

ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS AND NINE MONTHS ENDED 31ST DECEMBER 2020

DIRECTORS COMMENTARY AND COMPANY OVERVIEW

The Board of Directors of Africure is pleased to present the performance for three months and the nine months ended 31st December 2020. We are proud to make our first announcement of results post our listing on the Official Market of the Stock Exchange of Mauritius Ltd ("SEM") on 18th January 2021.

We are involved in the business of manufacture of high-quality medicines with manufacturing plants in Cote D'Ivoire, Cameroon, Botswana, Tanzania and India, besides having distribution companies in various countries of Sub Saharan Africa. Being in this sector, it was our responsibility to showcase our support and act responsibly during the testing Covid times. We have done our bit by supplying PPE kits, free medicines, imparting knowledge, etc in the markets where we operate.

The business faced various operational challenges such as disruption in the supply chain, increased input material prices due to demand/supply disparity, amongst many others. However, we are delighted to note that the Management and teams on the ground monitored the situation very closely and took timely decisions thereby ensuring uninterrupted operations during this period.

We have been operating at between 80% to 100% of our one shift capacity at all our established sites and have achieved commendable growth on all parameters despite the challenges that the industry has faced. We have also made a good progress in the construction of our new facility in Ethiopia. This reiterates our commitment to health of Africans, in line with our vision to be a company "In Africa, By Africans, for Africa."

During the quarter, we have conducted various third-party audits and training programs in areas of Quality Management Systems and Environment Health and Safety in line with our commitment to high standards of quality and compliance.

HIGHLIGHTS OF PERFORMANCE

- The Group has achieved 93% of its estimates for the quarter.
- Quarterly revenues at USD 8.6 million against USD 5.5 million for the same period last year – Healthy 56% revenue growth YOY.
- Quarterly Operational EBIDTA at USD 730,000 against USD 530,000 for the same period last year – Healthy 38% EBIDTA growth YOY.

- Quarterly Profit after tax at USD 407,000 against USD 165,000 for the same period last year – Over 100+% growth in PAT YoY.
- YTD revenue at USD 21 million against USD 15 million for the same period last year – Healthy 40% revenue growth YOY.
- YTD Operational EBIDTA at USD 2 million against USD 970,000 for the same period last year – Healthy 100+% EBIDTA growth YOY.
- YTD Profit after tax at USD 715,000 against negative PAT for the same period last year.
- Receivables at 125 days due to sales skew towards Q3 2020.
- Inventory holding at 75 days signifying efficient inventory management, significant progress vs 2019.
- The asset base grew from USD 33 million to USD 38 million.
- ~USD 1 million invested on Capex with a further commitment of up to USD 5 million in the next two years.

CURRENT BUSINESS OUTLOOK

The Company has a robust orderbook for Q4 and the Management remains on track to achieve close to its 2020-21 estimates. Rising raw material prices have impacted the margins to a certain extent, but various cost optimization and efficiency measures are being taken to compensate this cost increase.

We sincerely thank all our employees, customers, investors & other stakeholders for their continued patronage and support during such difficult times & reiterate the Management's commitment of consistent performance, to create value in line with our Long term vision of creating the largest local manufacturing capacities in Sub Saharan Africa & help Africa reduce its dependence on imports, thus enabling the continent to move closer to being self-sufficient in Pharmaceutical manufacturing.

By order of the Board
15th February 2021

Consolidated Statement of Financial Position

	Unaudited as at 31 December 2020	Audited as at 31 March 2020
	USD	USD
ASSETS		
Non-current assets		
Goodwill	2,315,454	2,315,454
Property plant and equipment	12,918,658	12,588,213
Intangible assets	50,764	44,709
Right of use assets	1,770,785	1,770,785
Capital work in progress	271,253	118,147
Total non-current assets	17,326,914	16,837,308
Current assets		
Inventories	3,953,513	4,832,009
Trade receivables	10,329,750	7,110,148
Cash and cash equivalents	5,859,136	5,829,874
Other assets	557,333	2,100,628
Total current assets	20,699,732	19,872,659
Total assets	38,026,646	36,709,967
EQUITY & LIABILITIES		
EQUITY		
Equity share capital	6,431,853	6,431,853
Share application money pending allotment	1,500,000	1,500,000
Retained earnings	7,223,202	6,241,368
Other reserves	(4,567,667)	(3,455,072)
Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd	10,587,388	10,718,149
Non-controlling interests	(257,225)	9,263
Non-current liabilities		
Borrowings	10,378,642	8,832,722
Operating lease liabilities	1,679,150	1,679,150
Deferred tax liabilities	16,145	131,243
Total non-current liabilities	12,073,937	10,643,115
Current liabilities		
Borrowings	8,106,531	5,940,927
Trade & Accounts Payables	6,788,002	8,371,564
Other liabilities	279,446	424,359
Operating lease liabilities	315,710	315,710
Current tax liabilities	132,857	286,880
Total current liabilities	15,622,546	15,339,440
Total liabilities	38,026,646	36,709,967
Number of Shares in Issue*	8,337,500	8,337,500
Net asset value per share	1.27	1.29

Consolidated Statement of Profit and Loss and Other Comprehensive Income

	Unaudited for the 9 months ended 31 December 2020	Unaudited for the 3 months ended 31 December 2020	Unaudited for the 9 months ended 31 December 2019	Unaudited for the 3 months ended 31 December 2019
	USD	USD	USD	USD
Revenue	21,007,807	8,416,197	15,089,018	5,435,899
Other income	540,571	192,681	295,141	74,014
	21,548,378	8,608,878	15,384,159	5,509,913
Cost of raw-materials and finished goods	14,486,221	5,614,509	10,043,943	3,387,779
Employee benefit expenses	2,395,295	929,749	1,874,652	650,015
Other expenses	2,634,594	1,331,615	2,496,923	940,848
	19,516,110	7,875,873	14,415,518	4,978,642
Profit before finance cost, depreciation and tax	2,032,268	733,005	968,641	531,271
Finance costs	(551,192)	(177,808)	(257,091)	(91,886)
Depreciation and amortisation	(632,873)	(130,310)	(785,486)	(261,829)
	848,203	424,887	(73,935)	177,556
Profit/(loss) before income tax				
Income tax expense				
Current tax	(132,857)	(17,112)	-	(12,429)
Profit / (loss) for the period	715,346	407,775	(73,935)	165,127
Number of Shares in Issue*	8,337,500	8,337,500	8,337,500	8,337,500
Earnings per share	0.09	0.05	(0.01)	0.02
Profit attributable to				
Owners of the Company	981,834	559,684	(201,339)	449,671
Non-controlling interests	(266,488)	(151,909)	127,404	(284,544)

Statement of Comprehensive Income

	Unaudited for the 9 months ended 31 December 2020	Unaudited for the 3 months ended 31 December 2020	Unaudited for the 9 months ended 31 December 2019	Unaudited for the 3 months ended 31 December 2019
	USD	USD	USD	USD
Profit for the period	715,346	407,775	(73,935)	165,127
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	-	-	-	-
Total comprehensive income for the period	715,346	407,775	(73,935)	165,127
Total comprehensive income for the period attributable to				
Owners of the Company	981,834	559,684	(201,339)	449,671
Non-controlling interests	(266,488)	(151,909)	127,404	(284,544)

Consolidated Statement of Cashflows

	Unaudited for the 9 months ended 31 December 2020	Unaudited for the 9 months ended 31 December 2019
	USD	USD
Net cash flow used in operating activities	(1,784,516)	(625,447)
Net cash flow used in investing activities	(1,122,479)	(2,193,547)
Net cash flow from financing activities	2,936,257	6,980,992
Net increase in cash and cash equivalents	29,262	4,161,997
Cash and cash equivalents at the beginning of the period	5,829,874	3,146,618
Cash and cash equivalents at the end of the period	5,859,137	7,308,616

*In December 2020, the shareholders passed a resolution approving a share split of 1:500 of the ordinary shares of the Company. Accordingly, the figures for the period ended 31 December 2020, and the comparative figures have been updated to reflect the total number of ordinary shares in issue by the Company post the share split exercise. 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.

The Company is required to publish consolidated interim financial results for the three months and nine months ended 31 December 2020 in terms of Listing Rule 12.19 of the SEM and Section 88 (1) of the Mauritian Securities Act 2005.

The abridged unaudited consolidated financial statements for the three months and nine months ended 31 December 2020 ("abridged unaudited consolidated financial statements") have been prepared in accordance with the measurement and recognition requirements of IFRS, the information contained in IAS 34: Interim Financial Reporting, the SEM Listing Rules and the Mauritian Securities Act 2005.

The abridged unaudited consolidated financial statements have not been reviewed or reported on by the Company's external auditors. These abridged unaudited consolidated financial statements were approved by the Board of Directors (the "Board") on 15 February 2021.

Copies of the abridged unaudited consolidated financial statements and the statement of direct and indirect interests of each officer of the Company, pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge, upon request at the Registered Office of the Company at c/o Ocorian (Mauritius) Limited, 6th Floor, Tower A, 1 CyberCity, Ebene 72201, Mauritius.

This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.20 and Section 88 (1) of the Mauritian Securities Act 2005. The Board accepts full responsibility for the accuracy of the information contained in this communiqué. Contact Person: Mr Vashish Bisnathsing

For further information please contact:
Perigeum Capital Ltd
SEM Authorised Representative and Sponsor



Ocorian (Mauritius) Limited
Company Secretary

O C O R I A N

Statement of Changes in Equity

	Share capital	Share premium	Share application money	Retained earnings / (deficit)	Other Reserves	Equity attributable to owners of the Company	Non- Controlling interests	Total equity
	USD	USD	USD	USD	USD	USD	USD	USD
Balance as at 31 March 2019	16,675	6,415,178	-	6,887,022	(2,984,910)	10,333,965	(177,176)	10,231,633
Share application money received	-	-	1,500,000	-	-	1,500,000	-	1,500,000
(Loss)/Profit for the period	-	-	-	(201,339)	(1,251,375)	(1,452,714)	127,404	(1,325,310)
Balance as at 31 December 2019	16,675	6,415,178	1,500,000	6,685,683	(4,236,285)	10,381,251	(49,772)	10,406,323
Balance as at 31 March 2020	16,675	6,415,178	1,500,000	6,241,368	(3,455,072)	10,718,149	9,263	10,727,412
Profit/(loss) for the period	-	-	-	981,834	(1,112,595)	(130,761)	(266,488)	(397,249)
Balance as at 31 December 2020	16,675	6,415,178	1,500,000	7,223,202	(4,567,667)	10,587,388	(257,225)	10,330,163