

## First in Class Health Innovations for Remote areas of the World, Emerging Countries and Rural Areas from Over-the-Counter Pharmaceuticals to Cosmetics, Dermatology and Skin Care



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**“We provide First-in-Class innovations to areas of the world where these First-in-Class innovations are not accessible... We have been evaluating distribution infrastructure in the USA and other advanced economies versus the distribution infrastructure in the emerging economies... Nigeria is the 8<sup>th</sup> largest market in the world based on population.”- Innocent Nweze**

**CEOCFO: *Mr. Nweze, would you tell us the vision for Cleobrothers & Company?***

**Mr. Nweze:** We provide First-in-Class innovations to areas of the world where these First-in-Class innovations are not accessible. We are projecting out to areas of the world where the First-in-Class innovations that we enjoy in the US, these other people are not able to access. We also want to be able to reach rural populations where the pattern of care is not as good as it is in the urban areas. We will be meeting our mission also in the US and in the advanced countries as well, wherever access is difficult.

**CEOCFO: *That is a large endeavor. How do you narrow down what to look at first?***

**Mr. Nweze:** We like it that way. We refuse to narrow. We reject the conclusion that narrowing advances your specialization. We want to be broad enough so that we can grow and expand and reach out. That is why we are different, broad definitions of strategic intent. We do not want to be limited by management science of the past seventy years. It is not always true that specialization or narrowness improves your efficiencies or effectiveness.

**CEOCFO: *What is the group of products you have available or are you looking at being a general distributors?***

**Mr. Nweze:** We currently have over-the-counter pharmaceuticals and they are mainly in pain-relief medicines, cough and other decongestants. We also have the capacity to formulate and manufacture operating room (OR) products. We will be using our consumer goods to access capital for development of our pipeline. We have about forty products over the counter at the moment. You can see all of it on our website. They are essentially pain-relief OTC products, cough and decongestants. We have over eighty products in our cosmetic portfolio. Fast-moving consumer products, so we want to lead with those products and secure capital and enough revenue to advance our pipeline. In our pipeline now, we have in clinical development a pregnancy monitoring technology. It is a 24/7 pregnancy monitoring device, First-in-Class. The pregnancy monitoring device is called vaginal capsule. It is the size of a tampon. The mother will wear the vaginal device and the vaginal device will measure uterine contractions. It measures all the hormones associated with pregnancy or most of the hormones. It can take a photo of the developing baby. It has an outside transmitter that the mother can wear in a belt or put it in her pocket and on command, she can text both photo and data to designated OBGYN or primary care physician. We expect FDA approval late next year, so that is one product in the pipeline for now. The products in our pipeline, fit our strategic intent, especially the vaginal capsule because in many parts of the emerging market or economies there is a wide gap between urban and rural healthcare. A mother in the Yanomamo tribe in Brazil for example, we want to show her how to text the data every Friday to the closest physician to her. We view that as a part of

our social responsibility. And the pricing is going to be nice price-points where we believe everybody should be able to afford the products and we will still make reasonable profit.

**CEOCFO: *What are the next steps to get this all underway?***

**Mr. Nweze:** We have over \$21.8 million in orders for our cosmetics and OTC products. The plan is to manufacture and export the products. We have contract manufacturers who will be manufacturing for us while we build and construct our own manufacturing plants. We have two proposed manufacturing sites, one in New Jersey and one in Ohio. Our plan for the next few months is to manufacture the purchase orders and export, begin construction of our own manufacturing plants and open online sales and marketing so that we can fill cosmetics orders in the USA and from Canada.

**CEOCFO: *Would the same people that are handling the cosmetics and the cough products, be handling the pregnancy and diabetes products or would that be a different groove you need to put in place?***

**Mr. Nweze:** We have been evaluating distribution infrastructure in the USA and other advanced economies versus the distribution infrastructure in the emerging economies. In the US, the infrastructure is already there. What we are doing now is to impact the distribution systems in the emerging economies. We basically want to build on their current distribution infrastructure. What we are looking at doing in Brazil and Nigeria is to encourage distributors to do both cosmetics and the medical device. Most of the products in cosmetics are almost 90% for women. The medical device is also for women's health. The infrastructure that I anticipate and envision is that the same pharmaceutical distributors should be able to handle the cosmetics, the medical device and the over-the-counter as well. The distribution model and infrastructure will have market power and presence.

**CEOCFO: *What is the history of distribution in some of these countries? Have there been many attempts?***

**Mr. Nweze:** The answer is yes. In the emerging economies we have different levels of development, different from what you have here in the US. The history in the emerging markets is somewhat splintered, it is not concentrated. What we are going to be doing is trying to form some semblance of concentration. Brazil is in-between. You have OTC distributors in Brazil and you have cosmetics distributors, but that is not the same in Mexico, it is not the same with Nigeria. We have more opportunities to design a distribution infrastructure in Nigeria versus in Mexico or Brazil. We believe our strategic intent, the fact that the products are manufactured in the US and approved by the FDA or oversight by the different regulatory agencies in the US, give us reasonable competitive advantage in quite a number of countries. For example, our branding in Brazil will use the fact that we are made-in-USA and FDA approved products. There is no better police in the world than the FDA. The FDA protects a lot of lives by their stringent requirements to make sure that the products are safe and clean.

**CEOCFO: *Would you tell us about the market opportunity in Nigeria?***

**Mr. Nweze:** Nigeria has approximately 190 million people. The baseline that everybody agrees is at least 140 million. If you stretch the population forecast, you probably get to 190 million. Nigeria is the 8<sup>th</sup> largest market in the world based on population. The national lingua franca is the English language so we do not have to translate to any other language. We'll just package the products as we package in the US and export to Nigeria. Nigerians love Americans, they love everything America. Nigerians believe it all starts and ends in America, everything USA sells in Nigeria. I am not just making this up, everyone knows that now. We are going to do extremely well in Nigeria.

**CEOCFO: *Why is Cleobrothers an important company?***

**Mr. Nweze:** We are different in the sense that our fundamental strategy rejects the way business has been done the past one hundred years. Let's say company A, wants to go to a different country or to a different State, say Minnesota for example, they normally will start doing research and go on and on and on, so they have this issue of, can the population afford the price? as well as what pricing and price-point will they engage? Too much environmental determinism. Too much red ocean. We like blue ocean. We like expanding boundaries. We are saying that even if we do not have absolutely accurate data on country or the emerging countries, we could still use some Japanese heuristics forecast to move in. We are different and important because we reject the past hundred years. You can say we do not necessarily completely reject all business good practices, but fundamentally we believe that the people in the emerging markets should be left to make decisions about their values. Let the so-called poor woman in Brazil decide what she is going to buy with her money. That is why we are different.