

CUTIX PLC
UNAUDITED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

CUTIX PLC

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CUTIX PLC
FINANCIAL HIGHLIGHT
FOR THE FIRST QUARTER ENDED 31ST JULY 2023

| GROUP | Unaudited 31/07/2023 | Unaudited 31/07/2022 | Increase/ (Decrease) | |
|--------------------------------------|----------------------|----------------------|----------------------|------|
| | N'000 | N'000 | N'000 | % |
| Total Assets | 6,976,637 | 5,612,890 | 1,363,747 | 24% |
| Total Liabilities | 3,737,716 | 2,767,226 | 970,489 | 35% |
| Net Assets | 3,238,921 | 2,845,665 | 393,256 | 14% |
| Capital Expenditure | 11,247 | 183,860 | (172,613) | -94% |
| Paid-up Share Capital | 1,761,322 | 1,761,322 | - | 0% |
| Total Equity | 3,238,921 | 2,845,665 | 393,256 | 14% |
| No. of Shares in Issue | 3,522,644 | 3,522,644 | - | 0% |
| Revenue | 2,173,215 | 1,914,378 | 258,837 | 14% |
| Profit Before Taxation | 105,835 | 141,203 | (35,368) | -25% |
| Taxation - Income Tax | (34,864) | (45,185) | 10,321 | -23% |
| Profit After Taxation | 70,971 | 96,018 | (25,047) | -26% |
| Per Share Data: | | | | |
| Earnings per share - Actual (kobo) | 2.01 | 3 | (1) | -26% |
| Earnings per share - Adjusted (kobo) | 2.01 | 3 | (1) | -26% |
| Total assets per share (kobo) | 198 | 159 | 39 | 24% |
| Share price (Kobo) | 249 | 240 | 9 | 4% |

CUTIX PLC

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31ST JULY 2023

| | Notes | Group | | | | | Company | | | | |
|--|-------|------------------------------|-------------------------|------------------------------|-------------------------|-------------------------|------------------------------|-------------------------|------------------------------|-------------------------|-------------------------|
| | | Ist quarter ended 31/07/2023 | 3 months 1/5/23-31/7/23 | Ist quarter ended 31/07/2022 | 3 months 1/5/22-31/7/22 | Audited May'21-April'23 | Ist quarter ended 31/07/2023 | 3 months 1/5/22-31/7/23 | Ist quarter ended 31/07/2022 | 3 months 1/5/22-31/7/22 | Audited May'21-April'23 |
| | | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Revenue | 6 | 2,173,215 | 2,173,215 | 1,914,378 | 1,914,378 | 9,248,003 | 2,172,800 | 2,172,800 | 1,913,822 | 1,913,822 | 9,225,071 |
| Cost of Sales | 7 | (1,734,631) | (1,734,631) | (1,511,646) | (1,511,646) | (6,961,650) | (1,733,472) | (1,733,472) | (1,510,111) | (1,510,111) | (6,946,005) |
| Gross Profit | | 438,584 | 438,584 | 402,731 | 402,731 | 2,286,353 | 439,328 | 439,328 | 403,712 | 403,712 | 2,279,066 |
| Selling and Distribution | 8 | (51,055) | (51,055) | (35,877) | (35,877) | (137,047) | (51,044) | (51,044) | (35,868) | (35,868) | (136,649) |
| Administrative Expenses | 9 | (207,099) | (207,099) | (184,858) | (184,858) | (855,273) | (204,739) | (204,739) | (183,186) | (183,186) | (846,236) |
| Operating (Loss)/ Profit | | 180,431 | 180,431 | 181,997 | 181,997 | 1,294,033 | 183,546 | 183,546 | 184,658 | 184,658 | 1,296,181 |
| Other Income | 10 | 1,525 | 1,525 | 4,665 | 4,665 | 79,698 | 1,525 | 1,525 | 4,665 | 4,665 | 79,698 |
| Finance Cost | 11 | (76,121) | (76,121) | (45,459) | (45,459) | (182,211) | (76,121) | (76,121) | (45,459) | (45,459) | (182,211) |
| Profit Before Tax | 12 | 105,835 | 105,835 | 141,203 | 141,203 | 1,191,520 | 108,950 | 108,950 | 143,864 | 143,864 | 1,193,668 |
| Income Tax Expense | 13 | (34,864) | (34,864) | (45,185) | (45,185) | (401,535) | (34,864) | (34,864) | (46,036) | (46,036) | (401,535) |
| Profit for the Year | | 70,971 | 70,971 | 96,018 | 96,018 | 789,985 | 74,086 | 74,086 | 97,827 | 97,827 | 792,132 |
| Other Comprehensive Income | | | | | | | | | | | |
| Goodwill written off | | | | | | - | | | | | - |
| Total Comprehensive Income for the year | | | | | | | | | | | |
| Total Comprehensive Income | | 70,971 | 70,971 | 96,018 | 96,018 | 789,985 | 74,086 | 74,086 | 97,827 | 97,827 | 792,132 |
| Earnings per Share (Kobo) - E | | 2.0 | 2.0 | 3 | 3 | 22.43 | 2.1 | 2.1 | 3 | 3 | 22.49 |

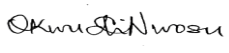


The notes to the financial statements form an integral part of these financial statements.

CUTIX PLC

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31ST JULY, 2023

| | | Group | | | Company | | |
|---|------|------------------------------------|------------------------------------|----------------------------------|------------------------------------|------------------------------------|----------------------------------|
| | Note | Unaudited as at 31/7/2023 N'000 | Unaudited as at 31/7/2022 N'000 | Audited as at 30/4/2023 N'000 | Unaudited as at 31/7/2023 N'000 | Unaudited as at 31/7/2022 N'000 | Audited as at 30/4/2023 N'000 |
| Assets: | | | | | | | |
| Non-Current Assets | | | | | | | |
| Property, Plant and Equipment | 14 | 1,042,783 | 1,182,280 | 1,090,727 | 917,213 | 1,054,955 | 964,723 |
| Intangible Assets | 15 | 1,138 | 2,656 | 1,517 | 1,138 | 2,656 | 1,517 |
| Long Term Prepayments | 16 | 24,109 | 7,225 | 37,120 | 24,109 | 7,225 | 37,120 |
| Investment | 17 | | | - | 98,576 | 134,421 | 107,538 |
| Total Non-Current Assets | | 1,068,029 | 1,192,161 | 1,129,364 | 1,041,035 | 1,199,256 | 1,110,898 |
| Current Assets | | | | | | | |
| Inventories | 18 | 3,099,446 | 2,626,551 | 2,983,499 | 3,066,036 | 2,578,333 | 2,954,063 |
| Trade and other Receivables | 19 | 2,178,812 | 1,627,482 | 1,553,103 | 2,200,130 | 1,626,598 | 1,565,008 |
| Other Prepayments | 20 | 63,373 | 29,299 | 53,616 | 63,373 | 24,003 | 53,616 |
| Cash and Bank Balances | 21.1 | 566,976 | 137,397 | 122,422 | 558,010 | 124,166 | 113,205 |
| Total Current Assets | | 5,908,607 | 4,420,730 | 4,712,640 | 5,887,549 | 4,353,100 | 4,685,894 |
| Total Assets | | 6,976,637 | 5,612,890 | 5,842,004 | 6,928,583 | 5,552,356 | 5,796,790 |
| Equity and Liabilities | | | | | | | |
| Equity: | | | | | | | |
| Capital and Reserves | | | | | | | |
| Share Capital | 23 | 1,761,322 | 1,761,322 | 1,761,322 | 1,761,322 | 1,761,322 | 1,761,322 |
| Retained Earnings | 24 | 1,477,599 | 1,084,343 | 1,406,628 | 1,545,565 | 1,149,702 | 1,471,479 |
| Total equity attributable to owners of the Company | | 3,238,921 | 2,845,665 | 3,167,950 | 3,306,887 | 2,911,024 | 3,232,801 |
| Liabilities: | | | | | | | |
| Non-Current Liabilities | | | | | | | |
| Deferred Tax Liabilities | 13.3 | 235,919 | 214,267 | 235,918 | 231,837 | 209,979 | 231,837 |
| Borrowings | 25 | 748,150 | - | - | 748,150 | - | - |
| Total Non-Current Liabilities | | 984,069 | 214,267 | 235,918 | 979,987 | 209,979 | 231,837 |
| Current Liabilities | | | | | | | |
| Short Term Borrowings | 26 | 1,369,150 | 1,205,726 | 1,303,228 | 1,369,150 | 1,163,271 | 1,303,228 |
| Trade and other Payables | 22 | 1,017,575 | 996,169 | 754,956 | 905,638 | 917,018 | 648,972 |
| Current Tax Liabilities | 13.1 | 366,921 | 351,064 | 379,952 | 366,921 | 351,064 | 379,952 |
| Total Current Liabilities | | 2,753,647 | 2,552,959 | 2,438,136 | 2,641,709 | 2,431,352 | 2,332,152 |
| Total Liabilities | | 3,737,716 | 2,767,226 | 2,674,054 | 3,621,696 | 2,641,331 | 2,563,989 |
| Total Equity and Liabilities | | 6,976,637 | 5,612,890 | 5,842,004 | 6,928,583 | 5,552,356 | 5,796,790 |

The Financial Statements on pages 4 to 8 and Notes to the Financial Statement on pages 9 to 24 were approved by the Board of Directors on August 24, 2023 and signed on its behalf by:

| | | |
|---|--|---|
|  Amb. Okwudili Nwosu Chairman FRC/2019/NSE/00000019801 |  Mrs. Ijeoma Oduonye Chief Executive Officer FRC/2016/ICSAN/00000015363 |  Mrs. Jane Nwabueze Chief Financial Officer FRC/2021/001/00000025337 |
|---|--|---|

CUTIX PLC

STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

| Group | | | |
|---|------------------------|-------------------------------|------------------|
| | Share Capital N'000 | Retained Earnings N'000 | Total N'000 |
| Balance at May 1, 2023 | 1,761,322 | 1,406,627 | 3,167,950 |
| Changes in Equity for the year | | | - |
| Revaluation Reserve | | | - |
| Profit for the quarter | | 70,971 | 70,971 |
| Other Comprehensive items for the quarter | | | - |
| Total Equity in the quarter | 1,761,322 | 1,477,598 | 3,238,921 |
| Transactions with owners recorded directly in Equity | | | |
| Dividend paid during the quarter | | | |
| Unclaimed Dividend written back | | | |
| Total Transactions with owners | | | |
| At July 31, 2023 | 1,761,322 | 1,477,598 | 3,238,921 |
| Balance at May 1, 2022 | 1,761,322 | 943,134 | 2,704,456 |
| Changes in Equity for the quarter | | | |
| Revaluation Reserve | | | |
| Profit for the quarter | | 141,203 | 141,203 |
| Other Comprehensive Income for the quarter | | | |
| Total Equity in the quarter | 1,761,322 | 1,084,337 | 2,845,665 |
| Transactions with owners recorded directly in Equity | | | |
| Dividend paid during the quarter | | | |
| Unclaimed Dividend written back | | | |
| Total Transactions with owners | | | |
| At July 31, 2022 | 1,761,322 | 1,084,337 | 2,845,665 |

| Company | | | |
|---|------------------------|-------------------------------|------------------|
| | Share Capital N'000 | Retained Earnings N'000 | Total N'000 |
| Balance at May 1, 2023 | 1,761,322 | 1,471,479 | 3,232,801 |
| Changes in Equity for the quarter | | | |
| Revaluation Reserve | | | |
| Profit for the quarter | | 74,086 | |
| Other Comprehensive Income for the quarter | | | |
| Total Equity in the quarter | 1,761,322 | 1,545,565 | 3,306,887 |
| Transactions with owners recorded directly in equity | | | |
| Dividend paid during the quarter | | | |
| Unclaimed Dividend written back | | | |
| Total transactions with owners | | | |
| At July 31, 2023 | 1,761,322 | 1,545,565 | 3,306,887 |
| Balance at May 1, 2022 | 1,761,322 | 1,005,838 | 2,767,160 |
| Changes in Equity for the quarter | | | |
| Revaluation Reserve | | | |

STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

| | | | |
|--|------------------|-----------------|------------------|
| Profit for the quarter | | 143,864 | 143,864 |
| Other Comprehensive Income for the quarter | | - | - |
| Total Equity in the quarter | <u>1,761,322</u> | <u>##### ##</u> | <u>2,911,024</u> |

Transactions with owners recorded directly in Equity

| | | | |
|--|------------------|------------------|------------------|
| Dividend paid during the quarter | | | |
| Unclaimed Dividend written back | | | |
| Total transactions with owners | | | |
| At July 31, 2022 | <u>1,761,322</u> | <u>1,149,701</u> | <u>2,911,024</u> |

CUTIX PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

| | | Group | | Company | |
|---|-------------|------------------|----------------------|------------------|-----------------------|
| | | 31/07/2023 | Audited 30/4/2023 | 30/07/2023 | Audited '30/4/2023 |
| | Note | N'000 | N'000 | N'000 | N'000 |
| Cashflow from Operating Activities | | | | | |
| Cash Receipts from Customers | | 2,088,579 | 8,940,542 | 2,060,827 | 8,900,342 |
| Cash Paid to Suppliers and Employees | | (2,204,034) | (7,867,617) | (2,191,585) | (7,834,317) |
| Value Added Tax - Input | | 7,981 | 155,651 | 7,981 | 155,651 |
| Value Added Tax - (Output) | | (148,075) | (338,646) | (148,075) | (336,926) |
| Cash Generated from Operations | | (255,549) | 889,930 | (270,852) | 884,750 |
| Income Taxes paid through WHT | | (12,963) | (20,042) | (12,963) | (20,042) |
| Tax Paid | 13.1 | | (349,858) | | (349,858) |
| Net cash generated /(used) from Operating Act | | (268,512) | 520,030 | (283,815) | 514,849 |
| Cashflow from Investing Activities | | | | | |
| Purchase of Property, Plant and Equipme | 14 | (11,247) | (271,689) | (11,247) | (271,689) |
| Purchase of Intangible Assets | 15 | | | | |
| Acquired from Business Combination | 14 | | | | |
| Sales proceed from disposal of Assetss | | 1,917 | 8,436 | 1,917 | 8,436 |
| Investment - Adswitch | | | | | |
| Net Cash used for Investing Activities | | (9,330) | (263,252) | (9,330) | (263,253) |
| Cashflow from financing Activities | | | | | |
| Dividend paid | | | (352,264) | | (352,264) |
| Unclaimed Dividend written back | | | 25,773 | | 25,773 |
| Finance Costs | | (76,121) | (182,211) | (76,121) | (182,211) |
| Long Term Borrowing | 25 | 748,150 | - | 748,150 | - |
| Short Term Borrowing | 26 | 50,368 | 249,717 | 65,922 | 249,717 |
| Net Cash (used)/ generated in Financing Activi | | 722,397 | (258,984) | 737,951 | (258,985) |
| Net Increase in Cash and Cash Equivalents | | 444,555 | (2,214) | 444,806 | (7,388) |
| Cash and Cash Equivalents at beginning | 21.1 | 122,422 | 124,636 | 113,204 | 120,592 |
| Cash and Cash Equivalents at end of y | 21.1 | 566,976 | 122,422 | 558,010 | 113,204 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FIRST QUARTER ENDED 31ST JULY, 20239

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

| | | | | | | |
|--|------------------|------------------|-----------------------------|------------------|------------------|-----------------------------|
| Professional Services | 1,138 | 500 | 3,796 | 1,138 | 500 | 3,796 |
| Rent and Rates | 5,281 | 5,884 | 21,571 | 5,281 | 5,884 | 21,511 |
| Repairs and Maintenance | 3,429 | 3,344 | 19,457 | 3,370 | 3,339 | 19,379 |
| Research and Development | - | 1,016 | 1,530 | - | 1,016 | 1,530 |
| Retirement Benefits | 3,000 | 4,639 | 12,461 | 3,000 | 4,639 | 12,461 |
| Security Expenses | - | - | - | - | - | - |
| Staff Salaries | 75,264 | 65,964 | 256,661 | 73,268 | 64,563 | 250,235 |
| Subscriptions and Periodicals | 2,724 | 1,457 | 17,100 | 2,724 | 1,457 | 17,100 |
| Training and Development | 4,375 | 5,375 | 10,715 | 4,355 | 5,375 | 10,715 |
| Transport and Traveling | 28,517 | 23,555 | 120,539 | 28,517 | 23,480 | 120,353 |
| Utility Expenses | 3,350 | 1,154 | 10,596 | 3,313 | 1,119 | 10,421 |
| Vehicle Operating Expenses | 6,299 | 1,980 | 14,012 | 6,299 | 1,980 | 14,012 |
| | 207,099 | 184,858 | 855,273 | 204,739 | 183,186 | 846,236 |
| | 31/7/2022 | 31/7/2022 | Audited Apr 30, 2023 | 31/7/2023 | 31/7/2022 | Audited Apr 30, 2023 |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| 10 Other Income | | | | | | |
| Profit/(Loss) on sale of Property, Plant | | | 8,436 | | | 8,436 |
| Foreign Exchange Difference | | | 3,115 | | | 3,115 |
| Sales of Scrap | 1,525 | 4,665 | 68,147 | 1,525 | 4,665 | 68,147 |
| | 1,525 | 4,665 | 79,698 | 1,525 | 4,665 | 79,698 |

Exchange gain relates to both realised and unrealised difference on translation of foreign denominated balances as at the

| | Group | | | Company | | |
|---|-------------------|-------------------|---------------------------|------------------|-------------------|-----------------------------|
| | 31/07/2023 | 31/07/2022 | Audited 30/04/2023 | 31/7/2022 | 31/07/2022 | Audited Apr 30, 2023 |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| 11 Finance Cost | | | | | | |
| Interest on Term Loans | 41,968 | 11,729 | 2,213 | 41,968 | 11,729 | 2,213 |
| Interest on Commercial Papers | 29,836 | 26,554 | 110,629 | 29,836 | 26,554 | 110,629 |
| Interest on Overdraft | 4,316 | 7,177 | 69,368 | 4,316 | 7,177 | 69,368 |
| | 76,120 | 45,459 | 182,211 | 76,120 | 45,459 | 182,211 |
| 12 Profit for the year before Taxation | | | | | | |
| (Loss)/Profit before Taxation has been arrived at after charging/(crediting): | | | | | | |
| Directors' Fees | 294 | 245 | 1,379 | 294 | 245 | 1,379 |
| Directors Remuneration | 5,052 | 3,904 | 16,441 | 5,052 | 3,904 | 16,441 |
| | | | 4,510 | | | |
| Audit Fees | 1,402 | 1,375 | | 1,277 | 1,250 | 4,000 |
| Finance Cost | 76,120 | 45,459 | 182,211 | 76,120 | 45,459 | 182,211 |
| Depreciation of Property, Plant and | 70,715 | 66,037 | 235,764 | 70,715 | 66,037 | 234,010 |
| Amortisation | 379 | 379 | 1,517 | 379 | 379 | 1,517 |
| And after Crediting: | - | - | | - | - | |
| Other Income | 1,525 | 4,665 | 76,583 | 1,525 | 4,665 | 76,583 |
| Exchange Gain | - | - | 3,115 | - | - | 3,115 |
| 13 Tax Expense | | | | | | |
| 13.1 Income Tax recognised in Profit or Loss | | | | | | |
| Current Tax | | | | | | |
| <u>Current Tax expense for Current year:</u> | | | | | | |
| Income Tax | 34,864 | 46,036 | 344,210 | 34,864 | 46,036 | 344,210 |
| Education Tax | | | 35,614 | | | 35,614 |
| NPTF Levy | | | 60 | | | 60 |
| Deferred Tax (Note 13.3) | | | 21,652 | | | 21,652 |
| Balance Per Income Statement | 34,864 | 46,036 | 401,535 | 34,864 | 46,036 | 401,535 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

Current Liabilities in the Statement of Financial Position

| | Group | | | Company | | |
|---|-----------------------------|-----------------------------|---|----------------------------|-----------------------------|--|
| | 31/07/2023 N'000 | 31/07/2022 N'000 | Audited 30/04/2023 N'000 | 31/7/2022 N'000 | 31/07/2022 N'000 | Audited 30/04/ 2023 N'000 |
| Taxation on Profit on Ordinary Activities | | | 344,210 | | | 344,210 |
| Education Tax | | | 35,614 | | | 35,614 |
| NPTF Levy | | | 60 | | | 60 |
| Balance Brought Forward | 379,884 | 357,916 | 379,884 | 379,884 | 357,916 | 379,884 |
| Payments During The quarter | - | | (349,858) | - | | (349,858) |
| Withholding Tax Utilised | (12,963) | (6,852) | (20,042) | (12,963) | (6,852) | (20,042) |
| Balance per Statement of Financial Position | 366,921 | 351,064 | 379,953 | 366,921 | 351,064 | 379,953 |

| | Group | | | Company | | |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|---|
| | 31/7/2023 N'000 | 31/7/2022 N'000 | Audited 30/04/2023 N'000 | 31/7/2023 N'000 | 31/7/2022 N'000 | Audited 30/04/2023 N'000 |
| 13.2 Deferred Tax | | | | | | |
| At May 1, 2023 | 235,918 | 210,185 | 214,266 | 231,837 | 210,185 | 210,185 |
| Charged to Profit or Loss | | | 21,652 | | | 21,652 |
| At July 31, 2023 | 235,918 | 210,185 | 235,918 | 231,837 | 210,185 | 231,837 |
| Reconciliation of Effective Tax Rate | | | | | | |
| Profit for the year | 74,086 | 96,018 | 789,985 | 74,086 | 97,827 | 792,132 |
| Total Income Tax Expense | 34,864 | 45,185 | 379,952 | 34,864 | 46,036 | 379,952 |
| Profit excluding Deferred Tax | 108,950 | 141,203 | 1,169,937 | 108,950 | 143,864 | 1,172,084 |
| Effective Tax Rate | 32% | 32% | 32% | 32% | 32% | 32% |

The charge for Taxation has been computed in accordance with the provisions of the Companies Income Tax Act, CAP C21,

13.3 Deferred Tax

| | Group | | | |
|--|----------------------------|---|------------------------------|------------------------|
| | Opening Balance | Recognised in Profit or Loss | Recognised in OCI | Closing Balance |
| As at May 1, 2023 | N'000 | N'000 | N'000 | N'000 |
| Deferred Tax Liability or Asset in relation Property, Plant and Equipment | 214,267 | 21,652 | | 235,919 |
| As at July 31 2023 | 214,267 | 21,652 | - | 235,919 |
| | Opening Balance | Recognised in Profit or Loss | Recognised in OCI | Closing Balance |
| As at July 31, 2022 | N'000 | N'000 | N'000 | N'000 |
| Deferred Tax Liability or Asset in relation Property, Plant and Equipment | 200,848 | 13,419 | | 214,267 |
| | 200,848 | 13,419 | - | 214,267 |

| | Company | | | |
|--|----------------------------|---|------------------------------|------------------------|
| | Opening Balance | Recognised in Profit or Loss | Recognised in OCI | Closing Balance |
| As at May 1, 2023 | N'000 | N'000 | N'000 | N'000 |
| Deferred Tax Liability or Asset in relation Property, Plant and Equipment | 210,185 | 21,652 | | 231,837 |
| As at July 31 2023 | 210,185 | 21,652 | - | 231,837 |
| | Opening Balance | Recognised in Profit or Loss | Recognised in OCI | Closing Balance |
| As at July 31, 2022 | N'000 | N'000 | N'000 | N'000 |
| Deferred Tax Liability or Asset in relation Property, Plant and Equipment | 196,766 | 13,419 | | 210,185 |
| | 180,904 | 13,419 | - | 210,185 |

CUTIX PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS AT 31ST JULY, 2023

14 Property, Plant and Equipment

| | Group | | | | | | | | | | | Total |
|---------------------------------|----------------|----------------------------|---------------|------------------|-----------------|--------------------|-------------------------------|----------------|--------------------|----------------------|--------------------------|------------------|
| | Land | Buildings & Infrastructure | Shops | Borehole & Tanks | Generating Sets | Machine Components | Plant & Machinery & Equipment | Motor Vehicles | Computer Equipment | Furniture & Fittings | Capital Work in Progress | |
| <u>Cost:</u> | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| As at May 1, 2023 | 205,383 | 505,012 | 70,950 | 24,276 | 291,798 | 91,642 | 1,048,557 | 304,904 | 96,986 | 56,410 | 32,056 | 2,727,974 |
| Additions | | | - | - | 6,698 | | 3,531 | - | 807 | 211 | - | 11,247 |
| Reclassification | | | | | | | | | | | | - |
| Disposals | | | | | | | | | | | | - |
| Balance at July 31, 2022 | 205,383 | 505,012 | 70,950 | 24,276 | 298,496 | 91,642 | 1,052,088 | 304,904 | 97,793 | 56,621 | 32,056 | 2,739,221 |
| <u>Depreciation</u> | | | | | | | | | | | | |
| As at May 1, 2023 | - | 126,436 | 3,765 | 24,276 | 189,891 | 42,610 | 854,090 | 260,230 | 92,820 | 43,129 | - | 1,637,247 |
| Depreciation for the year | - | 3,244 | 591 | - | 11,773 | 10,426 | 17,227 | 11,161 | 4,043 | 726 | | 59,191 |
| Disposals | - | | | | | | | | | | | - |
| Balance at July 31, 2023 | - | 129,680 | 4,356 | 24,276 | 193,790 | 53,036 | 871,317 | 230,821 | 96,863 | 43,855 | - | 1,696,438 |
| <u>Carrying amount:</u> | | | | | | | | | | | | |
| As at July 31, 2023 | 205,383 | 375,332 | 66,594 | (0) | 104,706 | 38,606 | 180,771 | 74,083 | 930 | 12,766 | 32,056 | 1,042,783 |
| As at July 31, 2022 | 205,383 | 335,352 | 69,515 | 1,933 | 164,087 | 58,484 | 227,195 | 77,333 | - | 14,458 | 28,538 | 1,182,280 |
| As at April 30, 2023 | 205,383 | 378,576 | 67,185 | (0) | 101,907 | 49,032 | 194,467 | 44,673 | 4,166 | 13,281 | 32,056 | 1,090,727 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS AT 31ST JULY, 2023

Property, Plant and Equipment

| Company | | | | | | | | | | | | |
|---------------------------------|----------------|----------------------------|---------------|------------------|-----------------|--------------------|-------------------------------|----------------|--------------------|----------------------|--------------------------|------------------|
| | Land | Buildings & Infrastructure | Shops | Borehole & Tanks | Generating Sets | Machine Components | Plant & Machinery & Equipment | Motor Vehicles | Computer Equipment | Furniture & Fittings | Capital Work in Progress | Total |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| <u>Cost:</u> | | | | | | | | | | | | |
| As at May 1, 2023 | 137,383 | 434,880 | 70,950 | 24,276 | 291,798 | 91,642 | 1,034,359 | 304,903 | 94,710 | 54,328 | 32,056 | 2,571,286 |
| Additions | | | - | | 6,698 | | 3,531 | | 807 | 211 | - | 11,247 |
| Reclassification | | | | | | | | | - | | | - |
| Disposals | | | | | | | | | - | | | - |
| Balance at July 31, 2023 | 137,383 | 434,880 | 70,950 | 24,276 | 298,496 | 91,642 | 1,037,890 | 304,903 | 95,517 | 54,539 | 32,056 | 2,582,533 |
| <u>Depreciation</u> | | | | | | | | | | | | |
| As at May 1, 2023 | - | 114,313 | 3,765 | 24,276 | 189,891 | 42,610 | 839,892 | 260,231 | 90,544 | 41,046 | - | 1,606,566 |
| Depreciation for the year | - | 2,806 | 591 | - | 11,773 | 10,426 | 17,227 | 11,161 | 4,043 | 726 | | 58,753 |
| Disposals | - | - | | | | | | | | | | - |
| Balance at July 31, 2023 | - | 117,119 | 4,356 | 24,276 | 201,664 | 53,036 | 857,119 | 271,392 | 94,587 | 41,772 | - | 1,665,320 |
| | | | | | | | | | | | | |
| <u>Carrying amount:</u> | | | | | | | | | | | | |
| As at July 31, 2023 | 137,383 | 317,761 | 66,594 | (0) | 96,832 | 38,605 | 180,772 | 33,511 | 930 | 12,767 | 32,056 | 917,213 |
| | | | | | | | | | | | | |
| As at July 31, 2022 | 137,383 | 277,238 | 69,515 | 1,933 | 116,376 | 58,484 | 227,195 | 77,332 | - | 14,459 | 27,328 | 1,054,955 |
| | | | | | | | | | | | | |
| As at April 30, 2023 | 137,383 | 320,567 | 67,185 | (0) | 101,907 | 49,031 | 194,468 | 44,672 | 4,166 | 13,282 | 32,056 | 964,719 |

CUTIX PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

| | | | |
|----|---------------------------------|---------------------------|------------------------|
| 15 | Intangible Assets | Software | Total |
| | Group | N'000 | N'000 |
| | <u>Cost:</u> | | |
| | Balance at May 1, 2023 | 7,589 | 7,589 |
| | Additions | - | - |
| | Disposals | - | - |
| | Balance at July 31, 2023 | 7,589 | 7,589 |
| | <u>Amortisation</u> | | |
| | Balance at May 1, 2023 | 6,072 | 6,072 |
| | Written off | - | - |
| | Amortisation for the year | 379 | 379 |
| | Balance at July 31, 2023 | 6,451 | 6,451 |
| | As at July 31, 2023 | 1,138 | 1,138 |
| | As at July 31, 2022 | 2,656 | 2,656 |
| | As at 30 April 2023 | 1,517 | 1,517 |
| | Company | Software N'000 | Total N'000 |
| | <u>Cost:</u> | | |
| | Balance at May 1, 2023 | 7,589 | 7,589 |
| | Balance at July 31, 2023 | 7,589 | 7,589 |
| | <u>Amortization</u> | | |
| | Balance at May 1, 2023 | 6,072 | 6,072 |
| | Amortisation for the year | 379 | 379 |
| | Balance at July 31, 2023 | 6,451 | 6,451 |
| | As at July 31, 2023 | 1,138 | 1,138 |
| | As at July 31, 2022 | 2,656 | 2,656 |
| | As at 30 April 2023 | 1,517 | 1,517 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

| Group | | | | Company | | | |
|--------------------------|------------------|------------------|-------------------------------|-------------------|-------------------|-------------------------------|--|
| | 31/7/2023 | 31/7/2022 | Audited 30/04/2023 | 31/07/2023 | 31/07/2022 | Audited 30/04/2023 | |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | |
| 16 Prepayments | | | | | | | |
| Prepayments | 24,109 | 7,225 | 37,120 | 24,109 | 7,225 | 37,120 | |
| | 24,109 | 7,225 | 37,120 | 24,109 | 7,225 | 37,120 | |
| 17 Investment | | | | | | | |
| Investment in Subsidiary | | | | 179,228 | 179,228 | 179,228 | |
| | - | - | | (80,652) | (44,807) | (71,691) | |
| | - | - | | 98,576 | 134,421 | 107,537 | |

| Name of Subsidiary | Principal activity and operation | Company |
|---------------------------|---|-------------------|
| | | 31/07/2023 |
| | | % |
| Adswitch Plc | Switch gears | 100% |

| Group | | | | Company | | | |
|----------------------------|------------------|------------------|-------------------------------|-------------------|-------------------|-------------------------------|--|
| | 31/7/2023 | 31/7/2022 | Audited 30/04/2023 | 31/07/2023 | 31/07/2022 | Audited 30/04/2023 | |
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | |
| 18 Inventories | | | | | | | |
| Raw materials | 543,937 | 577,839 | 625,300 | 521,615 | 543,741 | 607,165 | |
| Work in progress | 458,487 | 358,279 | 452,855 | 458,487 | 357,155 | 451,863 | |
| Finished goods | 1,862,987 | 1,445,900 | 1,658,791 | 1,851,899 | 1,443,964 | 1,648,554 | |
| Technical stock and spares | 226,005 | 232,523 | 239,588 | 226,005 | 224,848 | 239,516 | |
| Consumables | 3,691 | 7,298 | 3,729 | 3,691 | 3,913 | 3,729 | |
| Advert and promotion | 4,340 | 4,713 | 3,236 | 4,340 | 4,713 | 3,236 | |
| | 3,099,446 | 2,626,551 | 2,983,499 | 3,066,036 | 2,578,333 | 2,954,063 | |

Advert and Promotion represents the value of promotional items in the inventory

| | | | | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|
| 19 Trade and Other Receivables | | | | | | | |
| Trade Receivable | 218,840 | 260,146.31 | 226,917 | 218,813 | 259,262 | 226,897 | |
| Deposit for Imports | 1,947,447 | 1,343,161.43 | 1,303,741 | 1,947,447 | 1,343,161 | 1,303,741 | |
| Staff Receivables | 12,525 | 12,388.03 | 14,064 | 12,525 | 12,388 | 14,057 | |
| Other Receivables | - | 11,786.32 | 8,380 | 21,345 | 11,786 | 20,313 | |
| | 2,178,812 | 1,627,482 | 1,553,103 | 2,200,130 | 1,626,598 | 1,565,008 | |

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

19.1 Deposit for Imports

Deposits for imports represent foreign currencies purchased for funding of letters of credit in respect of imported raw materials, spare parts and machinery.

| Group | | | Company | | | | |
|-------|------------------------------------|---------------------|--------------------------------|---------------------|---------------------|------------------------------|---------|
| | 31/7/2023 N'000 | 31/07/2022 N'000 | Audited 30/04/2023 N'000 | 31/07/2023 N'000 | 31/07/2021 N'000 | Audited 30/04/23 N'000 | |
| 20 | Other Prepayments | | | | | | |
| | 87,481 | 36,524 | 90,736 | 87,481 | 31,228 | 90,736 | |
| | (24,109) | (7,225) | (37,120) | (24,109) | (7,225) | (37,120) | |
| | 63,373 | 29,299 | 53,616 | 63,373 | 24,003 | 53,616 | |
| | | | | | | | |
| 21.1 | Cash and Cash Equivalents | | | | | | |
| | | | | | | | |
| | Cash Balances | 338 | 335 | 229 | 209 | 153 | 208 |
| | Access Bank Plc | 16,960 | 36,123 | 28,817 | 16,948 | 36,111 | 28,805 |
| | Ecobank Plc | - | 3,647 | - | - | 3,647 | - |
| | Fidelity Bank Plc | 22,796 | 26,997 | 30,856 | 14,078 | 14,066 | 21,778 |
| | First Bank Plc | 34,052 | 15,413 | 1,820 | 34,043 | 15,404 | 1,811 |
| | Quaranty Trust Holding Company Plc | 3,051 | 4,925 | 8,470 | 3,051 | 4,925 | 8,470 |
| | Heritage Bank Plc | 42 | 42 | 42 | - | - | - |
| | Polaris Bank Limited | 39,485 | 1,121 | 6,126 | 39,485 | 1,121 | 6,126 |
| | Sterling Bank Plc | 538 | 2,741 | 588 | 538 | 2,741 | 588 |
| | Union Bank of Nigeria Plc | 433,928 | 6,455 | 10,049 | 433,891 | 6,418 | 10,012 |
| | United Bank for Africa Plc | 5,358 | 26,039 | 24,638 | 5,339 | 26,020 | 24,619 |
| | Zenith Bank Plc | 10,428 | 13,561 | 10,788 | 10,428 | 13,561 | 10,788 |
| | Cash and Bank balance | 566,976 | 137,397 | 122,422 | 558,010 | 124,166 | 113,205 |

The carrying amount are approximately equal to their Fair Value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

21.2 Reconciliation of Net Income to Net Cash Provided by Operating Activities:

| | Group | | Company | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31/07/2023 N'000 | 31/07/2022 N'000 | 31/07/2022 N'000 | 31/07/2022 N'000 |
| Profit before finance costs | 180,431 | 181,997 | 183,546 | 184,658 |
| Adjustments for: | | | | |
| Depreciation of Property, Plant and Equipment | 59,192 | 57,592 | 58,753 | 57,153 |
| Amortisation | 379 | 8,131 | 379 | 8,130 |
| Foreign Exchange Difference | | | | |
| Net Cashflow before changes in working | 240,002 | 247,720 | 242,678 | 249,941 |
| Changes in Working Capital: | | | | |
| (Increase)/Decrease in Inventories | (132,462) | 127,685 | (135,074) | 140,059 |
| (Increase)/Decrease in Trade and other Receivables & | (625,709) | (461,538) | (635,122) | (483,796) |
| Increase/(Decrease) in Trade and other Payables | 262,619 | 247,149 | 256,666 | 231,342 |
| Total adjustments | (495,551) | (86,704) | (513,530) | (112,395) |
| Cash Generated from Operations | (255,549) | 161,016 | (270,853) | 137,545 |

22 Trade and other Payables

| | | | | | | |
|-----------------------------|------------------|----------------|----------------|----------------|----------------|----------------|
| Trade Payables | 476,598 | 552,048 | 340,457 | 476,448 | 551,898 | 339,931 |
| Accruals | 411,770 | 347,782 | 291,893 | 310,415 | 269,060 | 197,317 |
| Value Added Tax/WHT payable | 83,773 | 61,339 | 76,285 | 83,773 | 61,059 | 76,722 |
| Other Payables | 45,434 | 35,001 | 46,321 | 35,001 | 35,001 | 35,001 |
| | 1,017,575 | 996,169 | 754,956 | 905,637 | 917,017 | 648,972 |

23 Share Capital

Issued and fully paid

3,522,644,052

| | | | | | | |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Ordinary Shares of 50k each | 1,761,322 | 1,761,322 | 1,761,322 | 1,761,332 | 1,761,332 | 1,761,332 |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

| <i>Group</i> | | | | <i>Company</i> | | | |
|---|---------------------|---------------------|----------------------------------|---------------------|---------------------|----------------------------------|--|
| | 31/07/2023 N'000 | 31/07/2022 N'000 | Audited 30-Apr- 2023 N'000 | 31/07/2023 N'000 | 31/07/2022 N'000 | Audited 30-Apr- 2023 N'000 | |
| 24 Retained Earnings | | | | | | | |
| At May 1, 2023 | 1,406,628 | 943,134 | 943,134 | 1,471,479 | 1,005,838 | 1,005,838 | |
| Transfer from Income Statement | 70,971 | 141,209 | 789,985 | 74,086 | 143,864 | 792,132 | |
| Dividend written back | | | 25,773 | | | 25,773 | |
| Dividend paid in the year | | | (352,264) | | | (352,264) | |
| | | | | | | - | |
| At July 31, 2023 | 1,477,599 | 1,084,343 | 1,406,628 | 1,545,565 | 1,149,702 | 1,471,479 | |
| 25 Long Term Borrowings: | | | | | | | |
| Bank of Industry (BOI) | 841,680 | - | - | 841,680 | - | - | |
| Current portion (BOI) | (93,530) | - | - | (93,530) | - | - | |
| | 748,150 | | | 748,150 | - | - | |
| 26 Short Term Borrowings: | | | | | | | |
| The movement in the loan from Bank is as follows: | | | | | | | |
| Eco Bank Nigeria Ltd Overdraft | 230,340 | - | 69,847 | 230,340 | - | 69,847 | |
| Eco Bank Nigeria Ltd - STF | - | | 250,000 | | | 250,000 | |
| Bank of Industry (BOI) | 93,530 | 32,732 | - | 93,530 | 32,732 | - | |
| Union Bank of Nigeria Plc - Promissory note | 195,536 | 194,317 | 194,317 | 195,536 | 194,317 | 194,317 | |
| Union Bank of Nigeria Plc - Overdraft | - | 87,673 | 5,820 | - | 87,673 | 5,820 | |
| United Bank for Africa - Promissory notes | - | (8,174) | - | - | (8,174) | - | |
| Commercial Papers (Note 26.1) | 849,744 | 899,179 | 783,244 | 849,744 | 856,723 | 783,244 | |
| | 1,369,150 | 1,205,726 | 1,303,228 | 1,369,150 | 1,163,271 | 1,303,228 | |

26.1 The commercial papers were issued to various individuals and Co-operative societies for period of 90 days renewable at interest rates ranging from

| | 31/07/2023 N'000 | 31/07/2022 N'000 | Audited 30/04/2023 N'000 | 31/07/2023 N'000 | 31/07/2022 N'000 | Audited Apr- 30-2023 N'000 |
|--|---------------------|---------------------|--------------------------------|---------------------|---------------------|----------------------------------|
| 27.0 Staff Costs | | | | | | |
| Salaries & Wages | 125,207 | 105,452 | 432,519 | 122,543 | 103,566 | 423,788 |
| Medical, welfare, pension and training | 33,945 | 29,851 | 130,733 | 33,829 | 29,851 | 129,205 |
| | 159,152 | 135,304 | 563,252 | 156,373 | 133,417 | 552,993 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

28 **Directors and Employees**

28.1 **Directors' emoluments**

| Group | | | | Company | | | |
|--|---------------------|---------------------|-----------------------------|----------------------------|---------------------|------------------------------|--|
| (i) Chairman's Emoluments: | | | | Audited 30-Apr-2023 | | | |
| | 31/07/2022 | 31/07/2022 | Audited 30/04/2023 | 31/07/2023 | 31/07/2022 | Audited 30-Apr-2023 | |
| Fees | 38 | 38 | 212 | 46 | 38 | 212 | |
| Other | 185 | 185 | 731 | 199 | 185 | 731 | |
| | 223 | 223 | 943 | 245 | 223 | 943 | |
| Group | | | | Company | | | |
| (ii) Other Directors' Emoluments: | | | | Audited 30-Apr-2023 | | | |
| | 31/07/2023 N'000 | 31/07/2022 N'000 | Audited 30/04/2023 N'000 | 31/07/2023 N'000 | 31/07/2022 N'000 | Audited 30-Apr-2023 N'000 | |
| Fees | 292 | 207 | 1,167 | 292 | 207 | 1,167 | |
| Other | 3,928 | 814 | 15,710 | 3,928 | 814 | 15,710 | |
| | 4,219 | 1,021 | 16,877 | 4,219 | 1,021 | 16,877 | |
| (iii) The number of Directors excluding the Chairman whose emoluments were within the following ranges were:- | | | | | | | |
| N20,000 - N40,000 | - | - | - | - | - | - | |
| N40,001 - N60,000 | - | - | - | - | - | - | |
| Above N60,001 | 8 | 7 | 8 | 8 | 7 | 8 | |
| Number of Directors who had no emoluments | None | None | None | None | | None | |
| (iv) Employees remunerated at higher rates: | | | | | | | |
| The number of employees in receipt of emoluments within the following ranges were:- | | | | | | | |
| N400,000 - N600,000 | 2 | | 4 | - | | - | |
| N600,001 - N800,000 | - | | - | - | | - | |
| N800,001 - N900,000 | 59 | 60 | 76 | 56 | 55 | 75 | |
| N900,001 - N1000,000 | - | 15 | 2 | - | 14 | - | |
| Above N1000,001 | 196 | 183 | 176 | 194 | 181 | 176 | |
| (v) Staff Costs: | | | | | | | |
| The number of persons employed as at 31st July 2023 and the staff costs were as follows: | | | | | | | |
| Managerial | 15 | 17 | 17 | 15 | 16 | 17 | |
| Intermediate staff | 75 | 57 | 58 | 75 | 56 | 57 | |
| Junior staff | 167 | 174 | 183 | 160 | 169 | 177 | |
| | 257 | 248 | 258 | 250 | 241 | 251 | |

The related staff costs amounted to N159,152,000 (2022: N135,304,000)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

(v) **Key Management Compensation**

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Key Management Compensation Includes:

Short Term Employee Benefits:

Wages And Salaries:

Directors Emoluments

Post Employment Benefits:

Defined Contribution Plan

| | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 5,346 | 4149.3 | 943 | 5,346 | 4,149 | 943 |
| 7,961 | 7,895 | 30,224 | 7,961 | 7,895 | 30,224 |
| 13,307 | 12,044 | 31,166 | 13,307 | 12,044 | 31,167 |

29 **Dividends Paid and Proposed**

Dividends on Ordinary Shares
Proposed Dividend for 2023: 10Kobo
per Share (2022: 12 Kobo per Share)

| | | | | | |
|----------|----------------|----------------|----------|----------------|----------------|
| - | 264,198 | 352,264 | - | 264,198 | 352,264 |
| - | 264,198 | 352,264 | - | 264,198 | 352,264 |

30 **Earnings Per Share**

(a) Basic

Basic Earnings per Share is calculated by dividing the Profit attributable to Equity Shareholders of the Company by the weighted average number of Ordinary Shares in issue during the year.

| | 31/07/2022 | 31/07/2022 | Audited as at 30-Apr-2023 | 31/07/2022 | 31/07/2022 | Audited as at 30-Apr-2023 |
|---|------------|------------|---------------------------|------------|------------|---------------------------|
| Weighted average number of Shares in issue ('000) | 3,522,644 | 3,522,644 | 3,522,644 | 3,522,644 | 3,522,644 | 3,522,644 |
| Profit attributable to Ordinary Equity Shareholders (N'000) | 70,971 | 95,166 | 789,985 | 74,086 | 97,827 | 792,132 |
| Basic Earnings Per Share (Kobo) | 2.01 | 3 | 22.43 | 2 | 3 | 22.49 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

31 Financial Instruments and Risk Management

31.1 Capital Risk Management

The company manages its Capital to ensure that the company will be able to continue as going concern while maximising the return to stakeholders through the optimisation equity. The Company's Capital Management strategy remained unchanged for the period under review

The Capital Structure of the Company consists of Equity attributable to Equity Shareholders of the Company, comprising Issued Capital and Retained Earnings.

The Company is not subject to any externally imposed Capital requirements.

Gearing ratio

The Gearing Ratio at the year end is as follows:

| | | | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Debt (i) | 1,369,150 | 1,205,726 | 1,303,228 | 2,349,137 | 1,163,271 | 1,303,228 |
| Less: Cash and Bank balances | (566,976) | (137,397) | (122,422) | (558,010) | (124,166) | (113,205) |
| Net debt | 802,174 | 1,068,329 | 1,180,806 | 1,791,127 | 1,039,105 | 1,190,023 |
| Equity (ii) | 3,238,921 | 2,845,665 | 2,704,456 | 3,306,887 | 2,911,024 | 3,232,801 |
| Net debt to equity ratio | 25% | 38% | 44% | 54% | 36% | 37% |

(i) Debt is defined as both current and non-current Borrowings.

(ii) Equity includes all Capital and Reserves of the Company that are managed as Capital.

31.2 Categories of Financial Instruments

Financial Assets

Loans and Receivables:

| | | | | | | |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Cash and Bank Balances | 566,976 | 137,397 | 124,637 | 558,010 | 124,166 | 120,592 |
| Trade and other Receivables | 2,178,812 | 1,627,482 | 1,165,944 | 2,200,130 | 1,626,598 | 1,160,583 |
| | 2,745,788 | 1,764,879 | 1,290,581 | 2,758,140 | 1,750,764 | 1,281,175 |

Financial Liabilities

Financial Liabilities at Amortised cost:

| | | | | | | |
|--------------------------|------------------|------------------|----------------|------------------|------------------|----------------|
| Borrowings | 1,037,216 | 1,118,054 | - | 1,037,216 | 1,075,598 | - |
| Trade and other Payables | 1,017,575 | 996,169 | 749,020 | 905,638 | 917,018 | 685,648 |
| Bank overdraft | 230,340 | 87,673 | 182,809 | 230,340 | 87,673 | 182,809 |
| | 2,285,131 | 2,201,895 | 931,829 | 2,173,194 | 2,080,288 | 970,601 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

31.3 Financial Risk Management Objectives

The Company's Board of Directors oversees Risk Management to ensure that Financial Risks are identified, measured and managed in accordance with Company's policies for Risk. Risk Management policies and systems are reviewed regularly to reflect the changes in market conditions and the company's activities. Sensitivity analysis provide the appropriate information to monitor the net underlying Financial Risks. The company does not trade in Financial instruments, nor does it take on speculative or open positions through the use of derivatives.

31.4 Market Risk

Market Risk is the Risk that the fair values of Financial instruments will fluctuate because of changes in market prices. The Financial instruments held by the company that are affected by market Risk are principally the non-derivative Financial instruments which include trade and other Receivables, Cash and bank balances and trade and other payables), bank overdraft and Loans. Market Risk exposures are measured using sensitivity analysis where applicable.

31.5 Industry Risk

The Nigerian cable and wire subsector belongs to the electrical and electronics sectoral group. Alongside two other sectoral groups, this sector is regarded as the most economically significant constituent group of the engineering sector. The performance of the Nigerian cable and wire industrial subgroup is, no doubt, noticed by all who should be in the know. The subsector is one of the very few in the country that have successfully dealt with foreign competition, especially in terms of superior product quality. In spite of the difficult economic conditions in Nigeria, the firms in the cable and wire industry are reputed to produce world-class products. The quality of products from this subsectoral group of the manufacturing industry is considered superior even by multinationals. Moreover, despite the prevalent capacity underutilisation in the industrial sector of the country as a whole, the cable and wire manufacturing firms have done relatively well

31.6 Interest rate Risk Management

The Company's exposure to Interest Rate Risk is insignificant

31.7 Foreign Exchange Risk Management

Foreign Exchange Risk is insignificant for the entity as the company trades majorly in Naira.

31.8 Credit Risk Management

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

Credit Risk is the Risk that a counterparty will default on its contractual obligations leading to a Financial loss. The Company is exposed to Credit Risk from its operating activities (primarily trade and other Receivables) and investing activities (deposits with banks). The company does not have significant portion of Receivables and bank balance concentrated in the hands of a single entity or a group of entities with common control. There are no collaterals held for these balances.

- **Trade and other Receivables**

The Company's Receivables consist of a number of customers across the country. Credit evaluation is usually performed on the Financial condition of accounts receivable. The company has a policy of only dealing with creditworthy counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board and Management periodically.

- **Bank Balances**

Credit Risk from balances with banks and Financial institutions is managed in a manner that would reduce the Risk of loss to the company. Surplus funds are spread amongst reputable commercial banks and are limited. The limits are set to minimise the concentration of Risks and therefore mitigate Financial loss through potential counterparty's liquidation.

The carrying amount of Financial Assets represents the company's maximum exposure, which at the reporting date, was as follows:

| | Group | | | Company | | |
|-----------------------------|------------------|------------------|--------------------------------|------------------|------------------|--------------------------------|
| | 31/07/2023 | 31/07/2022 | Audited '30/4/2023 N'000 | 31/07/2023 | 31/07/2022 | Audited' 30/4/2023 N'000 |
| Bank Balances | 566,976 | 137,397 | 122,422 | 558,010 | 124,166 | 113,205 |
| Trade and other Receivables | 2,178,812 | 1,627,482 | 1,553,103 | 2,200,130 | 1,626,598 | 1,565,010 |
| | 2,745,788 | 1,764,879 | 1,675,525 | 2,758,140 | 1,750,764 | 1,678,215 |

31.8.1 Liquidity Risk Management

Liquidity Risk is the Risk that the company is unable to meet its current and future Cash Flow obligations as and when they fall due, or can only do so at excessive cost. This includes the Risk that the company is unable to meet settlement obligations.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FIRST QUARTER ENDED 31ST JULY, 2023

Ultimate responsibility for Liquidity Risk Management rests with the Board of Directors, which has established an appropriate policy for the Management of the company's liquidity requirements. The Company manages Liquidity Risk by maintaining adequate reserves and by continuously monitoring forecast and actual Cash flows, and by matching the maturity profiles of Financial Assets and Liabilities.

31.9 Fair Value of Financial instruments

The Directors consider that the carrying amounts of Financial Assets and Financial Liabilities recorded in the Financial Statements approximate their fair values.

32 Guarantees

The Company did not provide guarantees during the period ended 31st July, 2023 (31/7/2022: Nil).

33 Financial Commitments

The Directors are of the opinion that all known Liabilities and Commitments, which are relevant in assessing the Company's state of affairs have been taken into consideration in the preparation of these Financial Statements.

34 Contingent Liabilities and Contingent Assets

There were no Contingent Assets and Liabilities as at 31st July 2023 (31/07/22: Nil).

35 Events after the Reporting Period

There were no events after the reporting period that could have had material effects on the Financial Statements of the Company that have not been adequately provided for or disclosed in these Financial Statements.

36 Security Trading Policy

In compliance with rule 17.15 Disclosure of Dealings in Issuer's share, Rule book of the Exchange 2015 (Issuers Rule). Cutix Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the company's shares. The policy undergoes periodic review by the Board and is updated accordingly. The company has made specific inquiries of all its Directors and other insiders and is not aware of any infringement on the security trading policy during the period.

Other National Disclosures

| | | | | | |
|---|--|------------------|--------|------------------|--------|
| CUTIX PLC | | | | | |
| STATEMENT OF VALUE ADDED | | | | | |
| FOR THE FIRST QUARTER ENDED 31ST JULY, 2023 | | | | | |
| Group | | | | | |
| | | May'23 - July'23 | | May'22 - July'22 | |
| | | N'000 | % | N'000 | % |
| Revenue | | 2,173,215 | | 1,914,378 | |
| Other Income | | 1,525 | | 4,665 | |
| | | 2,174,740 | | 1,919,043 | |
| | | | | | |
| Bought in materials and services | | | | | |
| Foreign | | (262,738) | | (307,066) | |
| Local | | (1,594,671) | | (1,228,262) | |
| | | | | | |
| Value Added | | 399,405 | 100 | 383,716 | 100 |
| Applied as follows: | | | | | |
| To employees | | | | | |
| As salaries and wages | | 158,259 | 40% | 131,017 | 34% |
| To Providers of Capital | | | | | |
| Interest charges | | 76,120 | 19% | 45,459 | 12% |
| To government: | | | | | |
| As Company Income Taxes | | 34,864 | 9% | 45,185 | 12% |
| Retained for the Company's future: | | | | | |
| Depreciation | | 59,191 | 15% | 66,037 | 17% |
| Retained Earnings | | 70,971 | 18% | 96,018 | 25% |
| Value Added | | 399,405 | 100.00 | 383,716 | 100.00 |
| | | | | | |
| Company | | | | | |
| | | May'23 - July'23 | | May'22 - July'22 | |
| | | N'000 | % | N'000 | % |
| Revenue | | 2,172,800 | | 1,913,822 | |
| Other Income | | 1,525 | | 4,665 | |
| | | 2,174,325 | | 1,918,487 | |
| | | | | | |
| Bought in materials and services | | | | | |
| Foreign | | (262,738) | | (330,980) | |
| Local | | (1,593,466) | | (121,197) | |
| | | 400,196 | | - | |
| Value Added | | | 100 | 375,529 | 100 |
| Applied as follows: | | | | | |
| To employees | | | | | |
| As salaries and wages | | 156,373 | 39% | 129,130 | 34% |
| To Providers of Capital | | | | | |
| Interest charges | | 76,120 | 19% | 45,459 | 12% |
| To government: | | | | | |
| As Company Income Taxes | | 34,864 | 9% | 46,036 | 12% |
| As NPTF Levy | | | | | |
| Retained for the Company's future: | | | | | |
| Deferred Taxation | | | | | |
| Depreciation | | 58,753 | 15% | 57,075 | 15% |
| (Loss)/ Profit for the year | | 74,086 | 19% | 97,827 | 26% |
| Value Added | | 400,196 | 100% | 375,529 | 100% |
| Value added represents the wealth which the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth to employees, shareholders, government and that retained for future creation of wealth. | | | | | |

| CUTIX PLC Free Float Computation | | | | | |
|---|----------------------|-------------------------|----------------------|-------------------------|--|
| Shareholding Structure/Free Float Status | | | | | |
| Description | 31-Jul-23 | | 31-Jul-22 | | |
| | Unit | Percentage | Unit | Percentage | |
| Issued Share capital | 3,522,644,052 | 100% | 3,522,644,052 | 100% | |
| Substantial Shareholdings (5% and above) | | | | | |
| AMI NIGERIA LIMITED | 180,375,964 | 5.12% | 180,375,964 | 5.12% | |
| NIGERIAN REINSURANCE CORPORATION | 213,333,332 | 6.06% | 213,333,332 | 6.06% | |
| NSOEDO SAMUEL | 217,566,897 | 6.18% | 215,333,332 | 6.11% | |
| NZEWI CHRISTOPHER EMENGIN | 183,592,480 | 5.21% | 183,592,480 | 5.21% | |
| R.C ONYEJE AND COMPANY (NIG) LTD | 221,664,000 | 6.29% | 221,664,000 | 6.29% | |
| UZODIKE GILBERT OBIJULU | 401,746,954 | 11.40% | 401,746,954 | 11.40% | |
| Total Substantial Shareholdings | 1,418,279,627 | 40.26% | 1,416,046,062 | 40.19% | |
| Directors' Shareholdings (direct and indirect), excluding directors with substantial interests | | | | | |
| Amb. OKWUDILI NWOSU | 150,111,216 | 4.26% | 150,111,216 | 4.26% | |
| Mrs. ODUONYE IJEOMA AGNES | 6,715,000 | 0.19% | 6,000,000 | 0.17% | |
| Bar. (Mrs.)NWAHIRI IFEOMA NGOZI REGINA | 13,568,472 | 0.39% | 13,568,472 | 0.39% | |
| Sir. UMEGO MATTHIAS AGHARA | 350,000 | 0.01% | 350,000 | 0.01% | |
| Dr NSOEDO CHIDOZIE | NIL | 0.00% | NIL | 0.00% | |
| Mrs. IJEOMA EZEASOR | NIL | 0.00% | NIL | 0.00% | |
| Mr. OKONKWO GODWIN IKE | 2,178,793 | 0.06% | 1,371,866 | 0.04% | |
| Mr. OKONKWO GODWIN IKE (Indirect- representing KENVAL PROPERTIES LIMITED) | 1,333,332 | 0.04% | 1,333,332 | 0.04% | |
| Mr. OLUSHEKUN MURITALA ARIYO | 2,146,290 | 0.06% | 2,146,290 | 0.06% | |
| PRINCE ORIZU CHARLES OBIANAFO | 512,140 | 0.02% | 512,140 | 0.02% | |
| Total Directors' Shareholdings | 176,915,243 | 5.02% | 175,393,316 | 4.98% | |
| Other Influential Shareholdings | | | | | |
| NIL | 0 | 0.00% | 0 | 0.00% | |
| Total Other Influential Shareholdings | 0 | 0.00% | 0 | 0.00% | |
| | | | | | |
| | | | | | |
| Free Float in Units and Percentage | 1,927,449,182 | 54.72 | 1,931,204,674 | 54.82 | |
| Free Float in Value (N) | | 4,799,348,463.18 | | 4,345,210,516.50 | |
| | | | | | |
| | | | | | |
| | | | | | |
| Declaration: | | | | | |
| (A) CUTIX Plc with a free float percentage of 54.72% as at 31 July 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board. | | | | | |
| (B) CUTIX PLC with a free float value of N4,799,348,463.18 as at 31 July 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board. | | | | | |
| | | | | | |
| Note: The company's share price as at 31 July 2023, as traded on NGX was: N2.49 | | | | | |