

ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30 JUNE 2021

AFRICURE'S PERFORMANCE FOR THE FIRST FINANCIAL QUARTER HIGHLIGHTED ONCE AGAIN, THE UNDERLYING STRENGTHS OF OUR GROUP, DRIVEN BY SOLID GROWTH ACROSS OUR MULTIPLE BUSINESSES

Directors Commentary and Group Overview

The Board of Directors of Africure is pleased to present the unaudited results for the quarter ended 30 June 2021.

Africure is a manufacturer of high-quality essential medication, with a differentiated strategy to create manufacturing assets & capabilities in Africa, for the betterment of health of Africans. We operate manufacturing plants in Cote D'Ivoire, Cameroon, Botswana, Tanzania and India, besides having Distribution companies in various countries across Sub Saharan Africa, together with key partnerships with various pharma companies in Africa.

This quarter remained very challenging, with supply chains impacted due to COVID, increased raw material prices & freight costs, uncertainty in supplies, and delays in regulatory approvals. We are proud to state that despite these hardships, we have been resilient in our performance, found timely solutions & ensured that our businesses functioned without any interruptions. The experience of the management team has helped foresee challenges and take remedial measures. The Group achieved a strong quarter growth on most of its financial & qualitative parameters, and has established the proper foundations to push for continued growth going forward.

We have strived to remain a trustworthy & socially responsible organisation during these testing times by vaccinating most of our employees, offered to help procure vaccines to governments in various markets, distributed COVID essentials to the communities & imparted awareness around the management and prevention of COVID. We have also ensured continuous supplies of adjuvant medication for COVID treatment, through our manufacturing sites, with a minimal lead time.

The Group has gained momentum in the quarter on all new initiatives such as – Rx Promotion businesses, Management services, Cosmeceuticals & nutraceuticals, online pharmacy & technology services, besides progressing on our in-house pharma manufacturing projects.

Moreover, we have a robust pipeline of new products across our companies, having filed for ~40 products during this quarter.

Finally, and of note, we have successfully completed our planned Quality & ESG compliance initiatives & audits in line with our commitment to maintain high standards of quality and compliance.

Highlights of Performance

- The Group has achieved 100+% of its budgeted revenue & profitability estimates for the Q1.
- Quarter revenue of ~USD 8 Mn against USD 5 Mn achieved in the corresponding quarter 2020, signifying a healthy 60% revenue growth YOY, driven by strong performance from French West and East African businesses.
- Gross Margins improved by 4% over the last quarter, signifying our ability to pass on the cost increases & improve the product mix.
- Quarterly operational EBITDA at USD 950K against USD 326K USD achieved in the previous year – healthy 91% EBITDA growth YOY.
- Resultant Profit after tax at USD 430K against a loss in the previous year – healthy 100%+ PAT growth YOY.
- Operating costs increased over the previous year due to full-fledged start of IVC plant & quality audit costs.
- Receivables at 100 days against 123 days in the previous year.

- Inventory holding at 105 days due to a build-up of inventory in anticipation of possible disruptions, against 75 days in the previous year.
- ~500 K USD 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 1.44 against 1.36 in the previous year.
- The board has not declared any dividend for the quarter ended 30 June 2021 and is reinvesting profits to maintain growth momentum.

Current Business Outlook

The Group has a strong orderbook for Q2 & Q3 and expects a strong financial performance in 2021-22. We are on the verge of completing an acquisition in Tanzania by Q3 which will add to our profitability. With a strong vertical expansion, we are in a right position of de-risking the business in years to come. We believe that the group's ability to adapt & respond to market forces positively will help create a robust business model that will enrich value for all its stakeholders.

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 manufacturing and services.

By order of the Board
13 August 2021

Consolidated Statement of Financial Position

	Unaudited as at 30 June 2021	Unaudited as at 30 June 2020
	USD	USD
ASSETS		
Non-current assets		
Goodwill	2,675,773	2,661,460
Property plant and equipment	13,921,998	13,906,732
Intangible assets	2,947	2,921
Right of use assets	2,812,823	2,812,823
Capital work in progress	1,181,837	1,000,886
Total non-current assets	20,595,378	20,384,822
Current assets		
Inventories	6,115,893	5,150,195
Trade receivables	10,272,451	9,574,279
Cash and cash equivalents	4,750,042	5,857,355
Other assets	2,926,061	2,777,668
Total current assets	24,064,447	23,359,497
Total assets	44,659,825	43,744,319
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	7,974,063	7,558,339
Other reserves	(2,636,872)	(3,231,449)
Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd	13,269,044	12,258,743
Non-controlling interests	(330,505)	(342,712)
Non-current liabilities		
Borrowings	11,063,810	11,029,918
Operating lease liabilities	2,738,038	2,738,038
Deferred tax liabilities	(14,031)	(10,063)
Total non-current liabilities	13,787,817	13,757,893
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	17,933,469	18,070,394
Total liabilities	44,659,825	43,744,319
Number of Shares in Issue*	8,337,500	8,337,500
Net asset value per share	5.36	5.25

Consolidated Statement of Profit and Loss

	Unaudited for the quarter ended 30 June 2021	Unaudited for the quarter ended 30 June 2020
	USD	USD
Revenue	7,937,596	5,075,820
Other income	279,008	202,346
	8,216,604	5,278,166
Cost of raw-materials and finished goods	5,459,137	3,673,218
Employee benefit expenses	814,739	706,531
Other expenses	987,385	571,975
	7,261,261	4,951,723
Profit before finance cost, depreciation and tax	955,343	326,443
Finance costs	(192,748)	(149,382)
Depreciation and amortisation	(225,709)	(246,200)
Profit before income tax	536,886	(69,139)
Income tax expense		
Current tax	-	-
Deferred tax	-	-
Profit / (loss) for the period	427,931	(69,139)
Profit/ (Loss) attributable to		
Owners of the Company	415,724	(58,533)
Non-controlling interests	12,207	(10,606)
Earnings per share for profit attributable to the ordinary equity holders of the company		
Basic earnings per share	0.05	(0.01)
Diluted earnings per share	0.05	(0.01)
Weighted average number of shares	8,337,500	8,337,500

Consolidated Statement of Comprehensive Income

	Unaudited for the quarter ended 30 June 2021	Unaudited for the quarter ended 30 June 2020
	USD	USD
Profit/(loss) for the period	427,931	(69,139)
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	427,931	(69,139)
Total comprehensive income for the period attributable to		
Owners of the Company	415,724	(58,533)
Non-controlling interests	12,207	(10,606)

Consolidated Statement of Cashflows

	Unaudited for the quarter ended 30 June 2021	Unaudited for the quarter ended 30 June 2020
	USD	USD
Net cash (Used in) /from operating activities (A)	(590,675)	583,211
Net cash flow used in investing activities (B)	(196,243)	(448,809)
Net cash flow from financing activities (C)	(320,395)	(200,747)
Net increase in cash and cash equivalents (A+B+C)	(1,107,313)	(66,344)
Add: Cash and cash equivalents at the beginning of the year	5,857,355	5,829,874
Less: Cash and cash equivalents sold as part of sale of subsidiary	-	-
Cash and cash equivalents at the end of the period	4,750,042	5,763,530

*In December 2020, the shareholders passed a resolution approving a share split of 1:500 of the ordinary shares of the Group. Thus, in order to ease comparison, the figures for the quarter ended 30 June 2020 have also been updated to reflect the total number of ordinary shares in issue by the Group post the share split exercise.

The total number of ordinary shares in issue as at date by the Group is 8,337,500, and the number of preference shares in issue is at 2,945.

The abridged unaudited consolidated financial statements for the quarter ended 30 June 2021 ("abridged unaudited 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 2021, except for new standards as applicable / as amended.

These abridged unaudited consolidated financial statements were approved by the Board of Directors on 13 August 2021.

Copies of the abridged unaudited consolidated financial statements and the statement of direct and indirect interests Africure 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 12.19 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.

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For further information please contact:
Perigeum Capital Ltd

SEM Authorised Representative and Sponsor



Ocorian (Mauritius) Limited
Company Secretary

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