

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

With strong revenue and profitability growth supported by well-timed corporate actions, Africure continues to make a difference in the lives of Africans in its 5th year of operations.

DIRECTORS COMMENTARY AND COMPANY OVERVIEW

The Board of Directors of Africure (the "Board") is pleased to present the audited results for the year ended 31st March 2022.

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

Some ongoing highlights include,

- The business has completed five years of operations in April 2022, with an impressive revenue & EBIDTA CAGR of 25%.
- The Group has completed the acquisition of majority stake of a manufacturing company in Tanzania. An official announcement has been made in Q4, to this effect. This will add to margin growth, as evident in these results.
- The Group has tied up debt funding of USD 15 Mn from BluePeak Private Capital, an impact-based PE fund from Tunisia.
- The gross & EBIDTA margins have been improving year-on-year, showing the results of the Group's product selection & efficiency improvement initiatives.
- Increased freight costs & volatility in raw material pricing has continued to impact business margins, which we expect to be the new normal. This has necessitated us to right-size our inventories & reduce our reaction time to market.

We believe in the opportunities that exist in the markets we serve &

are constantly working on capacity building to enhance our production volumes & resultant revenues. Slow market environment & delays in tender and ordering processes in various geographies have led to revenue short falls in some business segments. We see this as a temporary phenomenon which will correct in the next quarters. There has been continuous growth in our Rx promotion business and brand development efforts, with ~15% of our revenues emanating from these businesses.

Our R&D pipeline is trending very positively with more than 100 products being ready for filing in various geographies across Africa. 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 financial year 2021-22.
- Annual revenue of ~USD 35.00 Mn against USD 29.00 Mn achieved in the last year, signifying a 20% YoY growth. Our businesses in French west Africa & East Africa have grown over the group's growth rates.
- Gross Margins have significantly improved to 35% against 27% in the previous year, highlighting our ability to manage cost increases & improve the product mix.
- Operational EBIDTA at USD 4.70 Mn against USD 3.70 Mn achieved in the previous year, a 27% annual growth.
- Profit after tax at USD 1.30 Mn against USD 965K in the previous year, a 35% growth.
- Receivables at 160 days against 125 days in the previous year, driven by high sales in last 4 months of the year & delay in realization of certain government receivables.
- Inventory holding at 112 days against 90 days in the previous year,

getting closer to a much needed 120-150 days inventory holding.

- ~USD 1.25 Mn invested on Capex in the period with a further commitment of up to USD 2 Mn in the next year. With newly acquired productive assets, depreciation costs have increased.
- Debt Equity ratio at 0.67 against 1.12 in the previous year, signifying a better leverage position.
- The board has not declared any dividend for the period and continues to reinvest profits to maintain growth momentum.

CURRENT BUSINESS OUTLOOK

The Group has a positive outlook across all its businesses, and expects continued and consistent growth. Further working capital infusion that is planned will increase our ability to increase our inventory holdings and better respond to market needs. The Group expects a revenue of ~USD 40 Mn in the coming year, with increased margins. We believe that the Group's ability to adapt & respond to changing market dynamics, has helped to create a robust business model that will enrich value for all its stakeholders. The acquisition of the Tanzanian business and the ramp up in Ivory Coast manufacturing, alongside the start of Ethiopian operations, will greatly enhance the Group's growth.

We sincerely thank all our employees, customers, investors & other stakeholders for their continued patronage and support during these testing times & reiterate the management's commitment to consistent performance and strong governance, 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
21 June 2022

| Consolidated Statement of Financial Position | | |
|--|-----------------------------|-----------------------------|
| Particulars | Audited as at 31 March 2022 | Audited as at 31 March 2021 |
| | Group | Group |
| Assets | | |
| Non-current assets | | |
| Goodwill | 3,105,376 | 2,661,460 |
| Property plant and equipment | 18,762,960 | 13,906,732 |
| Intangible assets | 3,361 | 2,921 |
| Right of use assets | 2,518,755 | 2,812,823 |
| Capital work in progress | 3,161,849 | 1,000,886 |
| Total non-current assets | 27,552,302 | 20,384,822 |
| Current assets | | |
| Inventories | 6,961,236 | 5,150,195 |
| Trade receivables | 15,693,638 | 9,574,278 |
| Cash and cash equivalents | 1,566,778 | 5,857,355 |
| Other assets | 3,051,497 | 2,777,668 |
| Total current assets | 27,273,149 | 23,359,496 |
| Total assets | 54,825,451 | 43,744,318 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Equity share capital and share premium | 10,881,853 | 6,431,853 |
| Share application money pending allotment | - | 1,500,000 |
| Retained earnings | 11,969,355 | 7,558,339 |
| Other reserves | (3,261,721) | (3,231,449) |
| Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd | 19,589,487 | 12,258,743 |
| Non-controlling interests | (2,949,586) | (342,712) |
| Non-current liabilities | | |
| Borrowings | 13,031,737 | 11,029,918 |
| Operating lease liabilities | 2,819,301 | 2,738,038 |
| Deferred tax liabilities | 293,338 | (10,063) |
| Total non-current liabilities | 16,144,376 | 13,757,893 |
| Current liabilities | | |
| Borrowings | 10,671,623 | 8,006,526 |
| Trade and accounts payables | 9,930,277 | 9,037,187 |
| Other liabilities | 728,045 | 514,025 |
| Operating lease liabilities | 200,802 | 228,068 |
| Current tax liabilities | 510,427 | 284,588 |
| Total current liabilities | 22,041,174 | 18,070,394 |
| Total liabilities | 54,825,451 | 43,744,318 |
| Number of shares in Issue | 9,417,500 | 8,337,500 |
| Net asset value per share | 2.08 | 1.47 |

| Consolidated Statement of Profit & Loss | | |
|---|-----------------------------|-----------------------------|
| Particulars | Audited as at 31 March 2022 | Audited as at 31 March 2021 |
| | Group | Group |
| Revenue | 34,956,679 | 29,163,185 |
| Other income | 435,733 | 1,926,235 |
| | 35,392,412 | 31,089,420 |
| Cost of raw-materials and finished goods | 22,648,806 | 21,277,704 |
| Employee benefit expenses | 3,704,513 | 2,813,481 |
| Other expenses | 4,337,442 | 3,289,397 |
| | 30,690,761 | 27,380,582 |
| Profit before finance cost, depreciation and tax | 4,701,651 | 3,708,838 |
| Finance costs | (1,295,131) | (1,006,652) |
| Depreciation and amortisation | (1,329,102) | (984,798) |
| Profit before income tax | 2,077,418 | 1,717,388 |
| Income tax expense | | |
| Current tax | (760,773) | (611,086) |
| Deferred tax | (27,051) | (141,306) |
| Profit for the year | 1,289,594 | 964,996 |
| Profit/ (Loss) attributable to | | |
| Owners of the Company | 1,040,648 | 1,316,971 |
| Non-controlling interests | 248,946 | (351,975) |
| Earnings per share for profit attributable to the ordinary equity holders of the company | | |
| Basic earnings per share | 0.11 | 0.16 |
| Diluted earnings per share | 0.11 | 0.16 |
| Weighted average number of shares | 9,417,500 | 8,337,500 |

| Consolidated Statement of comprehensive income | | |
|---|-----------------------------|-----------------------------|
| Particulars | Audited as at 31 March 2022 | Audited as at 31 March 2021 |
| | Group | Group |
| Profit for the year | 1,289,594 | 964,996 |
| Total comprehensive income for the year | 1,289,594 | 964,996 |
| Total comprehensive income for the year attributable to | | |
| Owners of the Company | 1,040,648 | 1,316,971 |
| Non-controlling interests | 248,946 | (351,975) |

| Consolidated Statement of cashflows | | |
|--|-----------------------------|-----------------------------|
| Particulars | Audited as at 31 March 2022 | Audited as at 31 March 2021 |
| | Group | Group |
| Net cash flow used in operating activities | (2,995,841) | (1,061,590) |
| Net cash flow used in operating activities | (2,878,078) | (1,927,049) |
| Net cash flow used in financing activities | 1,576,097 | 3,027,043 |
| Net (decrease)/ increase in cash and cash equivalents | (4,297,822) | 38,404 |
| Cash and cash equivalents at the beginning of the year | 5,857,355 | 5,829,874 |
| Cash and cash equivalents taken over on business combination | 7,245 | (10,923) |
| Cash and cash equivalents at the end of the year | 1,566,778 | 5,857,355 |

| Consolidated Statement of changes in equity | | | | | | | | |
|---|---------------|-------------------|-------------------------|-------------------|--------------------|--|---------------------------|-------------------|
| Particulars | Group | | | | | | | |
| | Share capital | Share premium | Share application money | Retained earnings | Other Reserves | Equity attributable to owners of the Company | Non-Controlling interests | Total equity |
| Balance as at 1-Apr-20 | 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-Mar-21 | - | 6,431,853 | 1,500,000 | 7,558,339 | (3,231,449) | 12,258,743 | (342,712) | 11,916,031 |
| Business combination | - | - | - | - | - | - | 514,548 | 514,548 |
| Profit for the year | - | - | - | 1,040,648 | (30,272) | 1,010,376 | 248,946 | 1,259,322 |
| Share premium on issue of shares | - | 4,450,000 | (1,500,000) | - | - | 2,950,000 | - | 2,950,000 |
| Transaction with Equity Shareholders | - | - | - | 3,370,368 | - | 3,370,368 | (3,370,368) | - |
| Balance as at 31-Mar-22 | - | 10,881,853 | - | 11,969,355 | (3,261,721) | 19,589,487 | (2,949,586) | 16,639,901 |

All the amounts are in USD unless otherwise stated

Notes to the accounts:

The total number of ordinary shares in issue as at date by the Company is 9,417,500 and the number of preference shares in issue is at 2,945. The abridged audited consolidated financial statements for the year ended 31 March 2022 ("abridged audited consolidated financial statements") have been prepared in accordance with the measurement and recognition requirements of IFRS and the SEM Listing Rules 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. 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 2022. These abridged audited consolidated financial statements were approved by the Board on 20 June 2022. No dividends were declared or paid to shareholders during the financial year ended 31 March 2022. 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. The Board of Directors accepts full responsibility for the accuracy of the information contained in this communiqué. Contact Person: Mr Vashish Bisnathsing

For further information please contact:

SEM Authorised Representative and Sponsor



Perigeum Capital Ltd

Ocorian Corporate Services (Mauritius) Limited Company Secretary

O C O R I A N