

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

The 2020-21 performance reflects solid achievement in terms of expected revenues and EBITDA, and keeps Africure on track to create a sustainable pharma manufacturing and services platform in Africa.

DIRECTORS COMMENTARY AND COMPANY OVERVIEW

The Board of Directors of Africure is pleased to present the audited results for the financial year ended 31st March 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 across Sub Saharan Africa.

This year, though faced with challenges on various fronts like regulatory, sales, supply chain, etc. was a very good year with a healthy performance. The Company achieved growth on all its budgeted parameters and is strengthening its position as a strong player in the industry, with long-term aspirations.

The management's ability to foresee challenges & address these by timely decisions has ensured that none of the operations were significantly disrupted as a result of the COVID-19 pandemic and lockdowns. In fact, we have grown both qualitatively and quantitatively in many areas.

Being a visible Pharmaceutical player, the need to showcase our support and to act responsibly during the testing COVID times was an absolute necessity. We have made contributions by supplying medication, PPE kits, medical aid, etc. in markets where we operate, showing our commitment for the well-being of the markets in which we operate.

The Company has started new verticals in Pharma technology, regulatory services, online pharmacy and in new therapeutic areas such as nutraceuticals & cosmeceuticals, in addition to creating a stronger manufacturing base and efficient operations. The Company's greenfield project in Ethiopia has gained very good momentum. We are also looking at various acquisition opportunities & licensing arrangements with innovators.

We have also ensured that there is a robust pipeline of new products in our companies, having filed for ~100 products during the current financial year.

We continually conduct various third-party audits and training programs in areas of Quality Management Systems and Environment Health and Safety in line with our commitment to maintain our high standards of quality and compliance.

HIGHLIGHTS OF PERFORMANCE

- The Group has achieved 97% of its budgeted estimates for the year.
- Annual revenue of USD 29.16 Mn against USD 20.82 Mn achieved in the previous year – Increase of USD 8 Mn signifying a healthy 40% revenue growth YOY.
- Gross Margins impacted by 3-5 % due to increased cost of input materials & freight costs.
- Annual operational EBITDA at USD 3.70 Mn against USD 2.40 Mn achieved in the previous year – healthy 54% EBITDA growth YOY.
- Annual Profit after tax at USD 1.04 Mn against loss of ~USD 300,000 achieved in the previous year – healthy 100%+ PAT growth YOY.
- Effective cost management has supported delivery of strong EBITDA.
- Receivables at 113 days against 126 days in the previous quarter & 123 days in the previous year.
- Inventory holding at 60 days signifying efficient inventory management, against 75 days in the last quarter.
- The asset base grew from ~ USD 37 Mn to ~ USD 44 Mn
- ~ USD 2.50 Mn invested on Capex in the year with a further commitment of up to USD 5 Mn in the next two years.
- Debt Equity ratio at 1.06 against 0.90 in the previous year.
- The Board has not declared any dividend for the year and is reinvesting profits to maintain growth momentum.

CURRENT BUSINESS OUTLOOK

With a strong foundation, geographical expansion, new verticals being implemented & new product introductions, we expect a stronger result in the current financial year of 2021/22. Our new plant in Cote d'Ivoire will start generating commercial revenues, while our Cameroon & India plants will reach a critical size in volumes & value. Our expansion into manufacturing in Tanzania will further increase our Pan Africa capacities & will help us emerge as a key player in the healthcare sector with a robust increase in shareholder value.

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 to consistent performance, with a view to create value in line with our long-term vision. We will continue to work towards increasing local manufacturing capacities in Sub Saharan Africa & help Africa reduce dependence on imports, thus enabling a greater level of self-sufficiency in pharmaceutical product and services.

By order of the board

29 June 2021

Consolidated Statement of Financial Position

	Audited as at 31 March 2021 USD	Audited as at 31 March 2020 USD
ASSETS		
Non-current assets		
Goodwill	2,661,460	2,315,454
Property plant and equipment	13,906,732	12,588,213
Intangible assets	2,921	44,709
Right of use assets	2,812,823	1,770,785
Capital work in progress	1,000,886	118,147
Investment in subsidiaries	–	–
Loans and advances	–	–
Total non-current assets	20,384,822	16,837,308
Current assets		
Inventories	5,150,195	4,832,009
Trade receivables	9,574,278	7,110,148
Cash and cash equivalents	5,857,355	5,829,874
Other assets	2,777,668	2,100,628
Total current assets	23,359,496	19,872,659
Total assets	43,744,318	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	7,558,339	6,241,368
Other reserves	(3,231,449)	(3,455,072)
Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd	12,258,743	10,718,149
Non-controlling interests	(342,712)	9,263
Non-current liabilities		
Borrowings	11,029,918	8,832,722
Operating lease liabilities	2,738,038	1,679,150
Deferred tax liabilities	(10,063)	131,243
Total non-current liabilities	13,757,893	10,643,115
Current liabilities		
Borrowings	8,006,526	5,940,927
Trade & Accounts Payables	9,037,187	8,371,564
Other liabilities	514,025	424,359
Operating lease liabilities	228,068	315,710
Current tax liabilities	284,588	286,880
Total current liabilities	18,070,394	15,339,440
Total liabilities	43,744,318	36,709,967
Number of Shares in Issue*	8,337,500	8,337,500
Net asset value per share	1.47	1.28

Notes to the accounts:

*In December 2020, the shareholders passed a resolution approving a share split of 1:500 of the ordinary shares of the Company. Thus, in order to ease comparison, the figures for the year ended 31 March 2020 have also 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 as at date by the Company is 8,337,500, and the number of preference shares in issue is at 2,945.

The abridged audited consolidated financial statements for the year ended 31 March 2021 ("abridged audited consolidated financial statements") have been prepared in accordance with the measurement and recognition requirements of IFRS, the SEM Listing Rules and the Mauritian Securities Act 2005, using the same accounting policies as those of the audited consolidated financial statements for the year ended 31 March 2020, except for new standards as applicable / as amended.

The company's external auditors, RSM (Mauritius) LLP have issued an unmodified audit opinion on the consolidated financial statements for the year ended 31 March 2021. These abridged audited consolidated financial statements were approved by the Board of Directors on 28 June 2021.

No dividends were declared or paid to shareholders during the financial year ended 31 March 2021.

Copies of the abridged audited consolidated financial statements and the statement of direct and indirect interests of each officer of the Company 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 12.14 and Section 88 of the Mauritian Securities Act 2005. The Board of Directors accepts full responsibility for the accuracy of the information contained in this communiqué. Contact Person: Mr Vashish Bisnathsingh this communiqué.

For further information please contact:

SEM Authorised Representative and Sponsor



Perigeum Capital Ltd

Consolidated Statement of Profit and Loss

	Audited for the year ended 31 March 2021 USD	Audited for the year ended 31 March 2020 USD
Revenue	29,163,185	20,819,959
Other income	1,926,235	532,783
	31,089,420	21,352,742
Cost of raw-materials and finished goods	21,277,704	12,957,003
Employee benefit expenses	2,813,481	2,677,229
Other expenses	3,289,397	3,274,079
	27,380,582	18,908,311
Profit before finance cost, depreciation and tax	3,708,838	2,444,431
Finance costs	(1,006,652)	(670,565)
Depreciation and amortisation	(984,798)	(1,422,007)
Profit before income tax	1,717,388	351,859
Income tax expense		
Current tax	(611,086)	(698,843)
Deferred tax	(141,306)	24,293
Profit/ (Loss) for the year	964,996	(322,691)
Profit attributable to		
Owners of the Company	1,316,971	(509,130)
Non-controlling interests	(351,975)	186,439
Earnings per share for profit attributable to the ordinary equity holders of the company		
Basic earnings per share	0.16	(0.06)
Diluted earnings per share	0.16	(0.06)
Weighted average number of shares*	8,337,500	8,337,500

Statement of Changes in Equity

	Share capital USD	Share premium USD	Share application money USD	Retained earnings / (deficit) USD	Other Reserves USD	Equity attributable to owners of the Company USD	Non- Controlling interests USD	Total equity USD
Balance as at 1 April 2019	16,675	6,415,178	–	6,887,022	(2,984,910)	10,408,809	(177,176)	10,231,633
Share application money received	–	–	1,500,000	–	–	1,500,000	–	1,500,000
Adjustment on initial application of IFRS 16	–	–	–	(211,368)	–	(211,368)	–	(211,368)
Loss for the year	–	–	–	(509,130)	(470,162)	(979,292)	186,439	(792,853)
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
Business combination	(16,675)	16,675	–	–	–	–	–	–
Profit for the year	–	–	–	1,316,971	223,623	1,540,594	(351,975)	1,188,619
Balance as at 31 March 2021	–	6,431,853	1,500,000	7,558,339	(3,231,449)	12,258,743	(342,712)	11,916,031

Statement of Comprehensive Income

	Audited for the year ended 31 March 2021 USD	Audited for the year ended 31 March 2020 USD
Profit/ (Loss) for the year	964,996	(322,691)
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 year	964,996	(322,691)
Total comprehensive income for the period attributable to		
Owners of the Company	1,316,971	(509,130)
Non-controlling interests	(351,975)	186,439

Consolidated Statement of Cashflows

	Audited for the year ended 31 March 2021 USD	Audited for the year ended 31 March 2020 USD
Net cash flow used in operating activities	(1,061,590)	(617,973)
Net cash flow used in investing activities	(1,927,049)	(3,263,370)
Net cash flow from financing activities	3,027,043	6,564,597
Net increase in cash and cash equivalents	38,404	2,683,255
Cash and cash equivalents at the beginning of the period	5,829,874	3,146,618
Cash and cash equivalents sold as part of the sale of subsidiary	(10,923)	–
Cash and cash equivalents at the end of the period	5,857,355	5,829,874