

AGM 2023 QUESTIONS

24TH AUGUST 2023

	QUESTION	RESPONSE
	FINANCIAL PERFORMANCE	
1.	<p>How does the Company plan to strategically enhance its financial performance over the next 10 years, considering the evolving landscape of the pharmaceutical industry and potential challenges ahead?</p> <p>What is your next year future outlook for growth in terms of markets, products, and vaccines?</p> <p>Considering the substantial decrease in the market value of our shares from Ugx 256.5 at the time the IPO was issued to Ugx 70 (on 14th /Aug/2023) over the past few years and the proposed final dividend of UGX 2.5 per share, how does the company plan to address the concerns of shareholders who have experienced a significant reduction in our investment value?</p> <p>Could you provide insights into the company's strategy for improving shareholder returns in the future, especially in light of the current market conditions and economic trends?</p> <p>Still at the lowest in the region, what is being done to grow the Company profitability?</p>	<p>Over the coming years, focus will be on increasing product portfolio, market expansion, cost optimization and increasing employee engagement, in a bid to improve the financial performance.</p> <p>In FY24, we plan to launch more than 10 products for the Uganda private sector and expect growth in revenue.</p> <p>Following settlement of the long outstanding debt with Government of Zambia, focus will also be on reviving the Zambian market.</p> <p>There are no plans to manufacture vaccines.</p>
2.	<p>What is the impact of African Continental Free Trade Area (AfCFTA) so far on the business?</p>	<p>There has been no impact so far on the Company however we are closely exploring continental opportunities for our</p>

		<p>Company under AfCFTA. Furthermore, we hosted the Secretary General of AfCTA at CiplaQCIL to discuss these opportunities.</p> <p>In coming years, we hope to see positive impact of AfCFTA in our export business.</p>
3.	<p>What do you expect to be the greatest challenges for CiplaQCIL going forward?</p>	<p>CiplaQCIL's current business model is dependent on large public procurement and by its nature, price erosion remains a big challenge. Having an effective supply chain and efficient manufacturing strategy will reduce the risk. Geopolitical uncertainty and changing macroeconomic conditions are other challenges facing all industries, CiplaQCIL inclusive.</p>
4.	<p>Why is the share price so low, dropping more than 70% since its inception. What can be done to avoid further slide?</p> <p>What plans are there to motivate and increase share price?</p>	<p>Share prices are driven by market sentiments. The Company has a strategy in place which will allow it to grow profitably on an annual basis. We hope that this will influence the market sentiments and positively reflect on the share price.</p>
5.	<p>Why does the Cipla Financial year not match with that of other companies, also can we get an explanation why companies that have recently listed after Cipla are doing better in the Capital markets?</p> <p>I note that the Company has been securing new markets across Africa and expanding its production capacity however, no dividend has been paid to investors since the IPO. Meanwhile the value of the share is in the region of half the IPO price. As an</p>	<p>CiplaQCIL's financial year is aligned to the majority shareholder's financial year.</p> <p>On the 2nd question, CiplaQCIL is unique since it is the only pharma company listed on the stock exchange and direct comparisons may not give a reasonable analysis.</p>

	investor, I feel that this has been a very poor investment. I lost half of my investment in terms of share value and have not received a single dividend payment. What is the Company planning to ensure a good return to its investors and growth of the share value?	We request you to contact us via email at shareholder@use.or.ug for support on your dividend payment and we will assist you.
6.	Would like to know how dividends are calculated and when I can receive mine	Determination of dividend is guided by the Articles of Association and the dividend policy approved by the Board in the previous FY. Broadly, the dividend payable is 30% of net earnings subject to certain clauses prescribed in the Policy. The Dividend Policy is available on the Company's website.
7.	With sufficient explanation, how possible it is to have some sought of Notification Vote Request on our emails on the Dividend Policy to be relied on by the Board of Directors prior to any meetings held by them declaring what dividend pay out to be granted to the shareholders?	Determination of dividend is guided by the Articles of Association and the dividend policy approved by the Board. Dividend declaration is a responsibility of the Board and is subject to approval by shareholders. At the AGM, shareholders are provided with an opportunity to approve any dividend declared in accordance with the Company's Articles of Association.
8.	How long has the current auditor been with CIPLAQCIL?	The current External Auditor Grant Thornton has been with the Company for 4 years.
9.	Please share approved policy on BoD's sitting allowances.	In determining the remuneration of the Independent Non-Executive Directors, the Board considers the extent and nature of their responsibilities, and benchmarks with other organizations of a nature similar to that of CiplaQCIL. All remuneration of NEDs is approved by shareholders at the AGM.

10.	Following the news of the buy-out of Cipla Ltd, what is the procedure for minority shareholders to exercise their tag-along rights?	The current transaction is between two parties. The parties to the transaction requested for an exemption from the requirement to make an offer to all shareholders. Any shareholder who wishes to sell their shares is advised to trade through the stock market.
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