

**CHAIRMAN'S ADDRESS TO THE ANNUAL GENERAL  
MEETING OF SHAREHOLDERS OF INTRAVENOUS INFUSIONS  
PLC ON JUNE 02, 2017**

It is my singular privilege once again to welcome Members of the Company, their proxies as well as my colleague Board Members to the Company's 2<sup>nd</sup> Annual General Meeting since the successful listing on the Ghana Alternative Market (GAX) of the Ghana Stock Exchange, to present the Annual Report and Accounts for the year ended December 31, 2016.

**MACRO-ECONOMIC REVIEW**

The Macro-economic environment for 2016 suffered the strain of high fiscal deficit, increased borrowing of Government from the public and the crowding out effects on Private Sector. The debt to GDP ratio crossed the 70% mark. However, the Bank of Ghana policy rate declined slightly from 26% in 2015 to 25.5% by the end of 2016. There was a relative reduction in the volatility of the exchange rate and inflation also declined marginally from 17.7% in 2015 to 15.4% in 2016. The reduction in the Bank of Ghana Policy rate and inflation did not translate into a reduction in interest rates as most Commercial Banks charged between 32% to 36% interest on loans and advances because the economy was still considered as high risk in doing business.

Consequently for 2016, the real GDP growth was only 3.5% the lowest in recent decades. The high risk faced by businesses as a result of the slow recovery of the economy had adverse implications for industrial growth and employment generation.

### **FINANCIAL PERFORMANCE**

In spite of the difficult economic circumstances of the business environment for 2016, turnover grew by 40.7% year on year leading to earnings before Interest and tax of GH¢1,684,448.00 in 2016 as compared with a figure of GH¢134,786.00 in 2015. The earnings translated into profit after tax of GH¢669,945 and improvement in Shareholders' funds by 10.27%.

Ladies and Gentlemen, as we continue the pursuit of our strategic objectives that include the removal of all types of production constraints, improvement in the working capital, expansion and diversification of our product portfolio, increasing our local market share and revamping our export operations, we expect much improved financial performance in 2017 and the coming years that will enable the Company to pay dividend to Shareholders.

## **PRIVATE PLACEMENT**

Ladies and Gentlemen, last year you approved a proposal to raise an amount of GH¢5.4million through private placement. The funds are expected to be used to finance the remaining capital and non capital items as outlined in the Initial Public Offer (IPO) prospectus.

We are happy to inform you that Messrs. Databank and CAL Brokers Ltd. who are the transaction advisors have completed the documentation process and the draft Prospectus will be forwarded to Securities and Exchange Commission (SEC) for approval. Members who are interested to participate in the Private Placement should contact the transaction advisors.

## **OUTLOOK FOR 2017 AND BEYOND**

The economic environment is expected to see some improvement in 2017. Businesses are beginning to feel a renewed sense of hope as the new government has outlined in the budget for 2017 some stimulus initiatives aimed at reducing costs of doing business by the private sector. The global economy is now recovering. Inflation has continued its downward trend and Interest rates are beginning to decline marginally.

We are very much prepared to take advantage of the emerging opportunities. We will continue to address the capacity constraints by adding new and modern equipment and expand our storage capacities across all the operational areas with the anticipation of increasing volumes of production to serve both the local and export market. We have secured a credit guarantee with National Investment Bank to support the procurement of raw materials on 120 days credit terms. This we believe will help address the working capital challenges and provide us the opportunity to bridge the gap between our payables and the receivables period.

Having been absent for more than two (2) years from the export market, we have taken some steps to re-launch ourselves back to the market. We have done product registrations and renewals in Cote d'Ivoire and Burkina Faso. We are doing same in Togo, Benin and other English West African countries.

We are very optimistic about the opportunities to build the intravenous brand and will continue to pursue and execute the current strategic objectives across all areas of the Company to achieve growth in profitability and

enhance value to Shareholders.

## **CORPORATE GOVERNANCE**

Corporate Governance has, over the years, been an important shared responsibility of the Directors and Management.

The Board has consistently played its “arms-length” role to ensure that the Company meets its obligations to its Shareholders and Stakeholders.

In this respect, the Board has overseen the transformation of the Company to meet the challenges of the ever-changing business environment. Transparency, accountability and internal controls have been paramount in our dealings with Management, Regulators and Government Institutions in general. In the discharge of its responsibilities the Board has institutionalized a Committee system of governance to ensure expeditious resolution of all corporate issues.

Your Company continues to be arguably one of the shining examples of Ghanaian entrepreneurship.

## **EXTERNAL AUDITORS ADVICE**

We have taken note of our Auditors' (Messrs. Deloitte & Touche) advice, per their Management Letter and have already instituted steps to implement their observations.

I am happy to advise that majority of their observations have been addressed.

## **EXECUTIVE APPOINTMENTS**

Following the year end, Mr David Kafui Klutse was appointed as the Managing Director following Mr Okrah's retirement effective January 01, 2017

Mr Patrick Ansah-Antwi was also appointed as the new General Manager. Both come with considerable management expertise. We wish them well in their new roles

## **CONCLUSION**

I wish to express our gratitude to our Customers, Secretary, Dehands Services Ltd., Deloitte & Touche and GCB Registry for yet another year of excellent support.

I wish to convey my personal commendation to Directors, Management and Staff for their performances in the face of a very difficult business environment.

I am confident that, given the trends that we are observing, we will be able to start paying dividends to Shareholders in the near future as indicated on our listing Prospectus.

Finally I will like to thank Mr Richard Okrah who has been at the helm of affairs for the past 15 years for his dedication and service to the company. On behalf of the Board, we wish him a happy retirement.

ISAAC OSEI  
CHAIRMAN, IIL  
JUNE 02, 2017