Current tax liabilities		-	-
Total current liabilities		<u>23,193</u>	<u>20,071</u>
Total liabilities		<u>23,193</u>	<u>20,071</u>
Total equity and liabilities		<u>2,001,829</u>	<u>2,064,976</u>

 Ag. Chief Operating Officer

 Director

 Director

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2021

	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 2020	100,000	1,563,793	(784,817)	1,213,101	-	2,092,077
Loss for the Period	-	-	(47,773)	-	-	(47,773)
Transferred of excess depreciation on revalued assets	-	-	3,737	(3,737)	-	-
Unrealised exchange gain/(loss)	-	-	-	-	601	601
At 31 December 2020	100,000	1,563,793	(828,853)	1,209,364	601	2,044,905
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 exchange gain/(loss)	-	-	-	-	1,400	1,400
At 31 December 2021	100,000	1,563,793	(892,785)	1,205,627	2,001	1,978,636

STATEMENT OF CASH FLOWS

For the year ended 31st December 2021

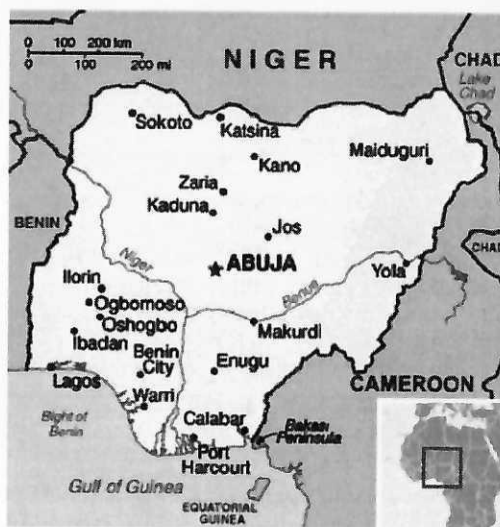
	Note	2021 N'000	2020 N'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss from operating activities		(67,669)	(47,773)
Adjustments for non-cash items:			
- depreciation of PPE	11	7,433	8,649
- Unrealized foreign exchange gain	16.3	1,400	601
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES		(58,837)	(38,523)
WORKING CAPITAL CHANGES INFLOW / (OUTFLOW):			
Decrease/(increase) in Trade & other receivables	12 & 14	(180,032)	8,186
(Decrease)/increase in Trade & other payables	17	3,123	17,056
CASH GENERATED FROM OPERATIONS		(176,909)	25,242
Taxes paid		-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES		(176,909)	25,242
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment (PPE)	11	(525)	(5,195)
NET CASH PROVIDED BY INVESTING ACTIVITIES		(525)	(5,195)
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH PROVIDED BY FINANCING ACTIVITIES		-	-
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(236,270)	(18,476)
Cash and cash equivalents at 1 January		254,185	272,661
Cash and cash equivalents at 31 December		17,915	254,185
CASH AND CASH EQUIVALENTS AT 31 DECEMBER COMPRISE:			
Cash at Bank		17,875	53,455
Cash at Hand		40	40
Short-term placement		-	200,690
Cash and cash equivalents at 31st December		17,915	254,185

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

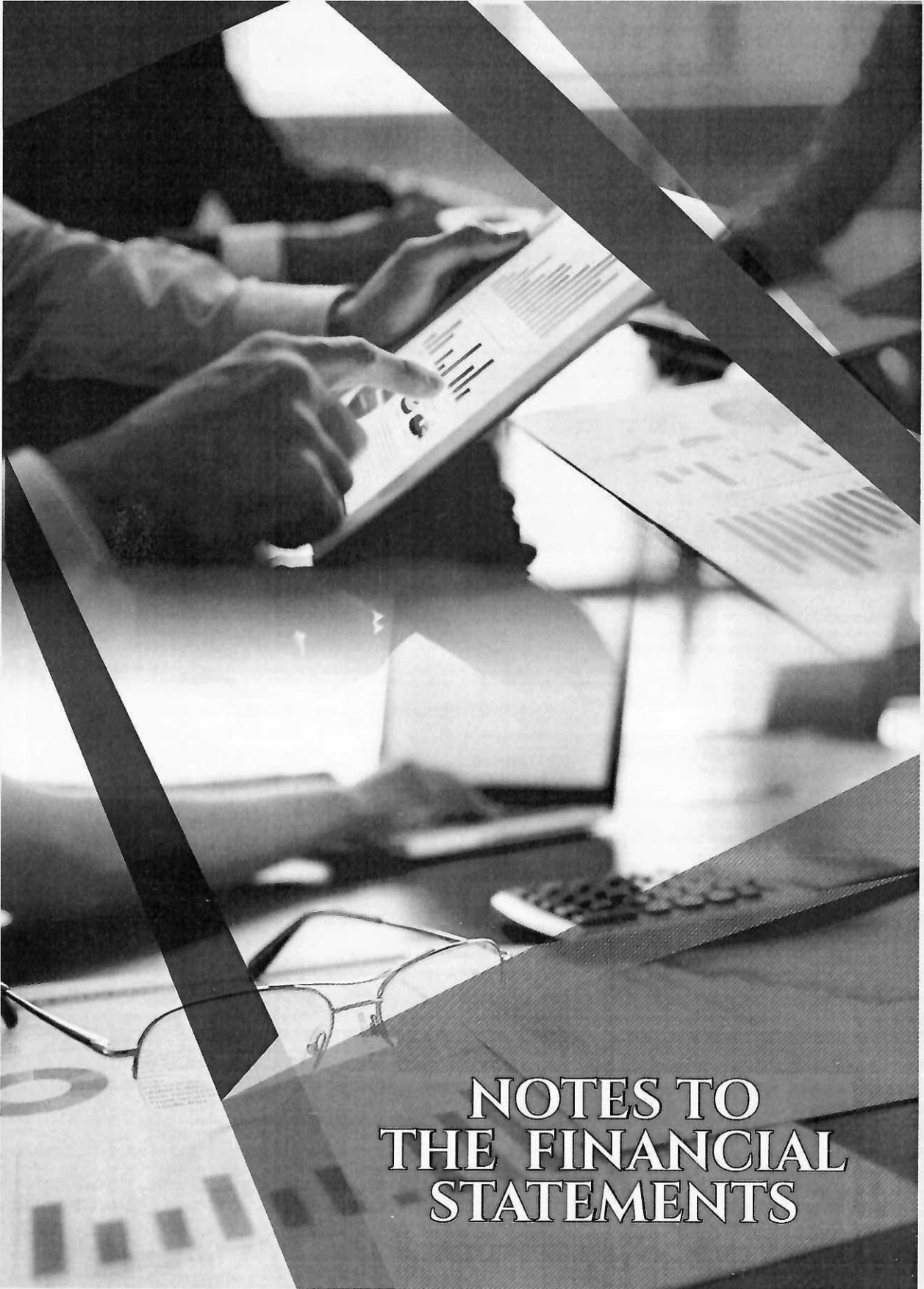
WHO African Region

Other WHO Regions



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

Source: All countries.org



**NOTES TO
THE FINANCIAL
STATEMENTS**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

As at 31st December 2021

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 exchange rate ruling at the balance sheet date; 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 translated from their functional currency at the exchange rate at the balance sheet date. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

As at 31st December 2021

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 Years
Office equipment	3-10 Years
Furniture and fittings	3-10 Years
Plant and Machinery	10-20 Years

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

As at 31st December 2021

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

As at 31st December 2021

(l) 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:

- ∅ In the principal market for the asset or liability, or
- ∅ 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:

- ∅ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ∅ Level 2 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable
- ∅ 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 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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

As at 31st December 2021

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 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

As at 31st December 2021

(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 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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

As at 31st December 2021

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

As at 31st December 2021

(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

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:

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 16: Property, Plant and Equipment: PROCEEDS BEFORE INTENDED USE - These amendments, Issued in May 2020, Prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises

The standard is effective for annual periods beginning on or after 1 January 2022 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 37: Contingent Liabilities and Contingent Assets: ONEROUS CONTRACTS (Cost of Fulfilling a Contract) - These amendments, issued in May 2020, specify which costs a company includes when assessing whether a contract will be loss-making.

The standard is effective for annual periods beginning on or after 1 January 2022 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

As at 31st December 2021

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)

As at 31st December 2021

	2021 N'000	2020 N'000
5. Revenue		
An analysis of the Company's revenue is as follows:		
Sale of Goods	-	-
Total revenue	<u>-</u>	<u>-</u>
6. Other operating income	2021 N'000	2020 N'000
Income from Bio-farma:Consultancy	16,618	-
Sale of mice	120	255
	<u>16,737</u>	<u>255</u>
7. Interest Income	2021 N'000	2020 N'000
Bank interest	10,018	6,806
	<u>10,018</u>	<u>6,806</u>
8. Finance costs		
Bank charges	1,139	612
	<u>1,139</u>	<u>612</u>
9. Loss for the year is attributed to:		
Owners of the business	<u>(67,669)</u>	<u>(47,773)</u>
	<u>(67,669)</u>	<u>(47,773)</u>
The loss is attributable to owners of the parent as all the subsidiaries are wholly owned.		
10. Earnings per share	2021 N'000	2020 N'000
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	<u>(67,669)</u>	<u>(47,773)</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>100,000</u>	<u>100,000</u>
Earnings per share (kobo) - basic	<u>(67.67)</u>	<u>(47.77)</u>
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	<u>100,000</u>	<u>100,000</u>
Earnings per share (kobo) - diluted	<u>(67.67)</u>	<u>(47.77)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

As at 31st December 2021

11 PROPERTY, PLANT AND EQUIPMENT

	Land & Bulding 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 2021	1,590,629	5,576	3,122	14,755	2,728	1,616,809
Additions	49	-	-	-	476	525
At 31st December 2021	1,590,678	5,576	3,121	14,755	3,203	1,617,333
Depreciation:						
At 1 Jan 2021	22,607	4,714	593	3,426	568	31,908
Charge for the year	4,330	862	348	1,609	284	7,433
Adjustments	-	-	567	-	(567)	-
At 31st December 2021	26,937	5,576	1,508	5,035	285	39,341
Net book value:						
At 31st December 2021	1,563,741	-	1,613	9,720	2,918	1,577,992
At 31 December 2020	1,568,022	862	2,529	11,328	2,159	1,584,901

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)

As at 31st December 2021

	2021 N'000	2020 N'000
11.3 Depreciation charged for the year is included in:		
Cost of sales	-	-
Administrative expenses		
Audit fee	575	575
Canteen	108	72
Depreciation Expense	7,433	8,649
General office expenses	1,222	1,194
Award/Gifts	464	-
Reps & other expenses	2	-
Insurance	120	875
ITF	810	67
Licences & permit	16,753	-
Quarters expenses	505	-
Advertisement	821	-
Repairs & maintenance	875	-
Medical Expenses	58	117
Motor Vehicle Expenses	425	310
NSITF	72	100
Directors Fees	2,200	2,200
Board meetings, AGM & Conference Expenses	5,849	4,628
Outsourced manpower	1,930	2,402
Pension	724	626
Printing & stationery	561	368
Consultancy/Professional Fee	27,875	16,051
Rent & rate	-	50
Security & Cleaning	4,321	1,454
Salaries & wages	11,731	6,772
Electricity & other utilities	1,189	1,843
Telephone Expenses	306	688
Travelling & Accommodation	5,780	5,181
Other admin/management expenses	578	-
	93,286	54,222
	2021 N'000	2020 N'000
12. Trade and other receivables		
Staff loans and advances	361	3,496
Withholding tax recoverable	788	-
Prepayments - Others	288	132
Due from related companies	121,460	222,261
	122,897	225,889
Total trade and other receivables	122,897	225,889

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

As at 31st December 2021

	2021 N'000	2020 N'000
13. Cash and cash equivalents		
Cash in hand	40	40
Cash at bank	17,875	53,455
Short term deposits	-	200,690
	<u>17,915</u>	<u>254,185</u>

All short term fixed deposits have been liquidated as at 31st December 2021

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 their 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:

	2021 N'000	2020 N'000
Cash and cash equivalents		
Cash in hand and bank	17,915	254,185
As per statement of cash flows	<u>17,915</u>	<u>254,185</u>
14. Other assets		
Prepayments	283,025	132
	<u>283,025</u>	<u>132</u>
15. Share capital		
100,000,000 ordinary shares of 1 naira each	<u>100,000</u>	<u>100,000</u>
Issued and fully paid:		
Authorised:	<u>100,000</u>	<u>100,000</u>
100,000,000 ordinary shares of 1 naira each		
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	(828,853)	(784,817)
Loss for the Period	(67,669)	(47,773)
Excess Depreciation transfer from revaluation reserves	3,737	3,737
At 31 December	<u>(892,785)</u>	<u>(828,853)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) As at 31st December 2021

16.2 Revaluation Reserves	2021	2020
	N'000	N'000
At 1 January	1,209,364	1,213,101
Excess depreciation transfer to retained earnings	(3,737)	(3,737)
At 31 December	1,205,627	1,209,364

16.3 Fair Value Reserves		
At 1 January	601	-
Unrealised gain on foreign exchange transactions during the year	1,400	601
At 31 December	2,001	601

17. Trade and other payables	2021	2020
	N'000	N'000
LC Liability	1,106	-
Withholding tax payable	104	728
Audit Fee	575	575
Other Payables	21,408	18,768
	23,193	20,071
	23,193	23,193

18. Related party information

18.1 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.

Tydipacks Nigeria Limited - An related Company involved in healthcare and industrial packaging.

Servisure Nigeria Limited - A related Company involved in the distribution of pharmaceutical products.

Osworth Nigeria Limited - An wholly owned subsidiary of the Company involved in the distribution of pharmaceutical products.

19. Guarantees and other Financial Commitments

Capital expenditure

Capital expenditure authorised by the Directors but not contracted was nil (Dec 2020: 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.

20. Contingent liabilities

There were no contingent liabilities resulting from litigations at 31 December, 2021 (December 2020 - Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) As at 31st December 2021

21. 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.

22 Employees remunerated at higher rates

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

			2021	2020
	N	N		
	500,000 -	1,000,000	-	-
	1,000,001 -	3,000,000	2	2
	3,000,001 -	5,000,000	1	1
	5,000,001 -	10,000,000	-	-
	10,000,001 -	15,000,000	-	-
			<u>3</u>	<u>3</u>
			1	1
			2	2
			-	-
			<u>3</u>	<u>3</u>

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

Managerial
Senior staff
Junior staff

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) As at 31st December 2021

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:

	2021 N'000	2020 N'000
Trade and other receivable	122,897	225,889

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 N122.897m, the sum of N121.460m 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:

31st December 2021	Carrying amount	1 year or less	Over 1 year
Bank overdrafts	-	-	-
Trade and other payables	23,193	23,193	-
	23,193	23,193	-

(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) As at 31st December 2021

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 31 December, 2021.

	N'000	%	N'000	%
Turnover:	-		-	
Other income	16,737		255	
	<u>16,737</u>		<u>255</u>	
Bought in materials and services:				
Local	(64,103)		(38,767)	
Foreign	-		-	
	<u>(64,103)</u>		<u>(38,767)</u>	
Value added	<u>(47,366)</u>	100.00	<u>(38,512)</u>	100.00
DISTRIBUTION:-				
EMPLOYEES				
Salaries, wages and benefits	11,731	(24.77)	-	
THE FUTURE				
Depreciation	7,433	(15.69)	8,649	(22.46)
GOVERNMENT				
Taxation charge/(net credit)		-		-
THE PROVIDER OF FUNDS				
Interest Expense/Bank Charges	1,139	(2.40)	612	-1.59
Loss for the year	<u>(67,669)</u>	142.86	<u>(47,773)</u>	124.05
	<u>(47,366)</u>	100.00	<u>(38,512)</u>	100.00

FIVE-YEAR FINANCIAL SUMMARY

For the Year Ended 31 December, 2021.

	2021	2020	2019	2018	2017
	N'000	N'000	N'000	N'000	N'000
STATEMENT OF FINANCIAL POSITION					
ASSET EMPLOYED					
Non-current asset:					
Property, plant and equipment	1,577,992	1,584,901	1,588,355	1,593,743	1,587,739
Deferred tax asset	-	-	-	-	-
Net current assets	400,644	460,004	503,722	(1,040,627)	(636,387)
Total assets	1,978,636	2,044,905	2,092,077	553,116	951,352
Non-current liabilities	-	-	-	-	-
Net total assets	1,978,636	2,044,905	2,092,077	553,116	951,352
EQUITY					
Share capital	100,000	100,000	100,000	100,000	100,000
Share premium	1,563,793	1,563,793	1,563,793	-	-
Retained earnings	(892,785)	(828,853)	(784,817)	(764,021)	(377,557)
Revaluation reserve	1,205,627	1,209,364	1,213,101	1,217,137	1,228,909
Fair value reserve	2,001	601	-	-	-
Total equity and liability	1,978,636	2,044,905	2,092,077	553,116	951,352
TURNOVER					
	-	-	-	-	-
LOSS AFTER TAXATION					
	(67,669)	(47,773)	(24,832)	(107,836)	(67,057)
EARNING PER SHARE					
	(67.67)	(47.77)	(0.25)	(1.08)	(0.67)
NET ASSETS PER SHARE					
	19.79	20.45	20.92	5.53	9.51

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

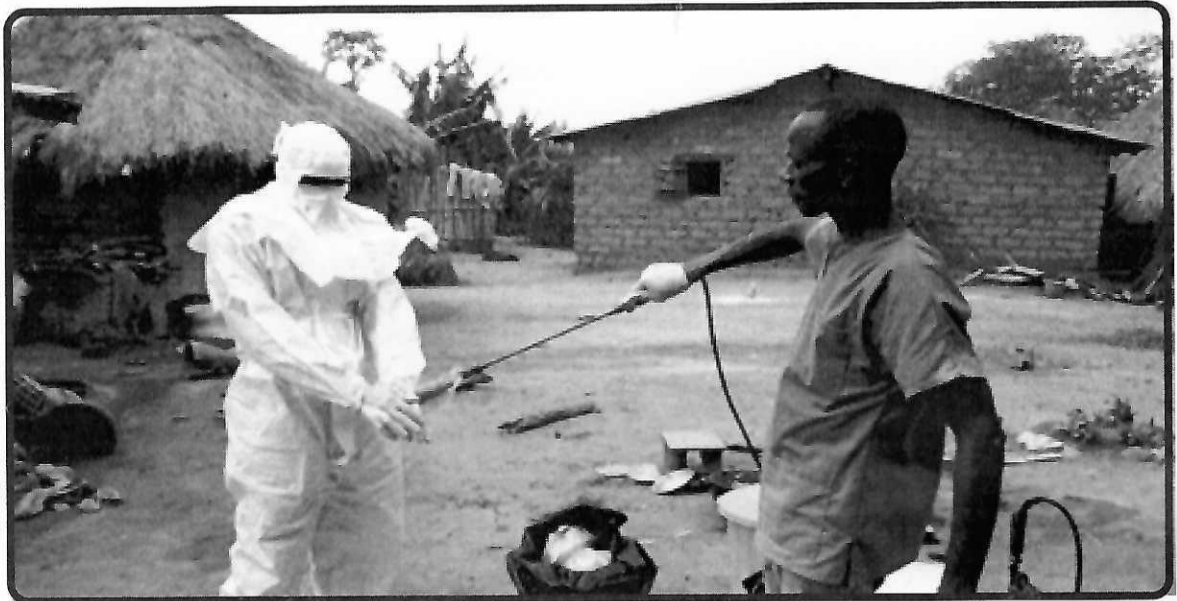
Thursday, 25th August 2022 and at any adjournment thereof.

Signed this.....day of.....2022.

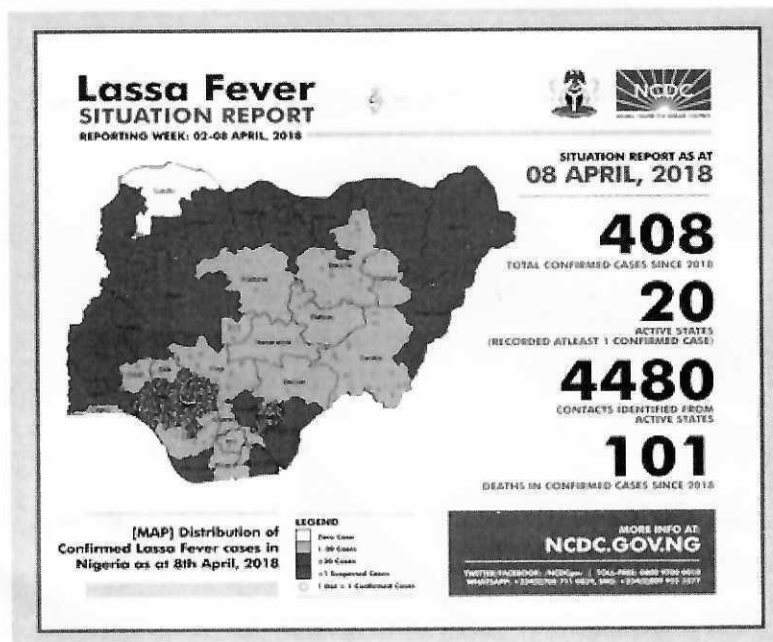
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Developing Effective Vaccines For Africa-specific Diseases Can Be a Reality



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



LAUNCHING OF THE NATIONAL VACCINE POLICY DOCUMENT



INDONESIAN AMBASSADOR VISITS BVNL



LAUNCHING OF THE NATIONAL VACCINE POLICY DOCUMENT



LAUNCHING OF THE NATIONAL VACCINE POLICY DOCUMENT



NA4H GROUP VISITS BVNL



INDONESIAN AMBASSADOR VISITS BVNL



NIGERIA DELEGATION TO THE IVI 2022 INTRODUCTORY BIOMANUFACTURING WORKFORCE TRAINING



NA4H GROUP VISITS BVNL

CORPORATE EVENTS



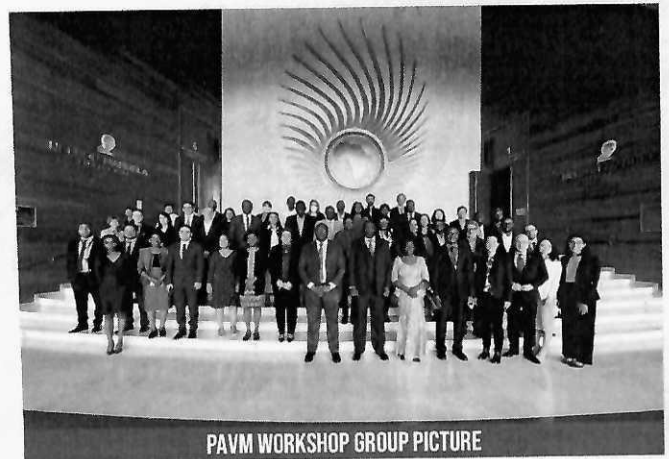
EIA TEAM'S VISIT



EIA TEAM'S VISIT



NOTAP VISITS BVNL



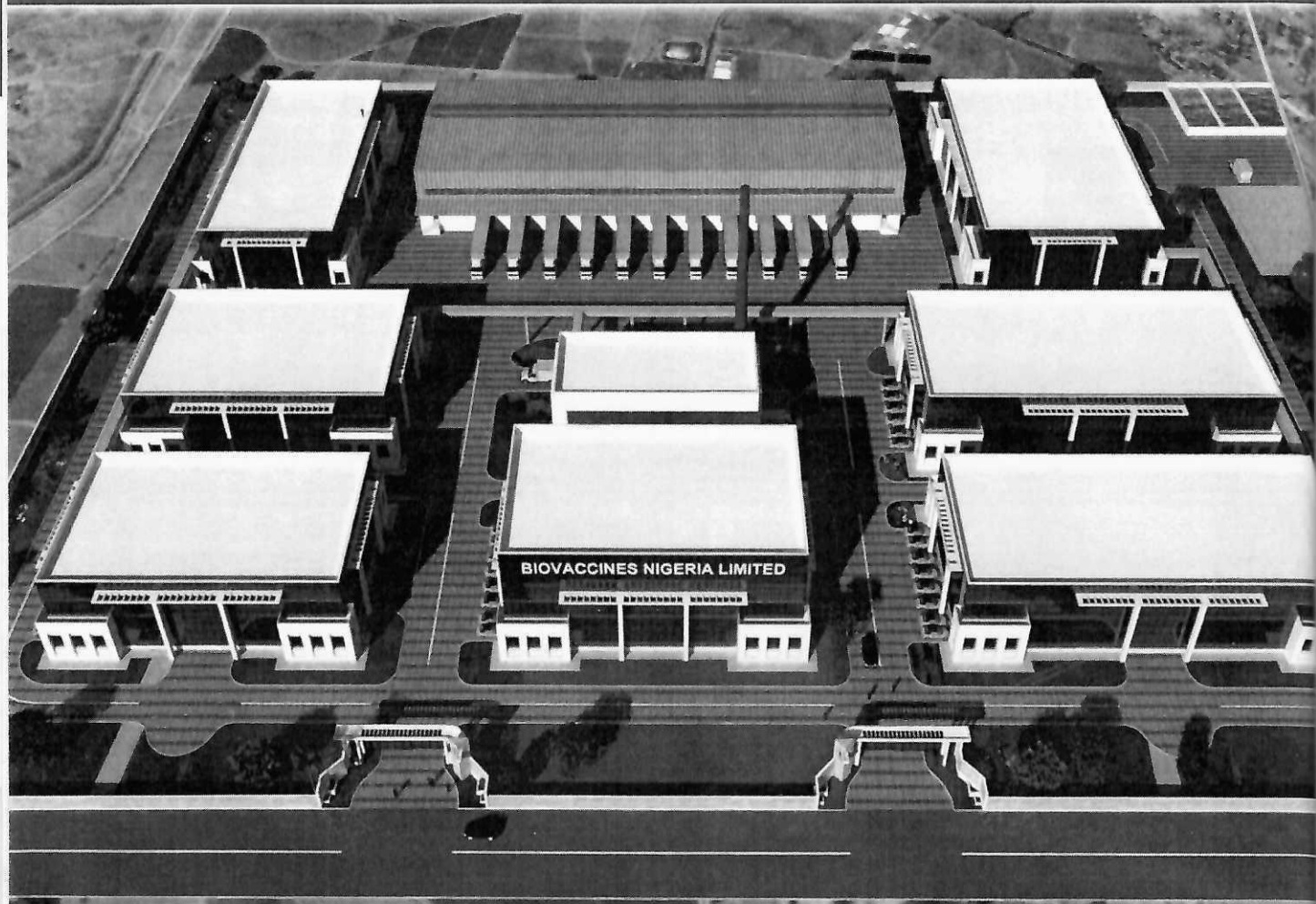
PAVM WORKSHOP GROUP PICTURE



LAUNCHING OF THE NATIONAL VACCINE POLICY DOCUMENT



DG WAHO AT THE WAHO REGIONAL MEETING IN ACCRA, GHANA



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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Hambak

