

You are advised to read and understand the contents of this Rights Circular. If you are in any doubt about the actions to be taken, you should consult your Stockbroker, Banker, Solicitor, Accountant or any other professional adviser for guidance immediately. Investors are advised to note that liability for false or misleading statements or acts made in connection with the Rights Circular is provided in sections 85 and 86 of the Investments and Securities Act No 29, 2007 (the "Act")

"For Information concerning certain risk factors which should be considered by prospective investors, see Risk Factors on page 25 - 26 hereof"



FIDSON HEALTHCARE PLC
RC 267435

Rights Issue of

900,000,000 Ordinary Shares of 50 kobo each at ₦5.00 per Share

on the basis of **3 new Ordinary Shares** for every **5 Ordinary Shares** held as at close of business on **5 July 2018**

The rights being offered in this Rights Circular are tradable on the floor of The Nigerian Stock Exchange for the duration of the Issue

Payable in full on Acceptance

ACCEPTANCE LIST OPENS
Monday, 5 November 2018

ACCEPTANCE LIST CLOSES
Friday, 30 November 2018

LEAD ISSUING HOUSE



JOINT ISSUING HOUSES



This Rights Circular and the securities, which it offers have been cleared and registered by the Securities and Exchange Commission. The Investments and Securities Act No 29, 2007 provides for civil and criminal liabilities for the issue of a Rights Circular which contains false or misleading information. The clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties from any liability arising under the Act for false and misleading statements or for any omission of a material fact in this Rights Circular.

This Rights Circular is dated Thursday, 13 September 2018

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1. IMPORTANT NOTICE

This Rights circular prepared by CardinalStone Partners Limited, Financial Derivatives Company Limited and FSDH Merchant Bank Limited (the "Issuing Houses") is issued in connection with the Rights Issue of 900,000,000 Ordinary Shares of 50 kobo each at ₦5.00 per share in Fidson Healthcare Plc.

The Rights Circular and the Shares being offered have been cleared and registered with the SEC. Application has been made to the Council of The NSE for admission of the Shares now being offered to the Daily Official List. It is expected that dealing in the Shares will commence immediately after the admission to the Daily Official List.

The Directors of the Company individually and collectively accept full responsibility for the information contained in this Rights Circular. To the best of the knowledge and belief of the Directors (having made all reasonable enquiries to ensure that such is the case), the information contained in this Rights Circular is in accordance with the facts and contains no omission likely to affect its import. Each Shareholder should read this Rights Circular in its entirety and determine by himself/herself the relevance of the information contained herein and each Shareholder's acceptance of his/her rights should be based upon such investigation as is deemed necessary. In making an investment decision, Shareholders must rely upon their own examination of the Company and the terms of this Rights Circular, including the risks involved.

The Issuing Houses are duly registered with the SEC and are acting exclusively for the Company and no-one else in connection with the Rights Issue.

This Rights Circular relates to the Company's Rights Issue and has been prepared in accordance with the Investments and Securities Act (No. 29 2007) and the Rules and Regulations of the SEC (2013 as amended).

The Issuing Houses and any of their affiliates, acting as shareholders for their own accounts, may take up shares in the Issue and in that capacity may retain, purchase, sell, offer to sell or otherwise deal in such Shares for their own account and any other securities of the Company or related investments and may offer or sell such Shares or other investments other than in connection with the Issue.

No person has been authorised to give any information or make any representations other than those contained in this Rights Circular and if given or made, such information or representations must not be relied on as having been authorised by the Company and/or the Issuing Houses or any of their respective subsidiaries or affiliates.

The distribution of this Rights Circular and the issuance of the Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or the Issuing Houses that would permit a public offer of shares or possession, publication or distribution of this Rights Circular (or any other offer or publicity material or application form relating to the Issue) in any jurisdiction where action for the purpose is required, other than in Nigeria. Persons into whose possession this Rights Circular comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Rights Circular does not constitute an offer of, or an invitation to subscribe or purchase, any shares being offered in any jurisdiction in which such an offer would be unlawful.

2. DEFINITIONS

The definitions below apply throughout this document except where the context otherwise stated:

“Auditors”	Ernst and Young Nigeria
“CAC”	Corporate Affairs Commission
“CAMA”	Companies and Allied Matters Act Cap 20 Laws of the Federation of Nigeria 2004
“CardinalStone”	CardinalStone Partners Limited
“CHN”	Clearing House Number
“CSCS”	Central Securities Clearing System Plc
“Daily Official List”	The Daily Official List of The Nigerian Stock Exchange
“Directors” or the “Board”	The members of the Board of Directors of Fidson
“Existing Shareholders”	Shareholders of the Company whose names appear in the register of members as at the Qualification Date
“FDC”	Financial Derivatives Company Limited
“FGN” or “Government”	Federal Government of Nigeria
“Fidson” or “the Company”	Fidson Healthcare Plc
“FSDH”	FSDH Merchant Bank Limited
IHVN	Institute of Human Virology, Nigeria
“ISA”	Investments & Securities Act No 29, 2007
“NAFDAC”	National Agency for Food and Drug Administration and Control
“NEFT”	NIBSS Electronic Funds Transfer
“NSE Listing requirements/Rules”	Due Diligence Book for listing of securities on the Nigerian Stock Exchange, 2017
“Issuing Houses”	CardinalStone Partners Limited, Financial Derivatives Company Limited and FSDH Merchant Bank Limited
“Ordinary Shares” or the “Shares”	The ordinary shares of 50 kobo each in the Company held by the ordinary shareholders of the Company
“Pari Passu”	Equally
“Participation Form”	Form that must be duly completed by each shareholder in order to participate in the Rights Issue as contained on page 45
PPMV	Patent and Proprietary Medicine Vendors

2. DEFINITIONS

Qualification Date	Date of filing the application with the NSE, being 5 July 2018
“Receiving Agents”	Any of the institutions listed on page 44 of this Rights Circular to which shareholders may return their completed Participation Forms together with payment or evidence of payment
“Receiving Banks”	Access Bank Plc and First City Monument Bank Limited
“Rights Circular” or “Circular”	This document which is issued in accordance with the rules and regulations of the Commission
“Rights Issue” or “The Fidson Rights” or “The Shares”	The Rights Issue by way of provisionally allotted rights to Existing Shareholders whose names appear on the Register of Members of the Company as at the Qualification Date, of 900,000,000 Ordinary Shares of 50 kobo each in the Company, on the basis of 3 new Ordinary Shares for every 5 Ordinary Shares held by them on that date
“Register of Members”	The register that records the names and addresses of the ordinary shareholders of the Company
“Registrars”	Meristem Registrars and Probate Services Limited
“SEC” or “the Commission”	Securities and Exchange Commission
“SEC Rules”	Securities and Exchange Commission. Rules and Regulations, 2013
“Solicitors”	G. Elias & Co.
“Stockbrokers”	Meristem Stockbrokers Limited, CardinalStone Securities Limited and Imperial Asset Managers Limited
“The NSE” or “The Exchange”	The Nigerian Stock Exchange
“Working Day” or “Business Day”	Any day except Saturdays, Sundays and Federal Government declared Public Holidays on which banks are open for business in Nigeria

3. ABRIDGED INDICATIVE TIMELINE

Date	Activity	Responsibility
5 November 2018	Acceptance List Opens/ Trading in Rights Begins	Issuing Houses/Stockbrokers
30 November 2018	Acceptance List Closes/Trading in Rights closes	Issuing Houses/Stockbrokers
7 December 2018	Receiving Agents make returns	Issuing Houses/Receiving Agents/Registrars
21 December 2018	File allotment proposal and draft newspaper announcement with the SEC	Issuing Houses
27 December 2018	Receive SEC's clearance of allotment proposal	Issuing Houses
28 December 2018	Disburse net proceeds to Fidson	Issuing Houses/Receiving Banks
3 January 2019	Publish Allotment announcement	Issuing Houses
3 January 2019	Return excess/rejected application monies	Issuing Houses/ Registrars
3 January 2019	Credit CSCS accounts	Registrars/Stockbrokers
10 January 2019	Forward Declaration of Compliance to the NSE	Stockbrokers
15 January 2019	Listing of new Fidson shares/Trading commences	Stockbrokers
23 January 2019	Forward Issue summary report to the SEC	Issuing House

The dates above, which reflect principal events of the Rights Issue, are indicative only and subject to change without notice.

4. CORPORATE DIRECTORY

1. Head Office and Registered Address

268, Ikorodu Road,
Obanikoro
Lagos, Nigeria

Telephone:

+234 (1) 740 6817

+234 (1) 893 6502

2. The address of Fidson's factory location is as below:

Fidson Healthcare Plc (Biotech Plant)
Veepee Avenue,
Km 38, Lagos-Abeokuta Expressway,
Ogun State

Website:

www.fidson.com

5. THE RIGHTS ISSUE

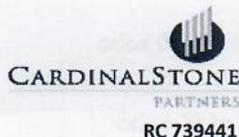
A copy of this Rights Circular and the documents specified herein have been delivered to the Securities and Exchange Commission for clearance and registration.

This Rights Circular is being issued in compliance with the provisions of the Investments and Securities Act No. 29 2007, the rules and regulations of the Commission and the listing requirements of The Exchange and contains particulars in compliance with the requirements of the Commission and The Exchange for the purpose of giving information to the public with regards to the Rights Issue of 900,000,000 Ordinary Shares of Fidson Healthcare Plc by CardinalStone, FDC and FSDH. An application has been made to the Council of The Exchange for the admission to its Daily Official List of the 900,000,000 Ordinary Shares being offered via the Rights Issue.

The Directors of Fidson individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no material facts, the omission of which make any statement herein misleading or untrue.

The shares to be issued by the Company pursuant to the Rights Issue will rank pari passu in all respects with the existing issued Ordinary Shares of the Company.

LEAD ISSUING HOUSE



JOINT ISSUING HOUSES



On behalf of



FIDSON HEALTHCARE PLC

RC 267435

is authorised to receive acceptances for the

Rights Issue of

900,000,000 Ordinary Shares of 50 kobo each at ₦5.00 per Share

on the basis of **3 new Ordinary Shares** for every **5 Ordinary Shares** held as at close of business on **5 July 2018**

Payable in full on Acceptance

The Acceptance List for the shares now being issued will open on **Monday, 5 November 2018** and close on **Friday, 30 November 2018**.

SHARE CAPITAL AND RESERVES OF THE COMPANY AS AT 31 MAY 2018

(EXTRACTED FROM THE MAY 2018 UNAUDITED FINANCIAL STATEMENTS)

		₦'000
Authorised:	2,400,000,000 ordinary shares of 50 kobo each	1,200,000
Issued and fully paid:	1,500,000,000 ordinary shares of 50 kobo each	750,000
Share Premium:		2,973,043
Accumulated profit/(losses):		4,331,733
Available for sales reserve:		683
SHAREHOLDERS' FUNDS		8,055,459



6. SUMMARY OF THE ISSUE

This summary draws attention to information contained elsewhere in this Rights Circular; it does not contain all of the information you should consider in making your investment decision. You should therefore read this summary together with the more detailed information, including the financial summary elsewhere in this Rights Circular.

Issuer:	Fidson Healthcare Plc																				
Lead Issuing House:	CardinalStone Partners Limited																				
Joint Issuing Houses:	Financial Derivatives Company Limited and FSDH Merchant Bank Limited																				
Share Capital:																					
Authorized:	₦1,200,000,000 comprising 2,400,000,000 Ordinary Shares of 50 kobo each																				
Issued and Fully Paid:	₦750,000,000 comprising 1,500,000,000 Ordinary Shares of 50 kobo each																				
Now being Issued:	900,000,000 Ordinary Shares of 50 kobo each at ₦5.00 per share																				
Gross Proceeds:	₦4,500,000,000.00																				
Purpose:	The Rights Issue is being undertaken to enable Fidson optimise its capital structure by deleveraging its balance sheet, thereby reducing financing costs and strengthening its capacity to pursue its various planned expansion programmes in line with the Company's goal to become the No. 1 indigenous pharmaceutical and nutraceuticals company in West Africa																				
Use of Proceeds:	The net proceeds estimated at ₦4,378,174,615.00 after the deduction of the estimated Issue costs of ₦121,825,385.00 (which represents 2.71% of the Issue proceeds) will be applied as shown below:																				
	<table border="1"> <thead> <tr> <th>Activities</th> <th>Amount (₦)</th> <th>Percentage (%)</th> <th>Expected Completion</th> </tr> </thead> <tbody> <tr> <td>Repayment of Outstanding Loans</td> <td>1,913,791,383.19</td> <td>42.53%</td> <td>Q3 2018</td> </tr> <tr> <td>Working Capital</td> <td>2,464,383,231.81</td> <td>54.76%</td> <td>On-going</td> </tr> <tr> <td>Issue Costs</td> <td>121,825,385.00</td> <td>2.71%</td> <td>Q3 2018</td> </tr> <tr> <td>Total</td> <td>4,500,000,000.00</td> <td>100.00</td> <td></td> </tr> </tbody> </table>	Activities	Amount (₦)	Percentage (%)	Expected Completion	Repayment of Outstanding Loans	1,913,791,383.19	42.53%	Q3 2018	Working Capital	2,464,383,231.81	54.76%	On-going	Issue Costs	121,825,385.00	2.71%	Q3 2018	Total	4,500,000,000.00	100.00	
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Working Capital	2,464,383,231.81	54.76%	On-going																		
Issue Costs	121,825,385.00	2.71%	Q3 2018																		
Total	4,500,000,000.00	100.00																			
	<i>*Detailed use of proceeds is provided on pages 35 and 36</i>																				
Method of Issue:	By way of a Rights Issue to Existing Shareholders																				
Provisional Allotment:	3 new Ordinary Shares for every 5 Ordinary Shares of 50 kobo held as at the close of business on the Qualification Date for those shareholders whose names appear on the Register of Members and transfer books of the Company as at that date.																				
Payment:	In full on acceptance																				
Capitalization at Rights Price (Pre-Issue)	₦7,500,000,000.00																				

6. SUMMARY OF THE ISSUE

Capitalization at Rights Price (Post-Issue)	₦12,000,000,000.00
Opening Date:	Monday, 5 November 2018
Closing Date:	Friday, 30 November 2018
Qualification Date:	5 July 2018
Application for Additional Shares:	Ordinary Shares which are not taken up by the close of the Issue, will be allotted on a pro-rata (equal) basis to Existing Shareholders who applied and paid for additional shares over and above their provisional allotment. Shareholders who do not accept their provisional allotment in full, may have their percentage shareholding in the Company diluted.
Underwriting:	At the instance of the Issuer, this Issue will not be underwritten.

<i>In millions of naira</i>	MAY-18	DEC-17	DEC-16	DEC-15	DEC-14	DEC-13
Revenue	5,652	14,057	7,655	8,211	9,719	9,235
Profit Before Tax	636	1,578	444	838	871	250
Profit After Tax	433	1,060	317	744	632	155
Share Capital	750	750	750	750	750	750
Net Assets	8,055	7,623	6,593	6,324	5,765	5,245
Total assets	19,614	17,447	16,667	16,670	15,772	12,243
Basic Earnings per share (kobo)	29	71	21	50	42	10
Diluted Earnings per share (kobo)	29	71	21	50	42	10

Quotation:	Fidson's entire issued and paid-up share capital is listed on The Exchange. An application has been made to The Council of The Exchange for the admission to its Daily Official List of the 900,000,000 Ordinary Shares being offered by way of rights.
Currency:	Naira ("₦")
Status:	The new ordinary shares being issued will rank pari passu in all respects with the existing issued Ordinary Shares of the Company.
Settlement:	The CSCS accounts of shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are hereby advised to state the name of their respective stockbrokers, their Clearing House Numbers and CSCS account numbers in the relevant spaces on the Participation Form. Certificates for shareholders that do not provide their CSCS account details will be dispatched by registered post not later than 15 working days from the date of allotment.

6. SUMMARY OF THE ISSUE

In accordance with the SEC Directive on Dematerialization of Share Certificates, shareholders who do not provide valid CHN and CSCS account numbers will have their shares credited at the CSCS using a Registrar Identification Number. A Registrar's Identification Number is a number allocated to shareholders who do not have valid CHN and CSCS account numbers to warehouse their units of shareholding in public companies under Registrars custody at the CSCS. The allotted shares will be transferred to the stockbroking account of the shareholder once valid CHN and CSCS account numbers are provided. Any shareholder who does not have a valid CHN and CSCS account number, is advised to open a stockbroking account with a stockbroker and obtain a valid CHN and CSCS account number from the stockbroker.

Claims and Litigations: The Company is involved in seven (7) suits. The total amount claimed in the four suits instituted against the Company is ₦15,000,000 (Fifteen Million Naira) (minus interest claims). On the other hand, the Company is claiming ₦101,532,139 (One Hundred and One Million, Five Hundred and Thirty-Two Thousand, One Hundred and Thirty-Nine Naira) (minus interest claims) in the three cases instituted by it.

The Solicitors to the Issue are of the opinion that the claims against the Company are infinitesimal and inconsequential. In the unlikely event that the claims succeed, the liability of the Company will not exceed the total amount claimed, and this potential liability does not have the capacity to impact negatively on the Transaction.

Indebtedness: As at 31 May 2018, the Company had an outstanding debt balance of ₦6.19 billion, which included:

- a) ₦750 million from Bond issued at an interest rate of 15.5%
- b) ₦1.27 billion of Intervention Funding obtained from the Bank of Industry and the Central Bank of Nigeria at interest rates between 7% and 12.5%
- c) ₦508.01 million of Finance Leases obtained from commercial banks at interest rates between 23% and 25%
- d) ₦1.64 billion of Import Finance Facilities obtained from commercial banks at interest rates between 21% and 27%
- e) ₦956.77 million of Overdraft Facilities obtained from commercial banks at interest rates between 21% and 28%
- f) ₦1.07 billion of Commercial Papers at interest rates between 22% and 23%

7. DIRECTORS, SECRETARY AND PARTIES TO THE ISSUE

Issuer **Fidson Healthcare Plc**
268, Ikorodu Road, Obanikoro
Lagos

Board of Directors **Elder Felix O.A. Ohiwerei**
Chairman
268, Ikorodu Road, Obanikoro
Lagos

Dr. Fidelis A. Ayebae
Managing Director/ Chief Executive Officer
268, Ikorodu Road, Obanikoro
Lagos

Mr. Olugbenga O. Olayeye
Executive Director
268, Ikorodu Road, Obanikoro
Lagos

Mr. Abiola A. Adebayo
Executive Director
268, Ikorodu Road, Obanikoro
Lagos

Mrs. Olufunmilola O. Ayebae
Non- Executive Director
268, Ikorodu Road, Obanikoro
Lagos

Mr. Emmanuel E. Imoagene
Non-Executive Director
268, Ikorodu Road, Obanikoro
Lagos

Mrs. Aisha P. Sadauki
Non-Executive Director
268, Ikorodu Road, Obanikoro
Lagos

Ms. Mabel Ndagi
Non-Executive Director
268, Ikorodu Road, Obanikoro
Lagos

Mr. Olusegun S. Adebajji
Non-Executive Director
268, Ikorodu Road, Obanikoro
Lagos



7. DIRECTORS, SECRETARY AND PARTIES TO THE ISSUE

Company Secretary

Mr. J. Abayomi Adebajo, FCIS
268, Ikorodu Road, Obanikoro
Lagos



Issuing Houses

CardinalStone Partners Limited (Lead)
5 Okotie Eboh Street
Ikoyi, Lagos

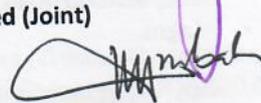


MICHAEL NZE

Financial Derivatives Company Limited (Joint)
9A, Idejo Street (Off Adeola Odeku Street)
Victoria Island, Lagos

BISMARCK REWAN

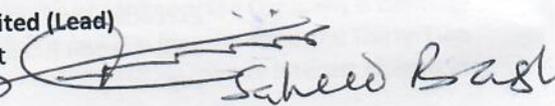
FSDH Merchant Bank Limited (Joint)
1/5 Odunlami Street
Lagos



HAMDA AM

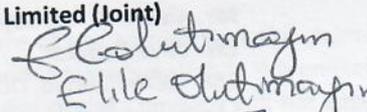
Stockbrokers

Meristem Stockbrokers Limited (Lead)
124, Norman Williams Street
Ikoyi S/W, Lagos



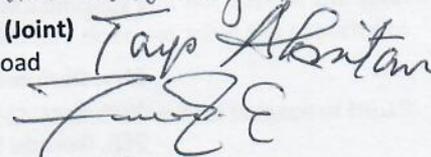
Saheed Bas

CardinalStone Securities Limited (Joint)
5 Okotie Eboh Street
Ikoyi, Lagos



Elite Ode

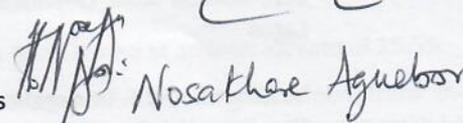
Imperial Asset Managers Limited (Joint)
148A, Ikeja Way Off Association Road
Dolphin Estate, Ikoyi, Lagos



Tayo Akintan

Solicitor to the Issue

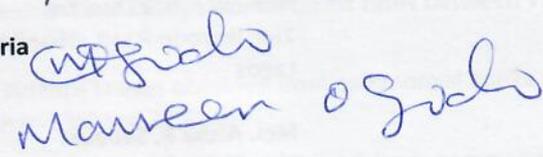
G Elias & Co.
6 Broad Street
Lagos Island, Lagos



Nosathae Aguebor

Auditors

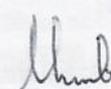
Ernst & Young Nigeria
10th & 13th Floors
UBA House, Marina
Lagos, Nigeria



Maween Ogado

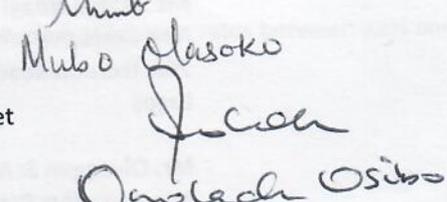
Registrars

Meristem Registrars and Probate Services Limited
213, Herbert Macaulay Way
Yaba, Lagos, Nigeria



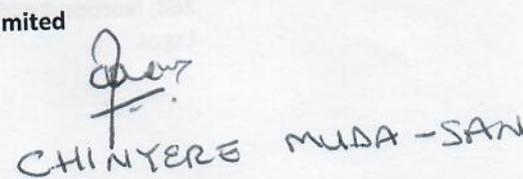
Receiving Banks

Access Bank Plc
Plot 999c, Danmole Street
Off Adeola Odeku/Idejo Street
Victoria Island
Lagos, Nigeria



Mubo Olatoko

First City Monument Bank Limited
Primrose Tower
17A Tinubu Street,
Lagos, Nigeria



CHINYERE MADA-SAN

8. CHAIRMAN'S LETTER

The following is the text of the letter received by the Issuing Houses from Elder Felix O. A. Ohiwerei – Chairman, Board of Directors of Fidson Healthcare Plc



26 June 2018

Dear Shareholders,

Rights Issue of 900,000,000 Ordinary Shares of 50 kobo each at ₦5.00 per Share in Fidson Healthcare Plc

1.1. Introduction

At the Annual General Meeting ("AGM") of Fidson Healthcare Plc which was held on 20 October 2017, the Shareholders of the Company (the "Shareholders") authorised the Board of Directors to raise capital up to the sum of ₦6,000,000,000 (Six Billion Naira) through various funding options including via a Rights Issue to its shareholders at such price and terms as the Directors of the Company may deem fit, subject to obtaining all requisite regulatory approvals.

At a subsequent meeting of the Directors held on 24 May 2018, the Board authorized the Rights Issue of 900,000,000 Ordinary Shares at ₦5.00 per share. The additional capital will enable the Company pay down some of its existing expensive debt thereby reducing its financing costs as well as strengthening its capacity to pursue its various planned expansion programmes.

Nigeria emerged from a recession in Q2 2017 after five consecutive quarters of contraction and the country posted better macroeconomic indices compared to the previous year. The country returned a positive GDP growth rate of 0.82% for the full year 2017 and 1.95% for the first quarter of 2018. In addition, total capital imported, the Purchasers Managers Index (PMI) and foreign reserves have been improving from the 2016 recessionary levels while inflation has been on a consistent decline.

Fidson recorded an impressive financial performance for the full year 2017. Revenue and profit after tax increased by 83% and 236% respectively. Notably, our dear Company exceeded the ₦1 billion mark in profit after tax. Total assets and total equity stood at ₦17.4 billion and ₦7.6 billion respectively as at full year 2017; an increase of 6% and 13% respectively compared to the prior year. Returns to shareholders was 14% for 2017 up from 5% in 2016. The Company also continues to maintain adequate working capital levels and would look to augment its working capital buffer through the proposed rights issue as it explores growth initiatives.

We believe the Rights Issue will reposition the Company to deliver on its strategic objectives and give all shareholders a unique opportunity to either maintain or increase their shareholding.

1.2. Use of Proceeds

The Company will apply the net proceeds of the Rights Issue to refinance a portion of the Company's outstanding obligations to financial institutions and fund working capital with a view to increase the profitability of the Company and to continue to enhance the returns to the shareholders.



8. CHAIRMAN'S LETTER

1.3. Conclusion

All necessary arrangements have now been concluded for the Rights Issue which will be offered to shareholders whose names appeared in the Company's Register of members as at 5 July 2018 which is deemed the Qualification Date, in the proportion of 3 new Ordinary Share for every 5 Ordinary Shares held by them on that date. We have received approvals from the Securities and Exchange Commission for the registration of the shares and listing approval has been granted by the NSE. The shares will rank pari passu in all respects with the existing issued shares of the Company.

The Shares issued will also be tradable by shareholders on the floor of the Exchange during the offer period. Shareholders who prefer to trade their Rights should seek advice from their respective stockbrokers who will provide guidance to them on the process.

The Rights Circular contains our Company's history, strengths and future plans, general information relating to our Company and summary financial information for the last five years and management accounts for the period ended 31 May 2018. The Rights Circular also contains a provisional allotment letter from the Company Secretary, which provides full instructions for the acceptance, payment and renunciation of your rights to the provisional allotment.

The Board of Directors and Management of the Company believe that the Company has exciting opportunities and full participation in the Rights Issue is critical to the achievement of the long-term growth strategy of the Company. I therefore encourage you to carefully consider the opportunity to exercise your Rights in full to reaffirm your support for our Company and as a declaration of your continued confidence in its growth potential.

Yours faithfully,



Elder Felix O. A. Ohiwerei
Chairman

9. OVERVIEW OF FIDSON

HISTORICAL OVERVIEW

Fidson was incorporated in 1995 and commenced operations as a local drug distributor. The Company has since evolved into manufacturing and marketing of its branded pharmaceutical products. The Company is also publicly listed on the NSE.

The Company currently sells well over 100 unique drug products and formulations across different therapeutic classes and pharmacological segments and has a strong distribution infrastructure with wide geographical spread across Nigeria.

Fidson made the transition into production in 2002 and commissioned its first manufacturing plant in the same year; the Company subsequently increased its production capacity with the acquisition of a new factory in 2007.

In 2016, Fidson commissioned its WHO compliant, ultra-modern facility with high-tech machinery for manufacturing pharmaceutical products and built in compliance with global standards. Fidson has also continuously maintained its high standards of processing and operations as evidenced by its long-standing NIS:ISO 9001:2008 certification.

On a financial note, Fidson's revenue has been relatively stable in recent operating periods, with a CAGR of about 11.0% from FY 13 – FY 17, while EBITDA and PAT attained a CAGR of 15.4% and 75.1% respectively in the same period.

A steep decline in oil prices and the subsequent devaluation of the Nigerian naira created a challenging operating environment which led to decline in sales between FY 14 and FY 16 as manufacturers struggled to obtain adequate foreign exchange to import raw materials due to the dollar scarcity in Nigeria at the time.

Notwithstanding, FY 17 saw an enormous uptick in performance on the back of a growing revenue base driven by increased capacity from the new plant and a more favourable operating environment as Nigeria recovered from its FY 14 – FY 16 economic slump.

Revenues and gross profits are expected to continue to grow in line with Fidson's expansion plans which will see the Company significantly upscale its existing manufacturing capacity and add of the injectable line to our product portfolio. In addition, growing demand for Fidson's existing products are expected to drive top line growth in the near and medium term.

Fidson also expects an increase in its operational and financial efficiency in the years ahead. This will be largely driven by an optimal operating cost structure and a significant decline in financing costs as the Company pays down expensive debt and operates a more efficient working capital cycle.

Product Offerings

	Arthemed Tablet is an orally active Artemisinin Combination Therapy (ACT) medication for the treatment of acute, uncomplicated malaria. It contains Artemeter and Lumefantrine in a twice-daily (12 hourly) dosage regimen.
	Arthocare Forte is specially formulated with Chondroitin, Glucosamine, MSM as major ingredients. The product is used in the management of mild to moderate osteoarthritis, relief of pain and regeneration of articular cartilage.

9. OVERVIEW OF FIDSON

	<p>Astymin is one of Fidson's most notable product and a unique combination of essential amino-acids and multivitamins formulated with nutrients that improve energy metabolism, accelerate physical and mental growth, improve the body's immune systems and quicken recovery from sickness. Astymin is available in liquid, capsules, drops. It is also available as an amino acid infusion (Astymin SN) for the critically ill.</p>
	<p>Avipol® is a brand of Paracetamol paediatric suspension. It is pleasantly flavoured and alcohol-free. It is used as an antipyretic (to relieve feverish conditions) as well as an analgesic agent. Avipol suspension is indicated for the relief of headaches, aches and pains in children.</p>
	<p>Biosulin is a highly purified human insulin injection, produced via recombinant DNA technology. Biosulin comes in three variants, which differ in action profiles: Biosulin R, Biosulin N and Biosulin 30/70. Biosulin injection is used in the management of diabetes mellitus. It is available in vials (5mls and 10mls) and cartridges.</p>
	<p>Cestra is a range of premium nutritional and probiotic supplements that provide health benefits including the prevention and treatment of diseases. Cestra comes in unique variants: Cestra 50 Plus Once A Day, Cestra Multi-nutrient Once A Day, Cestra Omega 3 & 6, Cestra Pre Natal Once a Day and Cestra ProBiotix</p>
	<p>Ferobin is a complete everyday blood builder, which is used for the treatment and prevention of anaemia in pregnancy, folic acid deficiency, poor nutritional status and other conditions where there is a need for rapid restoration of haemoglobin level. It comes as Ferobin Syrup, Ferobin Plus Syrup and Ferobin capsules.</p>
	<p>Gascol is a range of pleasantly flavoured antacid (Suspension and chewable tablets) for quick and effective relief from acid-induced pain (due to ulcer of the stomach and duodenum), indigestion, flatulence and heartburn. Gascol suspension has a gel-like consistency and is currently available in four (4) flavours: Gascol Classic, Gascol Strawberry, Gascol Banana and Gascol Sugar-free.</p>
	<p>Meprasil (capsules and Injection) is a brand of Omeprazole, a proton pump inhibitor (PPI) used for the management of peptic and duodenal ulcer diseases and other acid-related disorders. Meprasil's unique features include its quick onset, reliable acid control and convenient dosage regimen. Meprasil capsules is the first PPI to be locally produced in Nigeria, making it the flagship brand of Omeprazole in the market.</p>
	<p>Pladox® is a brand of Clopidogrel, an orally active antiplatelet agent (blood thinner) used in the management of cardiovascular conditions. It prevents platelets from clumping together and forming blood clots, thus playing a critically important role in the prevention of heart attack, ischemic stroke and peripheral vascular disease.</p>

9. OVERVIEW OF FIDSON

	<p>Rexolan is a brand of Olanzapine, an atypical antipsychotic drug. It plays an important role in the management of schizophrenia (disorder of thoughts and behaviour) and bipolar disorder (disorder of mood).</p>
	<p>Tribotan is a topical preparation with effective antifungal and anti-itching properties. Tribotan comes in two variants: Tribotan Baby cream (for itchy skin and nappy rash in babies) and Tribotan Adult cream (for itchy skin, jock itch, fungal infections and itchy conditions under the breast, armpit and rubbing thighs).</p>
	<p>Tuxil is a range of cough syrups for adults and children. It is an effective remedy for symptoms of cough and congestion, runny nose and sneezing associated with hay fever and allergies. The unique ingredients in Tuxil quickly dry up secretions in the nose and chest, relieving congestion and making breathing easier. It comes as Tuxil D (Children and Adult), Tuxil N (Children and Adult), Tuxil Runny Nose and Catarrh, Tuxil 4 and Tuxil C. For every type of cough, there is a Tuxil that is specially made to provide fast and effective relief for children and adults.</p>

STRENGTHS

- A. **Attractive Industry Dynamics:** Growing prevalence of diseases amongst Nigeria's large and increasingly urbanized population creates a growing domestic demand for pharmaceutical products.
- I. **Strong future growth potential**
 - Growing population with increasing health consciousness
 - Emergence of a growing, urbanized middle class
 - Implementation of the National Health Act will make Nigeria a more attractive market for drug makers due to increased transparency for sector funding and policies
 - Growth in local drug manufacturing further enabled by recent increase in import duties on finished pharmaceutical products
 - II. **Regional integration**
 - Regulatory harmonization (in progress) through the West African Drug Regulatory Authorities Network (WADRAN) will increase trade within the West African sub region
 - Trade incentives for pharmaceuticals introduced by the Economic Community of West African States (ECOWAS) to promote the movement of pharmaceuticals within the sub-region. This also opens up opportunities to earn foreign exchange on exports
 - III. **Disease Epidemiology**
 - Traditional ailments (like malaria) remain a major concern in children and pregnant women, highlighted as a leading cause of death in children under 5 years
 - Lifestyle changes causing Nigerians to be more susceptible to lifestyle diseases and more chronic conditions thus creating treatment opportunities in the industry
 - Efforts by various donor organizations and government programmes to prevent the scourge of diseases presents an increasing demand for drugs and medical care

9. OVERVIEW OF FIDSON

IV. Consolidation in the Industry

- Highly fragmented industry with over 130 manufacturers and many more importers of finished products
- Smaller players will be acquired by bigger players with better bargaining power thus providing opportunities for Mergers & Acquisitions in the industry
- Fidson is the ideal platform to consolidate a growing but fragmented industry

V. Regulatory Environment

- NAFDAC has made concerted efforts at stemming the prevalence of counterfeit and substandard drugs which has dropped from 19.6% in 2012 to 3.6% in 2015
- Increased support from the regulatory agencies for the local pharmaceutical manufacturing industry as the government continues to designate and prioritize medicines as an issue of National Security

B. Increasing Support for Local Manufacturing: Increasing Government support for local manufacturers which is expected to drive growth in the manufacturing industry.

- Since the decline in crude earnings coupled with the significant devaluation of the Naira in 2016, the cost of imports into Nigeria has materially increased; this has resulted in increased production costs and instability in feedstock supply for most local manufacturers who largely rely on imported raw materials and machinery
- The prohibitive pricing of imported items which were erstwhile in high demand, is driving effective demand for local substitutes
- In addition, the current Government administration is focused on diversifying the economy from oil, thus employing various fiscal and monetary policies to reduce the current import dependency and stimulate growth of local manufacturing capacity
- Some of these fiscal initiatives include providing financing at single digit interest rates, developing industrial clusters and improving the ease of doing business; specifically, the federal government has now commenced the implementation of the 20% import duties on finished pharmaceutical products which is expected to make locally manufactured drugs more price competitive
- It is anticipated that these factors will significantly boost manufacturing activity in Nigeria over the mid to long term while local manufacturers explore the feasibility of sourcing raw materials locally to the extent possible

C. Diverse & Growing Product Portfolio: The Company has a diverse and growing portfolio of drug products and formulations across different therapeutic classes and pharmacological segments. Fidson is an innovative leader in the manufacturing segment of the Nigerian healthcare industry.

- The Company focuses on building innovative brands, in line with its vision to become the preferred healthcare products manufacturer in the West African sub-region
- With well over 250 different drug products and formulations across different therapeutic classes and pharmacological segments, Fidson provides offerings and options to prescribers and patients that are second to none
- Some of the Company's major achievements in providing a wide range of innovative pharmaceutical products include:
 - Pioneering the manufacture of Proton Pump Inhibitors (PPI) utilized for the treatment and management of gastric ulcer conditions
 - The Company's use of amino-acids as nutritional supplements set a new standard in the Multivitamin market

9. OVERVIEW OF FIDSON

- Becoming the first company in West Africa to manufacture Anti-retroviral (ARVs) drugs
- The efficacy of Fidson's product offerings over the years has widened its influence across various strata of the market

D. Strong International Partnerships: Fidson has international partnerships with various overseas manufacturers which support growth in manufacturing capacity, transfer of technology and knowledge as well as provision of research support to Fidson's In-House research team.

- TIL Healthcare Pvt Limited India is a member of the Jhaver Group of Companies and a leading manufacturer of various pharmaceutical formulations in India.
- The brand Astymin, which has won the 'most trusted brand' award in the nutritional supplements category for the last three years is manufactured by TIL
- Quest Vitamins Limited, UK & Middle East is a leading manufacturer and supplier of vitamins and other supplements. Quest is the only company to exclusively use amino acid chelated minerals and pioneered inhouse laboratory methods to ensure standardized active herbal ingredients. Quest is also an industry leader in sensitive "2-piece" oil encapsulation technology.
- V. S. International India is Involved in the manufacture and export of pharmaceutical products, medical and laboratory devices. V. S. has executed several turn-key projects and has strategic joint ventures in Africa (Nigeria and South Africa) and Asia. Fidson has enjoyed a long standing successful relationship with V. S. which spans over 20 years
- Fidson has fostered partnership with the University of Sunderland which is also expected to bolster the company's Research & Development capabilities

E. Socially Responsible Institution: Fidson is a socially responsible company which supports impact initiatives including treatment for Diarrhoea in children; manufacture of products for patients in the IHVN HIV/AIDS programs in Nigeria and provision of safe drinking water to identified rural areas.

- I. Clinton Health Access Initiative:** Fidson, in partnership with Clinton Health Access Initiative (CHAI), worked together to drive the adoption of Zinc as the first line treatment for Diarrhoea in children in Lagos, Kano and Rivers states
 - CHAI is responsible for training healthcare workers and PPMV license holders, while Fidson provides required products at prices agreed on by both organizations
 - After 12 months of collaboration, Zinc acceptability increased significantly from 3% to 56%; 0% to 28%; and 4% to 41% in Kano, Rivers and Lagos respectively
- II. Institute of Human Virology:** Fidson collaborates with Institute of Human Virology, Nigeria to provide safe drinking water to those without access to same in Nigeria.
 - Fidson manufactures the Aqua Safe for patients in the IHVN HIV/AIDS programs in Nigeria; this product is also supplied to patients under similar programs run by other NGOs.
 - The balance that is not taken up is sold to the private sector at agreed prices
- III. Fidson's CSR Initiatives:** The core of Fidson's CSR initiatives revolves around children and maternal health, education and community service & development. Beneficiaries of Fidson's CSR initiatives include: Little Saints Orphanage, Onipan; Old People's Home, Yaba; Pacelli School for the Blind; Children Developmental Centre (CDC),

9. OVERVIEW OF FIDSON

Surulere; Obanikoro Community, Lagos; Sango Ota Community, Ogun State, Federal Medical Centre, Abeokuta and the Nigerian Police

- F. **Proven Management & Sales Team:** The Company is led by an experienced and committed management team with world class healthcare management experience and over 150 years of combined relevant technical expertise.
- G. **WHO Compliant Manufacturing Plant:** In 2016, Fidson announced the completion of its WHO-compliant, world class and state-of-the-art manufacturing facility, named as one of the largest pharmaceutical manufacturing facilities in Africa and is equipped to produce six distinct product lines. The plant which boasts of an unmatched capacity for drug production in Nigeria, is equipped with six distinct production lines – Tablets, Capsules, Liquids, Cream and Ointments, Dry Powder and Intravenous fluids.

BOARD OF DIRECTORS

Elder Felix Ohiwerei - Chairman

Elder F O A Ohiwerei attained an Honorary LLD from the University of Ibadan in 1997. He is a Fellow of various professional associations including Nigerian Marketing Association, Institute of Directors and Advertising Practitioners Council of Nigeria. He is a recipient of the national honour of the Officer of the Federal Republic (OFR). He is also a recipient of the Order of Orange Nassau by the Queen of Netherlands and Zik's Prize in Leadership Award.

He is an icon of corporate governance and practical management and has worked in various capacities including brand management. He rose to the position of Marketing Director before becoming the Chairman and Managing Director of Nigerian Breweries in 1989.

Mr. Ohiwerei currently sits on the boards of several blue-chip companies.

Dr Fidelis Ayebae – Managing Director

Mr. Ayebae graduated from the Mainland Institute of Technology in 1976 with a Diploma in Civil Engineering. He obtained Advanced Diploma in Business Administration from the University of Lagos in 1999. He holds an Honorary Doctorate in Science from Igbinedion University (2008) and an Honorary Fellowship Award from Auchi Polytechnic (2010). He is an Associate of the Chartered Institute of Administration and is also a member of the Nigeria Institute of Management.

Mr. Ayebae commenced his career as a Project Manager at Metalum Limited between 1976 and 1985. He afterwards rose to the position of Assistant Vice President, Operations at Citibank Nigeria Limited where he worked from 1985 to 1991. Mr. Ayebae founded Fidson Healthcare Limited in 1995 where he has been the Managing Director/Chief Executive Officer to date. He is currently serving on the Boards of several other companies including being the current Chairman of NEM Insurance Plc.

Mr Olugbenga Olayeye – Director, Sales & Marketing

Mr. Olaleye is a Pharmacist with a Bachelor of Science degree from the University of Ibadan obtained in 1993 and an Executive Leadership Development Certificate from Stanford Graduate School of Business (2013). He has largely pursued a career in the pharmaceutical industry with Fidson since 1996, working across diverse functions within the Company including Sales and Marketing, Business development, Manufacturing, Research and Development and Operations. He has been pivotal in determining Fidson's policy direction, strategy execution and has managed organizational change and transformation over the period.

In his present role, Gbenga leads a team of over 200 salesmen and has the responsibility to formulate and implement the company's sales and marketing strategies. He is committed to team building and

9. OVERVIEW OF FIDSON

development of leadership skills and ability which he believes is the critical requirement for organizational growth and corporate success.

Prior to joining Fidson, Mr Olaleye worked as a Pharmacist at Mopson Pharmaceutical Industries Limited (1994 -1995) and at BSK Limited (1995 – 1996).

Mr Biola Adebayo – Director, Operations

Mr. Adebayo graduated from the School of Pharmacy, University of Lagos in 1988. He also holds a Diploma in Advanced Computer Techniques and Applications (1998) from the University of Ibadan (Consultancy Unit). He began his career with Glaxo Nigeria Limited in April 1991 as a medical representative and later joined the pharmaceutical division of CAP Plc in July 1994 where he developed his skills and competencies in the sale and marketing of healthcare products and FMCGs. He continued his career with Fidson in 1996 and has held various positions in the sales and marketing division, rising through the ranks to become the Sales and Marketing Director, a position he occupied till July 2009 when he became the Director of Operations.

Mr. Adebayo is a member of the Institute of Directors (IOD). He also completed a top executive leadership programme jointly organized by Nigeria Institute of Management (NIM) and Manchester Business School in Manchester, England, United Kingdom in 2007.

Mr E. E. Imoagene – Non-Executive Director

Mr. Imoagene obtained a B. Sc Degree in Business Administration from the University of Benin in 1979 and a Masters in Industrial and Labour Relations (MILR), University of Ibadan in 1990. He has attended several management development programmes both locally and abroad including Harvard Business School, USA (2000), Wharton Business School, USA (2002) and Erasmus University, Netherlands (2008). Mr. Imoagene was the Human Resources Director (West Africa) for Cadbury Nigeria Plc. Prior to joining Cadbury, he worked with Shell Petroleum Development Company Limited as a Personnel Officer between 1981 and 1985. He also worked in Nigerian Breweries as a Personnel Director, Logistics Director and HR Director between 1985 and 1992.

He is a seasoned and professional corporate leader with diverse private sector experience. An astute administrator and human resources expert, Mr. Imoagene is a fellow Chartered Institute of Personnel Management of Nigeria and is a member of the advisory board of the Lagos Business School.

Mrs Olufunmilola Ayebae – Non-Executive Director

Mrs. Ayebae completed her Professional Secretaries Diploma from The London College of Secretaries in the United Kingdom in 1979. She worked in many organizations in various capacities for a number of years before establishing her own business - Goodness Supermarket in 1995 where she served as the Managing Director/CEO for 3 years. Mrs. Ayebae became a director of Fidson Healthcare Plc. in 2001. She is also the Managing Director/Chief Executive of Townhouse Limited.

Chief (Mrs) A.P. Sadauki, OON - Non - Executive Director

Chief (Mrs). Sadauki holds a B.Sc. Degree in Home Economics with a major in Community Nutrition from Iowa State University, Iowa USA in 1968. She has attended several courses and seminars on board development evaluation within and outside the country. Having served as an accomplished civil servant in the position of Chief Agricultural Officer (State home Economist) till 1986. Chief (Mrs) Sadauki was appointed Kaduna State Commissioner, Social Development, Youth and Sports in 1988, Commissioner of Education in 1989 and Deputy Governor, Kaduna State from 1990 to 1992.

She was conferred with Merit Award by Nigerian Veterinary Medical Association of Farmers in 1999 and National Honour of Officer of the Order of the Federal Republic of Nigeria (OON) in 2000. Chief Mrs Sadauki sits on the board of several other companies.

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Ms. Mabel Ndagi – Non - Executive Director

Ms. Ndagi obtained a Bachelor of Law degree from Ahmadu Bello University, Zaria in 1986 and was called to bar in 1987.

She started her career in IMB Securities Limited, a subsidiary of the International Merchant Bank (IMB) in 1987 and moved to IMB in 1990 where she worked for nine years in various key divisions of the Bank, including the Corporate Finance Division. Ms. Ndagi is a seasoned and well experienced Development Banker and is currently the Group Head for Gas & Petrochemicals at the Bank of Industry(BOI).

She has attended many seminars, workshops, syndicated training and development programmes both locally and internationally. She is an alumna of The City University Business School, London and attended a Project Finance workshop at the New York Institute of Finance, USA in July 2000.

Mr Segun Adebajji - Non - Executive Director

Mr Adebajji attended Yaba College of Technology and obtained his Ordinary National Diploma (Accounting) in 1973. He completed the Chartered Association of Certified Accountants' examinations in June 1975 and served his articles with Peat, Marwick Cassleton Elliot & Co (now KPMG) in Nigeria between June 1973 and May 1976. He was admitted a Fellow of both the Chartered Association of Certified Accountants (FCCA) and the Institute of Chartered Accountants of Nigeria (FCA) in December 1982 and November 1988 respectively.

Mr Adebajji joined UAC of Nigeria in 1976 and in 1992, he was seconded to Unilever South Africa as Audit Manager with sub-regional responsibilities for Unilever plc subsidiaries in South Africa, Zimbabwe, Malawi, Tanzania, Kenya and Ghana. He returned to Nigeria in October 1995 to serve as the Financial Director of Nigerian Breweries Plc (appointed in January 1996) and was later seconded to Heineken International in the Netherlands as Group Treasurer from 1998 to 2001. He also served Heineken as Managing Director of Ghana Breweries Limited and Namibia Breweries Ltd between 2001 and 2007. He retired from the Heineken Group after his assignment in Namibia and practiced as a Financial Consultant until he joined African Capital Alliance (a leading private equity firm in Nigeria) in January 2011 as a Principal.

Mr Adebajji is a non-executive Director of Nigerian Breweries plc, Bankers Warehouse Ltd, Beloxxi Industries Ltd, Multimedia Group (Ghana) Ltd and Gas Terminalling & Distribution Ltd. He also serves as the Chairman of Bevpak Nigeria Ltd, Filmhouse Ltd and Crest Agro Products Limited.

Mr. Adebajo Abayomi, FCIS, ACFM. – Company Secretary

Mr Abayomi holds a Post-Graduate Diploma in Banking and Finance from Ondo State University, Ado Ekiti in 1998 and a Bachelors degree in Banking and Finance from Ambrose Alli University, Ekpoma, obtained in 2005. He began his career with National Oil & Chemical Marketing Plc (now Conoil Plc) in 1992 as an administrative officer and later joined Lateef Dawodu & Co as a trainee accountant in July 1996.

Between 1998 and 2002, Mr Abayomi served as a Practitioner at The Company Secretaries and Nominees (now Corporate Mission Consultants) and as the Company Secretary/General Manager at La Mond Nominees Limited. Prior to joining Fidson in 2009, he was the Director & Chief Executive Officer of City Secretaries Limited – The Secretarial Affiliate of Balogun Badejo & Co from 2002 –2009.

9. OVERVIEW OF FIDSON

BOARD COMMITTEES

In line with the Company's strict adherence to Corporate Governance principles, the Board Committees are composed as follows:

S/N	NAME OF COMMITTEE	MEMBERS
1	Nomination Committee	Mrs. O. O Ayebae (Chairman) Mr. E. E Imoagene Mrs. A. P. Sadauki Ms. Mabel Ndagi
2	Remuneration & Governance Committee	Mrs. A.P Sadauki (Chairman) Mr. E. E Imoagene Mr. O. S Adebajji Mrs. O. O Ayebae
3	Finance and General purpose Committee	Mr. E. E Imoagene (Chairman) Mr. O. S Adebajji Dr. F. A Ayebae Mr. O. O. Olaleye Mr. A. A. Adebayo Mr. Imokha Ayebae
4	Risk Management & Credit Control Committee	Mr. O. S Adebajji (Chairman) Dr. F. A Ayebae Mr. O. O. Olaleye Mr. A. A. Adebayo Ms. Mabel Ndagi Mr. Imokha Ayebae

THE PHARMACEUTICAL INDUSTRY IN NIGERIA

Nigeria, which is one of the more developed, African-Anglophone pharmaceutical markets was valued at ₦176 billion (US\$889 million) in 2015 and is projected to grow at a CAGR of 5% to reach ₦224 billion by 2020. 44% of the market constitutes over-the-counter (OTC) medicines, 38% are generic medicines while the remainder are patented medicines. Import restrictions on certain drugs and increased import duties on finished pharmaceutical products are driving the growth in capacity utilization of local drug manufacturers; this could potentially set the country on the path to self-sufficiency in pharmaceutical products.¹

Aggressive campaigns by "NAFDAC" are positively impacting the reduction of counterfeit drugs trade in Nigeria. Some of the laudable efforts by these regulatory bodies to standardize the pharmaceutical industry include:

- Collaboration with National Health Insurance Scheme ("NHIS") to combat drugs counterfeiting and the illegal sale of prescription drugs; and
Launch of a Mobile Authentication Service ("MAS") to check the authenticity of pharmaceutical products purchased

¹ Business Monitor International-Nigeria Pharmaceuticals & Healthcare Report Q1 2017

9. OVERVIEW OF FIDSON

The outlook for the industry is favourable as the focus on disease awareness, prevention and treatment by the government, coupled with a rapidly growing population is expected to increase the demand for medicines across the country. Low-cost generic and OTC medicines are expected to drive overall market growth as demand patterns are framed by a cost-conscious government and a low-income population.

Competitive Landscape

- There are eleven pharmaceutical and biotech companies listed on the NSE; some of the leading quoted manufacturers include Fidson, GlaxoSmithKline Nigeria, Neimeth International Pharmaceuticals and May and Baker
- The multinational companies operate within the sector largely through partnerships, joint ventures or affiliations with local players or via direct imports
- The current strategy of local players border around the production of generic drugs given that low cost remains integral to success in a market dominated by low purchasing power
- The government in its effort to boost local manufacturing of generic drugs, has placed a ban on importation of Paracetamol, Folic Acid, Vitamin B Complex, Multivitamin Tablets, Aspirin, ointments, intravenous fluids amongst others
- In collaboration with NAFDAC, WHO is continually working towards raising the standards of locally produced medicines and supporting Nigerian drug makers in their pursuit of WHO prequalification status
- The sector in Nigeria has also witnessed a few completed and proposed acquisitions of local players by international manufacturers looking to tap into Nigeria's growing drug market

RISK FACTORS

I. Industrial Risks

The pharmaceutical industry is faced with a number of challenges, chiefly being the issue of fake drugs, dearth of raw materials, poor distribution networks, smuggling and brain drain of trained professionals. In addition, the drug supply chain in Nigeria is not adequately regulated which allows for indiscriminate purchase by marketers and end users.

II. Political and Macroeconomic Risks

Future changes in the political environment in Nigeria may have material adverse effect on the economy as successive governments may discontinue existing economic policies. Nigeria's earnings are mainly derived from exported crude oil proceeds hence, an unprecedented fall in the price of crude oil and unrest in the Niger-Delta as well as the Northern and Middle Belt region, could significantly affect the stability of the economic environment in which Fidson and its customers operate.

III. Competition Risk

Fidson faces competition from low-cost generic drug producers in emerging Asian markets. There is also competition due to the proliferation of small players, who also account for a significant portion of total market share. Larger multinational companies, due to their greater brand perception, are also a source of competition for the Company.

IV. Operational Risks

Operational risk is the potential for financial and reputational loss arising from a breakdown in internal controls, operational processes or the various systems that support them. This risk ranges from human errors, criminal acts to natural disasters amongst others and could arise from internal or external factors.

9. OVERVIEW OF FIDSON

V. Currency risk

This risk arises from the change in price of one currency against the other. Essentially, it results from the volatility of the exchange rate of our local currency with other currencies, which has the potential to erode real returns and values of an enterprise. The Company is exposed to currency risks and is affected by changes in the value of the Naira against other currencies. The Company is exposed to forex volatility given that a number of its active ingredients are not locally sourced.

VI. Environmental risks

These are losses that may arise due to significant natural occurrences in the environment. The operations of the Company are exposed to certain environmental challenges which include but are not limited to pollution, environmental degradation, global warming, severe flooding and other natural hazards.

VII. Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

VIII. Legal, regulatory, and policy compliance risk:

This is the risk of loss from illegal or inappropriate business practices or activities by the Company or its employees.

GENERAL RISK DISCLOSURE

Shareholders of the Company should consult their advisers if in any doubt as to the nature of this investment and its suitability in view of their particular circumstances. The value of any securities traded (whether listed or not) are subject to investment risks, which can and do fluctuate, and any individual security may experience upward or downward movements. There is an inherent risk that losses may be incurred rather than a profit when buying and selling securities. Past performance is not a guide to future performance. Certain types of investments may not be suitable for some investors.

10. LETTER FROM THE DIRECTORS ON THE GOING CONCERN STATUS



Fidson Healthcare Plc
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e-mail: info@fidson.com
www.fidson.com

June 12, 2018

The Directors
CardinalStone Partners Limited
5, Okotie Eboh Street
Ikoyi Lagos

Dear Sirs,

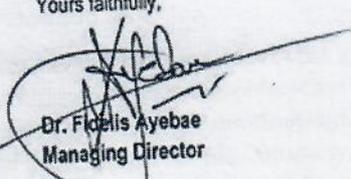
CONFIRMATION OF GOING CONCERN STATUS OF FIDSON HEALTHCARE PLC: PROPOSED RIGHTS ISSUE OF 900,000,000 ORDINARY SHARES OF 50 KOBO EACH AT N5.00 PER SHARE BY FIDSON HEALTHCARE PLC

The Directors of Fidson Healthcare Plc ("Fidson" or the "Company") are required to prepare financial statements at the end of each financial period, which give a true and fair view of the state of affairs, and of the profit or loss of the Company. They are also responsible for maintaining proper accounting records and taking reasonable steps to prevent and detect fraud and other irregularities. The Directors are also responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and reasonable.

The applicable International Financial Reporting Standards ("IFRS") have been followed and Fidson's financial statements are prepared using accounting policies, which comply with the requirements of the Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act, 2004.

The Directors of the Company, having made appropriate enquiries, reviewed budgets, projected cash flows and other relevant information, consider that adequate resources will exist for the business to continue its operational existence for the foreseeable future and therefore, it is appropriate to adopt the going concern basis in preparing the financial statements.

Yours faithfully,


Dr. Fidelis Ayebae
Managing Director


Mr. Yomi Adebajo, FCIS
Company Secretary

Board Of Directors: Felix Ohiaviren OFR (Chairman), Fidelis A. Ayebae (Managing/CEO), Olufermilola O. Ayebae, Emmanuel E. Enosogene, Aisha P. Sadauki con, Mabel Ndogi, Oluibenga O. Olayeye (Executive), Abiola A. Adebayo (Executive)

Factory: Km. 38, Lagos-Abeokuta Expressway, Sango-Ota, Ogun State, Nigeria



11. LETTER FROM THE AUDITORS ON THE GOING CONCERN STATUS



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12 June 2018

The Directors
Fidson Healthcare Plc
268 Ikorodu Road,
Obanikoro, Lagos

And

The Directors
CardinalStone Partners Limited
5, Okotie Eboh Street
Ikoyi Lagos

Dear Sirs,

CONFIRMATION OF GOING CONCERN STATUS OF FIDSON HEALTHCARE PLC: PROPOSED RIGHTS ISSUE OF 900,000,000 ORDINARY SHARES OF 50 KOBO EACH AT ₦5.00 PER SHARE BY FIDSON HEALTHCARE PLC

We have audited the financial statements of Fidson Healthcare Plc ("Fidson" or the "Company") for the year ended December 31, 2017 which were prepared in accordance with the International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act CAP C20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act 2011.

Based on our audit of the financial statements of the Company for the year ended December 31, 2017 on which we expressed our opinion on 29 March 2018 and the representation received from the Directors of the Company, nothing has come to our attention that causes us to believe the Company will not continue in operations as a going concern.

Yours faithfully,

For: Ernst & Young Nigeria

Maureen Ogodo, FCA
Partner
FRC/2012/ICAN/00000000142

A member firm of Ernst & Young Global Limited.



12. FINANCIAL INFORMATION

STATEMENT OF COMPREHENSIVE INCOME

<i>In millions of Naira</i>	MAY 2018	2017	2016	2015	2014	2013
Revenue	5,652	14,057	7,655	8,211	9,719	9,247
Cost of Sales	(2,996)	(6,902)	(3,600)	(3,859)	(4,286)	(4,133)
Gross Profit	2,656	7,155	4,055	4,352	5,434	5,114
Selling and Distribution expenses	(734)	(2,349)	(974)	(869)	(1,728)	(1,268)
Administrative expenses	(842)	(2,361)	(2,097)	(2,037)	(2,270)	(2,406)
Other Operating Expenses	(17)	-	-	(24)	(90)	(113)
Total Operating Expenses	(1,593)	(4,709)	(3,070)	(2,930)	(4,088)	(3,787)
Other Operating Income	50	103	105	94	87	42
Interest Expense	(487)	(1,002)	(691)	(717)	(554)	(408)
Interest Income	10	31	44	39	5	5
Share of Loss of Associate	-	-	-	-	-	(716)
Profit/(Loss) before income tax	636	1,579	444	838	871	250
Income tax	(204)	(518)	(127)	(94)	(239)	(95)
Profit/(Loss) for the period	433	1,061	317	744	632	155

12. FINANCIAL INFORMATION

STATEMENT OF FINANCIAL POSITION

<i>In millions of Naira</i>	MAY 2018	2017	2016	2015	2014	2013
Non-Current Assets						
Property Plant and Equipment	12,479	12,363	12,206	11,501	10,791	7,043
Investment Property	35	35	36	37	38	39
Intangible Assets	56	60	92	11	22	3
Investment in Associate	-	-	-	-	-	253
Available- for-sale investments	5	5	3	3	4	102
Loans and receivables	49	48	79	29	37	32
Other non-current financial asset	252	294	291	477	226	-
Total Non-Current Assets	12,875	12,806	12,708	12,059	11,118	7,473
Current Assets						
Inventory	2,063	1,757	1,086	698	1,146	1,497
Trade and Other Receivables	3,190	2,502	2,420	3,780	3,187	2,344
Prepayments	62	23	118	12	117	791
Cash and Bank	1,424	360	334	122	204	137
Total Current Assets	6,739	4,641	3,959	4,612	4,654	4,769
Non-Current Liabilities						
Non-Current Portion of Interest Bearing Loans	2,746	1,246	2,232	2,600	2,865	1,408
Obligations Under Finance Lease (Non - Current Portion)	237	218	200	162	127	371
Retirement Benefit Obligations	305	309	343	378	392	583
Government Grant	143	143	235	213	262	
Deferred Revenue	1	1	3	5		255
Deferred Tax Liability	818	817	418	343	453	310
Total Non-Current Liabilities	4,250	2,736	3,431	3,700	4,098	2,927
Current Liabilities						
Trade and other payables	3,219	3,637	4,229	4,212	3,780	1,693
Current Portion of Interest Bearing Loans and Short-Term Borrowings	1,425	1,746	1,283	1,158	1,161	1,245
Bank Overdraft	938	954	365	442	434	608
Other Financial Liabilities	1,050	65	65	65	65	65
Obligations Under Finance Lease (Current Portion)	221	386	243	218	192	284
Government Grant	54	91	92	61	58	
Deferred Revenue	1	2	2	2		
Income Tax Payable	344	149	301	441	220	177
Unclaimed Dividend	56	56	62	47		
Total Current Liabilities	7,309	7,089	6,643	6,647	5,909	4,071
Equity and Reserves						
Ordinary Share Capital	750	750	750	750	750	750
Share Premium	2,973	2,973	2,973	2,973	2,973	2,973
Retained Earnings	4,332	3,899	2,872	2,602	2,043	1,521
Available for Sale Reserves	1	1	(2)	(2)	(1)	1
Shareholders' Funds	8,055	7,663	6,593	6,324	5,765	5,245

12. FINANCIAL INFORMATION

STATEMENT OF CHANGES IN EQUITY

<i>In millions of Naira</i>	Share Capital	Share Premium	Retained Earnings	Available For Sale Reserve	Total Equity
As at December 31, 2013	750	2,973	1,521	1	5,245
Balance at 1 January 2014	750	2,973	1,521	1	5,245
Profit for the year	-	-	632	-	632
Other comprehensive income for the year, net	-	-	40	(2)	38
Total Comprehensive Income for the year	-	-	672	(2)	670
Dividends	-	-	(150)	-	(150)
As at December 31, 2014	750	2,973	2,043	(1)	5,765
Balance at 1 January 2015	750	2,973	2,043	(1)	5,765
Profit for the year	-	-	744	-	744
Other comprehensive income for the year, net	-	-	40	(1)	39
Total Comprehensive Income for the year	-	-	784	(1)	784
Dividends	-	-	(225)	-	(225)
As at December 31, 2015	750	2,973	2,602	(2)	6,324
Balance at 1 January 1, 2016	750	2,973	2,602	(2)	6,324
Profit for the year	-	-	317	-	317
Other comprehensive income for the year, net	-	-	28	-	28
Total Comprehensive Income for the year	-	-	344	-	344
Dividends	-	-	(75)	-	(75)
As at December 31, 2016	750	2,973	2,872	(2)	6,593
Balance at 1 January 2017	750	2,973	2,872	(2)	6,593
Profit for the year	-	-	1,061	-	1,063
Other comprehensive income for the year, net	-	-	42	2	44
Total Comprehensive Income for the year	-	-	1,102	2	1,105
Dividends	-	-	(75)	-	(75)
As at December 31, 2017	750	2,973	3,899	1	7,623

12. FINANCIAL INFORMATION

STATEMENT OF CASH FLOWS

<i>In millions of Naira</i>	MAY 2018	2017	2016	2015	2014	2013
Cash flows from operating activities						
Profit before taxation	636	1,579	444	838	871	250
<i>Adjustments for:</i>						
Depreciation of property, plant & equipment	74	639	210	259	260	210
Impairment loss (reversal)	-	302	137	(33)	243	280
(Gain)/ loss on disposal of plant, property and equipment	(5)	(0)	(3)	11	(1)	1
Inventory write – off	-	-	-	12	72	-
Depreciation of investment property	-	1	1	1	1	1
Net exchange difference & OCI (gains)/losses	-	78	5	-	7	-
Grant Income	-	(92)	(71)	(46)	(19)	(43)
Amortisation and impairment of intangible Assets	-	49	16	22	6	2
Gain on disposal of available for sale assets	-	-	-	-	(52)	-
Employee benefit expense	-	47	39	57	-	-
Impairment of associate	-	-	2	-	11	-
Interest income on loans and receivables	(13)	(29)	(40)	(26)	-	-
Interest income on fixed deposits	-	(2)	(4)	-	(5)	(5)
Finance costs	487	1,002	691	717	554	408
Amortisation of deferred revenue	-	(2)	2	-	-	-
<i>Changes in working capital:</i>						
(Increase)/ Decrease in Inventory	(209)	(671)	(388)	436	280	407
(Increase)/ Decrease in Trade and Other Receivables	(687)	(384)	1,222	(560)	(1,112)	(358)
(Increase)/ Decrease in Prepayments	(39)	96	(106)	105	674	660
Increase/ Decrease in Trade, Other Payables and Accruals	(419)	(592)	17	433	1,432	348
<i>Other Working Capital Adjustments</i>						
Income Tax Paid	(8)	(289)	(203)	-	(70)	(155)
Benefits Paid	(5)	(20)	(35)	(14)	-	-
Increase in gratuity & lease	-	-	125	-	(191)	(52)
Movement in deferred revenue (current)	-	-	-	2	40	-
Movement in deferred revenue (non-current)	(38)	-	-	5	-	-
Net cash (used in) / from operating activities	(189)	1,711	2,059	2,220	3,002	1,952
<i>Cash flows from investing activities:</i>						
Additions to property, plant & equipment	(300)	(373)	(677)	(774)	(1,926)	(2,016)
Additions to intangible assets & investment property	(10)	(16)	(97)	(11)	(25)	-
Proceeds from disposal of available for sale financial assets	-	-	-	-	97	231
Interest income	10	2	4	13	47	5
Additions to loans and receivables	(273)	(705)	(653)	(411)	-	-
Proceeds on loans and receivables	273	739	612	424	-	-
Proceeds from sale of property, plant and equipment	-	5	12	3	36	12
Investment in other financial assets	(273)	(707)	(692)	(628)	(226)	-
Liquidation of investment in other financial asset	328	729	908	399	-	-
Investment in associate	-	-	-	-	-	(40)
Net cash used in investing activities	(246)	(325)	(583)	(999)	(1,997)	(1,807)
<i>Cash flows from financing activities:</i>						
Payments of finance lease liabilities	(165)	(267)	(184)	(149)	-	(119)
Drawdown/Proceeds from Loans and Borrowings	2,500	713	600	-	2,133	478
Interest Paid on Loans and Borrowings	(487)	(1,001)	(691)	(717)	(554)	(408)
Principal Repayments of Loans and Borrowings	(333)	(1,236)	(843)	(268)	(2,192)	(133)
Dividend Paid	-	(81)	(75)	(225)	(150)	(180)
Refund of dividend	-	-	15	47	-	-
Net Cash Flow from Financing Activities	1,515	(1,872)	(1,178)	(1,312)	(764)	(362)
Net increase in cash and cash equivalents						
Cash and cash equivalents at beginning of period	(595)	(31)	(320)	(229)	(471)	(254)
Increase in Cash and Cash Equivalent	1,081	(486)	298	(90)	242	(218)
Net FX differences	-	(78)	(9)	-	-	-
Cash at the End of the Year	486	(595)	(31)	(320)	(229)	(471)

13. STATUTORY AND GENERAL INFORMATION

INCORPORATION AND SHARE CAPITAL HISTORY

Fidson commenced operations in March 1995 as Fidson Drugs Limited, a private limited liability company with an authorised share capital of ₦1 million comprising 1,000,000 Ordinary Shares of ₦1.00 each, and an issued and fully paid-up share capital of ₦1 million comprising 1,000,000 Ordinary Shares.

As at 31 December 2017, the Company's authorised share capital was ₦1.2 billion comprising 2,400,000,000 Ordinary Shares of 50 kobo each, of which ₦750 million comprising 1,500,000,000 Ordinary shares of 50 kobo each have been issued and fully paid up.

Movements in the Company's authorised and issued share capital since the Company commenced operations have been highlighted below:

Date	Authorised (₦)		Issued & Fully paid-up (₦)		Consideration
	Addition	Cumulative	Addition	Cumulative	
1995	1,000,000	1,000,000	1,000,000	1,000,000	Cash
1999	20,000,000	21,000,000	20,000,000	21,000,000	Cash
2001	50,000,000	71,000,000	50,000,000	71,000,000	Cash
2004	29,000,000	100,000,000	29,000,000	100,000,000	Cash
2007	650,000,000	750,000,000	650,000,000	750,000,000	Cash
2017	450,000,000	1,200,000,000	-	750,000,000	

SHAREHOLDING STRUCTURE

Pre-Issue

As at the date of this Rights Circular, Fidson Healthcare Plc's issued share capital of 1,500,000,000 Ordinary Shares of 50 kobo each was beneficially held as follows:

Shareholder	Number of Shares Held	% Holding
Dr. Fidelis Ayebae	531,654,443	35.44%
CSP Nominee	176,615,506	11.77%
Stanbic Nominee	210,615,628	14.04%
Others	583,114,423	38.74%

Post-Issue

It is expected that on completion of the Issue, if all shareholders take up their rights in full, the Company's paid-up share capital should increase to ₦1,200,000,000 comprising 2,400,000,000 Ordinary Shares of 50 kobo each, to be beneficially held as follows:

Shareholder	Number of Shares Held	% Holding
Dr. Fidelis Ayebae	850,647,109	35.44%
CSP Nominee	282,584,810	11.77%
Stanbic Nominee	336,985,005	14.04%
Others	929,783,077	38.74%

13. STATUTORY AND GENERAL INFORMATION

DIRECTORS' BENEFICIAL INTERESTS

The Interest of the Directors in the issued share capital of the Company as recorded in the Register of Directors interest and/or as notified by them for the purpose of section 275 (1) of the Companies and Allied Matters Act CAP C20 LFN 2004 as at 31 December 2017 are as follows:

Name	Direct	Indirect	Total
Elder Felix O. A. Ohiwerei (Multi-Harvest Limited)	13,464,623	30,000,000	43,464,623
Dr. Fidelis A. Ayebae	531,654,443	-	531,654,443
Mrs. Olufunmilola O. Ayebae	64,220,000	-	64,220,000
Mr. Olugbenga O. Olayeye	13,054,027	-	13,054,027
Mr. Abiola A. Adebayo	11,084,406	-	11,084,406
Mr. Emmanuel E. Imoagene	10,008,000	-	10,008,000
Mrs. Aisha P. Sadauki	406,550	-	406,550
Ms. Mabel Ndagi	-	-	-
Mr Olusegun Adebajji	-	-	-

SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the date of this Rights Circular, the Company had no subsidiaries and associated companies and is currently not proposing to acquire any subsidiaries

SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the date of this Rights Circular, the Company had no subsidiaries and associated companies and is currently not proposing to acquire any subsidiaries

CAPACITY UTILIZATION

The current capacity utilization of the Company's plant is highlighted below:

2018 YTD INFUSION			
LINES	Installed Capacity	Utilized Capacity	% Utilized
Small Volume Product	36,000,000	27,720,000	77%
Large Volume Product	24,000,000	17,520,000	73%
TOTAL	60,000,000	45,240,000	
Average Utilization			75%

2018 YTD PHARMA			
LINES	Installed Capacity	Utilized Capacity	% Utilized
Tablet	257,241.60	167,207.04	65%
Liquid	3,298,704.00	2,375,066.88	72%
Capsule	65,995.20	40,917.02	62%
Ointment	101,376.00	70,963.20	70%
TOTAL	3,723,316.80	2,654,154.14	
Average Utilization			71%

13. STATUTORY AND GENERAL INFORMATION

INDEBTEDNESS

As at 31 May 2018, the Company had an outstanding debt balance of ₦6.19 billion, which included:

- a) ₦750 million from Bond issued at an interest rate of 15.5%
- b) ₦1.27 billion of Intervention Funding obtained from the Bank of Industry and the Central Bank of Nigeria at interest rates between 7% and 12.5%
- c) ₦508.01 million of Finance Leases obtained from commercial banks at interest rates between 23% and 25%
- d) ₦1.64 billion of Import Finance Facilities obtained from commercial banks at interest rates between 21% and 27%
- e) ₦956.77 million of Overdraft Facilities obtained from commercial banks at interest rates between 21% and 28%
- f) ₦1.07 billion of Commercial Papers at interest rates between 22% and 23%

Apart from the foregoing, the Company has no outstanding debentures, mortgages, charges or similar indebtedness or material contingent liabilities other than in the ordinary course of business.

OFF BALANCE SHEET ITEMS

As at 31 December 2017, the Company had no off-balance sheet items.

CLAIMS & LITIGATION

The Company is involved in seven (7) suits. The total amount claimed in the four suits instituted against the Company is ₦15,000,000 (Fifteen Million Naira) (minus interest claims). On the other hand, the Company is claiming ₦101,532,139 (One Hundred and One Million, Five Hundred and Thirty-Two Thousand, One Hundred and Thirty-Nine Naira) (minus interest claims) in the three cases instituted by it.

The Solicitors are of the opinion that the claims against the Company are infinitesimal and inconsequential. The potential liability that may arise from the cases pending against the Company is not material to the Company's business or the Issue.

UNCLAIMED DIVIDENDS

The total amount of unclaimed dividends as at 31 December 2017 was ₦56,108,000. The unclaimed dividends are deposited in a deposit account with First City Monument Bank Limited. In addressing the issue of unclaimed/unpaid dividend, the Company has put in place various measures to create awareness, which include sending the list of unclaimed dividends to shareholders and making it available at annual general meetings. In addition, the Company places notices on its website and encourages shareholders to open e-dividend accounts to enable payments directly into shareholders' accounts on every dividend payment date.

PURPOSE OF ISSUE AND USE OF PROCEEDS

In the last few years, Fidson has largely funded its operations through debt facilities from various available sources. Between 2016 and 2018, and following the devaluation of the Naira, the Company obtained loan facilities from various financial institutions to fund its working capital requirements and expand its operations.

13. STATUTORY AND GENERAL INFORMATION

The Rights Issue is being undertaken to optimise the Company's capital structure by deleveraging its balance sheet and reducing finance costs. The proceeds of this Rights Issue will be used to repay a portion of the Company's outstanding obligations to financial institutions and fund working capital. After the deduction of the estimated Issue costs and expenses of ₦121,825,385 (which represents 2.71% of the Issue proceeds) and assuming full subscription of the Issue, it is currently anticipated that the net Issue proceeds of ₦4,378,174,615.00 will be applied as follows:

Activities	Amount (₦)	Percentage (%)	Expected Completion
Repayment of Outstanding Loans	1,913,791,383.19	42.53%	Q3 2018
Working Capital	2,464,383,231.81	54.76%	On-going
Issue Costs	121,825,385.00	2.71%	Q3 2018
Total	4,500,000,000.00	100.00	

The outstanding obligations with the various banks and lending institutions is shown below and are based on the indicative outstanding loan balances as at 30 September 2018. The actual amount payable may change by the time Rights Issue proceeds are received.

S/N	Bank	Facility Type	Amount (₦)
1	Financial Derivatives	Lease Facilities	246,415,794.37
2	Frontline	Lease Facilities	110,219,604.91
3	FCMB	Import Finance Facility	308,322,677.45
4	Access Bank	Import Finance Facility	250,000,000.00
5	GTBank	Import Finance Facility	199,786,221.70
6	FSDH	Import Finance Facility	180,000,000.00
7	FSDH	Overdraft	50,000,000.00
8	FCMB	Overdraft	100,000,000.00
9	GTBank	Overdraft	250,000,000.00
10	Access Bank	Overdraft	150,000,000.00
11	Financial Derivatives	Commercial Paper	69,047,084.76
	Total		1,913,791,383.19

The specific loans or amounts to be repaid will be a function of the actual amounts outstanding at the time proceeds of the Rights Issue are received by the Company and the level of subscription of the Issue and may therefore vary from the above. It is estimated that this will be concluded in Q3 2018.

MATERIAL CONTRACT(S)

The following agreement has been entered into and is considered material to this Issue:

- A Vending Agreement dated 13 September 2018 between Fidson Healthcare Plc, CardinalStone Partners Limited, Financial Derivatives Company Limited and FSDH Merchant Bank Limited

Except as disclosed above, the Company has not entered into any material contract except in the ordinary course of business.

13. STATUTORY AND GENERAL INFORMATION

RESEARCH & DEVELOPMENT

The Company has and will continue to explore ways of enhancing efficiency in its operations, expanding its operations and increasing the returns attributable to shareholders. Save for training of its personnel, the Company did not expend any amount on research and development in the last three (3) years.

MERGERS & ACQUISITIONS

As at the date of this Circular, the Company is not aware of any attempt by any investor to acquire a majority shareholding in the Company.

COSTS AND EXPENSES

The costs, charges and other expenses of and incidental to the Issue including fees payable to the SEC, the NSE, professional parties, brokerage, printing, distribution, publicity and advertising expenses are estimated at ₦121,825,385 representing approximately 2.71% of the Issue proceeds and are payable by Fidson Healthcare Plc.

CONSENTS

The under listed have given and not withdrawn their written consents to the issue of this Rights Circular with their names and reports (where applicable) included in the form and context in which they appear:

The Directors of the Company

Elder Felix O. A. Ohiwerei
Dr. Fidelis A. Ayebae
Mr. Olugbenga O. Olayeye
Mr. Abiola A. Adebayo
Mrs. Olufunmilola O. Ayebae
Mr. Emmanuel E. Imoagene
Mrs. Aisha P. Sadauki
Ms. Mabel Ndagi
Mr. Olusegun S. Adebajji
Mr. J. Abayomi Adebajo, FCIS

Company Secretary

Issuing Houses

CardinalStone Partners Limited (Lead)
Financial Derivatives Company Limited (Joint)
FSDH Merchant Bank Limited (Joint)

Solicitors to the Issue

G Elias & Co.

Auditors

Ernst & Young Nigeria

Registrars

Meristem Registrars and Probate Services Limited



13. STATUTORY AND GENERAL INFORMATION

Stockbrokers

Meristem Stockbrokers Limited (Lead)
CardinalStone Securities Limited (Joint)
Imperial Asset Managers Limited (Joint)

Receiving Banks

Access Bank Plc
First City Monument Bank Limited

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the documents listed below will be available for inspection at the principal offices of the Issuing Houses during normal business hours on any Working Day throughout the tenor of the Issue:

1. The Certificate of Incorporation of the Company;
2. The Memorandum and Articles of Association of the Company;
3. The Rights Circular issued in respect of the Issue;
4. The unaudited financial statements of the Company for the three months ended 31 March 2018 sworn under oath;
5. The Audited Financial Statements of the Company for each of the five years ended December 31, 2017;
6. The Board Resolution dated 24 May 2018 approving the Issue;
7. The Shareholders' Resolution dated 20 October 2017 approving the Issue;
8. List of Claims and Litigations referred to on page 35 above;
9. The material contracts referred to on page 36 above;
10. The written consents referred to on pages 37 and 38 above;
11. SEC approval letter; and
12. NSE approval letter

RELATIONSHIP BETWEEN THE ISSUER AND ITS ADVISERS

As at the date of this Rights Circular, there is no relationship between the Company and its advisers except in the ordinary course of business.

CORPORATE GOVERNANCE

Fidson's corporate governance strategy and initiatives are geared towards complying with the Securities and Exchange Commission's Corporate Governance Code and maintaining an amicable relationship with the various stakeholders on which the Company's continued existence is dependent on.

The Company continues to subject its operations to periodic examinations and audit by independent auditors which include current Good Manufacturing Practice (GMP) and by the National Agency for Food and Drugs Administration and Control (NAFDAC). Each audit/examination report is made the subject for consideration by a committee headed by an Executive Director for proper review and implementation.

Overseen by the Board of Directors, corporate governance practices are constantly under review in line with the dynamics of the business environment. The Corporate Governance policies adopted by

13. STATUTORY AND GENERAL INFORMATION

the Board of Directors are designed to ensure that the Company's business is conducted in a fair, honest and transparent manner which conforms to high ethical standards.

The day-to-day affairs of the Company are run by the Executive Management with regular meetings to brainstorm on the Company's operations and to also give departmental reports for reviews.

In line with Section 32 of the SEC's Code of Corporate Governance 2011, a standard procedure for reporting any form of misdemeanour either by staff or any of our key/strategic business associates is put in place to ensure the sanity of our operations and enhance reliance on key operational supports. This is considered important in order to ensure overall sustainability of our business.

The framework for the Company's corporate governance is hinged on:

1. Code of Corporate Governance issued by SEC in 2011
2. Various Standard Operations manual and ISO compliance requirements
3. Provisions of the Companies and Allied Matters Act Cap 20, Laws of the Federation of Nigeria, 2004
4. Financial Reporting Council Act, 2011
5. International Financial Reporting Standards (IFRS)
6. The listing rules of the NSE as well as the Securities and Exchange Commission's Rules and Regulation, 2013 (as amended)
7. Good Manufacturing Practice
8. International best practices

RELATED PARTY TRANSACTIONS

Included in related party transactions is outstanding balance of ₦843,673,000 payable to shareholders of Fidson Product Limited, now a liquidated associate of Fidson Healthcare Plc and payment of fees and allowances to Directors as indicated below;

	NGN
Directors' Loan	352,572,000
Directors Fees and Allowances	90,500,000
Liquidation Proceeds	400,601,000
Total	843,673,000

DECLARATIONS

Except as otherwise disclosed herein:

- No share of Fidson Healthcare Plc is under option or agreed conditionally or unconditionally to be put under option;
- No commissions, discounts, brokerages or other special terms have been granted by Fidson Healthcare Plc to any person in connection with the Issue or sale of any share of the Company;
- Save as disclosed herein, the Directors of Fidson Healthcare Plc have not been informed of any holding representing 5% or more of the issued share capital of the Company;
- There are no material service agreements between Fidson Healthcare Plc or any of its Directors and employees other than in the ordinary course of business;

13. STATUTORY AND GENERAL INFORMATION

- There are no long-term service agreements between the Company and any of its Directors and employees;
- No Director of the Company has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Company in the three years prior to the date of this Rights Circular; and
- No Director of the Company is or has been involved in any of the following:
 - A petition under any bankruptcy or insolvency laws filed (and not struck out) against him/her or any partnership in which he/she is or was a partner or any company of which he/she is or was a Director or key personnel;
 - A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and
 - The subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him/her from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business or activity

14. PROVISIONAL ALLOTMENT LETTER



28 June 2018

Rights Issue of 900,000,000 Ordinary Shares of 50 kobo each at ₦5.00 per Share in Fidson Healthcare Plc

Dear Sir/Madam,

1. Provisional Allotment

The letter dated 28 June 2018 from the Chairman which is provided on pages 14 to 15 of this Rights Circular, contains particulars of the Rights Issue now being made. The Directors have provisionally allotted to you the number of new Ordinary Shares set out on the first page of the enclosed Participation Form, representing Three (3) new Ordinary Shares for every Five (5) Ordinary Shares registered in your name at the close of business on 5 July 2018. The new Ordinary Shares will rank pari passu in all respects with the existing Ordinary Shares of the Company.

You may accept all or some of the shares allotted to you or renounce your rights to all or some of them. If you are accepting the Provisional Allotment in full, kindly complete box "A" of the Participation Form while if renouncing your rights partially or in full, kindly complete box "B" of the Form. You may also apply for additional shares over and above your provisional allotment as described in 2(C) below.

2. Acceptance and Payment

The receipt of any payment with your Participation Form will constitute an acceptance of all or part of this Allotment on the terms of this letter, subject to the Memorandum and Articles of Association of the Company and to the clearance of the Securities & Exchange Commission. If payment is not received by **Friday, 30 November 2018**, the provisional allotment will be deemed to have been declined and will be cancelled. You may participate in the Issue through any of the following methods:

a) Full Acceptance

If you wish to accept this provisional allotment in full, please complete box "A" of the enclosed Participation Form. The completed Participation Form together with a cheque, bank draft or evidence of electronic payments for the full amount payable must be submitted to any of the Issuing Houses or Receiving Agents listed on page 44 of this Rights Circular not later than **Friday, 30 November 2018**. The **cheque or draft must be made payable to the Receiving Agent**, and crossed "Fidson Rights" with your name, address and mobile number written on the back of the cheque or draft. All cheques and drafts will be presented for payment on receipt and all Participation Forms in respect of which cheques are returned unpaid for any reason will be rejected and returned through the registered post.

Any payment value exceeding ₦10 million should be made via SWIFT, RTGS or NEFT into any of the designated Offer Proceeds Accounts stated below; such payments must include the following transfer instruction narrative - **[SHAREHOLDER'S FULL NAME] - PAYMENT FOR FIDSON RIGHTS**":

Account Details	Access Bank Plc	First City Monument Bank Limited
Account Name:	CARDINALSTONE/FIDSON RIGHTS ISSUE 2018	FIDSON HEALTHCARE PLC RIGHT ISSUE ACCOUNT
Account Number:	0775849055	0685683236



14. PROVISIONAL ALLOTMENT LETTER

Sort Code:	044150149	214150018
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Evidence of all electronic transfers along with a copy of the Participation Form can also be submitted electronically to any of the Issuing Houses stated below. If payment is not received by **Friday, 30 November 2018**, the provisional allotment will be deemed to have been declined and will be cancelled.

Issuing House CardinalStone Partners Limited
Email Address projectjava@cardinalstone.com
Contact Numbers +234 (1) 710 0433-4

Issuing House Financial Derivatives Company Limited
Email Address projectjava@fdc-ng.com
Contact Numbers +234-1-773 9889

Issuing House FSDH Merchant Bank Limited
Email Address projectjava@fsdhgroup.com
Contact Numbers +234 1 2716284

b) Partial Acceptance

To accept your provisional allotment partially, please complete box "B" of the Participation Form and submit your Participation Form to any of the Receiving Agents listed on page 44 of this Rights Circular together with full amount payable in respect of the number of shares you wish to accept. Payment should be made in accordance with paragraph 2(a) above.

c) Applying for Additional Shares

This may be done by completing items (III) and (III) of box A of the Participation Form. Payment should be made in accordance with paragraph 2(a) above.

Shareholders who apply for additional shares using the Participation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for (see item 4 below).

3. Trading in Rights on the floor of the NSE

The approval of the NSE has been obtained for trading in the Rights of the Company. The Rights will be tradable between **Monday, 5 November 2018** and **Friday, 30 November 2018** at the price at which the Rights are quoted on the NSE. If you wish to renounce your Rights partially or in full, you may trade such renounced Rights on the floor of the NSE between these dates. Please complete item (III) of box "B" of the Participation Form and contact your stock broker for assistance. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing Fidson Rights.

4. Allotment of Additional Shares

Ordinary Shares which are not taken up by **Friday, 30 November 2018**, will be allotted on a pro-rata basis to Existing Shareholders who have applied and paid for additional shares over and above their provisional allotment.

14. PROVISIONAL ALLOTMENT LETTER

5. Subscription Monies

Participation Forms must be accompanied with the full amount due on acceptance in accordance with paragraph 2 above. All subscription monies will be retained in an interest yielding bank account by the Receiving Bank.

6. Surplus Application Monies

If any application for additional shares is not accepted or accepted for fewer shares than the number applied for, a cheque for the value of the additional shares not accepted including applicable interest will be sent by registered post or electronic payment will be made into the affected subscriber's account stated in the Participation Form not later than 5 working days after the date of allotment.

7. Rounding Principle

Provisional allotment of shares will be such that shareholders will not be allocated a fraction of a share and as such any shareholding giving rise to a fraction of less than one share will be rounded down to the nearest whole number.

8. Settlement

The CSCS accounts of shareholders will be credited not later than 15 working days from the date of allotment. Certificates of Shareholders that do not provide their CSCS account details or do not have CSCS accounts will be dispatched by registered post not later than 15 working days from the date of allotment.

Yours faithfully



Mr. J. Abayomi Adebajo, FCIS
Company Secretary

15. RECEIVING AGENTS

A copy of the Rights Circular has been forwarded to each of the shareholders whose names appeared in the Company's Register of Members as at 5 July 2018. The completed Participation Forms together with a cheque or bank draft or evidence of electronic transfer for the full amount payable may be returned to the Issuing Houses or any of the following Receiving Agents to whom brokerage will be paid at the rate of 50 kobo per ₦100 worth of shares allotted in respect of Participation Forms bearing their official stamp.

The Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing House(s), cannot give rise to a liability on the part of the Issuing House(s) under any circumstances.

BANKS

ACCESS BANK PLC	GTBANK PLC	STANDARD CHARTERED BANK LTD
CITI BANK NIGERIA LTD	HERITAGE BANK LTD	STERLING BANK PLC
DIAMOND BANK PLC	JAIZ BANK PLC	UBA PLC
ECOBANK NIGERIA PLC	KEYSTONE BANK PLC	UNION BANK OF NIGERIA PLC
FCMB LIMITED	MAINSTREET BANK LTD	UNITY BANK PLC
FIDELITY BANK PLC	SKYE BANK PLC	WEMA BANK PLC
FIRST BANK OF NIGERIA PLC	STANBIC IBTC BANK PLC	ZENITH INTERNATIONAL BANK PLC

STOCKBROKERS & OTHER RECEIVING AGENTS

ADONAI STOCKBROKERS LTD	EDC SECURITIES LTD	INVESTORS AND TRUST COMPANY LTD	READINGS INVESTMENTS LTD
AFRICAN ALLIANCE STOCKBROKERS LTD	EDGEFIELD CAPITAL MANAGEMENT LTD	KAPITAL CARE TRUST & SECURITIES LTD	REGENCY ASSETS MANAGEMENT LTD
AFRINVEST SECURITIES LTD	EFCP LTD	KEDARI CAPITAL LTD	RENCAP (SECURITIES) NIGERIA LTD
AMYN INVESTMENTS LTD	EL-ELYON ALLIANCE & SECURITIES LTD	KINLEY SECURITIES LTD	REWARD INVESTMENTS & SERVICES LTD
ANCHORAGE SECURITIES AND FINANCE LTD	ELIXIR SECURITIES LTD	KOFANA SECURITIES & INVESTMENT LTD	RMB NIGERIA STOCKBROKERS LTD
ANCHORIA INVESTMENT AND SECURITIES LTD	ENTERPRISE STOCKBROKERS PLC	KUNDILA FINANCE SERVICES LTD	ROSTRUM INVESTMENT AND SECURITIES LTD
APEL ASSET LTD	EQUITY CAPITAL SOLUTIONS LTD	LAMBETH TRUST AND INVESTMENT CO. LTD	ROYAL GUARANTY AND TRUST LTD
APT SECURITIES AND FUNDS LTD	EUROCOMM SECURITIES LTD	LEAD SECURITIES & INVESTMENT LTD	ROYAL TRUST SECURITIES LTD
ARM SECURITIES LTD	EXPRESS DISCOUNT ASSET MANAGEMENT LTD	LIGHTHOUSE ASSETS MANAGEMENT LTD	SANTRUST SECURITIES LTD
ARTHUR STEVEN ASSET MANAGEMENT LTD	EXPRESS PORTFOLIO SERVICES LTD	LONGTERM GLOBAL CAPITAL LTD	SECURITIES AFRICA FINANCIAL LTD
ASSOCIATED ASSET MANAGERS LTD	FALCON SECURITIES LTD	MAGNARTIS FINANCE & INVESTMENT LTD	SECURITIES AND CAPITAL MGT. COMPANY LTD
ATLASS PORTFOLIOS LTD	FBN SECURITIES LTD	MAINSTREET BANK SECURITIES LTD	SECURITY SWAPS LTD
BAUCHI INVESTMENT CORPORATION LTD	FCSL ASSET MANAGEMENT COMPANY LTD	MARIMPEX FINANCE & INVESTMENT CO. LTD	SFC SECURITIES LTD
BELFRY INVESTMENTS AND SECURITIES LTD	FIDELITY FINANCE COMPANY LTD	MARRIOTT SECURITIES & INVESTMENT CO. LTD	SHELONG INVESTMENT LTD
BESTWORTH ASSET AND TRUST LTD	FIDELITY SECURITIES LTD	MAVEN ASSET MANAGEMENT LTD	SIGMA SECURITIES LTD
BGL SECURITIES LIMITED	FINANCIAL & ANALYTICS CAPITAL LTD	MAXIFUND INVESTMENTS AND SECURITIES PLC	SIGNET INVESTMENTS & SECURITIES LTD
CALYX SECURITIES LTD	FINANCIAL TRUST COMPANY NIG. LTD	MBC SECURITIES LTD	SKYVIEW CAPITAL LTD
CAMRY SECURITIES LTD	FINMAL FINANCE SERVICES LTD	MBL FINANCIAL SERVICES LTD	SMADAC SECURITIES LTD
CAPITAL ASSETS LTD	FIRST INTEGRATED CAPITAL MANAGEMENT LTD	MEGA EQUITIES LTD	SOLID-ROCK SECURITIES & INVESTMENT PLC
CAPITAL BANCORP PLC	FIRST STOCKBROKERS LTD	MERISTEM SECURITIES LTD	SPRING TRUST & SECURITIES LTD
CAPITAL EXPRESS SECURITIES LTD	FIS SECURITIES LTD	MERISTEM STOCKBROKERS LTD	SPRINGBOARD TRUST & INVESTMENT LTD
CAPITAL TRUST BROKERS LTD	FORESIGHT SECURITIES & INVESTMENT LTD	MIDAS STOCKBROKERS LTD	STANBIC IBTC STOCKBROKERS LTD
CARDINALSTONE SECURITIES LTD	FORTE FINANCIAL LTD	MILESTONE CAPITAL MANAGEMENT LTD	STANDARD ALLIANCE CAPITAL & ASSET MANAGEMENT LTD
CASHCRAFT SECURITIES LTD	FORTHRIGHT SECURITIES AND	MISSION SECURITIES LTD	STANDARD UNION SECURITIES LTD
CASHVILLE INVESTMENTS & SECURITIES LTD	FORTRESS CAPITAL LTD	MOLTEN TRUST LTD	TFS SECURITIES & INVESTMENT COMPANY LTD
CDL CAPITAL MARKETS LTD	FSDH SECURITIES LTD	MORGAN CAPITAL SECURITIES LTD	THE BRIDGE SECURITIES LTD
CENTRE POINT INVESTMENTS LTD	FUNDS MATRIX AND ASSETS MANAGEMENT LTD	MOUNTAIN INVESTMENT AND SECURITIES LTD	TIDDO SECURITIES LTD
CENTURY SECURITIES LIMITED	FUNDVINE CAPITAL AND SECURITIES LTD	MUTUAL ALLIANCE INVESTMENT & SECURITIES LTD	TOMIL TRUST LIMITED
CHAPELHILL DENHAM SECURITIES LTD	FUTUREVIEW SECURITIES LTD	NETWORK CAPITAL LTD	TOPMOST SECURITIES LTD
CHARTWELL SECURITIES LTD	GIDAUNIVA INVESTMENT AND SECURITIES LTD	NETWORTH SECURITIES & FINANCE LTD	TOWER ASSETS MANAGEMENT LTD
CITI INVESTMENT CAPITAL LIMITED	GLOBAL ASSET MANAGEMENT NIG. LTD	NEWDEVCO INVESTMENT & SECURITIES CO. LTD	TOWER SECURITIES & INVESTMENT COMPANY LTD
CITY CODE TRUST & INVESTMENT COMPANY LTD	GLOBALVIEW CAPITAL LTD	NIGERIAN INTERNATIONAL SECURITIES LTD	TRADELINK SECURITIES LTD
CLEARVIEW INVESTMENTS CO. LTD	GOLDEN SECURITIES LTD	NIGERIAN STOCKBROKERS LTD	TRADERS TRUST AND INVESTMENT COMPANY LTD
COMPASS INVESTMENT & SECURITIES LTD	GREENWICH SECURITIES LTD	NOVA FINANCE & SECURITIES LIMITED	TRANSAFRICA FINANCIAL SERVICES LTD
CORDROS CAPITAL LTD	GRUENE CAPITAL LIMITED	PAC SECURITIES LTD	TRANSWORLD INVESTMENT & SECURITIES LTD
CORE TRUST AND INVESTMENT LTD	GTI SECURITIES LTD	PARTNERSHIP SECURITIES LTD	TRUST YIELDS SECURITIES LTD
CORONATION SECURITIES LTD	HARMONY SECURITIES LTD	PEACE CAPITAL MARKET LTD	TRUSTBANC CAPITAL MANAGEMENT LTD
COWRY SECURITIES LTD	HEARTBEAT INVESTMENTS LTD	PHRONESIS SECURITIES LTD	TRUSTHOUSE INVESTMENTS LTD
CROSSWORLD SECURITIES LTD	HEDGE SECURITIES & INVESTMENTS COMPANY LTD	PILOT SECURITIES LTD	TRW STOCKBROKERS LTD
CROWN CAPITAL LTD	HELIX SECURITIES LTD	PINEFIELDS INVESTMENTS SERVICES LTD	TYNDALE SECURITIES LTD
CSL STOCKBROKERS LTD	HERITAGE CAPITAL MARKET LTD	PIPC SECURITIES LTD	UNEX CAPITAL LTD
DE LORDS SECURITIES LTD	ICMG SECURITIES LTD	PIVOT TRUST & INVESTMENT COMPANY LTD	UNION CAPITAL MARKETS LTD
DEEP TRUST INVESTMENT LTD	ICON STOCKBROKERS LTD	PORTFOLIO ADVISERS LTD	UNITED CAPITAL SECURITIES LTD
DIAMOND SECURITIES LTD	IMPERIAL ASSET MANAGERS LTD	PRIMERA AFRICA SECURITIES LTD	VALMON SECURITIES LTD
DOMINION TRUST LTD	INDEPENDENT SECURITIES LTD	PRIMEWEALTH CAPITAL LTD	VALUELINE SECURITIES & INVESTMENT LTD
DSU BROKERAGE SERVICES LTD	INTEGRATED TRUST & INVESTMENTS LTD	PROMINENT SECURITIES LTD	VETIVA SECURITIES LTD
DUNBELL SECURITIES LTD	INTERNATIONAL STANDARD SECURITIES LTD	PSI SECURITIES LTD	WOODLAND CAPITAL MARKET PLC
DUNN LOREN MERRIFIELD SECURITIES LTD	INTERSTATE SECURITIES LTD	PYRAMID SECURITIES LTD	WSTC FINANCIAL SERVICES LTD
DYNAMIC PORTFOLIO LTD	INVESTMENT ONE FUNDS MANAGEMENT LTD	QUANTUM SECURITIES LTD	ZENITH SECURITIES LTD
ECL ASSET MANAGEMENT LTD	INVESTMENT ONE STOCKBROKERS INT'L LTD	RAINBOW SECURITIES AND INVESTMENT CO. LTD	ZION STOCK BROKERS & SECURITIES LTD

PROVISIONAL ALLOCATION LETTER

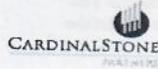
ST/SCD/DM/1997/2

1. This letter is issued to inform you of the provisional allocation of the 1997-1998 biennium budget for the United Nations Development Programme (UNDP) to the Government of the State of Palestine. The allocation is based on the 1997-1998 biennium budget approved by the General Assembly at its 52nd session in December 1997. The allocation is subject to the availability of funds and the approval of the Executive Board of UNDP.

Category	1997-1998	1996-1997	1995-1996	1994-1995	1993-1994	1992-1993	1991-1992	1990-1991	1989-1990	1988-1989	1987-1988	1986-1987	1985-1986	1984-1985	1983-1984	1982-1983	1981-1982	1980-1981	1979-1980	1978-1979	1977-1978	1976-1977	1975-1976	1974-1975	1973-1974	1972-1973	1971-1972	1970-1971	1969-1970	1968-1969	1967-1968	1966-1967	1965-1966	1964-1965	1963-1964	1962-1963	1961-1962	1960-1961	1959-1960	1958-1959	1957-1958	1956-1957	1955-1956	1954-1955	1953-1954	1952-1953	1951-1952	1950-1951	1949-1950	1948-1949	1947-1948	1946-1947	1945-1946	1944-1945	1943-1944	1942-1943	1941-1942	1940-1941	1939-1940	1938-1939	1937-1938	1936-1937	1935-1936	1934-1935	1933-1934	1932-1933	1931-1932	1930-1931	1929-1930	1928-1929	1927-1928	1926-1927	1925-1926	1924-1925	1923-1924	1922-1923	1921-1922	1920-1921	1919-1920	1918-1919	1917-1918	1916-1917	1915-1916	1914-1915	1913-1914	1912-1913	1911-1912	1910-1911	1909-1910	1908-1909	1907-1908	1906-1907	1905-1906	1904-1905	1903-1904	1902-1903	1901-1902	1900-1901	1899-1900	1898-1899	1897-1898	1896-1897	1895-1896	1894-1895	1893-1894	1892-1893	1891-1892	1890-1891	1889-1890	1888-1889	1887-1888	1886-1887	1885-1886	1884-1885	1883-1884	1882-1883	1881-1882	1880-1881	1879-1880	1878-1879	1877-1878	1876-1877	1875-1876	1874-1875	1873-1874	1872-1873	1871-1872	1870-1871	1869-1870	1868-1869	1867-1868	1866-1867	1865-1866	1864-1865	1863-1864	1862-1863	1861-1862	1860-1861	1859-1860	1858-1859	1857-1858	1856-1857	1855-1856	1854-1855	1853-1854	1852-1853	1851-1852	1850-1851	1849-1850	1848-1849	1847-1848	1846-1847	1845-1846	1844-1845	1843-1844	1842-1843	1841-1842	1840-1841	1839-1840	1838-1839	1837-1838	1836-1837	1835-1836	1834-1835	1833-1834	1832-1833	1831-1832	1830-1831	1829-1830	1828-1829	1827-1828	1826-1827	1825-1826	1824-1825	1823-1824	1822-1823	1821-1822	1820-1821	1819-1820	1818-1819	1817-1818	1816-1817	1815-1816	1814-1815	1813-1814	1812-1813	1811-1812	1810-1811	1809-1810	1808-1809	1807-1808	1806-1807	1805-1806	1804-1805	1803-1804	1802-1803	1801-1802	1800-1801	1799-1800	1798-1799	1797-1798	1796-1797	1795-1796	1794-1795	1793-1794	1792-1793	1791-1792	1790-1791	1789-1790	1788-1789	1787-1788	1786-1787	1785-1786	1784-1785	1783-1784	1782-1783	1781-1782	1780-1781	1779-1780	1778-1779	1777-1778	1776-1777	1775-1776	1774-1775	1773-1774	1772-1773	1771-1772	1770-1771	1769-1770	1768-1769	1767-1768	1766-1767	1765-1766	1764-1765	1763-1764	1762-1763	1761-1762	1760-1761	1759-1760	1758-1759	1757-1758	1756-1757	1755-1756	1754-1755	1753-1754	1752-1753	1751-1752	1750-1751	1749-1750	1748-1749	1747-1748	1746-1747	1745-1746	1744-1745	1743-1744	1742-1743	1741-1742	1740-1741	1739-1740	1738-1739	1737-1738	1736-1737	1735-1736	1734-1735	1733-1734	1732-1733	1731-1732	1730-1731	1729-1730	1728-1729	1727-1728	1726-1727	1725-1726	1724-1725	1723-1724	1722-1723	1721-1722	1720-1721	1719-1720	1718-1719	1717-1718	1716-1717	1715-1716	1714-1715	1713-1714	1712-1713	1711-1712	1710-1711	1709-1710	1708-1709	1707-1708	1706-1707	1705-1706	1704-1705	1703-1704	1702-1703	1701-1702	1700-1701	1699-1700	1698-1699	1697-1698	1696-1697	1695-1696	1694-1695	1693-1694	1692-1693	1691-1692	1690-1691	1689-1690	1688-1689	1687-1688	1686-1687	1685-1686	1684-1685	1683-1684	1682-1683	1681-1682	1680-1681	1679-1680	1678-1679	1677-1678	1676-1677	1675-1676	1674-1675	1673-1674	1672-1673	1671-1672	1670-1671	1669-1670	1668-1669	1667-1668	1666-1667	1665-1666	1664-1665	1663-1664	1662-1663	1661-1662	1660-1661	1659-1660	1658-1659	1657-1658	1656-1657	1655-1656	1654-1655	1653-1654	1652-1653	1651-1652	1650-1651	1649-1650	1648-1649	1647-1648	1646-1647	1645-1646	1644-1645	1643-1644	1642-1643	1641-1642	1640-1641	1639-1640	1638-1639	1637-1638	1636-1637	1635-1636	1634-1635	1633-1634	1632-1633	1631-1632	1630-1631	1629-1630	1628-1629	1627-1628	1626-1627	1625-1626	1624-1625	1623-1624	1622-1623	1621-1622	1620-1621	1619-1620	1618-1619	1617-1618	1616-1617	1615-1616	1614-1615	1613-1614	1612-1613	1611-1612	1610-1611	1609-1610	1608-1609	1607-1608	1606-1607	1605-1606	1604-1605	1603-1604	1602-1603	1601-1602	1600-1601	1599-1600	1598-1599	1597-1598	1596-1597	1595-1596	1594-1595	1593-1594	1592-1593	1591-1592	1590-1591	1589-1590	1588-1589	1587-1588	1586-1587	1585-1586	1584-1585	1583-1584	1582-1583	1581-1582	1580-1581	1579-1580	1578-1579	1577-1578	1576-1577	1575-1576	1574-1575	1573-1574	1572-1573	1571-1572	1570-1571	1569-1570	1568-1569	1567-1568	1566-1567	1565-1566	1564-1565	1563-1564	1562-1563	1561-1562	1560-1561	1559-1560	1558-1559	1557-1558	1556-1557	1555-1556	1554-1555	1553-1554	1552-1553	1551-1552	1550-1551	1549-1550	1548-1549	1547-1548	1546-1547	1545-1546	1544-1545	1543-1544	1542-1543	1541-1542	1540-1541	1539-1540	1538-1539	1537-1538	1536-1537	1535-1536	1534-1535	1533-1534	1532-1533	1531-1532	1530-1531	1529-1530	1528-1529	1527-1528	1526-1527	1525-1526	1524-1525	1523-1524	1522-1523	1521-1522	1520-1521	1519-1520	1518-1519	1517-1518	1516-1517	1515-1516	1514-1515	1513-1514	1512-1513	1511-1512	1510-1511	1509-1510	1508-1509	1507-1508	1506-1507	1505-1506	1504-1505	1503-1504	1502-1503	1501-1502	1500-1501	1499-1500	1498-1499	1497-1498	1496-1497	1495-1496	1494-1495	1493-1494	1492-1493	1491-1492	1490-1491	1489-1490	1488-1489	1487-1488	1486-1487	1485-1486	1484-1485	1483-1484	1482-1483	1481-1482	1480-1481	1479-1480	1478-1479	1477-1478	1476-1477	1475-1476	1474-1475	1473-1474	1472-1473	1471-1472	1470-1471	1469-1470	1468-1469	1467-1468	1466-1467	1465-1466	1464-1465	1463-1464	1462-1463	1461-1462	1460-1461	1459-1460	1458-1459	1457-1458	1456-1457	1455-1456	1454-1455	1453-1454	1452-1453	1451-1452	1450-1451	1449-1450	1448-1449	1447-1448	1446-1447	1445-1446	1444-1445	1443-1444	1442-1443	1441-1442	1440-1441	1439-1440	1438-1439	1437-1438	1436-1437	1435-1436	1434-1435	1433-1434	1432-1433	1431-1432	1430-1431	1429-1430	1428-1429	1427-1428	1426-1427	1425-1426	1424-1425	1423-1424	1422-1423	1421-1422	1420-1421	1419-1420	1418-1419	1417-1418	1416-1417	1415-1416	1414-1415	1413-1414	1412-1413	1411-1412	1410-1411	1409-1410	1408-1409	1407-1408	1406-1407	1405-1406	1404-1405	1403-1404	1402-1403	1401-1402	1400-1401	1399-1400	1398-1399	1397-1398	1396-1397	1395-1396	1394-1395	1393-1394	1392-1393	1391-1392	1390-1391	1389-1390	1388-1389	1387-1388	1386-1387	1385-1386	1384-1385	1383-1384	1382-1383	1381-1382	1380-1381	1379-1380	1378-1379	1377-1378	1376-1377	1375-1376	1374-1375	1373-1374	1372-1373	1371-1372	1370-1371	1369-1370	1368-1369	1367-1368	1366-1367	1365-1366	1364-1365	1363-1364	1362-1363	1361-1362	1360-1361	1359-1360	1358-1359	1357-1358	1356-1357	1355-1356	1354-1355	1353-1354	1352-1353	1351-1352	1350-1351	1349-1350	1348-1349	1347-1348	1346-1347	1345-1346	1344-1345	1343-1344	1342-1343	1341-1342	1340-1341	1339-1340	1338-1339	1337-1338	1336-1337	1335-1336	1334-1335	1333-1334	1332-1333	1331-1332	1330-1331	1329-1330	1328-1329	1327-1328	1326-1327	1325-1326	1324-1325	1323-1324	1322-1323	1321-1322	1320-1321	1319-1320	1318-1319	1317-1318	1316-1317	1315-1316	1314-1315	1313-1314	1312-1313	1311-1312	1310-1311	1309-1310	1308-1309	1307-1308	1306-1307	1305-1306	1304-1305	1303-1304	1302-1303	1301-1302	1300-1301	1299-1300	1298-1299	1297-1298	1296-1297	1295-1296	1294-1295	1293-1294	1292-1293	1291-1292	1290-1291	1289-1290	1288-1289	1287-1288	1286-1287	1285-1286	1284-1285	1283-1284	1282-1283	1281-1282	1280-1281	1279-1280	1278-1279	1277-1278	1276-1277	1275-1276	1274-1275	1273-1274	1272-1273	1271-1272	1270-1271	1269-1270	1268-1269	1267-1268	1266-1267	1265-1266	1264-1265	1263-1264	1262-1263	1261-1262	1260-1261	1259-1260	1258-1259	1257-1258	1256-1257	1255-1256	1254-1255	1253-1254	1252-1253	1251-1252	1250-1251	1249-1250	1248-1249	1247-1248	1246-1247	1245-1246	1244-1245	1243-1244	1242-1243	1241-1242	1240-1241	1239-1240	1238-1239	1237-1238	1236-1237	1235-1236	1234-1235	1233-1234	1232-1233	1231-1232	1230-1231	1229-1230	1228-1229	1227-1228	1226-1227	1225-1226	1224-1225	1223-1224	1222-1223	1221-1222	1220-1221	1219-1220	1218-1219	1217-1218	1216-1217	1215-1216	1214-1215	1213-1214	1212-1213	1211-1212	1210-1211	1209-1210	1208-1209	1207-1208	1206-1207	1205-1206	1204-1205	1203-1204	1202-1203	1201-1202	1200-1201	1199-1200	1198-1199	1197-1198	1196-1197	1195-1196	1194-1195	1193-1194	1192-1193	1191-1192
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16. PARTICIPATION FORM

LEAD ISSUING HOUSE



RC 739441

JOINT ISSUING HOUSES



RC 159975

RC 199528

Acceptance List opens
5 November 2018

on behalf of



RC 267435

Acceptance List closes
30 November 2018

FIDSON HEALTHCARE PLC

Rights Issue of

900,000,000 Ordinary Shares of 50 kobo each at ₦5.00 per Share

on the basis of 3 new Ordinary Shares for every 5 Ordinary Shares held as at close of business on 5 July 2018

PAYABLE IN FULL ON ACCEPTANCE

INSTRUCTIONS FOR COMPLETING THE PARTICIPATION FORM

- Acceptance and/or renunciation must be made on this Participation Form.
- Allottees should complete only **ONE** of the boxes marked A and B on the reverse of this form. Shareholders accepting the provisional allotment in full should complete box A and submit their Participation Forms to any of the Receiving Agents listed on Page 44 of the Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance. The cheque or draft must be crossed "Fidson Healthcare Rights", with the name, address and mobile number of the shareholder written on the back.

Any payment made electronically or with value exceeding ₦10 million should be made via SWIFT, RTGS, or NEFT into the designated Issue Proceeds Account stated below:

Bank:	Access Bank Plc	FCMB Limited
Account Name:	CARDINALSTONE/FIDSON RIGHTS ISSUE 2018	FIDSON HEALTHCARE PLC RIGHT ISSUE ACCOUNT
Account Number:	0775849055	0685683236
Sort Code:	044150149	214150018
Narration:	"[Full name of Shareholder] - Payment for Fidson Rights"	"[Full name of Shareholder] - Payment for Fidson Rights"

Evidence of all electronic transfers along with completed Participation Forms must be submitted to the Receiving Agents or the Issuing Houses. If payment is not received by **Friday, 30 November 2018**, the provisional allotment will be deemed to have been declined and will be cancelled.

- Shareholders accepting their provisional allotment partially should complete box B and submit their Participation Forms to any of the Receiving Agents listed on Page 44 of the Rights Circular together with the evidence of payment transfer for the partial acceptance in accordance with 2 above.
- Shareholders renouncing the provisional allotment partially or in full, who also wish to trade their rights on the floor of The Exchange should complete item (III) of box B. They should obtain a Transfer Form from their stockbroker, complete it in accordance with these instructions, and return it to the stockbroker together with the completed Participation Form and the amount payable/evidence of transfer for any partial acceptance in accordance with 2 above.
- Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced rights and/or apply for additional shares by completing items (II) and (III) of box A.
- All cheques or bank drafts for amounts below ₦10 million will be presented for payment on receipt and all acceptances/ applications in respect of which cheques are returned unpaid for any reason will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Participation Form is lodged.
- Joint allottees must sign on separate lines in the appropriate section of the Participation Form.
- Participation Forms of corporate allottees must bear the Incorporation numbers and corporate seals and must be completed under the hands of duly authorised officials who should also state their designations.

FOR REGISTRARS USE ONLY

Number of Ordinary Shares Provisionally Allotted	Number of Ordinary Shares Accepted	Number of Additional Ordinary Shares applied for	Number of Ordinary Shares Renounced	Number of Additional Ordinary Shares Allotted	Total number of Ordinary Shares Allotted	Total amount payable	Amount paid	Amount to be returned	Bank draft/ cheque number
						₦	₦	₦	

STAMP OF RECEIVING AGENT



16. PARTICIPATION FORM

Acceptance and/or renunciation must be made in accordance with the instructions set out on the front of this form. Care should be taken to comply with the instructions set out on the front of this form. If you are in doubt as to what action to take, you should immediately consult your Stockbroker, Accountant, Banker, Solicitor, Independent Investment Adviser or any other professional adviser for guidance. The Company and the Issuing House have the discretion to reject any incomplete Participation Form

Investor's Stockbroker.....

CHN Number.....

Stockbroker Code.....

CSCS Number.....

A. FULL ACCEPTANCE/REQUEST FOR ADDITIONAL ORDINARY SHARES			
I. I/We accept in full, the provisional allotment shown on the front of this form			
II. I/We also apply for additional Ordinary Shares:		Additional amount payable at ₦5.00 per share	
Number of Additional Ordinary Shares applied for		₦	
I/We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us, in accordance with the Provisional Allotment Letter contained in the Rights Circular.			
III. I/We enclose my/our cheque/bank draft/evidence of payment transfer for ₦..... being the sum of the amount payable as shown on the front of this form, and the additional amount payable as shown in item (II) above.			
Cheque details: Name of bank/cheque/branch.....			
B. RENUNCIATION OR PARTIAL ACCEPTANCE			
1	2	3	
Number of Ordinary Shares accepted	Amount payable at ₦5.00 per share	Number of Ordinary Shares renounced	
₦	₦		
I. I/We accept only the number of Ordinary Shares shown in column (1) above and enclose my/our cheque/bank draft for the value shown in column (2) above.			
Cheque details: Name of bank/cheque/branch.....			
II. I/We hereby renounce my/our rights to the Ordinary Shares shown in column (3) above, being the balance of the Ordinary Shares allocated to me/us			
III. I / We confirm that I / We wish to trade my / our rights of Ordinary Shares (being my/ our renounced shares as shown in Column (3) above) on the floor of The Exchange. I / We shall obtain a Transfer Form from my / our stockbroker, complete it in accordance with his instructions and return it to the stockbroker with the form.			
MUST BE FULLY COMPLETED FOR BOTH A AND B			
Name(s) (in block letters)			
Next of Kin			
Daytime Telephone Number		Mobile (GSM) Telephone Number	
Email Address			
BANKS DETAILS (FOR E-DIVIDEND)			
Name of Bank		Incorporation Number as Seal of Corporate Allottee	
Branch			
Account Number			
Signature		2 nd Signature (Joint only)	
Name of Authorised Signatory (corporate only):		Name of Authorised Signatory (corporate only):	
Designation (corporate only):		Designation (corporate only):	
C. TRADING IN RIGHTS			
I. Shareholders who wish to trade in their rights partially or in full may trade such rights on the floor of the Exchange. The rights will be traded actively on the floor of The Exchange.			
II. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase traded rights (see IV), and/or apply for additional shares by completing item (II) of box A above.			
III. Shareholders who purchase rights on the floor of the Exchange are guaranteed the number of shares purchased: they will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (II) of box A will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for.			
IV. If you wish to purchase renounced rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing Fidson Rights			

STAMP OF RECEIVING AGENT



