



**africure**

Pharmaceuticals Ltd.

# Listing Particulars

of Africure Pharmaceuticals Ltd.

29 December

twenty

20



Transaction Advisor

**Perigeum**  
Capital



(Incorporated in the Republic of Mauritius)  
(Registration number: C145852 C1/GBL)  
Having its registered address at  
6th Floor, Tower A, 1 CyberCity,  
Ebene, Republic of Mauritius  
LEC/P/12/2020  
(“Africure” or “the Company”)

# LISTING PARTICULARS

The definitions commencing on page 10 of these Listing Particulars have, where appropriate, been used on this cover page.

An application has been made for the listing of 10,337,500 ordinary shares of no par value of Africure (“Africure shares”) on the Official List of the SEM. Accordingly, these Listing Particulars have been prepared and issued in compliance with the Listing Rules governing the listing of securities on the Official List of the SEM:

- in respect of the listing of 8,337,500 issued ordinary shares of no par value of the Company by way of an introduction;
- in respect of the issue and listing of up to an additional 2,000,000 ordinary shares of no par value of the Company at a price to be decided by the Board, through various placings which may take place subsequent to the SEM listing; and
- to provide information to targeted investors with regard to the Company.

The ordinary shares of the Company will be listed on the Official Market of the SEM on 18 January 2021. For the time being, the directors of the Company do not anticipate that an active secondary market will develop in the ordinary shares on the Official Market. Whenever the Company decides to allow dealings in its ordinary shares to take place, those dealings must be done on the SEM as per the provisions of Rule 3.A of the Stock Exchange (Conduct of Trading Operations) Rules 2001. All dealings that take place on the SEM shall be cleared and settled through the Central Depository & Settlement Co. Ltd as per Section 3(3) of the Securities (Central Depository, Clearing and Settlement) Act 1996.

This document does not constitute an invitation to the public to subscribe for ordinary shares in Africure.

A copy of these Listing Particulars is available in English only, accompanied by the documents referred to under “Documentation available for inspection” as set out in section five, paragraph 14 of these Listing Particulars.

These Listing Particulars include particulars given in compliance with the Stock Exchange of Mauritius Ltd Rules governing the Official Listing of Securities for the purpose of giving information with regard to the Company. The directors, whose names appear on page 10 and **Annexure 1**, collectively and individually, accept full responsibility for the accuracy and completeness of the information contained in these Listing Particulars and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no facts the omission of which would make any statement herein misleading.

The legal advisor as to Mauritian law, SEM authorised representative & sponsor and Mauritian transaction advisor, the auditors, company secretary and banker, whose names are included in these Listing Particulars, have consented in writing to the inclusion of their names in the capacity stated and have not withdrawn their written consent prior to publication of these Listing Particulars.

These Listing Particulars include forward-looking statements. Forward-looking statements are statements including, but not limited to, any statements regarding the future financial position of the Company and its future prospects. These forward-looking statements have been based on current expectations and projections which, although the directors believe them to be reasonable, are not a guarantee of future performance.

The distribution of these Listing Particulars and the placing, sale or delivery of Africure shares are restricted by law in certain jurisdictions. Therefore, persons who may come into possession of these Listing Particulars are advised to consult their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. These Listing Particulars may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

Potential investors should not treat the contents of these Listing Particulars as advice relating to legal, taxation, investment or any other matters. Potential investors should inform themselves as to (i) the legal requirements within their own respective country for the purchase, holding, transfer or other disposal of shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of shares which they may encounter; (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares. Prospective investors must rely on their own representatives, including their own legal advisors and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. These Listing Particulars should be read in its entirety before making any application for shares.

These Listing Particulars have been approved by the Listing Executive Committee (“LEC”) of the SEM, in conformity with the Listing Rules, on 29 December 2020.

Neither the LEC of the SEM, nor the SEM, nor the FSC assumes any responsibility for the contents of these Listing Particulars. The LEC, the SEM and the FSC make no representation as to the accuracy or completeness of any of the statements made or opinions expressed in these Listing Particulars and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof.

Permission has been granted by the LEC on 29 December 2020 for the listing of:

- a. 8,337,500 issued ordinary shares of the Company, which will be listed on the Official List of the SEM on 18 January 2021; and
- b. up to an additional 2,000,000 ordinary shares of the Company through various placings which may take place subsequent to the SEM listing.

In these Listing Particulars, unless otherwise stated, an indicative USD: MUR exchange rate of USD1.00:MUR40.00 has been used.

A copy of these Listing Particulars has been filed with the FSC.

**Company secretary**

**OCORIAN**

**Mauritian transaction advisor**

**Perigeum  
Capital**

**Legal Advisor as to Mauritian law**

**C & A  
LAW**

Date and place of incorporation of the Company: 17 March 2017, Mauritius

Date of issue of the Listing Particulars: 29 December 2020

# CORPORATE INFORMATION

## **Registered office and postal address of the Company**

c/o Ocorian Corporate Services (Mauritius) Limited  
6th Floor, Tower A, 1 Cybercity  
Ebene, Mauritius

## **SEM Authorised Representative & Sponsor and Mauritian Transaction Advisor**

Perigeum Capital Ltd  
Level 4, Alexander House  
35 Cybercity, Ebene, 72201  
Mauritius  
(Postal address same as physical address)

## **Auditors**

RSM (Mauritius) LLP  
109 Moka Business Centre,  
Mount Ory Road, Bon Air,  
Moka, Mauritius  
(Postal address same as physical address)

## **Company Secretary**

Ocorian Corporate Services (Mauritius) Limited  
6th Floor, Tower A, 1 Cybercity  
Ebene, Mauritius  
(Postal address same as physical address)

## **Banker**

AfrAsia Bank Limited  
Bowen Square, 10, Dr. Feriere Street  
Port Louis, Mauritius  
(Postal address same as physical address)

## **Legal Advisor as to Mauritian Law**

C&A Law (Registered as a Law Firm in Mauritius)  
Suite 1005, Level 1, Alexander House  
35 Cybercity, Ebene, 72201  
Mauritius  
(Postal address same as physical address)



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# EXECUTIVE

## SUMMARY

Africure started its journey in 2017 with a prime objective to bring pharmaceutical manufacturing technology into Africa and thereby provide Africans access to generic medicine at affordable prices. The main objective of Africure is to solve persistent issues in Sub Saharan Africa relating to healthcare, such as affordability, availability, substandard quality, technological dependence, reliance on imports, foreign exchange deficiency.

Africure has created local manufacturing capabilities in Cameroon, Namibia, Botswana, Côte D'ivoire and is in the process of expanding into Ethiopia, Angola, Congo Brazza in the very near future. In line with its vision of creating self-sufficiency in health care, the Company employs approximately 90% of local manpower and has taken up this challenge of local manufacturing despite being in rough terrains. Africure strongly believes that local manufacturing is the future of pharmaceuticals in Africa and that the Company is taking right strategic steps in this endeavor.

Africure is of the view that governments in these countries are exceedingly supportive to local manufacturing and contribute through tax holidays, price premiums, share of buying and reservations. The Company's focus will be on creating manufacturing capabilities in all key markets and possess the largest oral solid dosage capacity in Sub Saharan Africa in the near future.

The Company has deployed management teams with African expertise, developed a portfolio of products relevant to the disease profile of each market, laid down stringent quality management systems, robust distribution networks and committed adherence to EHS on basis of the IFC and ILO guidelines so as to cater to healthcare needs of the people in the much neglected continent, Africa.

Africure leverages its manufacturing and technical expertise to ensure highly compliant regulatory standards in all facilities to provide world class medication at an affordable cost. The Company has obtained quality certifications such as ISO 14001 & OSHAS 18001. The emphasis laid on Quality Management Systems, Environmental, Health & Safety systems have always kept the Company compliant in line with all regulatory and statutory requirements.

Africure now believes that it is in a crucial stage of business cycle, where it needs to expand its horizon and make significant capital investments in the near future in order to realize the growth potential that Sub Saharan Africa offers to Africure's long term strategies. As a first step in this direction Company intends to increase its visibility in the Capital markets through a listing of its ordinary shares on the Official Market of the SEM. The idea is to adopt best in class Corporate Governance mechanisms and create an awareness among potential investors ahead of a subsequent capital raising which is expected to happen in the next 24 months.



# INTRODUCTION

## TO AFRICURE AND OVERVIEW

The definitions commencing on page 10 of these Listing Particulars have, where appropriate, been used in this section.

### Overview

Africure Pharmaceuticals Ltd was incorporated as a private company limited by shares on 17 March 2017 and has its registered office at 6th Floor, Tower A, 1 CyberCity, Ebene, Republic of Mauritius. The Company holds a global business licence issued under the Mauritian Financial Services Act 2007 and is regulated by the Financial Services Commission. On 16 December 2020, the Company was converted into a public company limited by shares.

Africure is a manufacturer and distributor of essential pharmaceutical products for human consumption. (e.g. antibiotics, anti-inflammatory, anti-diabetic, pain killers, anti-viral, anti-malaria drugs). Its headquarters is based in Mauritius, and operates throughout Sub-Saharan Africa (“SSA”). While the Africure group was only created in 2017, the business of Africure was created out of a management buy-out of the African business of an Indian Multi National – Strides Group, which ran the African business for many years, under the leadership of same Africure Management team.

The Africure group currently has over 200 pharmaceutical products registered, while over 100 products are in the pipeline. The Company has an oral solids & liquids capacity of over 4 billion units per annum and a solid network of over 100 distributor and procurement agencies. The Company employs over 400 staff members as at date and is well positioned in Africa with the current management boasting over a minimum of 10 years of experience each in African region. Africure’s objective is to respond to challenges faced by the African continent with regards to its overdependence on imported pharmaceutical products.

Africure is known for its expertise in pharmaceutical manufacturing on a localized platform, spreading its wings in key Sub Saharan markets by setting up local manufacturing hubs to cater to those countries and its neighbours. Its Indian plant possesses certificate of Good Manufacturing Practices (cGMP) and is approved by the Drugs Controller General of India as well as by many East African Regulatory Bodies. It is also OSHAS 18001 and ISO 14001 Certified. Africure started its foray into manufacturing in Africa through its plant in Cameroon, which has allowed to position itself as one of the few players operating throughout the pharmaceutical value chain in Cameroon. It is approved by the National Pharmaceutical Regulatory Agency. Further, Africure operates 3 other cGMP certified manufacturing plants across several jurisdictions namely Cote D’Ivoire (IVC) (cGMP is approved by the *Autorité ivoirienne de régulation pharmaceutique*), Tanzania (cGMP is approved by the Tanzania Food and Drug Administration), Botswana (cGMP approved by Botswana Medicines Regulatory Authority) and has set up distribution companies in Tanzania, Nigeria, Burkina Faso and Cameroon. Its medium-term objective is to increase its local production capacity in key markets of SSA, with a focus on markets with few or no production units and position itself as an early entrant with a niche manufacturing technology. It has started construction of a manufacturing facility in Ethiopia in 2020, which will be operational by 2022. Aside these the Company also has distributors spread across SSA, to distribute its products in over 10 other countries.

During the year 2020, the Company has received various certifications, moved swiftly in its manufacturing program, partnered with reputed financial institutions and pharmaceutical companies. The Company in fact carries a positive working capital position with a current ratio of 1.26 signifying a strong short-term asset backing. Africure’s asset base has grown by 30% during the year as an indicator of capital allocation towards greenfield investments. This has also resulted in high depreciation cost which has impacted the profit before tax despite having a healthy operational EBIDTA. The Company’s finance cost is at 3% resulting in a healthy DSCR of 3.65.

The Covid-19 pandemic has fortunately not impacted Africure’s business significantly. The Africure group has enforced all Covid related precautions and procedures for its people and workplace. All its plants have been running and producing almost 90% of the rated capacities. The supply chain disruption and built stocks were anticipated well in advance. However, the Africure group regulated its sales to selective customers in line with its interim credit policy. The Africure group also prioritised sales to governments as the need for medication was high for their public distribution channels. Therefore, there were no material interruptions in the business of the Africure group which had a significant effect on the financial position in the last 12 months.

The Company’s reporting and functional currency is the US Dollar, with the financial year-end being 31 March of every year.

### The Africa dilemma

Despite being endowed with a significant portion of the world’s resources namely minerals including the largest reserves of precious metals, gemstones, oil and gas as well as a large young and dynamic work force, Sub-Saharan Africa is yet to overcome the basic challenges encountered by almost 90% of the population of 1.1 billion people ranging from the lack of nutritious food access to clean water to the lack of reliable access to medication.

Largely unresolved in several regions, issues such as a lack of adequate infrastructure and poverty lead to contaminated water, poor food intake, sub-optimal sanitary and hygiene conditions resulting in the spread of diseases like HIV/AIDS, Malaria, Hepatitis B and Tuberculosis accounting for a large percentage of deaths.

While significant efforts have been made and initiatives are currently being undertaken to address these ongoing issues and improve the quality of life in Africa, this has proven to be a significantly challenging task as scarce resources need to be



managed efficiently and there are limitations as to what can realistically be done. Governments working alongside donor agencies towards the consistent provision of food resources and potable water and medication. Governments are increasingly devoting resources to healthcare and the improvement of infrastructure as well.

### The Africure solution

In the light of the above issues and with a view to improving the quality of life in Africa, Africure has pledged to alleviate the burden of ailing Africans by empowering Africans and helping build self-sufficiency in manufacturing high quality and cost-efficient medication in Africa and for Africa.

Equipped with state-of-the-art manufacturing facilities in key geographies of French & English speaking Africa located in Cameroon, Botswana, Côte d'Ivoire, Tanzania and an Africa dedicated facility in India, the Company also has upcoming plants in Ethiopia, the combined manufacturing capacity which could be the largest in Sub-Saharan Africa in Oral Solid Dosage forms.

The Company's senior and mid-level teams possess rich domain knowledge and expertise which will ensure that all the prescribed covenants for maintaining Current Good Manufacturing Practice ("cGMP") during the manufacturing process are maintained consistently.

### Company vision

The Company's vision is to empower and help Africa embark upon a journey towards building self-sufficiency in pharmaceuticals across key geographies.

Looking at the market scenario, Sub Saharan Africa has seen a surge in demand in the latter half of this decade and has been growing at a CAGR of 8% to 12%. Studies have shown that about 90% of the formulation requirements of Sub Saharan Africa are manufactured outside the region. This growth rate in market size and the dependency on imports implies that there is a significant opportunity for local manufacturing. Africure is happy to be a part of this journey in the early years which the Management Team believes will be a great advantage in the years to come.

### Mission

The Company endeavours to manufacture high quality essential medication in Africa by Africans for Africa.

### Africure's quality promise

Africure is committed to the health of Africans and hence has set up state of the art manufacturing facilities in key geographies of Africa. The Company's Plants are cGMP compliant and manufacture formulations to the exact standards of the respective pharmacopoeias.

The Company's quality management systems are designed to ensure that the products are manufactured in a uniform and standardized manner and that the entire manufacturing process is SOP driven and under continuous oversight of quality assurance/quality control in order to ensure that the expected outcomes are achieved with minimal deviations.

Ensuring that the Company maintains its commitment to manufacturing high quality products and that patients consuming the Company's medication experience a better quality of life and their trust on Africure's line of medication is of the highest order.

As part of the Company's commitment to delivering value and ensuring consistency as regards the quality of its offerings, Africure endeavours to:

- Use high quality material from approved sources after complete testing.
- Continuously monitor the production process from a quality perspective.
- Study the quality metrics of products produced in terms of CDP and stability and undertake course correction in areas where challenges are identified.
- Ensure that facilities are well maintained and compliant at all times.
- Ensure that its employees are continuously trained so as to keep them abreast of recent developments in the pharmaceutical manufacturing space and provide them with an environment that is conducive to keeping them motivated.
- Introduce a robust pipeline of new molecules through constant R&D efforts, to cater to the requirements of the markets in which we operate.

These quality objectives contribute to driving each of the Company's units and is aimed at being the foundation of manufacturing programs and enablers for Africure's mission and vision statements.

### African presence and reach

Africure operates 5 cGMP certified manufacturing plants across several jurisdictions namely India, Cote D'Ivoire (IVC), Botswana, Cameroon and Tanzania. It has set up distribution companies in Tanzania, Nigeria, Burkina Faso and Cameroon. The Company also has a sales presence in Uganda, Zambia, Malawi, Mali, Tchad, Guinea, Mozambique, Rwanda, Kenya, and Ghana.

## Involvement in Corporate Social Responsibility (“CSR”)

With a view to empowering and improving the lives of communities across the African continent, the Company consistently engages in CSR activities as a company integrated within the social fabric of Africa. As such, the Company seeks to respond to the challenges arising on the African continent with regards to inclusiveness and growth. Until date, the focus of Africure has been to make a positive difference by offering essential support to local communities while empowering school children to improve their lives by leveraging the power of knowledge.

Africure has so far partnered with various NGOs, local governing bodies, hospitals and government procurement agencies to contribute to the welfare of the society through activities such as distribution of books, food, drinking water, medication, health camps and awareness programs. The Company supported the fight against Covid-19 by donating test kits, medicines, hygiene supplies and Personal Protective Equipment (PPE) kits.

## Latest developments

Africure is currently focusing on solutions for COVID-19 pandemic and has been appointed as authorized agent of Jubilant Generics for the distribution of Jubi-R (Remdesivir), a medication for the treatment of patients hospitalized with suspected or laboratory-confirmed SARS-CoV-2 infection and severe disease.

Africure also recently received a funding to the tune of USD 10 million from Proparco which will allow the Company to increase its production capacity in Africa, by launching two new plants in Côte d'Ivoire and Ethiopia, and the Africure group to improve its supply options for raw materials. This will allow over 2.6 million people to benefit from improved access to essential drugs by 2024. The development of Africure's activities will also create or support ~ 800 direct and indirect jobs.

## Outlook

As the Company advances through uncertain times, the Company will focus on ramping up production in Cameroon and Cote D'Ivoire and move towards enabling a second shift operation, drive new partnerships and licensing arrangements and further support supply chain integration and vendor development.

The Company also seeks to de-risk each component of the business through “fit to need” risk mitigation policies. It will source working capital funding in line with business requirements on efficient terms and keep a close watch on credit and inventory management to refine the Company's working capital position.

It will also be important to leverage IT, AI to automate processes in manufacturing, regulatory and document management to augment internal control systems. It will continue to develop influential training programs to enable and reward policies to inspire employees to grow and continue their contributions.

It is envisaged that the listing on the SEM will provide access to a global investor base of banks, asset managers, high net worth individuals and other sources of capital who all view Mauritius as an attractive investment destination. The listing will provide investors, both institutional and private, with the opportunity to benefit from the income streams, value maximization and capital appreciation of the Company. It will also provide investors with comfort that the Company complies with the best corporate governance and reporting framework.

To broaden its investor base and source additional capital to fund growth aspirations, the Company may consider listing its shares on other recognised stock exchanges as well.

# DEFINITIONS

In these Listing Particulars and the annexures hereto, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column have the meanings stated opposite them in the second column, as follows:

<b>“Africure” or “the Company”</b>	<b>Africure Pharmaceuticals Ltd</b> (registration number C145852 C1/GBL), a company incorporated in accordance with the laws of Mauritius and holding a Global Business Licence issued by the Financial Services Commission of Mauritius;
<b>“business day”</b>	any day other than a Saturday, Sunday or official public holiday in Mauritius;
<b>“certificated shares”</b>	shares in respect of which physical share certificates will be issued;
<b>“Constitution”</b>	the constitution of the Company dated 29 December 2020;
<b>“directors” or “the board” or “board of directors”</b>	the directors of the Company as at the date of these Listing Particulars, further details of whom appear in <b>Annexure 1</b> of these Listing Particulars;
<b>“FSC”</b>	the Financial Services Commission of Mauritius;
<b>“GBL” or “Global Business Licence”</b>	a Category 1 Global Business Licence or Global Business Licence issued under the Mauritian Financial Services Act 2007;
<b>“IFRS”</b>	International Financial Reporting Standards;
<b>“Interest”</b>	the limited partnership interest, shares, debentures, warrants, options and/or other securities or interest held by the Company, in or relating to in an Investee Company.
<b>“last practicable date”</b>	the last practicable date prior to the finalisation of these Listing Particulars, being 30 November 2020;
<b>“LEC”</b>	Listing Executive Committee of the SEM;
<b>“listing date”</b>	the anticipated date of listing of the ordinary shares on the SEM Official Market, being on 18 January 2021;
<b>“Listing Particulars”</b>	this document and its annexures, dated 29 December 2020, which have been prepared in compliance with the Listing Rules;
<b>“Listing Rules”</b>	the Listing Rules of the SEM governing the Official Market;
<b>“management”</b>	the current management of the Company, as detailed in <b>Annexure 1</b> ;
<b>“Mauritian Companies Act”</b>	the Mauritian Companies Act 2001 (Act 15 of 2001) as amended;
<b>“Mauritius”</b>	the Republic of Mauritius;
<b>“MUR” or “Rs”</b>	the Mauritian Rupee;
<b>“Official List” or “SEM Official Market”</b>	the list of all securities admitted for quotation on the SEM Official Market;
<b>“Ordinary share”</b>	a share in the capital of the Company designated as <b>“Ordinary share”</b> and having the rights provided for under Article 1.7 of the Constitution.
<b>“ordinary shareholder” or “shareholder”</b>	a holder of ordinary shares in the share capital of the Company;
<b>“preference shares”</b>	a 6% coupon non-voting non-participating share in the capital of the Company designated as <b>“preference share”</b> and having the rights provided for under Schedule 1 of the Constitution;
<b>“SEM”</b>	the Stock Exchange of Mauritius Ltd established under the repealed Stock Exchange Act 1988 and now governed by the Securities Act 2005 of Mauritius;
<b>“SEM listing”</b>	the listing of the ordinary shares on the SEM Official Market which will take place on 18 January 2021;
<b>“USD” or “US\$”</b>	The official currency of the United States of America



(Incorporated in the Republic of Mauritius)  
 (Registration number: C145852 C1/GBL)  
 Having its registered address at  
 6th Floor, Tower A, 1 CyberCity,  
 Ebene, Republic of Mauritius  
 LEC/P/12/2020  
 (“Africure” or “the Company”)

### Directors of the Company

Mr.Sinhue Bosco Noronha	Chief Executive Officer, executive director
Mr.Ravi Shankar Chandrasekhar	Chief Financial Officer, executive director
Mr.Sultunti Asnath	Independent non-executive director
Mr.Deepak Joseph Parayanken	Independent non-executive director
Mr.Haider Mousa Mohammed Mohammed	Independent non-executive director
Mr.Vikramkumar Naik	Independent non-executive director
Mr. Vashish Bisnathsing	Independent non-executive director
Mr. Ibrahim Malleck	Independent non-executive director

# SECTION ONE

## INFORMATION ON THE COMPANY

### 1. INTRODUCTION

The purpose of these Listing Particulars is to provide information to potential investors in relation to the Company and its activities.

### 2. DIRECTORS AND MANAGEMENT OF THE COMPANY

#### a. Africure’s board of directors

**Annexure 1** contains the following information:

- i. details of directors and executive management including their names, addresses, qualifications, occupations and experience;
- ii. information concerning the appointment, remuneration, terms of office and borrowing powers of the directors;
- iii. directors’ interests; and
- iv. directors’ other directorships and partnerships.

#### b. Key Service Providers

##### i. Company secretary

The Board leverages off the existing operations within Ocorian Corporate Services (Mauritius) Limited, its duly appointed Company Secretary as well as its associated companies.

Ocorian Corporate Services (Mauritius) Limited is licensed by the FSC to provide a comprehensive range of fiduciary services to international businesses.

**ii. SEM authorised representative & sponsor and Mauritian transaction advisor**

The Company has appointed Perigeum Capital Ltd (“**Perigeum Capital**”) as its Mauritian Transaction Advisor. Perigeum Capital is a corporate finance house which is geared towards providing businesses with the professional representation and insight they need to execute successful transactions within the precincts of their individual corporate objectives and beyond. It holds an Investment Advisor (Corporate Finance Advisory) license issued by the FSC, which allows the company to act as SEM authorized representative and sponsor and advise companies listed on the SEM on their corporate actions.

As Mauritian transaction advisor, Perigeum Capital has assisted the board of directors to restructure the Company in order to be fit for listing on the SEM. It has handled the listing application process with the SEM and has been engaged to advise the Company and its directors on compliance with ongoing SEM listing obligations.

**iii. Other Third-Party Service Providers**

In addition, it is envisaged that the Company will outsource several functions to specialist third-party service providers. Such service providers may include without limitation: Investor relations managers; company administrators; legal counsel; accountants and auditors; and bankers. In this regard the Board, will engage only with reputable, intentionally-recognized institutions with established track records for the provision of such services.

### 3. INCORPORATION, HISTORY AND NATURE OF BUSINESS

**a. Incorporation, name and address**

Africure Pharmaceuticals Ltd is a manufacturer and distributor of high quality essential medication in Africa. The Company was incorporated on 17 March 2017 and has its registered office at c/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 CyberCity, Ebene, Republic of Mauritius. The principal activity of the Company is investment holding, trading & procurement of pharmaceutical products. The Company holds Global Business Licence issued by the Financial Services Commission.

**b. History**

The Company was incorporated in March 2017 and has been trading since then. The Company has three years audited financial track record.

**c. Nature of the business**

- i. Africure started its journey in 2017 with a prime objective to bring pharmaceutical manufacturing technology into Africa and thereby provide Africans access to generic medicine at affordable prices.
- ii. Africure has created local manufacturing capabilities in Cameroon, Botswana, Cote D’Ivoire and Tanzania and is in process of expanding into Ethiopia and other countries in SSA, in the very near future.
- iii. Africure is led by an experienced board and management team with an extensive track record.
- iv. There is no change in the nature of the Company’s business which is in contemplation.

**d. Financial year-end**

The financial year-end of the Company is 31 March each year.

### 4. GROWTH AND BUSINESS STRATEGY

Africure focuses on Sub Saharan Africa comprising 46 countries out of total 54 in Africa. The objective of Africure is to solve persistent issues in Sub Saharan Africa relating to healthcare, such as affordability, availability, substandard quality, technological dependence, reliance on imports, foreign exchange deficiency and un-employment.

Africure operates 5 cGMP certified manufacturing plants across several jurisdictions namely India, Cote D’Ivoire (IVC), Botswana, Cameroon, Tanzania and has set up distribution companies in Tanzania, Nigeria, Burkina Faso and Cameroon. The Company also has a sales presence in Uganda, Zambia, Malawi, Mali, Tchad, Guinea, Mozambique, Rwanda, Kenya, and Ghana.

Africure strongly believes that local manufacturing is the future of pharmaceuticals in Africa and that the Company is taking right strategic steps in this endeavor.

Africure has emerged as a dynamic pharmaceutical company committed to African healthcare. The demand by African countries to be self-sufficient in health care has provided Africure with an impetus to continuously expand in the manufacturing space and create high standard, large capacity assets. After learning of its success story, many Government Health Agencies are inviting Africure to set up country specific manufacturing capabilities and hence there are extraordinary growth opportunities for the Company and the Africure group will continue to relentlessly work towards its Vision of manufacturing high quality essential medication in Africa by Africans for Africa.

Africure positions itself as a Company with proven quality standards and consistently complies with WHO GMP standards. We bring to the table a paradigm shift in the pharmaceutical business model in these countries, by reducing dependence on supplies from foreign companies and make them self-reliant at optimal prices.

Since inception, Africure has grown its revenues & operational profits year over year, coupled with excellence in manufacturing processes and related functions.

#### Medium term goals and capital raising

The medium term goal of the Company is to increase the reach geographically and also to enhance production capacity in its existing facilities. The Company is also evaluating right sized inorganic acquisitions in other countries such as Ethiopia, Congo Brazza, Angola, Uganda and other French West African Countries to augment accelerated growth, alongside its organic strategies. To achieve this, Africure intends to raise further capital of approximately USD 10 million within the first year of its listing on the SEM through the issue of up to 2 000 000 ordinary shares through various private placings. This will enable the Company to set up new manufacturing plants in Africa and also set up new distribution companies.

#### Dividend distribution policy

The Company intends to pay dividends to shareholders. However, as the objective of the Company is long-term capital growth, there may be periods in respect of which dividends may be low or not paid at all. The amount of any dividend will be at the complete discretion of the Board and will depend on a number of factors, including expectation of future earnings, capital requirements, financial conditions, future prospects, laws relating to dividends, and other factors that the Board deems relevant.

## 5. COMPANY STRUCTURE

### a. Company structure

The Company structure is set out in **Annexure 2**.

### b. Share capital

Information regarding the issued share capital of the Company, the shareholders of the Company holding in excess of 5% of the voting shares immediately prior to the SEM listing, alterations of capital, a summary of offers of shares by the Company to the public since incorporation and ancillary information is set out in **Annexure 3**.

### c. Constitution

Extracts from the Company's constitution are set out in **Annexure 4**.

## 6. EMPLOYEES

As at the last practicable date, the Africure group had around 400 employees across all sites.

## 7. COMMISSIONS PAID AND PAYABLE

- a. No amount has been paid, or accrued as payable, since incorporation, as commission to any person, including commission so paid or payable to any sub-underwriter that is the holding Company or a promoter or director or officer of the Company, for subscribing or agreeing to subscribe, or procuring, or agreeing to procure, subscriptions for any securities of the Company.
- b. Since incorporation, there have been no commissions paid or are payable in respect of underwriting by the Company.
- c. Since incorporation, the Company has not entered into any promoter's agreements and as a result no amount has been paid or is payable to any promoter.

## 8. MATERIAL CONTRACTS

The Company started its operations in April 2017, and has entered into the following material contracts, since then:

- a. Business Transfer Agreement with Strides Pharma Cyprus Ltd to acquire shares in legal entities situated in Cameroon, Namibia, Botswana, Burkina Faso, Cote D'Ivoire, Nigeria and Mozambique, which comprised manufacturing and distribution businesses.
- b. In the year 2018, owing to various market factors the Company hived off its investment in Nigeria and reinvested the proceeds of sale to complete construction of its facility in Cote D'Ivoire.
- c. In the year 2018, the Company made investments into a manufacturing facility in India, to enter into key businesses in eastern part of Africa.
- d. In the year 2019, owing to various business reasons, the Company hived off its investment in Mozambique and reinvested the proceeds of sale into working capital for the business.
- e. (e) In the year 2019, the Company received a sanction of a long-term debt from a French Development financial institution, named PROPARCO and received a sanction to fund USD 10 million, to fund the Company's long-term Capex needs, out of which an amount of USD 6.50 million has already been disbursed and the balance is expected to be disbursed by Q3 next year.
- f. In the year 2020, the Company hived off its investments in Namibia owing to non-performance of the business, due to various market factors.
- g. In the year 2020, the Company has entered into definitive agreements to acquire controlling stake in a manufacturing facility in Tanzania.

## 9. DIRECTORS AND RELATED PARTIES' INTEREST IN SHARES

As at the last practicable date, Messrs. Sinhue Bosco Noronha, Ravi Shankar Chandrasekhar, Deepak Joseph Parayanken and Haider Mousa Mohammed Mohammed held together 78.05% of the issued shares of Africure.

None of the other directors or advisors of the Company have or have had an interest in any shares or options in respect of shares as at the last practicable date.

## 10. EXPENSES OF THE SEM LISTING

The estimated expenses relating to the listing on the SEM, which have been or are expected to be incurred are set out below:

<b>Expense</b>	<b>USD</b>
<b>SEM Listing</b>	
<b>Professional fees, including:</b>	
- Professional, advisory and sponsor fees	19,550
- Legal advisory fees	4,600
SEM application and listing fees	5,000
Publication costs	1000
<b>Total</b>	<b>30,150</b>

Save for the expenses set out above, the Company has not incurred any other preliminary expenses relating to the SEM listing.

# SECTION TWO

## DETAILS OF THE SEM LISTING

### 1. REASONS FOR A LISTING ON THE SEM

The objective behind the listing on the SEM is to create visibility, support the Company's fund raising exercise in order to achieve its long term objectives.

The Company has also chosen to list on the SEM to have a US dollar listing that will provide Africure with the ability to raise capital in the future, by means of further placings and issues of shares in Mauritius as well as internationally. The Africure group believes in its African strategy and its listing in Mauritius will enhance its prospects in the African continent.

The SEM listing will deliver a platform for shareholders to create liquidity in the Company's shares (in the event the directors decide to enable trading in the shares). The SEM listing will:

- ♦ provide an additional source of capital to fund the growth aspirations of the Company;
- ♦ enhance potential investors' awareness of the Company;
- ♦ improve the depth and spread of the shareholder base of the Company, thereby improving liquidity in the trading of its shares;
- ♦ provide invited investors, both institutional and private, with the opportunity to participate directly in the income streams and future capital growth of the Company; and
- ♦ provide invited investors with an additional market for trading the Company shares.

### 2. ANTICIPATED APPLICATION OF THE PROCEEDS FROM THE VARIOUS PLACINGS

The proceeds from the various placings will be used to invest in line with its business strategy as set out in paragraph 4, on page 12.

### 3. SALIENT DATES AND TIMES FOR TARGETED INVESTORS

Further details of any offer, including salient dates and time, the number of ordinary shares being offered through the placings and the offer price will be communicated to targeted investors and the market in due course.

### 4. PARTICULARS OF THE PLACINGS

- a. The placings will be implemented by way of an offer to targeted investors subscribe for up to 2 million ordinary shares (the "**placement shares**") following which the shares will be listed on the SEM.
- b. The placement shares offered for subscription are targeted to selected institutions, high net worth individuals and business associates, in Mauritius and globally.
- c. No offer will be made to the public in respect of the placings. The placings shall be open to the above targeted investors only.

### 5. TERMS, CONDITIONS AND PAYMENT FOR SHARES

#### a. Participation in the placings

Only targeted investors may participate in the placings.

#### b. Application and payment of shares

Applicants will be required to pay for the shares via bank wire transfers.

#### c. Issue and allocation of shares

Ordinary shares will be issued subject to the provisions of the Constitution of the Company and will rank pari passu in all respects, including dividends, with any existing issued ordinary shares of that particular class. The ordinary shares will be issued either in registered form or in certificated form.

The basis of allocation of the ordinary shares will be determined on an equitable basis by the Board.

The Board shall, pursuant to applicable laws, these Listing Particulars and the Constitution of the Company, be entitled to refuse any application for subscription of ordinary shares at its sole discretion.

#### d. Over-subscription

The maximum number of ordinary shares that can be subscribed for and issued in terms of the various placings is 2 million shares. In the event of an over subscription, ordinary shares will be allocated and issued at the discretion of the directors on an equitable basis.

#### e. Simultaneous issues

No shares of the same class are issued or to be issued simultaneously or almost simultaneously with the issue of ordinary shares for which application is being made.



**f. Anti-Money Laundering provisions**

As part of its responsibility for the prevention of money laundering, the Company will require a detailed verification of each shareholder's identity and the source of the payment. Depending on the circumstances of each shareholder, a detailed verification might not be required in the case of shareholders qualifying under the reduced or simplified due diligence regime based on Clause 5.5 of the Code on the Prevention of the Money Laundering & Terrorist Financing issued by the FSC in 2012 and the applicable laws.

The Company reserves the right to request such information as is necessary to verify the identity of a subscriber or shareholder at any time after the application for subscription. In the event of delay or failure by the shareholder to produce any information required for verification purposes, the Company may refuse to accept the application and the subscription monies relating thereto.

**6. UNDERWRITING**

The placings shall not be underwritten and are not subject to an underwriting commission.

**7. AUTHORITY TO ISSUE ADDITIONAL SHARES**

On 10 December 2020, the shareholders of the Company passed a resolution authorising the Board to issue up to 2 million new shares in terms of various placings of shares to be undertaken, subject to the Mauritian Companies Act 2001, the Mauritian Securities Act 2005, the SEM Listing Rules and the Company's Constitution, and that such authority given to the directors shall be valid for a period of 12 months from the date of the resolution, or until the Company's next annual general meeting of shareholders.

**8. PERCENTAGE HOLDING IN PUBLIC HANDS**

It is anticipated that with new investors coming in as a result of the various placings, more than 10% of the issued ordinary shares will be in public hands over the next two years.



# SECTION THREE

## RISK FACTORS

A number of factors may affect the result of operations, financial conditions and prospects of the Company. This section describes the risk factors which are considered by the Board to be material. However, these factors should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks not presently known to the Board or that the Board currently consider to be immaterial may also adversely impact the Company's business operations. The business, growth prospects, financial condition and/or results of operations of the Company could be materially adversely affected by any of these risks. The value of the shares could decline due to the materialisation of any of these risks and potential investors could lose part or all of their investment. However, the management of the Company possesses sufficient expertise to implement mitigative measures to manage the impact of such business risks. The management proactively reviews such risks periodically and remediates them through timely interventions.

### 1. FINANCIAL RISK

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

#### Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The Company has a well laid out credit governance policy which provides guidelines in relation to the type of customer, credit limits based on financial health of its customers, credit periods based on market conditions and procedures to implement, review and report against the laid out policy.

#### Foreign Currency Risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in EURO, CFA Franc, Botswana Pula, Nigerian Naira and Tanzanian Shillings). A significant portion of the Company's revenues and costs are in these foreign currencies. As a result, if the value of the USD appreciates relative to these foreign currencies, the Company's revenues measured in USD may increase. The exchange rate between the USD and these foreign currencies have remained relatively stable in recent periods and may not fluctuate substantially in the future.

The Company management believes that at present the exchange risk and its impact on the Company's financial statements is not material. As such the existing assets and liabilities in different currencies act mutually as a natural exchange risk mitigators. The Company also benefits from the fact that it operates in Import dominated economies and foreign exchange fluctuations will be common to the market and that such fluctuations will be passed on the consumers. Further being a local manufacturer, Africure uses local currencies for its manufacturing operations, which acts as a natural hedge against the fluctuations, which places us in better condition compared to an importer or a reseller.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Africure group's exposure to the risk of changes in market interest rates relates primarily to the Africure group's debt obligations with fixed interest rates. The company does not have any significant external borrowings and therefore no significant impact on account of interest rate fluctuation expected.

#### Demand Risk

There is an inherent risk in the business, that the demand for its products may reduce due to change in choice of products by the end consumer. This will significantly impact the revenues of the business.

Africure, as a part of its marketing and visibility strategy actively engages with doctors, pharmacies, through various activities like diagnostic camps, CSR activities and product promotional strategies, to be close to the consumer as far as possible to ensure repetitive purchases. Africure, works in the generic segment of the market, treating common daily ailments and the portfolio cum promotional activity selection is made in such a way to ensure that the demand grows in line with the company's long term vision.

#### Competitor Risk

There is a risk in the business that the competitors may capture Africure's market share, thus impacting the Company's revenues and profitability.

The Company manages this risk by having local presence of capable sales teams who provide market and competitor information to the management team who dynamically align the operational strategies and take timely decisions to ensure we are not impacted by this. As a structure Africure builds and operates boutique facilities, which are fit

## SECTION THREE – RISK FACTORS (CONTINUE)

to purpose and do not require a market share of more than 1% to make its projects viable. Hence, any impact of competitive or market disruptions do not impact Africure.

### Product Obsolescence Risk

There is a risk that the products that the Company's sells may become obsolete and hence impact the revenues and profitability.

The Company manages this risk through careful evaluation of its product portfolio every quarter by comparing with the market data and by introducing new molecules that have a promising future. The Company also operates an inhouse R&D facility, which always has in pipeline, 20 to 30 products based on change in disease profile and market studies. This helps the Company to be on top of the products that are required by the doctor fraternity and consumers and to be ready to commercialize a robust new product pipeline.

### Quality Related Risk

There is a risk that there could be quality issues in the products that are manufactured or sold, which would need a product recall which in turn impacts Company's goodwill and also would lead to incur significant recall costs.

The Company operates with a robust quality management system which ensures quality checks at each level of production which are standardized and common across multiple plants that it operates. The Company undergoes self-initiated audits from external agencies to keep a tab on functioning of the quality management systems. Our plants are ISO certified and are audited and approved by regulatory agencies of the respective country. The Company operates with a philosophy of "Any Time Audit" readiness and "Zero Defects".

## 2. STOCK MARKET RISK

The investments of and in the Company could decrease in value as a result of a decline in global stock markets.

## 3. POLITICAL RISK

Political risk, broadly referring to losses caused by the exercise of political power (or lack thereof), is identified as being of increasing importance to global markets, given the shifting political landscapes in many Western economies. While political uncertainty will continue to be a major issue for Africa-focused investors, the Continent's political situation is not uniform. There are distinct and distinguishable types of political risk which might pertain to the political stability for a country, individual sectors and individual companies or projects of national importance. The Company operates in the Pharmaceutical sector, which is of top priority in the national interest of any country. Hence, the impact of political risk on the business is estimated to be minimal. However, the Company has taken insurance policies to insulate itself against any such event.

## 4. REGULATORY RISKS

Legal or regulatory change may affect the Company and impose potential limits on the Company's flexibility in implementing its strategy. Any change to laws and regulations relating to the areas in which the Company operates may have an adverse effect on the Company. The levels of, and relief from, taxation may change, adversely affecting the financial prospects of the Company and/or the returns to shareholders. The Company is subject to the tax authorities within the jurisdictions it operates and taxes and tax dispensations accorded to the Company may change over time. The nature and amount of tax payable is dependent on the availability of relief under tax treaties in a number of jurisdictions and is subject to changes to the tax laws or practice in any other tax jurisdiction affecting the Company. Any change in the terms of tax treaties or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Company and could affect the value of the investments held by the Company or affect its ability to achieve its investment objective and alter the post-tax returns to shareholders. The level of dividends the Company is able to pay would also be likely to be adversely affected.

From a Pharmaceutical regulatory perspective, there may be changes in regulations governing manufacturing and quality processes, as the regulations are ever evolving. The Company conducts periodic assessments and audits and implements latest requirements of such regulations.

## 5. ENVIRONMENTAL AND SOCIAL RISK

These risks include environmental risks such as pills, accidents, dirty energy, effluents, water contamination, climate change, natural disasters, destruction of biodiversity, and social risk such as labour unrest, human accidents, ill health and diseases, child labour and displacement of people to name a few. The Company has a high standard for environmental and social risk management, and such only invests with parties that have experience in addressing environmental and social risks and who consider appropriate mitigants. Company has long term contracts with EHS consultants, to ensure E&S risks are managed through appropriate audit and assurance mechanism.

## 6. TAX

The Company has structured the parent-subsidary relationship in a manner that is tax-efficient for its shareholders. Company also has a well laid out Corporate as well as local transfer pricing guidelines, which have been vetted and implemented by design

# SECTION FOUR

## STATEMENTS AND REPORTS REGULATING THE SEM LISTING

### 1. WORKING CAPITAL

The directors of the Company, are of the opinion that, following the SEM listing, the working capital available to the Company will, from the date of the SEM listing, be sufficient for its present requirements, that is, at least for the next 12 months.

### 2. LISTING AND DEALINGS ON THE SEM

An application has been made for the listing of up to 10,337,500 ordinary shares of the Company on the Official Market of the SEM, out of which 8,337,500 issued ordinary shares will be listed on 18 January 2021.

The directors of the Company do not anticipate that an active secondary market will develop in the ordinary shares.

### 3. SIGNIFICANT CHANGES

Other than the disposal of Africure Pharmaceuticals Namibia (Proprietary) Limited in November 2020, there has been no significant change in the financial or trading position of Africure since 30 September 2020, the date on which the financial information of the Company set out in **Annexure 7** was prepared.

Reference can also be made to **Annexure 8**, which contains the proforma financials of the Company post disposal of Africure Pharmaceuticals Namibia (Proprietary) Limited in November 2020.



# SECTION FIVE

## ADDITIONAL MATERIAL INFORMATION

### 1. HISTORICAL FINANCIAL INFORMATION

- a. An Accountant's Report prepared by the Company's external auditors and covering the financial years ended 31 March 2018, 31 March 2019 and 31 March 2020, is set out in **Annexure 6** and falls under the responsibility of the Board of Africure.
- b. The unaudited interim financial statements of the Company for the six months ended 30 September 2020 is set out in **Annexure 7**.

### 2. DIVIDENDS AND DISTRIBUTIONS

- a. Subject to the laws of Mauritius, the directors have absolute discretion as to the payment of any dividends, including interim dividends, on the shares. Any dividends will be paid in accordance with the laws of Mauritius. In addition, the directors may, in their discretion, declare scrip dividends in the form of a bonus issue of additional shares in lieu of a cash dividend.
- b. No dividend shall be declared or paid unless the directors are satisfied or have reasonable grounds that immediately after the dividend, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- c. The Company intends to pay dividends to ordinary shareholders. However, as the objective of the Company is long-term capital growth, there may be periods in respect of which dividends may be low or not paid at all. The amount of any dividend will be at the complete discretion of the board and will depend on a number of factors, including expectation of future earnings, capital requirements, financial conditions, future prospects, laws relating to dividends, and other factors that the board deems relevant.
- d. No dividends have been declared as of the last practicable date.
- e. No shares of the Company are currently in issue with a fixed date on which entitlement to dividends arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

### 3. INFORMATION ON SUBSIDIARIES

The list of subsidiaries of Africure as at the last practicable date are as follows:

#### A. Manufacturing Plants

- **Cameroon**

##### **Africure Pharmaceuticals (Cameroon) S.A.**

Previously known as Strides Pharma Cameroon, Africure Pharmaceuticals (Cameroon) S.A was acquired in May 2017 and is licensed to manufacture and distribute pharmaceutical products in Cameroon and overseas. The company is allowed to import raw materials and export finished goods.

Africure Pharmaceuticals (Cameroon) S.A is a holder of a certificate issued by National Pharmaceutical Regulatory Agency in Cameroon and complies with the current Good Manufacturing Practices (cGMP) as recommended by the World Health Organisation (WHO). It also holds importer and exporter certificates issued by the Ministry of commerce in Cameroon. Africure Pharmaceuticals Ltd currently holds of 85 % of the shares of the company.

- **India**

##### **Africure Pharmaceuticals (India) Private Limited**

Africure Pharmaceuticals (India) Private Limited was incorporated under the Indian Companies Act, 2013 (18 of 2013) as a private limited company in February 2017, and its registered office is situated in Maharashtra, India. The company is engaged in the business of manufacturing, research and development, marketing and distribution of pharmaceuticals products.

Africure Pharmaceuticals (India) Private Limited holds a valid Drugs Manufacturing License issued by the Food & Drugs Administration (Maharashtra State) and observes Good Manufacturing Practices (GMP) in the manufacturing and testing of its products. The manufacturing plant situated in India is subject to regular inspection by the competent authorities. Under the current licenses the firm is permitted to manufacture and sell their products covered under the categories of: Tablet, Dry Syrups / Powders, Capsules. Africure Pharmaceuticals Ltd currently holds of 51 % of the shares of the company.

- **Botswana**

**Africure Pharmaceuticals Botswana (Pty) Ltd**

Previously known as Strides Pharma Botswana (Proprietary) Limited, Africure Pharmaceuticals Botswana (Pty) Ltd was acquired in June 2017. The company currently operates in Botswana and is involved in the packaging and distribution of pharmaceutical products. As a holder of a licence issued by the Botswana Medicines Regulatory Authority and regulated under the Medicines and Regulated Substances Act, 2013 the company is licenced to engage in activities including primary and secondary packaging of pharmaceutical products. The current shareholding of the Company in Africure Pharmaceuticals Botswana (Pty) Ltd stands at 69 %.

- **Cote D'Ivoire**

**Africure Pharmaceutical Cote D'Ivoire**

Previously registered as Strides Pharma Cote D'Ivoire, Africure Pharmaceutical Cote D'Ivoire was incorporated in June 2017 and is registered with *Autorité ivoirienne de régulation pharmaceutique* to produce and distribute pharmaceuticals products.

- **Tanzania (Upcoming plant)**

**ZENUFA Laboratories Ltd**

The Company has entered into definitive agreements to acquire majority stake in a manufacturing facility located in Tanzania named "ZENUFA Laboratories Ltd" and the transaction is expected to be closed by December 2020. This will mark entry of Africure into lucrative Tanzanian market.

- **Ethiopia (Upcoming plant)**

**Africure Pharmaceuticals Manufacturing Ethiopia PLC**

Africure Pharmaceuticals Manufacturing Ethiopia PLC is a holder of a commercial registration certificate issued in July 2018 by the Ethiopian Investment Commission. The company's head office is situated in Addis Ababa Ethiopia and has been established with the aim of the manufacture or formulation of pharmaceuticals. Africure Pharmaceuticals Ltd currently holds of 51 % of the shares of the company.

## **B. Distribution Companies**

- **Nigeria**

**Africure Pharmaceuticals Ltd. Nigeria**

Africure Pharmaceuticals Ltd. Nigeria is the holder of a certificate of incorporation issued by the Nigerian Corporate Affairs Commission and was incorporated under the Companies and Allied Matters Act 1990 in May 2017. The company's principal activity is importation and sales of pharmaceutical products. The company is also registered as an exporter in Nigeria with the Nigerian Export Promotion Council since Dec 2017. Africure Pharmaceuticals Ltd currently holds of 100 % of the shares of the company.

- **Tanzania**

**Africure Pharmaceuticals Tanzania Limited**

Previously known as Shushma Group Limited, Africure Pharmaceuticals Tanzania Limited was acquired in January 2020 as a private company limited by shares and is licensed to engage in pharmaceutical distribution and retail activities in Tanzania.

- **Cameroon**

**Africure Pharmaceutical Development S.A.**

Africure Pharmaceutical Development S.A. was acquired in April 2017 and is the holder of an exporter and importer certificate issued in Cameroon. Africure Pharmaceuticals Ltd currently holds of 85 % of the shares of the company. This Company distributes the products manufactured by Africure Pharmaceuticals (Cameroon) S.A

- **Burkina Faso**

**Africure Pharmaceuticals Burkina S.A.**

Africure Pharmaceuticals Burkina S.A. was acquired in April 2017 and is involved in the purchase, storage and the distribution of pharmaceutical products, it is a holder of importer certificate issued in Burkina Faso. Africure Pharmaceuticals Ltd currently holds 80 % of the shares of Africure Pharmaceuticals Burkina S.A.

## 4. ACQUISITIONS

Other than the information disclosed in Section 3, no other material immovable properties, fixed assets, securities and/or business undertakings have been acquired by the Company since incorporation or are in the process of being or are proposed to be acquired by the Company (or which the Company has an option to acquire).

## 5. DISPOSALS

The Company has since inception disposed of its investments held in subsidiaries in Nigeria, Mozambique and Namibia. These entities are not a part of the Company particulars, provided in this document. The management does not have any intention to dispose of further assets in the first six months following SEM listing.

## 6. ADVANCES, LOANS AND BORROWING

### List of Borrowings as of 30 September 2020

Particulars	USD in Millions
External Borrowings	7.00
Shareholders loan	7.05
Preference Shares	3.32
<b>Total</b>	<b>17.37</b>

List of Advances as of 30 September 2020	
Particulars	USD in Millions
Loans to Subsidiaries	8.72
<b>Total</b>	<b>8.72</b>

Other than the information disclosed above, as at the last practicable date:

- no material loans were advanced by or to the Company (including by the issue of debentures);
- no other shareholders' loans were recorded in the Company's statement of financial position;
- there are no other loans receivable outstanding;
- there is no other loan capital outstanding in the Company;
- no loans have been made or security furnished by the Company to or for the benefit of any director or manager or associate of any director or manager of the Company; and
- there were no outstanding convertible debt securities.

## 7. CORPORATE GOVERNANCE

- Africure is fully committed to complying with the National Code of Corporate Governance for Mauritius (2016).
- In so doing, the directors recognise the need to conduct the enterprise with integrity and in accordance with generally acceptable corporate practices. This includes timely, relevant and meaningful reporting to its shareholders and other stakeholders and providing a proper and objective perspective of the Company and its activities.
- The directors shall, accordingly, establish mechanisms and policies appropriate to the Company's business according to its commitment with best practices in Corporate Governance in order to ensure compliance with the National Code of Corporate Governance for Mauritius (2016). The board will review these mechanisms and policies from time to time.
- Further information relating to corporate governance are included in **Annexure 5**.

## 8. LITIGATION

The Africure group is not involved in any governmental, legal or arbitration proceedings and there are no governmental, legal or arbitration proceedings pending or threatened against them, or being brought by the Company since incorporation which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company during the last 12 months.

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

The directors whose names are given in **Annexure 1**:

- a. have considered all statements of fact and opinion in these Listing Particulars;
- b. collectively and individually, accept full responsibility for the accuracy of the information given;
- c. certify that, to the best of their knowledge and belief, there are no facts the omission of which would make any statement false or misleading;
- d. have made all reasonable enquiries in this regard; and
- e. certify that, to the best of their knowledge and belief, these Listing Particulars contains all information required by law and the Listing Rules.

## 10. MATERIAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

The Company does not have any capital commitments, financial lease payments and contingent liabilities as at the last practicable date, other than in the ordinary course of business.

## 11. MATERIAL COMMITMENTS IN RESPECT OF ACQUISITION AND ERECTION OF BUILDINGS, PLANT AND MACHINERY

The Company estimates an investment of approximately USD 6 million of capital expenditure for its new manufacturing plant in Ethiopia which will be financed by a facility of USD 10 million provided by the Development Finance Institution, Proparco. There are no other material commitments for the purchase and erection of buildings, plant or machinery.

## 12. PRINCIPAL IMMOVABLE PROPERTY LEASED OR OWNED

As at the last practicable date, the Company does not own any immovable property nor has the Company entered into any leases in respect of immovable property.

## 13. TAXATION

*Mauritian taxation provisions*

As from 1 January 2019, an income tax exemption of 80% (Partial Exemption Regime) applies to the following streams of income of all tax resident Companies in Mauritius including companies holding a Global Business Licence:

- a. Foreign source dividend, provided that the dividend has not been allowed as a deduction in the source country.
- b. Interest.
- c. Profit attributable to a permanent establishment which a resident company has in a foreign country.
- d. Income derived by a Collective Investment Scheme (CIS), Closed End Fund, CIS Manager, CIS Administrator, Investment Advisor or Asset Manager licensed or approved by the FSC.
- e. Foreign income derived by a company engaged in ship and aircraft leasing.
- f. Income derived by a company from reinsurance and reinsurance brokering activities.
- g. Income derived by a company from leasing and provision of international fibre capacity.

Other than the foreign source dividend, the partial exemption shall be granted provided that the Company:

- i. Carries out its core income generating activities in Mauritius;
- ii. Employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and
- iii. Incurs a minimum expenditure proportionate to its level of activities.

Any other income derived by Africure shall be taxed at the rate of 15%.

It is to be noted that if a company claims the partial exemption with respect to any of the specified above-mentioned income, it will not be eligible to claim credit for actual foreign taxes suffered on such income.



Under the Mauritius fiscal regime as at the last practicable date:

- There are no withholding taxes on dividends distributed by a company to its shareholders and no capital gains taxes. Accordingly, the capital gains realised by a non-resident shareholder on the disposal of its shares in the company are not subject to tax in Mauritius.
- However, the nature and amount of tax payable by the company is dependent on the availability of relief under the various tax treaties in the jurisdictions in which the Board chooses to invest from time to time.
- Royalty paid to a non-resident by the company out of its foreign source income is tax exempt.

## 14. DOCUMENTATION AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office during business hours from the date of issue of the Listing Particulars for a minimum period of 14 calendar days:

- a. the signed Listing Particulars;
- b. the Constitution of the Company;
- c. the Annual Report for the financial year ended 31 March 2020;
- d. the Accountant's Report dated 23 November 2020;
- e. the unaudited interim financial statements for the six months ended 30 September 2020;
- f. (the proforma financials post disposal of Africure Pharmaceuticals Namibia (Proprietary) Limited; and
- g. the material contracts as listed under Paragraph 8 of Section One of these Listing Particulars.

SIGNED AT EBENE, MAURITIUS ON 29 DECEMBER 2020 ON BEHALF OF **AFRICURE PHARMACEUTICALS LTD**

**Mr. Ravi Shankar Chandrasekhar,**

who warrants that he/she is duly authorised thereto by resolution of the board of directors of Africure.







# ANNEXURES

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# DIRECTORS, EXECUTIVE MANAGEMENT, FOUNDERS, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS

## 1. FULL NAMES, NATIONALITIES, AGES, BUSINESS ADDRESSES, ROLES, QUALIFICATIONS, OCCUPATIONS AND EXPERIENCE OF EACH DIRECTOR

The full names (including former names, if applicable), ages, nationalities, qualifications, roles, business addresses, occupations and experience of each of the directors of the Company and the proposed directors of the Company and executive management are set out below:

Directors of AFRICURE			
Director name, age, nationality and qualification	Role	Business address	Occupation and experience (profile)
<b>Mr. Sinhue Bosco Noronha</b> , (61), Indian, Bsc Science, MBA	<i>Chief Executive Officer, executive director</i>	12, Sai Sundaram, Sai Baba Complex, Goregaon East, Mumbai - 400063, Maharashtra, India	Mr. Noronha is the Founder and controlling stakeholder of Africure Pharmaceuticals. He is a veteran in pharmaceutical space in Africa. He has an experience of over 40 years, holding key positions in various multinational pharma companies and also a seasoned entrepreneur, having setup multiple manufacturing facilities and businesses in Africa.
<b>Mr. Deepak Joseph Parayanken</b> , (36), Indian, MBA (Finance and Strategy), MEng (Software Engineering (Hons))	<i>Independent Non-Executive Director</i>	121 Ave. Magiguana, Maputo, Mozambique	Mr. Deepak is the CEO of a large conglomerate in Mozambique, having interests in pharma, mining and technology space. He has been driving strategic initiatives and is instrumental in various M&A transactions and expansion of businesses. He plays an advisory role in financial and strategic initiatives of Africure and is a member of Audit and Risk Committee of the Board.
<b>Mr. Ravi Shankar Chandrasekhar</b> , (38), Indian, Chartered Accountant, MBA (International Finance)	<i>Chief Financial Officer, executive director</i>	No. 30, Sujaya, 4th Cross, 1st B Main, Akshayanagar East, Bangalore - 560068, Karnataka, India	Mr. Ravi is a finance professional with over 17 years of experience in various capacities across various multinational companies, with over a decade of experience in African businesses. He is responsible for finance, legal, IT and compliances for the group. He has been instrumental in various M&A transactions and business integrations.
<b>Mr. Haider Mousa Mohammed Mohammed</b> , (54), Iraqi, Bachelor of Microbiology	<i>Independent Non-Executive Director</i>	Almadina Almunawara Street, Alma Building No 251 - Jordan	Mr. Haider is a prominent pharma player in the MENA region with pharma distribution businesses spanning across the region and has deeply entrenched relationships with various big pharma companies and has an experience of running pharmaceutical business for over 30 years. He plays an advisory role in portfolio maximization and technical operations of Africure and is a member of the Audit and Risk Committee and Nomination and Remuneration Committee of the Board.

## ANNEXURE 1 (CONTINUE)

DIRECTORS, EXECUTIVE MANAGEMENT, FOUNDERS, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS (CONTINUE)

Directors of AFRICURE			
Director name, age, nationality and qualification	Role	Business address	Occupation and experience (profile)
<b>Dr. Vikramkumar Naik</b> , (58), Zimbabwean, Bsc, MB CHB, M.Med (Anaesthetics)	<i>Independent Non-Executive Director</i>	Westbrooke Place, Sandtown, Johannesburg, South Africa	Dr. Vikramkumar Naik is the promoter of a large pharmaceutical business focused in Zazibona region of Africa. He has wide and deep expertise in pharma space with an experience of over 30 years. His understanding and expertise of pharmaceuticals in Africa has added great value to Africure's business proposition. He plays an advisory role in sales and marketing, pharmacovigilance initiatives of Africure and is a member of the Nomination and Remuneration Committee of the Board.
<b>Mr. Ibrahim Malleck</b> , (51), Mauritian, MSc in International Finance & BSc (Hons)	<i>Independent Non-Executive Director</i>	No. 14, Morcellement Bagatelle, Moka, Mauritius	Mr. Ibrahim Malleck is a managing partner in a finance advisory firm with a rich experience in banking and financial services in senior roles, across various banks in Mauritius and the Middle East.  He plays an advisory role in financial and strategic aspects of the business and is a member of the Audit and Risk Committee and of the Nomination and Remuneration Committee of the Board.
<b>Mr. Sultunti Asnath</b> , (46), Mauritian, Bsc (Hons) Accounting, ACCA	<i>Independent Non-Executive Director</i>	6th Floor, Tower A, 1 Cybercity, Ebene, Mauritius	Asnath occupied various highlevel positions with renowned companies in Mauritius as the Chief Operating Officer of the Retail Division of Iframac Ltd, a leading retailer of home appliances and furniture, General Manager of the BrandHouse Ltd, distributor of branded appliances and equipment.  In addition to a strong exposure to the retail and distribution sector, Asnath has held previous positions as Financial Consultant with experience in accounting and auditing.  Asnath also has extensive experience in business consulting and advisory matters, internal control and internal audit.
<b>Mr. Vashish Bisnathsing</b> , (35), Mauritian, Master's in international finance & Bachelor's in business administration.	<i>Independent Non-Executive Director</i>	6 <sup>th</sup> Floor, Tower A, 1 Cybercity, Ebene, Mauritius	Mr. Vashish is a seasoned finance professional with deep understanding of regulatory, compliance and banking sectors. He has played a pivotal role in setting up various business processes since Africure inception. He has over 15 years' experience in handling operations for various companies.

## ANNEXURE 1 (CONTINUE)

### DIRECTORS, EXECUTIVE MANAGEMENT, FOUNDERS, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS (CONTINUE)

The table below lists the companies and partnerships of which each director of the Company is currently a director or partner as well as the companies and partnerships of which each director of the Company was a director or partner over the five years preceding these Listing Particulars:

Directors of AFRICURE		
Director	Directorships currently held	Directorships held in past 5 years
Mr.Sultunti Asnath	THE AFRICA POWER PLATFORM PCC Heron Investments East Africa Limited AFRICAN ADVANTAGE TELECOMS Al Jazeera International Mauritius Holdings A VERDA HOLDINGS A1 LIMITED AVE03 Egret (East Africa) Limited ICVL Mauritius OMP INVESTMENT COMPANY PTY LTD OMP HOLDCO PTY LTD POPAY AFRICA Minas de Benga (Mauritius) Limited ICVL Zambeze (Mauritius) Limited SERUJILIMITED Shearwater (East Africa ) Limited Solo Phone Holding Company MASCAREIGNES FOOD LTD Acacia Cement Ltd Hela Kenya Private Ltd ASHARAMI ENERGY INVESTMENTS LIMITED VHG WEB SERVICES Transafrica Power ltd XPLOER CAPITAL MAURITIUS 2 XPL02 NECST MOTORS EAST AFRICA LTD JC Mauritius Limited J.C.B. MAURITIUS LIMITED VETIELINTERNATIONAL LTD Coventry Grove Holdings Ltd TRENTE-CINQ DEGRES SUD LTD OOLU LTD Adiwale Partners Oakwood Holdings Limited Twiga Holdings OMP-SS2 OMP-SS3 OMP-SSS OMP-SS6 Bigen Global Limited PRAEDIUM AFRICA MAGISTER LIMITED OMG Holdings AIRCRAFT LEASING COMPANY LIMITED	THE AFRICA POWER PLATFORM PCC Heron Investments East Africa Limited AFRICAN ADVANTAGE TELECOMS Al Jazeera International Mauritius Holdings A VERDA HOLDINGS A1 LIMITED AVE03 Egret (East Africa) Limited ICVL Mauritius OMP INVESTMENT COMPANY PTY LTD OMP HOLDCO PTY LTD POPAY AFRICA Minas de Benga (Mauritius) Limited ICVL Zambeze (Mauritius) Limited SERUJILIMITED Shearwater (East Africa ) Limited Solo Phone Holding Company MASCAREIGNES FOOD LTD Acacia Cement Ltd Hela Kenya Private Ltd ASHARAMI ENERGY INVESTMENTS LIMITED VHG WEB SERVICES Transafrica Power ltd XPLOER CAPITAL MAURITIUS 2 XPL02 NECST MOTORS EAST AFRICA LTD JC Mauritius Limited J.C.B. MAURITIUS LIMITED VETIELINTERNATIONAL LTD Coventry Grove Holdings Ltd TRENTE-CINQ DEGRES SUD LTD OOLU LTD Adiwale Partners Oakwood Holdings Limited Twiga Holdings OMP-SS2 OMP-SS3 OMP-SSS OMP-SS6 Bigen Global Limited PRAEDIUM AFRICA MAGISTER LIMITED OMG Holdings AIRCRAFT LEASING COMPANY LIMITED

## ANNEXURE 1 (CONTINUE)

DIRECTORS, EXECUTIVE MANAGEMENT, FOUNDERS, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS (CONTINUE)

Directors of AFRICURE		
Director	Directorships currently held	Directorships held in past 5 years
	Pearl Investment International Ltd Samafrica Online Ltd ECOSYSTEM CAPITAL Innovative Future Services S'Cube Holding VITALL HEALTHCARE LTD MUDRA HOLDINGS LIMITED Tiserin Capital Associates LLC so CABLE HOLDINGS MAURITIUS LTD Civicon Africa Group Limited GEOMOTO ENERGY LIMITED SAFARI RAIL COMPANY LTD JDC MANAGEMENT LTD JDC02 hervish Twinsaver Kenya Ltd Libstar Services ImpalaPay Limited Super Snipe Ltd Arcstone Capital Limited ARC03 WABELL LTD TRIANGLE REAL ESTATE INDIA LIMITED Triangle Real Estate India Holdings Limited Triangle Real Estate India Investments Limit Triangle Real Estate India Projects Limited TRill KISHAR SECURITY SOLUTIONS CAMEROON KISHAR GROUP GZI Mauritius Ltd GZI Trading Company Mauritius Limited CURO PUMPS MAURITIUS PTY LTD USEFUEL RESOURCES LTD Ameco Equipment Services, Inc. Apalia 24 Holdings Ltd ASPID & CO Blackstone Tek International BLA71 BROOKSIDE DAIRY HOLDINGS Elton International FLUOR DANIEL ENGINEERS & CONSULTANTS LTD ' GUNKUL INTERNATIONAL (MAURITIUS) INDO MAURITIAN AFFILIATES LIMITED PCFP (MAURITIUS) LIMITED TRAXTION (MAURITIUS) LIMITED Symphony (Mint) Investment Limited	Pearl Investment International Ltd Samafrica Online Ltd ECOSYSTEM CAPITAL Innovative Future Services S'Cube Holding VITALL HEALTHCARE LTD MUDRA HOLDINGS LIMITED Tiserin Capital Associates LLC so CABLE HOLDINGS MAURITIUS LTD Civicon Africa Group Limited GEOMOTO ENERGY LIMITED SAFARI RAIL COMPANY LTD JDC MANAGEMENT LTD JDC02 hervish Twinsaver Kenya Ltd Libstar Services ImpalaPay Limited Super Snipe Ltd Arcstone Capital Limited ARC03 WABELL LTD TRIANGLE REAL ESTATE INDIA LIMITED Triangle Real Estate India Holdings Limited Triangle Real Estate India Investments Limit Triangle Real Estate India Projects Limited TRill KISHAR SECURITY SOLUTIONS CAMEROON KISHAR GROUP GZI Mauritius Ltd GZI Trading Company Mauritius Limited CURO PUMPS MAURITIUS PTY LTD USEFUEL RESOURCES LTD Ameco Equipment Services, Inc. Apalia 24 Holdings Ltd ASPID & CO Blackstone Tek International BLA71 BROOKSIDE DAIRY HOLDINGS Elton International FLUOR DANIEL ENGINEERS & CONSULTANTS LTD ' GUNKUL INTERNATIONAL (MAURITIUS) INDO MAURITIAN AFFILIATES LIMITED PCFP (MAURITIUS) LIMITED TRAXTION (MAURITIUS) LIMITED Symphony (Mint) Investment Limited

## ANNEXURE 1 (CONTINUE)

DIRECTORS, EXECUTIVE MANAGEMENT, FOUNDERS, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS (CONTINUE)

### Directors of AFRICURE

Director	Directorships currently held	Directorships held in past 5 years
Mr.Sinhue Bosco Noronha	<p>Africure Pharmaceuticals (Cameroon) S.A.</p> <p>Africure Pharmaceuticals Botswana (Pty) Ltd</p> <p>Africure Pharmaceutical Cote D'Ivoire S.A.</p> <p>Africure Pharmaceuticals Manufacturing Ethiopia PLC</p> <p>Africure Pharmaceuticals Limited Nigeria</p> <p>Africure Pharmaceuticals Tanzania Limited</p> <p>Africure Pharmaceutical Development S.A (APHAD)</p> <p>Africure Pharmaceuticals Burkina S.A.</p> <p>Africure Pharmaceuticals Namibia (Pty) Limited</p> <p>Africure Zimbabwe (Private) Limited</p> <p>Simrone Phamaceutical Industries Limited</p> <p>VS3 Golden Years Private Limited</p>	<p>Africure Pharmaceuticals (Cameroon) S.A.</p> <p>Africure Pharmaceuticals Botswana (Pty) Ltd</p> <p>Africure Pharmaceutical Cote D'Ivoire S.A.</p> <p>Africure Pharmaceuticals Manufacturing Ethiopia PLC</p> <p>Africure Pharmaceuticals Limited Nigeria</p> <p>Africure Pharmaceuticals Tanzania Limited</p> <p>Africure Pharmaceutical Development S.A (APHAD)</p> <p>Africure Pharmaceuticals Burkina S.A.</p> <p>Africure Pharmaceuticals Namibia (Pty) Limited</p> <p>Africure Zimbabwe (Private) Limited</p> <p>Simrone Phamaceutical Industries Limited</p> <p>VS3 Golden Years Private Limited</p> <p>Strides Emerging Markets Limited</p> <p>Eris Healthcare Private Limited</p> <p>Tenshi Life Care Private Limited</p> <p>Fagris Medica Private Limited</p> <p>Arrow Remedies Private Limited</p>
Mr.Deepak Joseph Parayanken	<p>Mozambique Holdings Lda</p> <p>Agencia Nacional de Frete e Navegacao SA (ANFRENA)</p> <p>MHL Auto SA</p> <p>Strides Pharma Mozambique SA</p> <p>Farma Holdings SA</p> <p>Fabrica de Uniformes Militares Lda (FAUMIL)</p> <p>Industria Nacional de Uniforms Policiais Lda (INUPOL)</p> <p>Agro Industrial e Cha de Tacuane Lda</p> <p>Africa Drilling Company Lda (AFRODRILL)</p> <p>Infra Engineering Solutions FZCO</p> <p>Pharmatech FZCO</p> <p>Tech Projects International Private Limited</p>	<p>Mozambique Holdings Lda</p> <p>Agencia Nacional de Frete e Navegacao SA (ANFRENA)</p> <p>MHL Auto SA</p> <p>Strides Pharma Mozambique SA</p> <p>Farma Holdings SA</p> <p>Fabrica de Uniformes Militares Lda (FAUMIL)</p> <p>Industria Nacional de Uniforms Policiais Lda (INUPOL)</p> <p>Agro Industrial e Cha de Tacuane Lda</p> <p>Africa Drilling Company Lda (AFRODRILL)</p> <p>Infra Engineering Solutions FZCO</p> <p>Pharmatech FZCO</p> <p>Tech Projects International Private Limited</p> <p>Ascent Infra Projects Private Limited India</p>



## ANNEXURE 1 (CONTINUE)

DIRECTORS, EXECUTIVE MANAGEMENT, FOUNDERS, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS (CONTINUE)

Directors of AFRICURE		
Director	Directorships currently held	Directorships held in past 5 years
Mr.Ravi Shankar Chandrasekhar	Africure Pharmaceuticals Botswana (Proprietary) Limited Africure Phamaceuticals (Cameroon) S.A Africure Pharmaceuticals Namibia (Proprietary) Limited Africure Pharmaceuticals (India) Private Limited Africure Pharmaceuticals Manufacturing Ethiopia PLC Africure Pharmaceutical Cote d'Ivoire S.A. Africure Pharmaceuticals Limited -Nigeria African Pharmaceutical Development S.A Africure Pharmaceuticals Burkina SA Africure Pharmaceuticals Tanzania Ltd Africure Zimbabwe (Private) Limited Parkes and Rao Research International Private Limited Nivid Artificial Intelligence Private Limited	Africure Pharmaceuticals Botswana (Proprietary) Limited Africure Phamaceuticals (Cameroon) S.A Africure Pharmaceuticals Namibia (Proprietary) Limited Africure Pharmaceuticals (India) Private Limited Africure Pharmaceuticals Manufacturing Ethiopia PLC Africure Pharmaceutical Cote d'Ivoire S.A. Africure Pharmaceuticals Limited -Nigeria African Pharmaceutical Development S.A Africure Pharmaceuticals Burkina SA Africure Pharmaceuticals Yes Tanzania Ltd Africure Zimbabwe (Private) Limited Parkes and Rao Research International Private Limited Nivid Artificial Intelligence Private Limited Surebot Technology Solutions Private Limited Kulish Jewels Private Limited Eris Healthcare Private Limited Tenshi Life Care Private Limited
Mr.Haider Mousa Mohammed Mohammed	Alraed Pharmaceutical group Alraed Scientific Bureau Ataya Company for Trading of Devices and Medical Appliances	Alraed Pharmaceutical group Alraed Scientific Bureau Ataya Company for Trading of Devices and Medical Appliances
Mr. Ibrahim Malleck	Ebonia Capital	

## ANNEXURE 1 (CONTINUE)

DIRECTORS, EXECUTIVE MANAGEMENT, FOUNDERS, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS (CONTINUE)

### Directors of AFRICURE

Director	Directorships currently held	Directorships held in past 5 years
Mr.Vikramkumar Naik	Avacare Global Avacare Holdings Innovata Africure Pharmaceuticals Ltd MJ Consultancy Services AvaGro Global Groundbait (Pty) Ltd Pharma Vision (Pty) Ltd Portfolio Pharmaceuticals Botswana (Pty) Ltd Medline Middle East FZE Avacare Kenya Ltd Statim Pharmaceuticals Ltd Supra Healthcare (Pty) Ltd Avacare Vaporizers and Flavours (Namibia) (Pty) Ltd Erongo Agencies (Pty) Ltd Erongo Medical Underwriters (Pty) Ltd Intellectus Campus Namibia (Pty) Ltd New Medical Investment Holdings (Pty) Ltd Tuye Property Investments Twenty Nine (Pty) Ltd Tuye Property Investments Thirty (Pty) Ltd Integrated Wellness Solutions (Pty) Ltd African Deli (Pty) Ltd Bel Esprit Hospital (Pty) Ltd Bel Esprit Property (Pty) Ltd Hallie Investment Number Three Thousand One Hundred and Eighty Two (Pty) Ltd Avacare Shared Services CMA (Pty) Ltd Imedprac Holdings (Pty) Ltd Portfolio Pharmaceuticals (Pty) Ltd Imedprac Software Solutions (Pty) Ltd Imedprac (Pty) Ltd Avacare Health Radiology (Pty) Ltd Avacare Health Holdings (Pty) Ltd Avacare Health CMA Group Holding (Pty) Ltd Avapharm (Pty) Limited Swazipharm Wholesale (Pty) Ltd Augusta Ltd Augusta Pharmaceuticals Ltd Devices and Disposables (Pvt) Ltd Intellectus Campus (Pvt) Ltd New Avakash International (Pvt) Ltd Africure Zimbabwe (Pvt) Ltd	

## ANNEXURE 1 (CONTINUE)

DIRECTORS, EXECUTIVE MANAGEMENT, FOUNDERS, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS (CONTINUE)

### Directors of AFRICURE

Director	Directorships currently held	Directorships held in past 5 years
Mr.Vashish Bisnathsing	CV People Africa Golder Associates Africa Datatransfer Ltd Scrabble Entertainment (Mauritius) Ltd Blue Chapels Investment Ltd Cadmus KnowledgeWorks International Ltd	CV People Africa Golder Associates Africa Datatransfer Ltd Scrabble Entertainment (Mauritius) Ltd Blue Chapels Investment Ltd Cadmus KnowledgeWorks International Ltd



## ANNEXURE 1 (CONTINUE)

### DIRECTORS, EXECUTIVE MANAGEMENT, FOUNDERS, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS (CONTINUE)

## 2. REMUNERATION OF THE DIRECTORS OF AFRICURE

- a. As at the last practicable date, the remuneration and benefits anticipated to be paid by the Company to the directors of Africure in their capacity as directors (or in any other capacity) for the financial year ending 31 March 2021 will be as set out below:

USD Director	Basic salary	Director's fees	Other fees	Performance bonus	Expense allowance	Other material benefits	Pension scheme contributions	Commissions	Shares or share options or similar rights	Share of profit	Total
Mr.Sultunti Asnath	-	-	-	-	-	-	-	-	-	-	-
Mr.Sinhue Bosco Noronha	-	160,000	-	-	-	-	-	-	-	-	160,000
Mr.Deepak Joseph Parayanken	-	-	-	-	-	-	-	-	-	-	-
Mr.Ravi Shankar Chandrasekhar	-	80,000	-	-	-	-	-	-	-	-	80,000
Mr.Haider Mousa Mohammed Mohammed	-	-	-	-	-	-	-	-	-	-	-
Mr.Ibrahim Malleck	-	-	-	-	-	-	-	-	-	-	-
Mr.Vikramkumar Naik	-	-	-	-	-	-	-	-	-	-	-
Mr.Vashish Bisnathsing	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>240,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>240,000</b>

The Company is currently negotiating with the non-executive directors with regard to director's fees payable to them. This process is expected to be completed before the financial year end.

## 3. DIRECTORS' INTERESTS IN SECURITIES

The table below sets out the direct and indirect interests of the directors of the Company, including any directors who may have resigned during the last 18 months, in Africure's issued ordinary share capital as at the last practicable date:

Directors	Number of shares		Total	% of issued ordinary share capital
	Indirect	Direct		
Mr. Sinhue Bosco Noronha	-	4,380,000	4,380,000	53
Mr. Deepak Joseph Parayanken	-	395,000	395,000	4.3
Mr. Ravi Shankar Chandrasekhar	-	500,000	500,000	6
Mr. Haider Mousa Mohammed Mohammed	-	1,230,000	1,230,000	14.75
Mr. Vikramkumar Naik	-	-	-	-
Mr.Sultunti Asnath	-	-	-	-
Mr. Ibrahim Malleck	-	-	-	-
Mr. Vashish Bisnathsing	-	-	-	-
Mr. Sunil Reddy Sandinti	-	-	-	-
Mr. Kjell Ekstrom	-	-	-	-

## 4. DIRECTORS' INTERESTS IN TRANSACTIONS

- a. The directors of the Company had no beneficial interest in transactions entered into by the Company:
- during the current financial year; or
  - during the two preceding financial years; or
  - during any earlier financial year and which may still be outstanding.
- b. No amount has been paid to any director (or to any Company in which he is interested (whether directly or indirectly) or of which he is a director or to any partnership, syndicate or other association of which he is a member) in the three years preceding the date of these Listing Particulars (whether in cash or securities or otherwise) by any person either to induce him to become or to qualify him as a director or otherwise for services rendered by him (or by the associate identity) in connection with the promotion or formation of the Company.

## ANNEXURE 1 (CONTINUE)

DIRECTORS, EXECUTIVE MANAGEMENT, FOUNDERS, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS (CONTINUE)

### 5. DIRECTORS' INTERESTS IN PROPERTY ACQUIRED OR TO BE ACQUIRED

None of the directors have had any material beneficial interest, direct or indirect, in the promotion of the Company or in any property acquired or proposed to be acquired by the Company or otherwise in the three years preceding the date of issue of these Listing Particulars and no amount has been paid during this period, or is proposed to be paid to any director.

### 6. TERMS OF OFFICE

Other than Messrs. Noronha and Chandrasekhar, none of the directors have entered into a service contract with the Company and accordingly the appointment of the directors is indefinite but remains subject to all applicable laws and the provisions of the Company's Constitution.

### 7. CONSTITUTION

The relevant extracts of the Constitution of the Company providing for the appointment, qualification, retirement, remuneration and borrowing powers of the directors and the powers enabling a director to vote on a proposal, arrangement or contract in which he is materially interested are set out in **Annexure 4**.

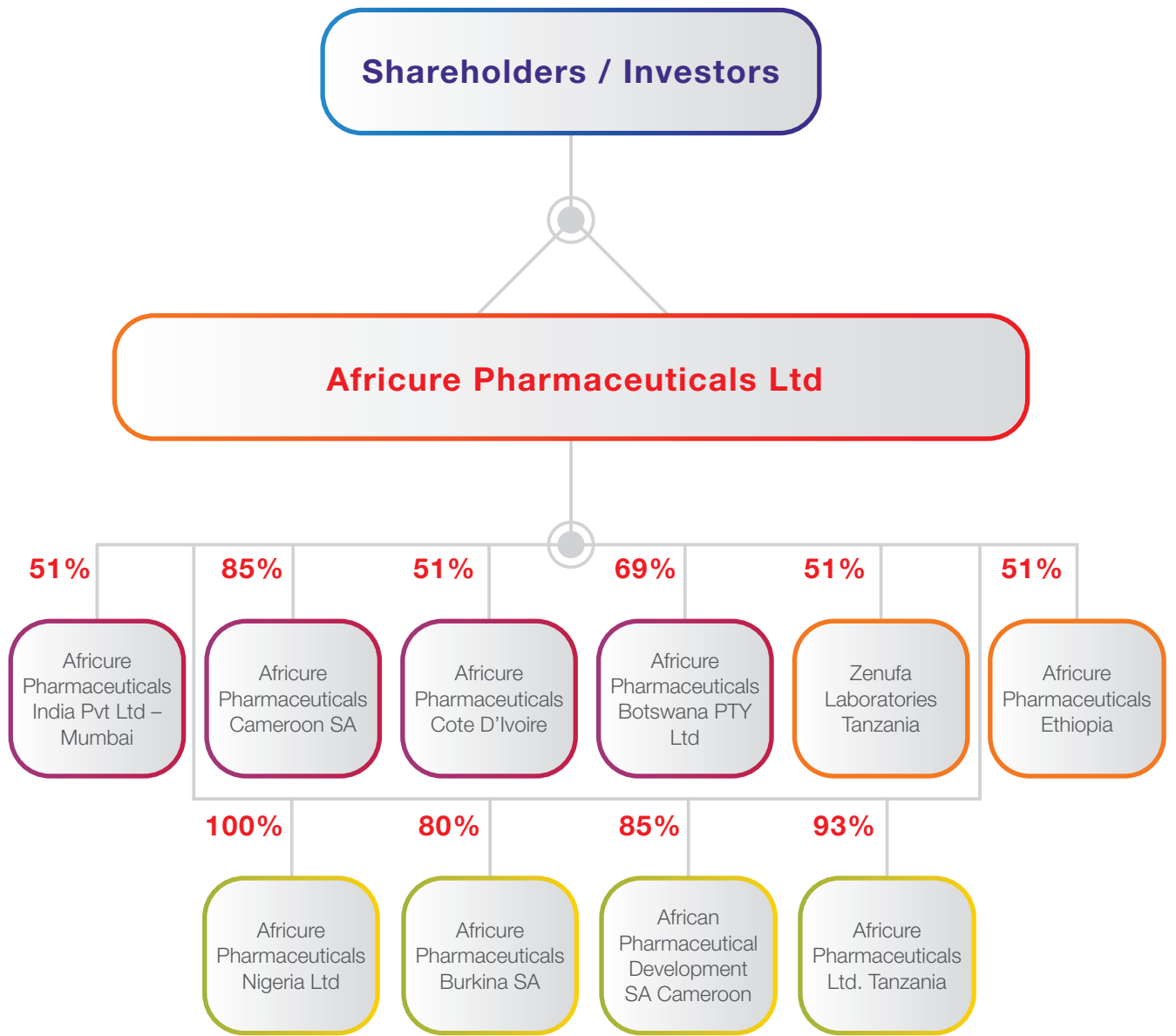
### 8. BORROWING POWERS

As set out more fully in **Annexure 4**, the borrowing powers of the Company exercisable by the directors are unlimited and, accordingly, have not been exceeded since incorporation.

### 9. SUMMARY OF EXISTING OR PROPOSED CONTRACTS (WHETHER WRITTEN OR ORAL) RELATING TO DIRECTORS' AND MANAGERIAL REMUNERATION, RESTRAINT PAYMENTS, ROYALTIES AND SECRETARIAL AND TECHNICAL FEES

- a. There are professional services agreements, entered with the Directors who hold an executive role and the same is signed for a period of three years, which entitles such Directors for a fixed remuneration.
- b. There were no other contracts or arrangements in which the directors were materially interested, and which were significant in relation to the business of the Company.

# ANNEXURE 2 COMPANY STRUCTURE



**Key**

- Manufacturing plant**
- Upcoming manufacturing plant**
- Distribution companies**



## SHARE CAPITAL AND SHAREHOLDING

### 1. MAJOR AND CONTROLLING SHAREHOLDERS

As at the date of these Listing Particulars, the following shareholders held 5% or more of the issued ordinary shares in Africure:

Name of Shareholder	Number of shares held	Percentage of issued ordinary share capital
1. Mr. Sinhue Bosco Noronha	4,380,000	53
2. Mr. Ravi Shankar Chandrasekhar	50,000	6
3. Mr. Haider Mousa Mohammed Mohammed	1,230,000	14.75
4. Avacare Global	1,025,000	12.29
5. Zion Investments LLC	787,500	9.44
<b>Total</b>	<b>7,922,500</b>	<b>95.48</b>

### 2. SHARES ISSUED OTHERWISE THAN FOR CASH

No shares have been issued or agreed to be issued otherwise than for cash by the Company since incorporation.

### 3. COMPANY'S SHARE CAPITAL

The issued share capital of the Company, immediately before the SEM listing is as follows:

Stated Capital	USD
Issued shares	
2,945 preference shares of par value USD 1.00 each	3,319,395
8,337,500 ordinary shares of no par value	6,431,853
<b>Total</b>	<b>9,751,248</b>

Assuming that all of the placement shares will be subscribed for, the issued share capital of the Company after the various placings will be as follows:

Stated Capital	USD
Issued shares	
2,945 preference shares of par value USD 1.00 each	3,319,395
10,337,500 ordinary shares of no par value	16,431,853
<b>Total</b>	<b>19,751,248</b>

- a. The Company does not hold any shares in treasury security.
- b. The shares of the Company are under the control of the directors of the Company. In terms of Article 3.2.1 of the Constitution, the members in general meeting may authorise the Board to issue shares and/or grant options at any time to any person.
- c. The capital of the Company shall consist of the following classes of shares:
  - i. **Ordinary shares**  
The ordinary shares shall be no par value listed shares (on the Official Market of the SEM) in the share capital of the Company.
  - ii. **Preference shares**  
The preference shares shall be unlisted shares in the share capital of the Company of par value USD 1.00 each.
- d. Ordinary shares shall confer on the holders thereof the rights as provided under the Companies Act 2001, i.e.:
  - i. the right to one vote on a poll at a meeting of the Company on any resolution;
  - ii. the right to an equal share in dividends authorised by the Board; and
  - iii. the right to an equal share in the distribution of the surplus assets of the Company.



## ANNEXURE 3 (CONTINUE)

### SHARE CAPITAL AND SHAREHOLDING (CONTINUE)

- e. The preference shares were issued to investors in April 2018 and have a maturity date of April 2023. The preference shares shall confer upon the holders thereof the rights set out under Schedule 1 of the Constitution and which are listed below:
  - i. Preference shares have a coupon of 6%;
  - ii. Preference shares are non-participating;
  - iii. Preference shares are cumulative;
  - iv. Preference shares are non-convertible shares;
  - v. Preference shares have a liquidation preference as set out in the Constitution; and
  - vi. Subject to the Companies Act 2001, preference shares do not have any voting rights whatsoever in the Company except with regard to the variation of their rights.
- f. All the ordinary shares to be issued in terms of these Listing Particulars will be of the same class and will rank *pari passu* with all other issued ordinary shares of the Company (if any).
- g. In terms of Mauritian law, the Company does not have an authorised share capital. Under Mauritian law, the stated capital of the Company is made up of the shares issued by the Company.

#### 4. ALTERATIONS TO SHARE CAPITAL OF THE COMPANY

- a. The Company was incorporated on 17 March 2017 with a share capital of 1 ordinary share (issued at nominal value of USD 1.00 per share), and which was allotted to a nominee shareholder.
- b. During the period from the date of incorporation to 24 March 2017, an additional 9,999 additional ordinary shares were issued, and there was a total of 10,000 ordinary shares in issue as at that date.
- c. Further, during the period from 1 April 2017 to 30 April 2018, an additional 6,675 new ordinary shares were issued at a price of USD 1.00 per share.
- d. In April 2018, the shareholders of the Company passed a resolution to authorise the creation of a new class of shares (i.e. the 6% coupon non-voting non-participating preference shares).
- e. In April 2018, a total of 2,945 preference shares were issued at a nominal value of USD 1.00.
- f. On 10 December 2020, the shareholders passed a resolution to convert the ordinary shares from par value to no par value ordinary shares.
- g. On 10 December 2020, the shareholders passed a resolution approving a share split of 1:500.
- h. As at the date of this document, the total number of ordinary shares in issue by the Company is 8,337,500, and the number of preference shares in issue is at 2,945.
- i. Other than the information provided above, since the last practicable date, there have been no further alterations to the Company's share capital. Accordingly:
  - i. there have been no issues or offers of securities of the Company since the last practicable date;
  - ii. there have been no other consolidation or subdivision of shares in the Company since the last practicable date;
  - iii. no offer for shares in the Company was made to the public since the last practicable date;
  - iv. no share repurchases were undertaken by the Company since the last practicable date; and
  - v. there has been no amount payable by way of premium on any share issued by the Company since the last practicable date.

#### 5. FOUNDERS AND MANAGEMENT SHARES

Save for the details set out in paragraph 3 of **Annexure 1**:

- a. There are no deferred shares.
- b. There are no shares held as at the last practicable date by founders or the directors of the Company.
- c. As Africure does not own any physical property nor has entered into agreement to acquire any physical property as at the last practicable date, the directors of Africure do not have any material interest in any acquisition or disposal of any properties.

## ANNEXURE 3 (CONTINUE)

### SHARE CAPITAL AND SHAREHOLDING (CONTINUE)

#### 6. OPTIONS AND PREFERENTIAL RIGHTS

- a. There are no other preferential conversion, redemption and/or exchange rights in respect of any of the shares or other securities.
- b. There are no contracts, arrangements or proposed contracts or arrangements whereby any option or preferential right of any kind was or is proposed to be given to any person to subscribe for or acquire any shares in the Company.

#### 7. FRACTIONS

No fractions of shares have been or will be issued.



[...]

## 3. SHARES

### 3.1 Rights and qualifications of shares

- 3.1.1 Save as otherwise provided herein, the designations, powers, preferences, rights, qualifications, limitations and restrictions of each class and series of shares that the Company is authorized to issue shall be fixed by Ordinary Resolution to create separate classes of shares and all the aforesaid rights as to voting, dividends, redemptions and distributions shall be identical within each separate class.
- 3.1.2 The rights conferred upon the holders of the shares of any class issued with preferred rights shall not, unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking “pari passu” therewith.
- 3.1.3 The Company has a stated capital divided into Ordinary Shares and Preference Shares.

### 3.2 Issuance of new shares

- 3.2.1 Subject to the provisions of the Listing Rules of the Stock Exchange of Mauritius Ltd (“SEM Rules”) or the requirements of any other exchange on which the Company is listed and pursuant to Section 52 of the Act, the Board may only issue unissued shares where shares of that particular class are listed and/or grant options if such shares have first been offered to existing Members in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine, unless such shares are issued for the acquisition of assets by the Company. Notwithstanding the foregoing, Members in a meeting of Members may authorise the directors to issue unissued securities, and/or grant options to subscribe for unissued securities, as the directors in their discretion deem fit, provided that the corporate action(s) to which any such issue or grant of options relates, has/have to the extent required been approved by the Stock Exchange of Mauritius Ltd (“SEM”).
- 3.2.2 Shares in the Company shall be issued for money, services rendered, personal property, an estate in real property, a promissory note or other binding obligation to contribute money or property or any combination of the foregoing as shall be determined by a resolution of the Board.
- 3.2.3 Shares in the Company may be issued for such amount of consideration as the Board may from time to time by resolution determine and in the absence of fraud the decision of the Members as to the value of the consideration received by the Company in respect of the issue is conclusive unless a question of law is involved.
- 3.2.4 A share issued by the Company upon conversion of, or in exchange for another share or a debt obligation or other security in the Company, shall be treated for all purposes as having been issued for money equal to the consideration received or deemed to have been received by the Company in respect of the other share, debt obligation or security.
- 3.2.5 The Company shall not, even when it has notice of the fact, be bound by, or be compelled in any way to recognize any contingent, future or partial interest in any share or, except as is otherwise provided by this constitution or by any other law, any other right in respect of any share, except an absolute right to entirety thereof in the registered holder.
- 3.2.6 So long as the Company shall be a listed company, the preferences, rights, limitations or other terms of any class of shares of the Company must not be varied and no resolution may be proposed to Members for rights to include such variation in response to any objectively ascertainable external fact.
- 3.2.7 No shares or any interest or right to the shares shall be issued or granted by the Company to bearer.

### 3.3 Purchase or other acquisition of own shares

- 3.3.1 The Company may purchase or otherwise acquire its own shares, but no purchase or other acquisition shall be made except in accordance with the Act and the Securities (Purchase of Own Shares) Rules 2008.
- 3.3.2 Shares that the Company purchases or otherwise acquires pursuant to Article 3.3.1 may be cancelled or may be held as Treasury Shares.

### 3.4 Share register

- 3.4.1 The Board shall cause to be kept a share register containing:
  - 3.4.1.1 the names and addresses of the persons who hold shares in the Company;
  - 3.4.1.2 the number of each class and series of shares held by each person;
  - 3.4.1.3 the date on which the name of each person was entered in the share register;

## ANNEXURE 4 (CONTINUE)

### EXTRACTS FROM THE CONSTITUTION OF THE COMPANY (CONTINUE)

3.4.2 The share register may be in any form approved by the Board, including magnetic, electronic, or other data storage form, so long as legible evidence of its contents may be produced.

3.4.3 A copy of the share register, commencing from the date of the registration of the Company, is kept at the registered office of the Company.

### 3.5 Share certificates

3.5.1 The Company shall issue to every member holding shares in the Company a certificate signed by a director or officer of the Company and under the Seal specifying the share or shares held by him.

3.5.2 Any Member receiving a certificate for shares shall indemnify and hold the Company and its directors and officers harmless from any loss or liability which it or they may incur by reason of the wrongful or fraudulent use or representation made by any person by virtue of the possession thereof. If a certificate is damaged, destroyed or lost it may be renewed on production of the damaged certificate or on satisfactory proof of its loss or destruction together with such indemnity as may be required by a resolution of the Board.

3.5.3 If several persons are registered as joint holders of any shares, any one of such persons may give an effectual receipt for any dividend payable in respect of such shares.

### 3.6 Transfer of shares

3.6.1 Subject to the provisions of this constitution, where shares are listed on the Official Market of the SEM or on another securities exchange, the shares of the company shall be freely transferable and free from any lien. Each Member may transfer, without payment of any other charges, save brokerage fees payable in relation to such transfer, all or any of his shares which have been fully paid.

3.6.2 For so long as the Company shall be admitted for listing on the SEM, a Member wishing to transfer its shares, shall where physical share certificates have been issued to that Member, cause its shares to be dematerialised.

3.6.3 For so long as the Company shall be admitted for listing on the SEM, all shares transferred must be in the dematerialized form and must be conducted through the Automated Trading System in accordance with the Trading Procedures of the SEM.

3.6.4 In respect of shares held in certificated form and where such shares have not been listed on the SEM, every instrument of transfer shall be executed by or on behalf of the transferor. Every instrument of transfer shall be left at the registered office of the company (or such other place as the Board may from time to time determine) at which it is presented for registration accompanied by the certificate of the shares so transferred, and/or such other evidence as the company may require, to prove the title of the transferor of his rights to transfer the shares. All authorities to sign instruments of transfer granted by Members for the purpose of transferring shares which may be lodged, produced or exhibited with or to the company at its registered office (or such other place as the Board may from time to time determine) shall, as between the company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect and the company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the company's registered office (or such other place as the Board may from time to time determine) at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notice, the company shall be entitled to give effect to any instrument signed under the authority to sign, and certified by any officer of the company, as being in order before the giving and lodging of such notices. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

3.6.5 Subject to this constitution, any Member may transfer all or any of his Preference Shares by an instrument in writing. The transfer of Preference Shares will be for not less than fair market value. The outstanding or accrued amounts payable to the transferor after Company acknowledges the transfer, will be assigned to the transferee on same terms and conditions, which was previously assigned to the transferor.

### 3.7 Transmission of shares

3.7.1 If title to a share passes to a Transmittree, the company may only recognise the Transmittree as having any title to that share.

3.7.2 A Transmittree who produces such evidence of entitlement to shares as the directors may properly require –

3.7.2.1 may, subject to the provisions of this Constitution choose either to become the holder of those shares or to have them transferred to another person; and

3.7.2.2 subject to the provisions of this Constitution, and pending any transfer of the shares to another person, has the same rights as the holder had.

## ANNEXURE 4 (CONTINUE)

### EXTRACTS FROM THE CONSTITUTION OF THE COMPANY (CONTINUE)

- 3.7.3 Transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.
- 3.8 The Company shall not be bound to register more than four persons as the joint holders of any share or shares and in the case of a share held jointly by several persons. The Company shall not be bound to issue more than one certificate therefor (where applicable), and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.
- 3.9 The Company shall not take any action to sell the shares of a Member who is untraceable unless:
- (i) during a period of twelve (12) years, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
  - (ii) on expiry of the twelve (12) years, the company gives notice of its intention to sell the shares by way of an advertisement published in at least two widely circulated daily newspapers in Mauritius and notifies the SEM of such intention.

[...]

## 5. DIRECTORS

### 5.1 Appointment of directors

- 5.1.1 The directors of the Company shall be such person or persons as may be appointed from time to time by Ordinary Resolution or by notice to the Company.
- 5.1.2 The number of directors of the Company shall be a minimum of 2 and not exceed 15.
- 5.1.3 The Company may by Ordinary Resolution increase or reduce the number of directors.
- 5.1.4 The directors may appoint any person to be a director to fill a casual vacancy or as an addition to the existing directors but the total number of directors shall not at any time exceed the number fixed in accordance with Article 5.1.2 or by Ordinary Resolution pursuant to Article 5.1.3.
- 5.1.5 Any director appointed under Article 5.1.4 shall hold office only until the next following annual meeting and shall then retire but shall be eligible for appointment at that meeting.
- 5.1.6 At least seven (7) days' notice shall be given to the Company of any intention to propose a person for election as a director at a meeting of the Members and the consent of such person in relation thereto shall be communicated to the Company at least seven (7) days before the date of the meeting.
- 5.1.7 Notwithstanding anything to the contrary contained herein and subject to as may otherwise be provided by law, any director, managing director or other executive director may, by Ordinary Resolution passed at a meeting of Members called for purposes that include their removal or ceasing to hold office pursuant to section 139 of the Companies Act 2001, be removed from office before the expiry of their period of office subject however, to the right of any such director to claim damages under any contract.

### 5.2 Remuneration to directors

- 5.2.1 The remuneration of directors shall be proposed by the relevant Board Committee to Board for approval.
- 5.2.2 The Board may determine the terms of any service contract with a managing director or other executive director.
- 5.2.3 The Company shall reimburse each director for all travel, hotel, and other expenses incurred by that director in attending board meetings or otherwise in working for the Company.
- 5.2.4 A director shall not vote on any contract or arrangement or any other proposal in which he or his associates have a material interest nor shall he be counted in the quorum present at the meeting."

# CORPORATE GOVERNANCE STATEMENT

Africure is fully committed to complying with the National Code of Corporate Governance for Mauritius (2016).

In so doing, the directors recognise the need to conduct the enterprise with integrity and in accordance with generally acceptable corporate practices. This includes timely, relevant and meaningful reporting to its shareholders and other stakeholders and providing a proper and objective perspective of the Company and its activities.

The directors have, accordingly, established mechanisms and policies appropriate to the Company's business according to its commitment with best practices in Corporate Governance in order to ensure compliance with the National Code of Corporate Governance for Mauritius (2016). The directors will review these mechanisms and policies from time to time.

The formal steps taken by the directors are summarised below:

## 1. BOARD OF DIRECTORS

The Board of directors (the "**Board**") currently comprises two executive directors and five independent non-executive directors. It is the Company's intention to have at least three independent non-executive directors on the Board. The Board will ensure that there is an appropriate balance of power and authority on the Board, such that no one individual or block of individuals dominates the Board's decision-taking. The independent non-executive directors are individuals of calibre, credibility and have the necessary skills and experience to bring independent judgement on issues of strategy, performance, resources, standards of conduct and evaluation of performance.

The Board is responsible for the strategic direction of the Company. It sets the values which the Company shall adhere to.

The Board has appointed a chief executive officer and has established a framework for delegation of authority. The Board ensures that the role and function of the chief executive officer is formalised, amended from time to time if required, and that the chief executive officer's performance is evaluated against specified criteria.

The Company is in the process of appointing a Chairperson of the Board and an additional female director so as to meet the gender diversity requirement under the National Code of Corporate Governance for Mauritius (2016).

The current Board's diversity of professional expertise and demographics make it a highly effective Board with regard to Africure's current strategies. The Board shall ensure that, in appointing successive board members, the Board as a whole will continue to reflect, whenever possible, a diverse set of professional and personal backgrounds.

The information needs of the Board is reviewed annually and directors have unrestricted access to all Company information, records, documents and property to enable them to discharge their responsibilities efficiently. Efficient and timely methods of informing and briefing Board members prior to board meetings has been developed.

The Board has established a suitable induction programme to familiarise incoming directors with the Company's operations, senior management and its business environment, and to induct them in their fiduciary duties and responsibilities. Directors receive further briefings from time to time on relevant new laws and regulations as well as on changing economic risks.

Directors ensure that they have a working understanding of applicable laws. The Board ensures that the Company complies with applicable laws and considers adherence to non-binding industry rules and codes and standards. In deciding whether or not non-binding rules shall be complied with, the Board factors the appropriate and ethical considerations that must be taken into account. New directors with no or limited board experience will receive appropriate training to inform them of their duties, responsibilities, powers and potential liabilities.

The Board discloses details in their directors' report of how it has discharged its responsibilities to establish an effective compliance framework and process.

A sub-committee appointed by the Board, will appraise the performance of the chief executive officer at least annually.

All directors will be subject to retirement by rotation and re-election by Africure shareholders every year in accordance with the Company's constitution.

Board meetings are held at least quarterly, with additional meetings convened when circumstances necessitate.

The Board as a whole and individual directors will have their overall performance periodically reviewed in order to identify areas for improvement in the discharge of individual director's and the Board's functions on an annual basis. This review will be undertaken by a sub-committee appointed by the Board and, if so determined by the Board, an independent service provider. An overview of the appraisal process, results and action plan will be disclosed in the directors' report. Nominations for the re-appointment of a director will only occur after the evaluation of the performance and attendance of the director at board meetings.

The Board has delegated certain functions to the Audit and Risk Committee and the Nomination and Remuneration Committee. The Board is conscious of the fact that such delegation of duties is not an abdication of the Board members' responsibilities. The various committees' terms of reference shall be reviewed annually and such terms of reference will be disclosed in the Company's directors' report.

External advisors and executive directors who are not members of specific committees shall attend committee meetings by invitation, if deemed appropriate by the relevant committees.

The Board's independence from executive management team is ensured by the following:

- separation of the roles of the chairman and chief executive officer;
- the Board being dominated by independent non-executive directors;
- the Audit and Risk Committee and the Nomination and Remuneration Committee having a majority of independent non-executive directors;
- non-executive directors not holding service contracts;
- all directors having access to the advice and services of the company secretary; and
- with prior agreement from the chairman, all directors are entitled to seek independent professional advice concerning the affairs of the Company, at the Company's expense.

## 2. AUDIT AND RISK COMMITTEE

In an endeavor to assist the Company in supporting its objectives, an Audit and Risk Committee has been set up by the Company to assist the Board in fulfilling its oversight responsibilities for risk management, the financial reporting process, the system of internal control over financial reporting, and the audit process.

### a. Membership

- The Committee shall comprise of not less than three members, consisting of non-executive and independent directors, and the majority should be independent directors.
- The Board shall appoint a Chairperson from the independent non-executive members of the Committee and determine the period for which he or she shall hold office.
- Appointments to the Committee shall be made by the Board.
- The Chairperson of the Board, the Chief Executive Officer ("CEO") the Chief Financial Officer ("CFO") and any executive director shall not be eligible to be appointed as Chairperson or member of the Committee.
- The current members of the Audit and Risk Committee are:
  - a. Deepak Joseph Parayanken;
  - b. Haider Mousa Mohammed Mohammed; and
  - c. Ibrahim Malleck.
- In the absence of the Committee Chairperson and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chairperson of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chairpersonship.
- Regarding the audit aspect, the Board shall satisfy itself that at least one member of the Committee has recent and relevant financial experience ideally with a professional qualification from one of the professional accountancy bodies.
- The Board shall have the power at any time to remove any members from the Committee and to fill any vacancies created by such removal.
- Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Chief Risk Officer ("CRO"), senior executives and external advisers may be invited to attend all or part of any meeting, as and when appropriate and necessary.
- Appointments to the Committee shall be for a period of up to two years extendable by no more than two additional two-year periods, so long as members continue to be independent.
- The Company shall provide an induction program for new Committee members. This should cover the role of the Committee, including its terms of reference and expected time commitment by members, and an overview of the Company's business model and strategy identifying the main business and financial dynamics and risks. Trainings should also be provided to the members of the Committee on an ongoing and timely basis and should include an understanding of the principles of and developments in financial reporting, risk management and related laws and regulations.

### b. Secretary

The company secretary of the Company shall act as the Secretary of the Committee.

### c. Quorum

The quorum necessary for the transaction of business shall be two members and at least one must be an independent non-executive director

### d. Frequency of meetings

- The Committee shall meet at least twice a year at appropriate intervals to coincide with key dates within the financial reporting and audit cycle. Additional meetings may be called whenever required.
- Outside of the formal meetings, the Committee Chairperson will maintain a dialogue with key individuals involved in the company's governance, including the Board Chairperson, the CEO, the CFO, the CRO, the external audit lead partner and the head of internal audit. The Committee Chairperson, at his discretion, may invite other executives to attend and to be heard at meetings of the Committee.

### e. Notice of Meetings

- Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any of its members or at the request of the external audit lead partner or head of internal auditor if they consider it necessary.
- Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee, any other person required to attend, no later than five working days before the date of the meeting. The documents may be sent in electronic form.

### f. Minutes of Meetings

- The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- Draft minutes of Committee meetings shall be circulated no later than seven working days to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Committee Chairperson.

### g. Annual Meeting

The Committee Chairperson shall attend the annual meeting to answer shareholder questions on the Committee's activities and on matters within the scope of its responsibilities.

### h. Responsibilities of the Committee

The Committee shall carry out the duties below for the Company, the major subsidiary undertakings and the group as a whole, as appropriate.

#### a. Responsibilities with regards to audit

##### Financial Statements

The Committee will examine and review the quality and integrity of the financial statements of the company, including its, annual and half yearly reports, interim reports and any other formal announcement relating to the Company's financial performance.

The Committee shall review and report to the Board on significant financial reporting issues and judgments which these financial statements contain having regard to matters communicated to the Committee by the auditor.

In particular, the Committee shall review and challenge where necessary:

- The consistency of, and any changes to, significant accounting policies both on a year on year basis and across the Company/group;
- Compliance with accounting standards, local and international, compliance with stock exchange and legal requirements;
- The methods used to account for significant or unusual transactions where different approaches are possible;
- Significant adjustments resulting from the audit;
- Whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments taking into account the views of the external auditor;
- The clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made;
- All material information presented with the financial statements, such as the business review and the corporate governance statements relating to the audit and to risk management;
- Where the Committee is not satisfied with any aspect of the proposed financial reporting by the company, it shall report its views to the Board;
- The basis on which the Company has been determined a going concern;
- Capital adequacy and internal controls;
- Compliance with the financial conditions of any loan covenants; and
- Reviewing special documents.



### **Narrative reporting**

Where requested by the Board, the Committee shall review the content of the accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders and other stakeholders to assess the company's performance, business model and strategy.

### **Internal controls and risk management systems**

The Committee shall:

- Keep under review the adequacy and effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems; and
- Review and approve the statements to be included in the accounts concerning internal controls and risk management.

### **Compliance, whistleblowing and fraud**

The Committee shall:

- Review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- Review significant transactions not directly related to the Company's normal business as the Committee might deem appropriate;
- Review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the Company.

### **Internal audit**

The Committee shall:

- Approve the appointment or termination of appointment of the head of internal audit;
- Review and approve the charter of the internal audit function and ensure the function has the necessary resources and access to information to enable it to fulfill its mandate, and is equipped to perform in accordance with appropriate professional standards for internal auditors;
- Ensure the internal auditor has direct access to the Board Chairperson and to the Committee Chairperson, and is accountable to the Committee;
- Review and assess the annual internal audit work plan;
- Receive a report on the results of the internal auditor's work on a periodic basis;
- Review and monitor management's responsiveness to the internal auditor's findings and recommendations;
- Meet with the head of internal audit at least once a year without the presence of management;
- Monitor and review the effectiveness of the Company's internal audit function, in the context of the Company's overall risk management system;
- Safeguard Company's assets against unauthorised use or disposal; and
- Direct and supervise investigations into matters within its scope, for example, evaluations of the effectiveness of the Company's internal control, cases of employee fraud, misconduct or conflict of interest.

### **External audit**

The Committee shall:

- Consider and make recommendations to the Board, to be put to shareholders for approval at the Annual Meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor;
- Ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms; and in respect of such tender oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the duration of the tendering process. Several firms should be screened and the Committee should obtain written or verbal proposals to enable it to arrive at its recommendation;
- If an auditor resigns, investigate the issues leading to this and decide whether any action is required;
- Oversee the relationship with the external auditor including (but not limited to):
  - ◆ Recommendations on their remuneration, including both fees for audit and nonaudit services, and that the level of fees is appropriate to enable an effective and high-quality audit to be conducted;
  - ◆ Approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;

- ◆ Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
- ◆ Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
- ◆ Agreeing with the Board a policy on the employment of former employees of the Company's auditor, and monitoring the implementation of this policy;
- ◆ Monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
- ◆ Assessing annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures;
- ◆ Seeking to ensure co-ordination between audit firms (where more than one audit firm is involved)
- ◆ Seeking to ensure co-ordination with the activities of the internal audit function; and
- ◆ Evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of the withdrawal of their auditor from the market in that evaluation.
- ◆ Meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present, to discuss the auditor's remit and any issues arising from the audit.
- ◆ Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team.
- ◆ Consider whether any significant ventures, investments or operations are not subject to external audit.
- ◆ Obtain assurance from the external auditor(s) that adequate accounting records are being maintained.
- ◆ Review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
  - A discussion of any major issues which arose during the audit;
  - Key accounting and audit judgments;
  - Levels of errors identified during the audit; and
  - The effectiveness of the audit process.
- ◆ Review any representation letter(s) requested by the external auditor before they are signed by management.
- ◆ Review the management letter and management's response to the auditor's findings and recommendations.
- ◆ Develop and implement policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter.
- ◆ Give recommendations on any potential conflict of interest or questionable situations of a material nature.

### **b. Responsibilities with regard to risk**

The Committee shall:

- Advise the Board on the Company's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment.
- Oversee and advise the Board on the current risk exposures of the Company and future risk strategy.
- In relation to risk assessment:
  - iii. To keep under review the Company's overall risk assessment processes that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used;
  - iv. To review regularly and approve the parameters used in these measures and the methodology adopted; and
  - v. To set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance.
- Review the Company's capability to identify and manage new risk types.
- Before a decision to proceed is taken by the Board, advise the Board on proposed strategic transactions including acquisitions or disposals
- Ensuring that a due diligence appraisal of the proposition is undertaken
- Focussing in particular on risk aspects and implications for the risk appetite and tolerance of the Company, and taking independent external advice where appropriate and available.
- Review reports on any material breaches of risk limits and the adequacy of proposed action.

## ANNEXURE 5 (CONTINUE)

### CORPORATE GOVERNANCE STATEMENT (CONTINUE)

- Keep under review the effectiveness of the Company's internal financial controls and internal controls and risk management systems and review and approve the statements to be included in the annual report concerning internal controls and risk management.
- Provide qualitative and quantitative advice to the Nomination and Remuneration Committee on risk weightings to be applied to performance objectives incorporated in executive remuneration.
- Review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
- Review the Company's procedures for detecting fraud.
- Review the Company's procedures for the prevention of bribery.
- Consider and approve the remit of the risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate independence and is free from management and other restrictions.
- Recommend to the Board the appointment and/or removal of the CRO.
- Review and have oversight over the adequacy of insurance coverage for the Company and Directors' and Officers' liability insurances.
- Review and have oversight over the Company's business physical and digital continuity planning arrangements, including whether business continuity and disaster recovery plans are periodically updated and tested.
- Review the risk register periodically.
- Review regular reports from the Compliance Officer and keep under review the adequacy and effectiveness of the Company's compliance function.
- Review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
- Review significant transactions not directly related to the Company's normal business as the Committee might deem appropriate.
- Review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the Company.
- Review promptly all reports on the Company from the CRO.
- Review and monitor management's responsiveness to the findings and recommendations of the CRO.
- Ensure the CRO shall be given the right of unfettered direct access to the Chairperson of the Board and to the Committee.
- Work and liaise as necessary with all other Board Committees.

#### i. Reporting responsibilities

- The Committee Chairperson shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. This Audit and Risk report shall include:
  - ◆ the significant issues that it considered in relation to the financial statements and how these were addressed;
  - ◆ its assessment of the effectiveness of the external audit process and its recommendation on the appointment or reappointment of the external auditor; and
  - ◆ any other issues on which the Board has requested the Committee's opinion.
- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- The Committee shall compile a report on its activities to be included in the Company's accounts. The report shall include an explanation of how the Committee has addressed the effectiveness of the external audit process; the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor.
- In compiling the report, the Committee should exercise judgment in deciding which of the issues it considers in relation to the financial statements are significant but should include at least those matters that have informed the Board's assessment of whether the company is a going concern.

#### j. Remuneration

- Having regard for the functions performed by the members of the Committee in addition to their functions as directors in relation to the activities of the Committee, members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the Board. Such special remuneration shall be in addition to the annual fees payable to directors.
- The Chairperson of the Committee shall, in addition to his or her remuneration as member, receive a further sum as determined by the Board.

#### k. Other Matters

The Committee shall:

- Have access to outside or other independent professional advice as it considers necessary to carry out its duties;
- Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- Be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members;
- Give due consideration to laws, regulations and any other applicable rules, as appropriate;
- Be responsible for co-ordination of the internal and external auditors;
- Oversee any investigation of activities which are within its terms of reference;
- Work and liaise as necessary with all other Board Committees; and
- Arrange for periodic reviews of its own performance and, at least annually, review its Charter and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

#### l. Authority

The Committee is authorised to:

- Seek any information it requires from any employee of the Company in order to perform its duties;
- Obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so;
- Call any employee to be questioned at a meeting of the Committee as and when required; and
- Have the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.

Any disagreement within the Board, including disagreement between the Committee members and the rest of the Board should be resolved at Board level.

### 3. NOMINATION AND REMUNERATION COMMITTEE

The Company being geared towards best practice, and the size of the workforce calling for a structured nomination and remuneration policy, the Board decided to put a Nomination and Remuneration Committee in place.

#### a. Membership

- As of date, the Board consists of eight directors, two of whom are executive directors – the CEO and the CFO. The Committee shall comprise of not less than three members, consisting of non-executive and independent directors, and the majority should be independent directors.
- The current members of the Nomination and Remuneration Committee are:
  - a. VikramKumar Naik;
  - b. Haider Mousa Mohammed Mohammed; and
  - c. Ibrahim Malleck.
- Only members of the Committee have the right to attend committee meetings. Other individuals such as the CEO and external advisers may be invited to attend that part of any meeting, where their input is called for.
- Appointments to the Committee are made by the board and shall be for a period of up to three years extendable by no more than two additional three-year periods, provided the director still meets the criteria for membership of the Committee.
- The Board shall appoint the Committee chairperson. In the absence of the Committee chairperson, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The chairperson of the Board shall not be chairperson of the Committee.

### b. Secretary

The company secretary of the Company shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

### c. Quorum

The quorum necessary for the transaction of business shall be two.

### d. Meetings

The Committee shall meet at least once a year and otherwise as required.

### e. Notice of meetings

- Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairperson.
- Unless otherwise agreed, the notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the Committee any other person required to attend, not less than five working days prior to the date of the meeting.
- The Committee shall normally invite the chairperson of the Board and the CEO to attend meetings to discuss the performance of other executive directors and to make proposals as necessary.

### f. Minutes of meetings

- The secretary shall minute the proceedings and resolutions of all the Committee meetings, including the names of those present and in attendance.
- Draft minutes of the Committee meetings shall be circulated at least seven working days after the meeting to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee chairperson it would be inappropriate to do so.

### g. Annual Meeting

The Committee chairperson should attend the annual meeting to answer any shareholder questions on the Committee's activities and be prepared to answer questions concerning the appointment and remuneration of executive and non-executive directors and maintain contact as required with the organisation's principal shareholders and stakeholders about the appointment of executive and non-executive directors.

### h. Duties of the Committee

#### a. Duties specific to Nomination

The Committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate. The Committee shall:

- Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes
- Give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future
- Keep under review the leadership needs of the organisation, both executive and nonexecutive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace
- Keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates
- Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise
- Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the board, and, in the light of this evaluation; prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the committee shall:
  - ◆ Draw up a matrix and or rubric based on the outcome of a needs analysis
  - ◆ Use open advertising or the services of external advisers to facilitate the search
  - ◆ Consider candidates from a wide range of backgrounds
  - ◆ Consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, including gender, taking care that appointees have enough time available to devote to the position

- For the appointment of a chairperson, the Committee should prepare a job specification, including the expertise required and the time commitment expected. A proposed chairperson's other significant commitments should be disclosed to the Board before appointment and any changes to the chairperson's commitments should be reported to the Board as they arise.
- Prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.
- Ensure that, on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.
- Review the results of the board performance evaluation process that relate to the composition of the Board.
- Review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.
- Work and liaise as necessary with all other Board committees.

The Committee shall also make recommendations to the Board concerning:

- The appointment of any director.
- Formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chairperson and chief executive.
- Suitable candidates for the role of lead independent director.
- The re-election by shareholders of directors or the retirement by rotation provisions, having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the board.
- Any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provisions of the law and their service contract.

### **b. Duties specific to Remuneration**

The Committee shall:

- Have responsibility for setting the remuneration policy for all executive directors and the company's chairperson, including pension rights and any compensation payments. The board shall determine the remuneration of the non-executive directors. No director or senior manager shall be involved in any decisions as to their own remuneration.
- Recommend and monitor the level and structure of remuneration for senior management.
- Take into account all factors which it deems necessary including relevant legal and regulatory requirements, the principles of the Code and associated guidance. The objective of the remuneration policy shall be to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long strategic term goals.
- When setting remuneration policy for directors, review and have regard to pay and employment conditions across the Company or group, especially when determining annual salary increases.
- Review the on-going appropriateness and relevance of the remuneration policy.
- Within the terms of the agreed policy and in consultation with the chairperson and/or CEO, as appropriate, determine the total individual remuneration package of each executive director, the company chairperson and other designated senior executives including bonuses, incentive payments and share options or other share awards.
- Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the board.
- Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- Approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes.
- Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, company secretary and other designated senior executives and the performance targets to be used.
- Determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives.
- Ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

## ANNEXURE 5 (CONTINUE)

### CORPORATE GOVERNANCE STATEMENT (CONTINUE)

- Oversee any major changes in employee benefits structures throughout the company or group.
- Agree the policy for authorising claims for expenses from the directors.
- Work and liaise as necessary with all other board committees.

#### **i. Reporting responsibilities**

- The Committee chairperson shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- The Committee shall ensure that provisions regarding disclosure of information are fulfilled and produce a report of the Company's nomination and remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to shareholders for approval at the annual meeting. If the Committee has appointed remuneration consultants, the annual report of the company's remuneration policy should identify such consultants and state whether they have any other connection with the Company.
- Through the chairperson of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

#### **j. Remuneration**

- Having regard for the functions performed by the members of the Committee in addition to their functions as directors in relation to the activities of the Committee members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the board. Such special remuneration shall be in addition to the annual fees payable to directors.
- The chairperson of the Committee shall, in addition to his or her remuneration as member, receive a further sum as determined by the Board.

#### **k. Other matters**

The Committee shall:

- Have access to outside or other independent professional advice as it considers necessary to carry out its duties.
- Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.
- Give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors.
- Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

#### **l. Authority**

The Committee is authorised by the Board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.

## 4. THE COMPANY SECRETARY

The company secretary of the Company provides the Board as a whole and directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interest of the company. The Board is satisfied that the company secretary of the Company maintains an arms-length relationship with the Board and is sufficiently qualified and experienced to execute the required duties.

The company secretary of the Company provides a central source of guidance and advice to the Board, and within the Company, on matters of ethics and good corporate governance and assists with the appointment of directors to the Board. The directors have unlimited access to advice and services of the company secretary.

The Board has considered the competence, qualification and experience of the company secretary, to act as the company secretary of the Company. The Board considers the company secretary fit to fulfil this function and its relationship with the Board is considered to be at arm's length.

Nothing has come to the attention of the Board of directors that indicate non-compliance by the Company with applicable laws and regulations.

The company secretary of the Company is subject to an annual evaluation by the Board.

#### 5. COMMUNICATION WITH SHAREHOLDERS

It will be the policy of Africure to meet regularly with institutional shareholders, private investors and investment analysts for discussion on the performance and management of the Company and it shall promote a stakeholder inclusive approach.

The Board appreciates that shareholders' perceptions affect the Company's reputation and in this regard will establish policy for the engagement of the Company's stakeholders. The Board will encourage shareholders to attend annual general meetings through effective communication whether by means of the press or otherwise.

#### 6. DIRECTORS' REPORT

The Company's annual report and accounts will include detailed reviews of the Company, together with a detailed review of the financial results and financing positions. In this way, the Board will seek to present a balanced and understandable assessment of the Company's position and prospects.

The Company has established comprehensive management reporting disciplines which include the preparation of monthly management accounts, detailed budgets and forecasts. Monthly results, the financial position and cash flows of operating units are reported against approved budgets and compared to the prior period. Any profit and cash flow forecasts and working capital levels published by the company will be reviewed regularly.

Sustainability reporting and disclosure shall be integrated with the Company's financial reporting. The financials will state the Company's positive and negative impact and detail whatever steps have been taken to improve on the negative impact.

The Board will ensure the integrity of the directors' report.



# HISTORICAL FINANCIAL INFORMATION OF AFRICURE AND ACCOUNTANT'S REPORT

To the Directors  
Africure Pharmaceuticals Ltd  
6th Floor, Tower A, 1 Cybercity, Ebene  
Mauritius

## INTRODUCTION

RSM (Mauritius) LLP ("RSM", "We", "Us") has been appointed by the directors of Africure Pharmaceuticals Ltd (the "Company") to report on the summary financial statements of the Company.

## OPINION

The accompanying summary financial statements, which comprise the summary statements of financial position as at 31 March 2018, 31 March 2019 and 31 March 2020, summary statements of profit or loss and other comprehensive income, summary statements of changes in equity and summary statements of cash flows for the years then ended, and related notes, are derived from the audited financial statements of Africure Pharmaceuticals Ltd for the respective years then ended.

In our opinion, the accompanying summary financial statements are consistent, in all material aspects, with the audited financial statements prepared in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

## SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRS"). Reading the summary financial statements and the accountant's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's reports thereon.

## BASIS OF PREPARATION

The summary financial statements are prepared based on the IFRS framework and such other requirements which were applicable at the time of each reporting period being referred to in our report. The historical financial information was not revised to reflect the impact of subsequently issued IFRS, amendments to IFRS and such other requirements which are currently applicable as at the date of our report.

The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

## DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the Company's financial statements in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001, and for such internal control as the Directors determine as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

## STATEMENTS IN ACCORDANCE WITH THE LISTING RULES

- The financial statements on which the accompanying financial summaries were derived from, were audited by RSM (Mauritius) LLP.
- The most recent audited financial statements which have been issued are for the year ended 31 March 2020. There are no audited financial statements which have been issued since then, up to the date of our report.
- The audited financial statements for the years 31 March 2018, 31 March 2019 and 31 March 2020 showed a true and fair view of the results for the years then ended and of the assets and liabilities at the end of those years.
- We are not an associate of any directors or of any shareholders holding more than 5% of the number of shares issued by the Company.
- We have no relationship with the Company and its subsidiaries other than in our capacity as auditor of the Company.

**RSM (Mauritius) LLP**  
**Chartered Accountants**  
**Moka, Mauritius**

**Prashant Calcutteea, FCA**  
**Licensed by FRC**

Date: 23 November 2020

## ANNEXURE 6 (CONTINUE)

HISTORICAL FINANCIAL INFORMATION OF AFRICURE AND ACCOUNTANT'S REPORT (CONTINUE)

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All the amounts are in USD unless otherwise stated

Particulars	Audited		
	2020	2019	2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	2,315,454	2,703,830	3,124,424
Property plant and equipment	12,588,213	7,706,056	6,573,526
Intangible assets	44,709	71,272	55,712
Right of use assets	1,770,785	–	–
Capital work in progress	118,147	2,884,412	2,115,727
<b>Total non-current assets</b>	<b>16,837,308</b>	<b>13,365,570</b>	<b>11,869,389</b>
<b>Current assets</b>			
Inventories	4,832,009	3,213,830	3,344,536
Trade receivables	7,110,148	4,569,091	3,214,586
Cash and cash equivalents	5,829,874	3,146,618	2,013,646
Other assets	2,100,628	1,429,118	777,533
<b>Total current assets</b>	<b>19,872,659</b>	<b>12,358,657</b>	<b>9,350,301</b>
<b>Total assets</b>	<b>36,709,967</b>	<b>25,724,228</b>	<b>21,219,690</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital and share premium	6,431,853	6,431,853	10,000
Share application money pending allotment	1,500,000	–	9,400,000
Retained earnings	6,241,368	6,961,866	2,366,005
Other reserves	(3,455,072)	(2,984,910)	185,243
<b>Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd</b>	<b>10,718,149</b>	<b>10,408,809</b>	<b>11,961,248</b>
<b>Non-controlling interests</b>	<b>9,263</b>	<b>(177,176)</b>	<b>1,021,243</b>
<b>Non-current liabilities</b>			
Borrowings	8,832,722	3,144,107	–
Operating lease liabilities	1,679,150	–	–
Deferred tax liabilities	131,243	155,536	–
<b>Total non-current liabilities</b>	<b>10,643,115</b>	<b>3,299,643</b>	<b>–</b>
<b>Current liabilities</b>			
Borrowings	5,940,927	5,659,121	1,335,284
Trade & Accounts Payables	8,371,564	5,930,190	5,771,684
Other liabilities	424,359	546,109	1,001,354
Operating lease liabilities	315,710	–	–
Current tax liabilities	286,879	57,532	128,877
<b>Total current liabilities</b>	<b>15,339,439</b>	<b>12,192,952</b>	<b>8,237,199</b>
<b>Total liabilities</b>	<b>36,709,967</b>	<b>25,724,228</b>	<b>21,219,690</b>

## ANNEXURE 6 (CONTINUE)

HISTORICAL FINANCIAL INFORMATION OF AFRICURE AND ACCOUNTANT'S REPORT (CONTINUE)

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

All the amounts are in USD unless otherwise stated

	Audited		
	2020	2019	2018
Revenue	20,819,959	19,009,890	11,391,103
Other income	532,783	2,743,248	3,154,477
	<b>21,352,742</b>	<b>21,753,138</b>	<b>14,545,580</b>
Cost of raw-materials and finished goods	12,957,003	11,983,221	7,834,519
Employee benefit expenses	2,677,229	2,487,703	1,621,527
Other expenses	3,274,079	3,336,314	1,766,134
	<b>18,908,311</b>	<b>17,807,238</b>	<b>11,222,180</b>
<b>Profit before finance cost, depreciation and tax</b>	<b>2,444,431</b>	<b>3,945,900</b>	<b>3,323,400</b>
Finance costs	(670,565)	(728,199)	(355,904)
Depreciation and amortisation	(1,422,007)	(1,110,141)	(236,869)
<b>Profit before income tax</b>	<b>351,859</b>	<b>2,107,560</b>	<b>2,730,627</b>
<b>Income tax expense</b>			
Current tax	(698,843)	(352,378)	(363,394)
Deferred tax	24,293	32,786	-
<b>Profit for the year</b>	<b>(322,691)</b>	<b>1,787,968</b>	<b>2,367,233</b>
<b>Profit attributable to</b>			
Owners of the Company	(509,130)	1,496,263	2,366,005
Non-controlling interests	186,439	291,705	1,228
<b>Earnings per share for profit attributable to the ordinary equity holders of the company</b>			
Basic earnings per share	(30.53)	89.73	236.60
Diluted earnings per share	(30.53)	89.73	236.60
Weighted average number of shares	16,675	16,675	10,000

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All the amounts are in USD unless otherwise stated

Particulars	Group							Total equity
	Share capital	Share premium	Share application money	Retained earnings / (defecit)	Other Reserves	Equity attributable to owners of the Company	Non-Controlling interests	
Issue of shares	10,000	-	-	-	-	10,000	-	10,000
Application money pending allotment	-	-	9,400,000	-	-	9,400,000	-	9,400,000
Business combination	-	-	-	-	-	-	1,020,015	1,020,015
Profit/(loss) for the year	-	-	-	2,366,005	185,243	2,551,248	1,228	2,552,476
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	-
<b>Balance as at 1-Apr-18</b>	<b>10,000</b>	<b>-</b>	<b>9,400,000</b>	<b>2,366,005</b>	<b>185,243</b>	<b>11,961,248</b>	<b>1,021,243</b>	<b>12,982,491</b>
Issue of shares	6,675	-	(6,675)	-	-	-	-	-
Premium on issue of shares	-	6,415,178	(6,415,178)	-	-	-	-	-
Minority interest of incorporated entity	-	-	(2,978,147)	-	-	(2,978,147)	166,946	(2,811,201)
Business combination	-	-	-	-	-	-	787,666	787,666
Profit/(loss) for the year	-	-	-	1,496,263	(3,170,153)	(1,673,890)	291,705	(1,382,185)
Sale of non-controlling stake in a subsidiary	-	-	-	3,099,598	-	3,099,598	(2,444,736)	654,862
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	-
<b>Balance as at 31-Mar-19</b>	<b>16,675</b>	<b>6,415,178</b>	<b>-</b>	<b>6,961,866</b>	<b>(2,984,910)</b>	<b>10,408,809</b>	<b>(177,176)</b>	<b>10,231,633</b>
Share application money received	-	-	1,500,000	-	-	1,500,000	-	1,500,000
Issue of preference shares	-	-	-	-	-	-	-	-
Adjustment on initial application of IFRS 16	-	-	-	(211,368)	-	(211,368)	-	(211,368)
Minority interest of incorporated entity	-	-	-	-	-	-	-	-
Business combination	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	(509,130)	(470,162)	(979,292)	186,439	(792,853)
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	-
<b>Balance as at 31-Mar-20</b>	<b>16,675</b>	<b>6,415,178</b>	<b>1,500,000</b>	<b>6,241,368</b>	<b>(3,455,072)</b>	<b>10,718,149</b>	<b>9,263</b>	<b>10,727,412</b>

## ANNEXURE 6 (CONTINUE)

HISTORICAL FINANCIAL INFORMATION OF AFRICURE AND ACCOUNTANT'S REPORT (CONTINUE)

## CONSOLIDATED STATEMENT OF CASH FLOWS

Particulars	Audited		
	2020	2019	2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit for the year before Taxation	351,859	2,107,560	2,730,627
<b>Adjustments for:</b>			
Depreciation and amortisation expenses	1,422,007	1,110,141	236,869
Profit on sale of investments	–	(1,839,540)	(2,598,334)
Finance costs	670,565	728,199	355,904
Provision for expected loss	8,862	43,005	
Net unrealised exchange loss	(43,122)	241,477	(536,868)
	2,058,312	283,282	(2,542,429)
<b>Changes in working capital:</b>			
Operating profit before working capital changes	2,410,171	2,390,842	188,198
<b>Adjustments for (increase) / decrease in operating assets:</b>			
Current assets	(4,839,607)	883,051	(7,123,019)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>			
Trade and other liabilities	2,280,960	(6,145,594)	7,495,149
	(2,558,647)	(5,262,543)	372,130
Cash generated from operations	(148,476)	(2,871,701)	560,328
Net income tax paid	(469,496)	(423,723)	(234,517)
<b>Net cash flow (Used in)/from operating activities (A)</b>	<b>(617,972)</b>	<b>(3,295,424)</b>	<b>325,811</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property plant and equipment and intangible assets including Capital work in progress	(3,263,370)	(1,721,232)	(2,764,238)
Acquisition of subsidiaries (net)	–	(182,738)	(9,921,023)
Proceeds from sale of investments	–	2,844,086	4,971,548
<b>Net cash flow (Used)/Generated in investing activities (B)</b>	<b>(3,263,370)</b>	<b>940,116</b>	<b>(7,713,713)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	–		10,000
Share application money received	1,500,000	–	9,400,000
Proceeds from term loans	5,513,407		
Net cashflow from short term borrowings	281,806	3,793,543	
Repayment of principal portion of operating lease liability	(338,833)		
Finance costs paid	(391,783)	(562,239)	(355,904)
<b>Net cash flow from financing activities (C)</b>	<b>6,564,597</b>	<b>3,231,304</b>	<b>9,054,096</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>2,683,255</b>	<b>875,996</b>	<b>1,666,194</b>
Add: Cash and cash equivalents at the beginning of the year	3,146,618	2,013,646	–
Add: Cash and cash equivalents taken over on business combination	–	256,976	347,452
<b>Cash and cash equivalents at the end of the year</b>	<b>5,829,873</b>	<b>3,146,618</b>	<b>2,013,646</b>
<b>Reconciliation of Cash and Cash Equivalents with the SOFP:</b>			
Cash and cash equivalents as per Balance Sheet			
<b>Cash and cash equivalents as per Cash Flow Statement</b>	<b>5,829,873</b>	<b>3,146,618</b>	<b>2,013,646</b>

# UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30-SEP-2020

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30-SEP-2020

All the amounts are in USD unless otherwise stated

Particulars	Notes	30-Sep-20		31-Mar-20	
		Group	Company	Group	Company
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill	5E	2,315,454	–	2,315,454	–
Property plant and equipment	5A	11,721,417	–	12,588,213	1,712
Intangible assets	5B	46,402	46,003	44,709	44,291
Right of use assets	23	1,770,785	–	1,770,785	–
Capital work in progress	5C	689,015	–	118,147	–
Investment in subsidiaries	6	–	8,323,751	–	8,323,751
<b>Total non-current assets</b>		<b>16,543,073</b>	<b>8,369,754</b>	<b>16,837,308</b>	<b>8,369,754</b>
<b>Current assets</b>					
Inventories	7	5,488,044	–	4,832,009	91,902
Trade receivables	8	8,710,373	9,220,741	7,110,148	6,602,469
Cash and cash equivalents	9	5,850,383	4,816,912	5,829,874	4,856,478
Other assets	10	2,125,640	9,956,852	2,100,628	8,356,270
<b>Total current assets</b>		<b>22,174,440</b>	<b>23,994,505</b>	<b>19,872,659</b>	<b>19,907,119</b>
<b>Total assets</b>		<b>38,717,513</b>	<b>32,364,260</b>	<b>36,709,967</b>	<b>28,276,873</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>EQUITY</b>					
Equity share capital and share premium	14 A	6,431,853	6,431,853	6,431,853	6,431,853
Share application money pending allotment	14 B	2,000,000	2,000,000	1,500,000	1,500,000
Retained earnings		6,548,939	5,165,716	6,241,368	4,633,833
Other reserves	15	(3,343,626)	–	(3,455,072)	–
<b>Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd</b>		<b>11,637,166</b>	<b>13,597,569</b>	<b>10,718,149</b>	<b>12,565,686</b>
<b>Non-controlling interests</b>			–	<b>9,263</b>	–
<b>Non-current liabilities</b>					
Borrowings	11	10,779,294	10,301,657	8,832,722	8,393,003
Operating lease liabilities	23	1,283,957	–	1,679,150	–
Deferred tax liabilities	22A	21,904	–	131,243	–
<b>Total non-current liabilities</b>		<b>12,085,155</b>	<b>10,301,657</b>	<b>10,643,115</b>	<b>8,393,003</b>
<b>Current liabilities</b>					
Borrowings	11A	7,050,518	3,600,000	5,940,927	2,025,000
Trade & Accounts Payables	12	7,024,966	4,858,736	8,371,564	5,227,667
Other liabilities	13	603,997	6,299	424,359	40,866
Operating lease liabilities	23	315,710	–	315,710	–
Current tax liabilities	22	–	–	286,880	24,651
<b>Total current liabilities</b>		<b>14,995,191</b>	<b>8,465,034</b>	<b>15,339,440</b>	<b>7,318,184</b>
<b>Total liabilities</b>		<b>38,717,513</b>	<b>32,364,260</b>	<b>36,709,967</b>	<b>28,276,873</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

## ANNEXURE 7 (CONTINUE)

UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30-SEP-2020 (CONTINUE)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30-SEP-2020

All the amounts are in USD unless otherwise stated

Particulars	Notes	30-Sep-20		31-Mar-20	
		Group	Company	Group	Company
<b>Revenue</b>	16	12,591,610	6,531,774	20,819,959	9,378,947
<b>Other income</b>	17	347,890	511,282	532,783	233,424
		<b>12,939,500</b>	<b>7,043,056</b>	<b>21,352,742</b>	<b>9,612,371</b>
Cost of raw-materials and finished goods	18	9,168,478	5,774,325	12,957,003	7,578,834
Employee benefit expenses	19	1,465,546	309,265	2,677,229	495,233
Other expenses	20	1,006,213	124,862	3,274,079	595,929
		<b>11,640,237</b>	<b>6,208,452</b>	<b>18,908,311</b>	<b>8,669,996</b>
<b>Profit before finance cost, depreciation and tax</b>		<b>1,299,263</b>	<b>834,605</b>	<b>2,444,431</b>	<b>942,375</b>
Finance costs	21	(373,384)	(302,722)	(670,565)	(309,902)
Depreciation and amortisation	5D & 23	(502,563)		(1,422,007)	(49,873)
<b>Profit before income tax</b>		<b>423,316</b>	<b>531,883</b>	<b>351,859</b>	<b>582,600</b>
<b>Income tax expense</b>					
Current tax	22	(115,745)		(698,843)	(24,651)
Deferred tax	22A			24,293	-
<b>Profit for the year</b>		<b>307,571</b>	<b>531,883</b>	<b>(322,691)</b>	<b>557,949</b>
<b>Profit attributable to</b>					
Owners of the Company		307,571	531,883	(509,130)	557,949
Non-controlling interests		-	-	186,439	-
<b>Earnings per share for profit attributable to the ordinary equity holders of the company</b>					
Basic earnings per share		18.45	31.90	(30.53)	33.46
Diluted earnings per share		18.45	31.90	(30.53)	33.46
Weighted average number of shares		16,675	16,675	16,675	16,675

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

## ANNEXURE 7 (CONTINUE)

UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30-SEP-2020 (CONTINUE)

### UNAUDITED CONSOLIDATED MANAGEMENT STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30-SEP-2020

All the amounts are in USD unless otherwise stated

Particulars	Notes	30-Sep-20		31-Mar-20	
		Group	Company	Group	Company
<b>Profit for the year</b>		<b>307,571</b>	<b>531,883</b>	<b>(322,691)</b>	<b>557,949</b>
Items that may be reclassified to profit or loss		-	-	-	-
Items that will not be reclassified to profit or loss		-	-	-	-
Other comprehensive income for the year net of tax		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>307,571</b>	<b>531,883</b>	<b>(322,691)</b>	<b>557,949</b>
Total comprehensive income for the year attributable to					
Owners of the Company		307,571	531,883	(509,130)	557,949
Non-controlling interests		-	-	186,439	-

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30-SEP-2020

All the amounts are in USD unless otherwise stated

## NON-CURRENT ASSETS

### 6 Investment in subsidiaries

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
<b>Investment in equity share of:</b>				
African Pharmaceutical Development SA (Cameroon)	–	20,000	–	20,000
Africure Pharmaceuticals Cameroon SA (Cameroon)	–	5,221,405	–	5,221,405
Africure Pharmaceuticals Namibia ( Pty) Ltd (Namibia)	–	821,965	–	821,965
Africure Pharmaceuticals Botswana ( Pty) Ltd (Botswana)	–	986,893	–	986,893
Africure Pharmaceuticals Ltd ( Nigeria)	–	6,945	–	6,945
Africure Pharmaceuticals Ltd (IVC)	–	84,090	–	84,090
Africure Pharmaceuticals Burkina SA (Burkina faso)	–	29,815	–	29,815
Africure Pharmaceuticals (India) Private Limited	–	864,750	–	864,750
Africure Pharmaceuticals Manufacturing Ethiopia PLC	–	287,888	–	287,888
	–	<b>8,323,751</b>		<b>8,323,751</b>

Refer Note 25 for % holding acquired in each subsidiary

## CURRENT ASSETS

### 7 Inventories

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Raw materials	2,443,767	–	655,367	–
Finished goods	3,044,277	–	4,176,642	91,902
	<b>5,488,044</b>	–	<b>4,832,009</b>	<b>91,902</b>

### 8 Trade receivables

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Trade receivables	8,718,813	9,220,741	7,118,469	6,602,469
Provision for expected credit loss	(8,440)	–	(8,321)	–
	<b>8,710,373</b>	<b>9,220,741</b>	<b>7,110,148</b>	<b>6,602,469</b>

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 90 to 120 days and therefore are all classified as current. Refer to Note 24 for credit risk analysis.

The Africure group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward- looking estimates are analysed. Based on such analysis no significant default rates observed. However for one of the customer an allowance for receivables are made since the outstanding was more than the normal practical credit period.

## ANNEXURE 7 (CONTINUE)

NOTES FORMING – PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30-SEP-2020

	30-Sep-20	31-Mar-20
<b>Movement in expected credit loss allowance</b>		
Balance at the beginning of the year	8,321	2,913
Movement in expected credit loss allowance	–	8,321
Reversal on account of realisation	–	(2,913)
Balance at the end of the year	<b>8,321</b>	<b>8,321</b>

### 9 Cash and cash equivalents

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Cash in hand	100,585	–	60,483	–
Balances in current account	5,737,298	4,804,412	5,756,891	4,843,977
Balances in deposit account	12,500	12,500	12,500	12,500
	<b>5,850,383</b>	<b>4,816,912</b>	<b>5,829,874</b>	<b>4,856,477</b>

### 10 Other assets

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Prepayments	814,446	460,995	700,427	422,929
Employee loans	19,822	1,500	9,934	–
Recoverable from Government authorities	698,104	–	809,130	–
Deposits	108,154	10,000	109,778	10,000
Receivable on sale of investments	–	–	10,157	1,500
Other loans	485,114	9,484,357	461,202	7,921,841
	<b>2,125,640</b>	<b>9,956,852</b>	<b>2,100,628</b>	<b>8,356,270</b>

Employee and other loans are unsecured, interest free and are settled within a period of one year

### 11 Non-current liabilities

	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Preference shares.	3,319,315	3,319,315	3,319,315	3,319,315
Loans from Financial Institutions	7,459,979	6,982,342	5,513,407	5,073,688
	<b>10,779,294</b>	<b>10,301,657</b>	<b>8,832,722</b>	<b>8,393,003</b>

Preference shares are non-participating and non-convertible carries a return of 6% per annum

### 11A Short term borrowings

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Loan from shareholders holding non-controlling interests	7,050,518	3,600,000	5,940,927	2,025,000
Loans from Financial Institutions			–	–
	<b>7,050,518</b>	<b>3,600,000</b>	<b>5,940,927</b>	<b>2,025,000</b>

Unsecured loans to be repayable on demand to share holders holding non-controlling interests with an interest rate of 0% to 10%

## ANNEXURE 7 (CONTINUE)

NOTES FORMING – PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30-SEP-2020

### 12 Trade & Accounts payables

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Trade payables	6,982,840	4,158,518	6,961,994	4,176,289
Other Liabilities & Provisions	42,126	700,218	1,409,570	1,051,378
	<b>7,024,966</b>	<b>4,858,736</b>	<b>8,371,564</b>	<b>5,227,667</b>

Trade payables are unsecured and are usually paid within a period of 60 to 120 days

### 13 Other liabilities

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Employee payables	121,037		104,195	40,866
Statutory remittances	(334,190)		55,979	–
Payable on business combination	–	–	–	–
Other payables	855,001	6,299	264,185	–
	<b>641,848</b>	<b>6,299</b>	<b>424,359</b>	<b>40,866</b>

## EQUITY

### 14A Equity share capital and share premium

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Equity Share capital (16,675 (As at 31-Mar-19, 16,675) equity shares of par value of USD 1 each)	16,675	16,675	16,675	16,675
Share premium	6,415,178	6,415,178	6,415,178	6,415,178
	<b>6,431,853</b>	<b>6,431,853</b>	<b>6,431,853</b>	<b>6,431,853</b>
<b>Number of Shares</b>				
Equity Shares of Par Value USD 1	–		–	<b>16,675</b>

The holder of an ordinary share in the Company shall confer on the holder

- the right to one vote on a poll at a meeting of the Company on any resolution;
- the right to an equal share in dividends authorised by the Board;
- the right to an equal share in the distribution of the surplus assets of the Company.

### 14B Share Application Money

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Share Application Money Pending Allotment	1,500,000	1,500,000	–	–
Share Application money received during the year	500,000	500,000	1,500,000	1,500,000
Less: Converted to Equity Share Capital	–	–	–	–
Less: Converted to Preference Share Capital	–	–	–	–
Closing Balance	<b>2,000,000</b>	<b>2,000,000</b>	<b>1,500,000</b>	<b>1,500,000</b>

## ANNEXURE 7 (CONTINUE)

NOTES FORMING – PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30-SEP-2020

### 15 Other reserves

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Foreign exchange translation reserve	(3,455,072)	–	(3,455,072)	–
	<b>(3,455,072)</b>	<b>–</b>	<b>(3,455,072)</b>	<b>–</b>

### 16 Revenue

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Sale of goods	12,591,610	6,531,774	20,819,959	9,378,947
	<b>12,591,610</b>	<b>6,531,774</b>	<b>20,819,959</b>	<b>9,378,947</b>

### 17 Other income

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Gain on foreign exchange transactions and translations	–	275,340	–	–
Other operational incomes	347,890	235,942	532,783	233,424
	<b>347,890</b>	<b>511,282</b>	<b>532,783</b>	<b>233,424</b>

### 18 Consumption of materials and finished goods

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Opening Stock	4,006,390	91,903	3,298,576	–
Purchases	9,612,318	5,682,422	14,247,790	7,670,736
Less: Closing stock of materials	(4,450,230)	–	(4,589,363)	(91,902)
	<b>9,168,478</b>	<b>5,774,325</b>	<b>12,957,003</b>	<b>7,578,834</b>

### 19 Employee benefit expenses

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Salaries wages and bonus	1,287,771	306,765	2,354,290	495,233
Staff welfare expenses	177,775	2,500	322,939	–
	<b>1,465,546</b>	<b>309,265</b>	<b>2,677,229</b>	<b>495,233</b>

## ANNEXURE 7 (CONTINUE)

NOTES FORMING – PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30-SEP-2020

### 20 Other expenses

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Power, fuel and water expenses	222,803	–	401,274	–
Spares and consumables	20,247	–	79,008	–
Freight expenses	354,772	–	718,329	–
Rent including lease rentals	–	–	10,354	–
Product registration charges	49,360	20,832	175,276	74,264
Testing & Analysis charges	16,480	–	11,855	–
Rates and taxes	31,386	–	114,028	8,239
Communication expenses	21,834	–	53,759	1,100
Repairs and maintenance	102,632	–	208,723	–
Insurance	26,046	–	56,142	–
Travel and conveyance	58,464	13,677	282,076	149,435
Business promotion expenses	61,144	1,836	276,879	31,546
Legal and professional charges	251,687	88,503	679,008	252,969
Printing and stationery	14,241	–	44,711	–
Loss on foreign exchange transactions and translation	(296,766)	–	19,882	77,170
Provision for expected credit loss	–	–	8,862	–
Miscellaneous expenses	71,883	14	133,913	1,206
	<b>1,006,213</b>	<b>124,862</b>	<b>3,274,079</b>	<b>595,929</b>

### 21 Finance costs

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Finance cost on borrowings	299,008	278,218	235,878	104,763
Finance cost on operating lease liabilities	–	–	103,574	–
Bank charges	74,376	24,504	155,905	29,931
Preference Dividend	–	–	175,208	175,208
	<b>373,384</b>	<b>302,722</b>	<b>670,565</b>	<b>309,902</b>

# PROFORMA FINANCIALS POST DISPOSAL OF AFRICURE PHARMACEUTICALS NAMIBIA (PROPRIETARY) LIMITED

## PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30-SEP-2020 (EXCLUDING NAMIBIA)

All the amounts are in USD unless otherwise stated

Particulars	Notes	30-Sep-20		31-Mar-20	
		Group	Company	Group	Company
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill	5E	951,383	–	2,315,454	–
Property plant and equipment	5A	11,996,750	–	12,588,213	1,712
Intangible assets	5B	46,402	46,003	44,709	44,291
Right of use assets	23	1,770,785	–	1,770,785	–
Capital work in progress	5C	105,622	–	118,147	–
Investment in subsidiaries	6		7,501,786	–	8,323,751
<b>Total non-current assets</b>		<b>14,870,942</b>	<b>7,547,789</b>	<b>16,837,308</b>	<b>8,369,754</b>
<b>Current assets</b>					
Inventories	7	5,455,518	–	4,832,009	91,902
Trade receivables	8	8,496,603	8,687,688	7,110,148	6,602,469
Cash and cash equivalents	9	5,848,889	4,816,912	5,829,874	4,856,478
Other assets	10	3,521,930	10,806,923	2,100,628	8,356,270
<b>Total current assets</b>		<b>23,322,940</b>	<b>24,311,523</b>	<b>19,872,659</b>	<b>19,907,119</b>
<b>Total assets</b>		<b>38,193,882</b>	<b>31,859,314</b>	<b>36,709,967</b>	<b>28,276,873</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>EQUITY</b>					
Equity share capital and share premium	14 A	6,431,853	6,431,853	6,431,853	6,431,853
Share application money pending allotment	14 B	2,000,000	2,000,000	1,500,000	1,500,000
Retained earnings		6,408,283	4,660,770	6,241,368	4,633,833
Other reserves	15	(3,700,138)	–	(3,455,072)	–
<b>Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd</b>		<b>11,139,998</b>	<b>13,092,623</b>	<b>10,718,149</b>	<b>12,565,686</b>
<b>Non-controlling interests</b>			–	<b>9,263</b>	–
<b>Non-current liabilities</b>					
Borrowings	11	10,779,294	10,301,657	8,832,722	8,393,003
Operating lease liabilities	23	1,283,957	–	1,679,150	–
Deferred tax liabilities	22A	21,904	–	131,243	–
<b>Total non-current liabilities</b>		<b>12,085,155</b>	<b>10,301,657</b>	<b>10,643,115</b>	<b>8,393,003</b>
<b>Current liabilities</b>					
Borrowings	11A	7,050,518	3,600,000	5,940,927	2,025,000
Trade & Accounts Payables	12	7,100,668	4,858,736	8,371,564	5,227,667
Other liabilities	13	501,832	6,299	424,359	40,866
Operating lease liabilities	23	315,710	–	315,710	–
Current tax liabilities	22	–	–	286,880	24,651
<b>Total current liabilities</b>		<b>14,968,728</b>	<b>8,465,034</b>	<b>15,339,440</b>	<b>7,318,184</b>
<b>Total liabilities</b>		<b>38,193,882</b>	<b>31,859,314</b>	<b>36,709,967</b>	<b>28,276,873</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

## ANNEXURE 8 (CONTINUE)

PROFORMA FINANCIALS POST DISPOSAL OF AFRICURE PHARMACEUTICALS NAMIBIA (PROPRIETARY) LIMITED (CONTINUE)

### PROFORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30-SEP-2020 (EXCLUDING NAMIBIA)

All the amounts are in USD unless otherwise stated

Particulars	Notes	30-Sep-20		31-Mar-20	
		Group	Company	Group	Company
<b>Revenue</b>	16	12,591,610	6,531,774	20,819,959	9,378,947
<b>Other income</b>	17	(29,612)	6,336	532,783	233,424
		<b>12,561,998</b>	<b>6,538,110</b>	<b>21,352,742</b>	<b>9,612,371</b>
Cost of raw-materials and finished goods	18	9,168,478	5,774,325	12,957,003	7,578,834
Employee benefit expenses	19	1,465,546	309,265	2,677,229	495,233
Other expenses	20	1,006,213	124,862	3,274,079	595,929
		<b>11,640,237</b>	<b>6,208,452</b>	<b>18,908,311</b>	<b>8,669,996</b>
<b>Profit before finance cost, depreciation and tax</b>		<b>921,761</b>	<b>329,659</b>	<b>2,444,431</b>	<b>942,375</b>
Finance costs	21	(373,384)	(302,722)	(670,565)	(309,902)
Depreciation and amortisation	5D & 23	(502,563)		(1,422,007)	(49,873)
<b>Profit before income tax</b>		<b>45,814</b>	<b>26,937</b>	<b>351,859</b>	<b>582,600</b>
<b>Income tax expense</b>					
Current tax	22	(115,745)		(698,843)	(24,651)
Deferred tax	22A			24,293	-
<b>Profit for the year</b>		<b>(69,931)</b>	<b>26,937</b>	<b>(322,691)</b>	<b>557,949</b>
<b>Profit attributable to</b>					
Owners of the Company		(69,931)	26,937	(509,130)	557,949
Non-controlling interests		-	-	186,439	-
<b>Earnings per share for profit attributable to the ordinary equity holders of the company</b>					
Basic earnings per share		(4.19)	1.62	(30.53)	33.46
Diluted earnings per share		(4.19)	1.62	(30.53)	33.46
Weighted average number of shares		16,675	16,675	16,675	16,675

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

## ANNEXURE 8 (CONTINUE)

PROFORMA FINANCIALS POST DISPOSAL OF AFRICURE PHARMACEUTICALS NAMIBIA  
(PROPRIETARY) LIMITED (CONTINUE)

### UNAUDITED CONSOLIDATED MANAGEMENT STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30-SEP-2020 (EXCLUDING NAMIBIA)

All the amounts are in USD unless otherwise stated

Particulars	Notes	30-Sep-20		31-Mar-20	
		Group	Company	Group	Company
<b>Profit for the year</b>		<b>(69,931)</b>	<b>26,937</b>	<b>(322,691)</b>	<b>557,949</b>
Items that may be reclassified to profit or loss		-	-	-	-
Items that will not be reclassified to profit or loss		-	-	-	-
Other comprehensive income for the year net of tax		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>(69,931)</b>	<b>26,937</b>	<b>(322,691)</b>	<b>557,949</b>
Total comprehensive income for the year attributable to					
Owners of the Company		(69,931)	26,937	(509,130)	557,949
Non-controlling interests		-	-	186,439	-

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.



## NOTES FORMING PART OF PROFORMA CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30-SEP-2020 (EXCLUDING NAMIBIA)

All the amounts are in USD unless otherwise stated

### NON-CURRENT ASSETS

#### 6 Investment in subsidiaries

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
<b>Investment in equity share of:</b>				
African Pharmaceutical Development SA (Cameroon)	–	20,000	–	20,000
Africure Pharmaceuticals Cameroon SA (Cameroon)	–	5,221,405	–	5,221,405
Africure Pharmaceuticals Namibia ( Pty) Ltd (Namibia)	–	–	–	821,965
Africure Pharmaceuticals Botswana ( Pty) Ltd (Botswana)	–	986,893	–	986,893
Africure Pharmaceuticals Ltd ( Nigeria)	–	6,945	–	6,945
Africure Pharmaceuticals Ltd (IVC)	–	84,090	–	84,090
Africure Pharmaceuticals Burkina SA (Burkina faso)	–	29,815	–	29,815
Africure Pharmaceuticals (India) Private Limited	–	864,750	–	864,750
Africure Pharmaceuticals Manufacturing Ethiopia PLC	–	287,888	–	287,888
	–	<b>7,501,786</b>		<b>8,323,751</b>

Refer Note 25 for % holding acquired in each subsidiary

### CURRENT ASSETS

#### 7 Inventories

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Raw materials	2,443,767	–	655,367	–
Finished goods	3,011,751	–	4,176,642	91,902
	<b>5,455,518</b>	–	<b>4,832,009</b>	<b>91,902</b>

#### 8 Trade receivables

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Trade receivables	8,505,043	8,687,688	7,118,469	6,602,469
Provision for expected credit loss	(8,440)	–	(8,321)	–
	<b>8,496,603</b>	<b>8,687,688</b>	<b>7,110,148</b>	<b>6,602,469</b>

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 90 to 120 days and therefore are all classified as current. Refer to Note 24 for credit risk analysis.

The Africure group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward- looking estimates are analysed. Based on such analysis no significant default rates observed. However for one of the customer an allowance for receivables are made since the outstanding was more than the normal practical credit period.

## ANNEXURE 8 (CONTINUE)

NOTES FORMING – PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30-SEP-2020

	30-Sep-20	31-Mar-20
<b>Movement in expected credit loss allowance</b>		
Balance at the beginning of the year	8,321	2,913
Movement in expected credit loss allowance	–	8,321
Reversal on account of realisation	–	(2,913)
Balance at the end of the year	<b>8,321</b>	<b>8,321</b>

### 9 Cash and cash equivalents

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Cash in hand	100,505	–	60,483	–
Balances in current account	5,735,884	4,804,412	5,756,891	4,843,977
Balances in deposit account	12,500	12,500	12,500	12,500
	<b>5,848,889</b>	<b>4,816,912</b>	<b>5,829,874</b>	<b>4,856,477</b>

### 10 Other assets

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Prepayments	814,446	460,995	700,427	422,929
Employee loans	17,427	1,500	9,934	–
Recoverable from Government authorities	698,104	–	809,130	–
Deposits	108,154	10,000	109,778	10,000
Receivable on sale of investments	–	–	10,157	1,500
Other loans	1,883,799	10,334,428	461,202	7,921,841
	<b>3,521,930</b>	<b>10,806,923</b>	<b>2,100,628</b>	<b>8,356,270</b>

Employee and other loans are unsecured, interest free and are settled within a period of one year

### 11 Non-current liabilities

	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Preference shares.	3,319,315	3,319,315	3,319,315	3,319,315
Loans from Financial Institutions	7,459,979	6,982,342	5,513,407	5,073,688
	<b>10,779,294</b>	<b>10,301,657</b>	<b>8,832,722</b>	<b>8,393,003</b>

Preference shares are non-participating and non-convertible carries a return of 6% per annum

### 11A Short term borrowings

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Loan from shareholders holding non-controlling interests	7,050,518	3,600,000	5,940,927	2,025,000
Loans from Financial Institutions	–	–	–	–
	<b>7,050,518</b>	<b>3,600,000</b>	<b>5,940,927</b>	<b>2,025,000</b>

Unsecured loans to be repayable on demand to share holders holding non-controlling interests with an interest rate of 0% to 10%

## ANNEXURE 8 (CONTINUE)

NOTES FORMING – PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30-SEP-2020

### 12 Trade & Accounts payables

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Trade payables	7,058,542	4,158,518	6,961,994	4,176,289
Other Liabilities & Provisions	42,126	700,218	1,409,570	1,051,378
	<b>7,100,668</b>	<b>4,858,736</b>	<b>8,371,564</b>	<b>5,227,667</b>

Trade payables are unsecured and are usually paid within a period of 60 to 120 days

### 13 Other liabilities

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Employee payables	121,065		104,195	40,866
Statutory remittances	(436,383)		55,979	–
Payable on business combination	–	–	–	–
Other payables	855,001	6,299	264,185	–
	<b>539,683</b>	<b>6,299</b>	<b>424,359</b>	<b>40,866</b>

## EQUITY

### 14A Equity share capital and share premium

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Equity Share capital (16,675 (As at 31-Mar-19, 16,675) equity shares of par value of USD 1 each)	16,675	16,675	16,675	16,675
Share premium	6,415,178	6,415,178	6,415,178	6,415,178
	<b>6,431,853</b>	<b>6,431,853</b>	<b>6,431,853</b>	<b>6,431,853</b>
<b>Number of Shares</b>				
Equity Shares of Par Value USD 1	–		–	<b>16,675</b>

The holder of an ordinary share in the Company shall confer on the holder

- the right to one vote on a poll at a meeting of the Company on any resolution;
- the right to an equal share in dividends authorised by the Board;
- the right to an equal share in the distribution of the surplus assets of the Company.

### 14B Share Application Money

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Share Application Money Pending Allotment	1,500,000	1,500,000	–	–
Share Application money received during the year	500,000	500,000	1,500,000	1,500,000
Less: Converted to Equity Share Capital	–	–	–	–
Less: Converted to Preference Share Capital	–	–	–	–
Closing Balance	<b>2,000,000</b>	<b>2,000,000</b>	<b>1,500,000</b>	<b>1,500,000</b>

## ANNEXURE 8 (CONTINUE)

NOTES FORMING – PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30-SEP-2020

### 15 Other reserves

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Foreign exchange translation reserve	(3,582,517)	–	(3,455,072)	–
	<b>(3,582,517)</b>	<b>–</b>	<b>(3,455,072)</b>	<b>–</b>

### 16 Revenue

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Sale of goods	12,591,610	6,531,774	20,819,959	9,378,947
	<b>12,591,610</b>	<b>6,531,774</b>	<b>20,819,959</b>	<b>9,378,947</b>

### 17 Other income

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Gain on foreign exchange transactions and translations	–	147,896	–	–
Other operational incomes	347,890	235,942	532,783	233,424
	<b>(29,612)</b>	<b>6,336</b>	<b>532,783</b>	<b>233,424</b>

### 18 Consumption of materials and finished goods

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Opening Stock	4,006,390	91,903	3,298,576	–
Purchases	9,612,318	5,682,422	14,247,790	7,670,736
Less: Closing stock of materials	(4,450,230)	–	(4,589,363)	(91,902)
	<b>9,168,478</b>	<b>5,774,325</b>	<b>12,957,003</b>	<b>7,578,834</b>

### 19 Employee benefit expenses

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Salaries wages and bonus	1,287,771	306,765	2,354,290	495,233
Staff welfare expenses	177,775	2,500	322,939	–
	<b>1,465,546</b>	<b>309,265</b>	<b>2,677,229</b>	<b>495,233</b>

## ANNEXURE 8 (CONTINUE)

NOTES FORMING – PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30-SEP-2020

### 20 Other expenses

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Power, fuel and water expenses	222,803	-	401,274	-
Spares and consumables	20,247	-	79,008	-
Freight expenses	354,772	-	718,329	-
Rent including lease rentals	-	-	10,354	-
Product registration charges	49,360	20,832	175,276	74,264
Testing & Analysis charges	16,480	-	11,855	-
Rates and taxes	31,386	-	114,028	8,239
Communication expenses	21,834	-	53,759	1,100
Repairs and maintenance	102,632	-	208,723	-
Insurance	26,046	-	56,142	-
Travel and conveyance	58,464	13,677	282,076	149,435
Business promotion expenses	61,144	1,836	276,879	31,546
Legal and professional charges	251,687	88,503	679,008	252,969
Printing and stationery	14,241	-	44,711	-
Loss on foreign exchange transactions and translation	(296,766)	-	19,882	77,170
Provision for expected credit loss	-	-	8,862	-
Miscellaneous expenses	71,883	14	133,913	1,206
	<b>1,006,213</b>	<b>124,862</b>	<b>3,274,079</b>	<b>595,929</b>

### 21 Finance costs

Particulars	30-Sep-20		31-Mar-20	
	Group	Company	Group	Company
Finance cost on borrowings	299,008	278,218	235,878	104,763
Finance cost on operating lease liabilities	-	-	103,574	-
Bank charges	74,376	24,504	155,905	29,931
Preference Dividend	-	-	175,208	175,208
	<b>373,384</b>	<b>302,722</b>	<b>670,565</b>	<b>309,902</b>

## NOTE ON PROFORMA FINANCIALS STATEMENTS AS ON 30-SEP-2020

The Audited Financial Statements as on 31 March 2020 and Management Consolidated Financials as on 30 September 2020 for the Africure group included Financial Statements and results of Africure Pharmaceuticals Namibia PTY Ltd, a repackaging entity situated in Windhoek, Namibia.

Post preparation of these Financial Statements there has been a corporate action for a control stake sale and a resultant exit of Africure group from this business. Effective from 15 November 2020, the subsidiary has been hived off from the group pursuant to a sale of shares arrangement with a local Namibian company.

The Namibian Subsidiary's business was largely impacted by non award of tenders from Government procurement agencies in Namibia. The group took all required actions and initiatives to turn around the business for the past two years and has incurred significant losses leading to leakage in group revenues and profits. From a long term perspective, the group wishes to reduce its dependence on opportunistic and tender based businesses.

Hence, the group decided to hive off the subsidiary to strengthen the balance sheet and to eliminate leakage of group profitability.

The Africure group's 51% stake in the subsidiary which has a Net Asset Value of ~600k USD was sold for a consideration of 1.40Mn USD. The exit from this business will result in reduction of negative reserves, losses and impact the groups financials position positively in the years to come.