



### **INFORMATION NOTE**

For the issue and listing of 2,260,000 new Ordinary Shares to Avacare as settlement for the transfer of Avacare's remaining shareholding in the Africure Subsidiaries to Africure

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LEC reference number: LEC/C/04/2024

14 October 2024

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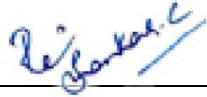
## **1 DECLARATION BY DIRECTORS**

This Information Note includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, whose names appear in Section 6 of this Information Note, collectively and individually, accept full responsibility for the accuracy and completeness of the information contained in this Information Note and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement herein misleading.

The Directors, after having made due and careful enquiry, are of the opinion that the working capital available to the Company will be sufficient for its present requirements, that is, for at least twelve months from the date of issue of this Information Note.

The Directors certify that there has been no material adverse change in the financial and trading position of the Group since 30 June 2024, the date of publication of the latest unaudited consolidated financial statements.

For and on behalf of the Board



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**Ravi Shankar Chandrasekhar**

*Director*

14 October 2024

This Information Note has been approved by the LEC, in conformity with the Listing Rules on 14 October 2024. Neither the LEC, nor the SEM, nor the FSC assumes any responsibility for the contents of this Information Note. 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 this Information Note 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 14 October 2024 for the listing of 2,260,000 additional shares of Africure Pharmaceuticals Ltd on the Official Market of the SEM by way of a consideration issue, i.e. as settlement for the transfer of Avacare's remaining shareholding in the Africure Subsidiaries to Africure.

A copy of this Information Note has been filed with the FSC.

## 2 DEFINITIONS

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<b>"Africure" or the "Company"</b>	Africure Pharmaceuticals Limited, a company incorporated under the laws of Mauritius, having its registered office at Level 6, Tower A, 1 Exchange Square, Wall Street, Ebene, Mauritius, 72201, with registration number C145852 C1/GBL;
<b>"Africure Ethiopia"</b>	Africure Pharmaceuticals Manufacturing Ethiopia PLC, a company incorporated under the laws of Ethiopia, having its office at Akaki Kality, Wereda, 09, Kilinto Pharmaceutical Industrial Park, Addis Ababa, Ethiopia, with Registration Number EIA/PC/2/0000412/2010;
<b>"Africure Group" or "Group"</b>	The Company and its subsidiaries;
<b>"Africure IVC"</b>	Africure Pharmaceuticals Cote D'Ivoire, a company incorporated under the laws of Cote D'Ivoire, having its office at No. 32, VITIB (Free Trade Zone) Parc Technology Mahatma Gandhi, BP 605, Grand Bassam, Abidjan- Cote d'Ivoire, with registration number CI- ABJ-2017-M-16653;
<b>"Africure Shares" or "Ordinary Shares"</b>	Ordinary shares of Africure;
<b>"Africure Subscription Price"</b>	means the subscription price for the Consideration Shares i.e. USD 3.4348 per Ordinary Share for 2,260,000 Ordinary shares (total amount of USD 7,762,672);
<b>"Africure Subsidiaries"</b>	Being Africure IVC, Zenufa and Africure Ethiopia for the purpose of this document;
<b>"Agreement"</b>	means an Agreement dated 6 <sup>th</sup> August 2024 between Africure, Avacare, the Africure Subsidiaries and Innovata;
<b>"Avacare"</b>	Avacare Global, a company incorporated under the laws of Mauritius, having its registered office at 4 <sup>th</sup> Floor, Super U Complex, Coeur de Ville, La Salette Road, Grand Bay, Mauritius 30551, with registration number C137837 C1/GBL;
<b>"Board"</b>	the board of Directors of the Company;
<b>"Companies Act"</b>	the Companies Act 2001 of the Republic of Mauritius and any other amendments made from time to time;
<b>"Consideration Shares"</b>	2,260,000 new Africure Shares to be issued and allotted to Avacare as settlement for the transfer of Avacare's remaining shareholding in the Africure Subsidiaries to Africure;
<b>"Constitution"</b>	the constitution of the Company as may be amended from time to time subject to prior approval of the SEM;

<b>"Directors"</b>	the current directors of the Company whose names are set out in Section 6 of this Information Note;
<b>"Disproportionate Funding"</b>	a total amount of USD 5,159,267 owed by Avacare to the Africure Subsidiaries as a result of Avacare's inability to provide proportional funding into the Africure Subsidiaries;
<b>"Execution Date"</b>	means the date of the party last signing the Agreement, being 6 <sup>th</sup> August 2024;
<b>"Financial Services Act"</b>	the Financial Services Act 2007 of the Republic of Mauritius and all regulations promulgated under this Act as well as any amendments thereto;
<b>"FSC"</b>	Mauritian Financial Services Commission;
<b>"Innovata" or "Avacare Subsidiary"</b>	Innovata, a company incorporated under the laws of Mauritius, having its office at 3 <sup>rd</sup> Floor, Grand Baie Coeur de Ville, La Salette Road, Grand Baie, Mauritius 30551, with registration number 137836 C1/GBL;
<b>"Last Practicable Date"</b>	31 August 2024 (being the last practicable date before the publication of this Information Note);
<b>"LEC"</b>	the Listing Executive Committee of the SEM;
<b>"Listing Rules"</b>	the Listing Rules of the SEM;
<b>"Official Market"</b>	the Official Market of the Stock Exchange of Mauritius Ltd;
<b>"Parties"</b>	means the various parties to the Agreement, i.e. Africure, Avacare, the Africure Subsidiaries and Innovata;
<b>"SEM"</b>	the Stock Exchange of Mauritius Ltd established under the repealed Stock Exchange Act 1988;
<b>"Shareholder"</b>	a holder of Ordinary Shares in the Company from time to time;
<b>"USD"</b>	United States Dollars;
<b>"Zenufa"</b>	Zenufa Laboratories Limited, a company incorporated under the laws of the United Republic of Tanzania, having its registered office at P.O. Box. 3730, Plot No. 131-132, Kipawa Industrial Area, Julius Nyerere Road, Dar Es Salaam, Tanzania, with registration no. 30621;
<b>"Zion"</b>	means Zion Investments, with registration number 1701251, a company duly incorporated in accordance with the laws of United Arab Emirates, with its registered place of business at Sharjah Media City, Sharjah, UAE;

### 3 ABOUT THE COMPANY

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#### 3.1 Company background

Africure was incorporated as a private company limited by shares on 17 March 2017 and has its registered office at 6<sup>th</sup> Floor, Tower A, 1 CyberCity, Ebene, Mauritius. The Company holds a global business licence issued under the Mauritian Financial Services Act 2007 and is regulated by the FSC. The Company was converted into a public company limited by shares in December 2020 and its Ordinary Shares are listed on the Official Market of the SEM since January 2021.

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 400 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 200 distributor and procurement agencies. The Company employs over 600 staff members as at date and is well positioned in Africa with the current management boasting over a minimum of 20 years of experience each in the 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 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. Further, Africure operates 5 other certified manufacturing plants across several jurisdictions namely India, Ethiopia, Cote D’Ivoire, Tanzania, Botswana 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. Aside these, the Company also has distributors spread across SSA, to distribute its products in over 15 other countries.

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 (Current Good Manufacturing Practice) 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.

Africure also 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:-

- Uses high quality material from approved sources after complete testing.
- Continuously monitors the production process from a quality perspective.

- Studies the quality metrics of products produced in terms of CDP and stability and undertake course correction in areas where challenges are identified.
- Ensures that facilities are well maintained and compliant at all times.
- Ensures 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.
- Introduces 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.

### **3.2 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 6 cGMP certified manufacturing plants across several jurisdictions namely India, Cote D'Ivoire, Ethiopia, 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. The Company brings 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.



## 4 OVERVIEW OF THE TRANSACTION

### 4.1 The Transaction

- a) Avacare held 1,895 preference shares in the Company, of which 1,015 were acquired from Zion and Mr. Deepak Parayanken (a former director of Africure). The Company redeemed and cancelled the 1,895 preference shares held by Avacare for the sum of USD 1,895. The Company wrote off certain loans from Zion, that were supposed to be assigned to Avacare as a part of an independent transaction between Avacare and Zion, which was not accepted by the Company and hence was written off in its books of accounts. These were matters of disagreement between Africure and Avacare which these two parties agreed to resolve through the Agreement (the "**Disagreements**");
- b) As at the Execution Date, Avacare held shares in the Company, Africure IVC and in Africure Ethiopia and Innovata held shares in Zenufa, as set out in the table below:-

Company	Shareholder	No of shares	Percentage Holding as at Execution Date
Africure Mauritius	Avacare	3,227,500	34.26%
Africure IVC	Avacare	4,900	49%
Africure Ethiopia	Avacare	18,236	39%
Zenufa	Innovata	727,007	49%

- c) As at the Execution Date, the following amounts were payable to the Africure Subsidiaries by Africure as shareholder contributions in these entities:

Subsidiaries	Amount
Africure IVC	USD 9,144,088
Africure Ethiopia	USD 5,992,919
Zenufa	USD 2,922,064

- d) As at the Execution Date, the following amounts were payable to the Africure Subsidiaries by Avacare and/or Innovata as shareholder contributions in these entities ("**Shareholder Contributions**"):

Subsidiaries	Amount
Africure IVC	USD 2,652,868
Africure Ethiopia	USD 1,392,166
Zenufa	USD 1,800,000

Avacare and Innovata are unable to provide such funding to the Africure Subsidiaries. The Parties agreed that the Shareholder Contributions shall be assigned to the Company following the transactions contemplated in the Agreement.

- e) The Parties agreed that they shall settle the Disproportionate Funding by way of dilution in shareholding in the Africure Subsidiaries as set out below:

<b>Africure Subsidiaries</b>	<b>Consideration payable by Avacare and Avacare Subsidiary in USD</b>	<b>Percentage Holding as at Execution Date</b>	<b>No of Shares to be transferred for short contribution</b>	<b>No of Shares Post transfer to Africure</b>	<b>Percentage Holding post Transfer (the "Resultant Shareholding")</b>
Africure IVC	1,491,603	49%	2,700	2,200	22%
Africure Ethiopia	2,235,853	39%	14,028	4,208	9%
Zenufa	1,431,811	49%	2,22,553	5,04,454	34%

f) The Share Swap and Dilution

The Parties have further agreed that the diluted holdings of Avacare in the Africure Subsidiaries shall be such that Avacare shall no longer hold shares in the Africure Subsidiaries but instead any Resultant Shareholding, as set out below, shall be swapped together with additional equity due to the Disagreements with fresh issue of 2,260,000 Ordinary shares of USD 3.4348 per Ordinary Share totaling USD 7,762,672 in the Company in favour of Avacare ("**Share Swap**")

Upon completion of the Share Swap, the percentage shareholding of Africure and Avacare in the Africure Subsidiaries shall be as follows:-

<b>Africure Subsidiaries</b>	<b>Percentage Holding of Africure post the Share Swap</b>	<b>Percentage Holding of Avacare post the Share Swap</b>
Africure IVC	100%	NIL
Africure Ethiopia	90%	NIL
Zenufa	100%	NIL

g) Related Party Transaction

Being a controlling shareholder of Africure (i.e. holding at least 20% of the voting shares of the Company), Avacare is regarded as being a 'related party' of Africure as per the SEM Listing Rules. Given that the Transaction (i.e. acquisition of Avacare's equity stake in the Africure Subsidiaries) is being carried out in the ordinary course of business of Africure and is of a revenue nature, the provisions of Chapter 13 of the SEM Listing Rules relating to 'related party transactions' shall not apply.

h) Determination of Transaction Value

As per an independent valuation carried out by Aeka Advisors India LLP, the Enterprise Value ("**EV**") of the Africure Subsidiaries as at 31 March 2024 was as follows:-

<b>Africure Subsidiaries</b>	<b>EV as at 31 March 2024 (USD)</b>	<b>Percentage holding being acquired by Africure</b>	<b>Consideration Price as per Valuation Report (USD)</b>	<b>Agreed Consideration Price following negotiations (USD)</b>
Africure IVC	8.99	49%	4.40	3.63
Africure Ethiopia	7.11	39%	2.77	2.312
Zenufa	5.07	49%	2.48	1.82

The total transaction value agreed between Avacare and Africure is therefore USD 7,762,672, which shall be settled through the issue of 2,260,000 new Ordinary Shares to Avacare at a price of USD 3.4348 per Ordinary Share, subject to receipt of all requisite approvals, including approval from the SEM.

i) Shareholding structure of Africure post the Share Swap

Upon completion of the Share Swap (i.e. following the issue of the Consideration Shares), the shareholding structure of the Company shall be as follows :

Name	Current Shareholding		Post Share Swap	
	No of Ordinary Shares	Shareholding	No of Ordinary Shares	Shareholding
Simbel Anslem Noronha	10,000	0.11%	10,000	0.09%
Lewis Noronha Delba Valleri	10,000	0.11%	10,000	0.09%
Sinhue Bosco Noronha	4,380,000	46.51%	4,380,000	37.51%
Ravi Shankar C	500,000	5.31%	500,000	4.28%
Avacare Global	3,227,500	34.27%	5,487,500	46.99%
Haider Mousa Mohammed Mohammed	1,230,000	13.06%	1,230,000	10.53%
Heal Health Care Solutions	60,000	0.64%	60,000	0.51%
<b>Total</b>	<b>9,417,500</b>	<b>100</b>	<b>11,677,500</b>	<b>100</b>

#### 4.2 Application for listing

An application has been made for the listing by way of consideration issue of 2,260,000 new Africure Shares, i.e., the Consideration Shares, on the Official Market of the SEM.

#### 4.3 Dealings in new shares

Dealings in the Consideration Shares 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 (CDS) as per section 3(3) of the Securities (Central Depository, Clearing and Settlement) Act 1996.

#### 4.4 Summary of the Rights Attaching to the Consideration Shares

The Consideration Shares will be issued fully paid and will have the same rights and rank *pari passu* in all respects with the existing Ordinary Shares.

Ordinary shares confer on the holders thereof the rights as provided under the Companies Act 2001, i.e.:-

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

The Consideration Shares have no fixed dividend. The Directors shall, from time to time, declare such dividends as prudent business considerations allow and depending on the Company's medium- and long-term strategies and subject to the solvency test being satisfied.

## 5 SHARE CAPITAL OF THE COMPANY

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### 5.1 Issued Capital

The issued capital of the Company as at the Last Practicable Date was 9,417,500 Ordinary Shares of no par value.

The Consideration Shares (being 2,260,000 Ordinary Shares) when issued will represent 24% of the existing issued share capital of the Company, and the issued capital of the Company will be increased to 11,677,500 Ordinary Shares.

### 5.2 Impact on register of substantial shareholders, i.e., those having directly or indirectly, a beneficial interest of 5% or more in the share capital of the Company, before and after issuance of the Consideration Shares

Shareholders	No. of Ordinary Shares	Shareholding pre issuance	Shareholding post issuance
Sinhue Bosco Noronha	4,380,000	46.51%	37.51%
Ravi Shankar C	500,000	5.31%	4.28%
Avacare Global	3,227,500	34.27%	46.99%
Haider Mousa Mohammed Mohammed	1,230,000	13.06%	10.53%

*\*None of the above Shareholders have an indirect interest in the Company's Shares.*

## 6 DIRECTORS OF THE COMPANY

### 6.1 Directors details

Name	Office Held
Mr. Sinhue Bosco Noronha	Chief Executive officer, Executive Director
Mr. Ravi Shankar Chandrasekhar	Chief Financial Officer, Executive Director
Mr. Heider Mousa Mohammed Mohammed	Independent Non-Executive Director
Dr. Vikramkumar Naik	Independent Non-Executive Director
Mr. Ibrahim Malleck	Independent Non-Executive Director
Mr. Sultunti Asnath	Independent Non-Executive Director
Mr. Vashish Bisnathsing	Independent Non-Executive Director
Mrs. Delba Valleri Lewis-Noronha	Independent Non-Executive Director
Mr. Rajal Upadhyaya	Independent Non-Executive Director
Mr. Andre Meyer	Independent Non-Executive Director

*Business address for each of the directors listed above is 6<sup>th</sup> Floor, Tower A, 1 Cybercity, Ebene, Republic of Mauritius*

### 6.2 Directors profile

The Directors of the Company are as follows:

➤ **Mr. Sinhue Bosco Noronha, Chief Executive officer and Executive Director**

Mr. Noronha is the Founder and controlling stakeholder of Africure Pharmaceuticals Ltd. 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.

➤ **Mr. Ravi Shankar Chandrasekhar, Chief Financial Officer and Executive Director**

Mr. Ravi is a finance professional with over 20 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.

➤ **Mr. Haider Mousa Mohammed Mohammed, Independent Non-Executive Director**

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 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.

➤ **Dr. Vikramkumar Naik, Independent Non-Executive Director**

Dr. Vikramkumar Naik is the promoter of a large pharmaceutical business focused in Zazibbona 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.

➤ **Mr. Ibrahim Malleck, Independent Non-Executive Director**

Mr. Ibrahim Malleck is a managing partner in a finance advisory firm with 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.

➤ **Mr. Sultunti Asnath, Independent Non-Executive Director**

Mr. Asnath occupied various high-level 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, 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.

➤ **Mr. Vashish Bisnathsing, Independent Non-Executive Director**

A seasoned professional with deep understanding of regulatory and compliance of the Global Business Sector in Mauritius. He has played a pivotal role in setting up various business processes since Africure's inception. He has over 12 years of experience in handling operations for various companies.

➤ **Mrs. Delba Valleri Lewis-Noronha, Independent Non-Executive Director**

Highly professional and experienced sales executive with 23 years of experience within the hospitality industry. Extreme attention to detail that has helped create and nurture relationship by way of superior customer service skills. She drives the Company's digital marketing and new business initiatives.

➤ **Mr. Rajal Upadhyaya Independent Non-Executive Director**

Mr Rajal has more than 25 years of experience in corporate finance, strategy consulting, senior industry leadership and private equity investing across developed and emerging markets with significant experience in Sub-Saharan Africa.

➤ **Mr. Andre Meyer, Independent Non-Executive Director**

Mr. Andre has over 33 years of experience in the healthcare industry, including extensive experience in the South African healthcare industry. He has previously fulfilled key strategic roles at leading multinational organisations, including Group CEO at Life Healthcare, Managing Director at Alexander Forbes Healthcare Consultants and Actuaries and Chief Executive Officer at Medscheme Administration and Managed Care.

### 6.3 Senior Management Profiles

The senior management of the Company is as follows:

Name	Position
<b>Mr Sinhue Bosco Noronha</b>	Mr. Noronha is the Chief Executive Officer of the Company since 2017. For further information please see section 6.2 "Directors Profile" above.
<b>Mr Ravi Shankar Chandrasekhar</b>	Mr. Shankar is the Chief Financial Officer of the Company since 2017. For further information please see section 6.2 "Directors Profile" above.

### 6.4 Remuneration and benefits in kind to Directors

Three directors namely Messrs. Ravi Shankar, Sinhue Bosco Noronha and Ibrahim Malleck are entitled to remuneration in the form of a Directorship fee pursuant to established Directorship Agreements. Ocorian who has nominated Mr. Asnath Sultunti and Mr. Vashish Bisnathsing to act as directors on the Board of the Company, is paid a fee for procurement of directorship services.

The aggregate of remuneration paid and benefits in kind granted to the directors of the Company in respect of the last financial year ended 31 March 2024 amounted to USD 342,000/-.

The directors' remuneration and benefits in kind for the current financial year have been budgeted to USD 342,000/-

### 6.5 Directors' interest in Africure Shares

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	46.51%

Mr. Ravi Shankar Chandrasekhar	-	500,000	500,000	5.31%
Mr. Haider Mousa Mohammed Mohammed	-	1,230,000	1,230,000	13.06%
Mr. Vikramkumar Naik	-	-	-	-
Mr. Ibrahim Malleck	-	-	-	-
Mr. Sultunti Asnath	-	-	-	-
Mr. Vashish Bisnathsing	-	-	-	-
Mrs. Delba Valleri Lewis-Noronha	-	10,000	10,000	0.11%
Mr. Rajal Upadhyaya	-	-	-	-
Mr. Andre Meyer	-	-	-	-

#### **6.6 Directors' Interests in any Contract or Arrangement**

There are no other contracts or arrangements at the date of this Information Note in which a Director is materially interested, and which is significant in relation to the business of the Group.

#### **6.7 Outstanding loans**

No loans have been made by the Company to its directors.



## **7 FINANCIAL INFORMATION**

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### **7.1 Group's Financial Statements**

The audited abridged consolidated financial statements for the financial years ended 31 March 2022, 2023 and 2024, the unaudited abridged consolidated financial statements for the three months ended 30 June 2024 are attached as Appendix 4.

### **7.2 Financial and Business Prospects**

#### **Performance Summary**

The Group achieved a revenue of USD 26.80 million with an operational EBITDA of USD 4.10 million. Revenue declined by 26% compared to the previous year due to a general slowdown in formulation offtake in various markets and working capital challenges resulting from longer credit cycles on government contracts. Despite having a strong order book, execution has been slower than ideal.

The Group's revenues were significantly impacted by a fire accident at the Cameroon facility, which halted operations for approximately ten months. However, the facility has since been revived and is now stronger than before. The Group made strategic capital allocation decisions, prioritizing more profitable products, markets, and businesses, which improved margins from 36% to 41%.

The Group's profitable branded business saw substantial growth due to robust marketing and brand-building efforts. The Botswana business, historically a smaller part of the overall operations, gained significant traction with two large tenders awarded to the Group, to be serviced over three years. These and other orders in key markets have ensured a healthy order book for the next financial year.

#### **Market & Company overview**

The Sub-Saharan generic pharmaceutical market is expected to grow at 10% year-on-year, outpacing the rest of the world. This presents abundant opportunities, especially given the region's dependency on imports. Africure's strategy of "In Africa, By Africans, For Africa" aligns well with the increasing demand for affordable generics. African governments are emphasizing capacity creation and supporting local manufacturers, creating a favorable business environment for Africure.

The Group's focus on the Rx promotion business, better pricing strategies, and sharp procurement practices have ensured that we remain ahead of margin expectations. We are on the right path to creating value for our stakeholders by establishing the largest local ODF manufacturing capacities in Sub-Saharan Africa. Additionally, the company has definitive plans to expand into other innovative dosage forms in the near future.

We have received substantial support from local governments through policy changes favoring local manufacturers and large orders signifying a shift towards greater public-private partnerships in the healthcare sector. The Group has developed a robust portfolio of products across all companies, with over 130 products registered and plans to file an additional 70 products in the coming year, alongside various in-licensing arrangements.

## **8 ADDITIONAL DISCLOSURES**

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### **8.1 Material Contracts**

There are no material contracts (other than contracts entered into in the ordinary course of business) which have been entered into by members of the Group in the two years immediately preceding the date of this Information Note.

### **8.2 Legal or Arbitral Proceedings**

As at the date of this Information Note, there have been no legal or arbitration proceedings against the Company which would have had a significant effect on the Group's financial position for the past 12 months.

### **8.3 Estimated expenses for the issue and listing of the Consideration Shares**

The expenses incurred by the Company in the process of issue and listing of the Consideration Shares are as follows:

<b>Detail</b>	<b>Amount (USD)</b>
Advisory Fees	5,000
SEM Fees	3,200
<b>Total</b>	<b>8,200</b>

### **8.4 Documents available for inspection**

For a period of 14 days from the date of this Information Note, the following documents may be inspected during normal working hours by relevant parties at the registered office of the Company at 6<sup>th</sup> Floor, Tower A, 1 Cybercity, Ebene, Republic of Mauritius on giving at least 3 business days' notice to the Company.

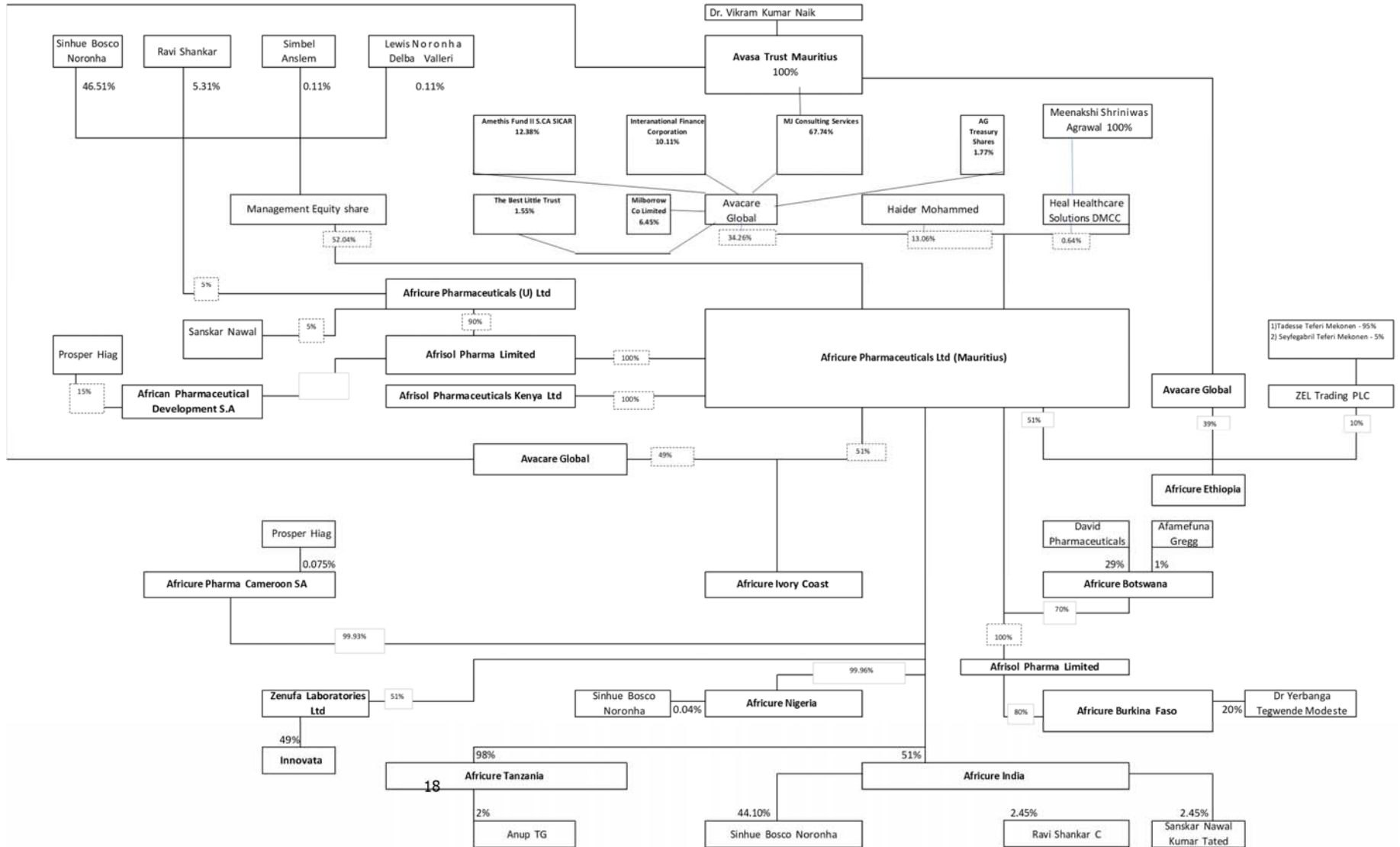
The following documents that may be inspected are:

- (a) the Constitution of the Company;
- (b) the audited consolidated financial statements for the financial years ended 31 March 2022, 2023 and 2024;
- (c) the unaudited consolidated financial statements for the three months ended 30 June 2024; and
- (d) this Information Note.

**Appendix 1  
Corporate Information**

<b>Company:</b>	Africure Pharmaceuticals Ltd
<b>Principal banks:</b>	<p><b>Afrasia Bank Limited</b> Bowen Square, 10, Dr Ferriere Street, Port Louis Mauritius</p> <p><b>The Mauritius Commercial Bank Limited</b> Sir William Newton Street, Port Louis, Mauritius</p>
<b>Place of incorporation:</b>	Republic of Mauritius
<b>Date of incorporation:</b>	17 March 2017
<b>Registered number:</b>	C145852 C1/GBL
<b>Registered office:</b>	6 <sup>th</sup> Floor, Tower A, 1 Cybercity, Ebene, Republic of Mauritius
<b>Independent auditors and reporting accountant:</b>	<p>RSM (Mauritius) LLP</p> <p>109 Moka Business Centre, Mount Ory Road, Bon Air, Moka, Mauritius</p>
<b>Secretary:</b>	<p>Ocorian Corporate Services (Mauritius) Limited</p> <p>6th Floor, Tower A, 1 Cybercity Ebene, Mauritius</p>
<b>Mauritian Corporate advisor and SEM Authorised Representative &amp; Sponsor</b>	<p>Perigeum Capital Ltd</p> <p>Ground Floor, Alexander House, 35 Cybercity, Ebene 72201, Mauritius</p>
<b>Legal advisor</b>	<p>SC Legal</p> <p>Suite 306, Ebene Junction, Rue De La Démocratie, Ebene, 72201, Mauritius</p>

## Appendix 2 Group Structure



### **Appendix 3 Extract from the Constitution**

The Company's constitution contains provisions to the following effect:

"

#### **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;
- 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 Member s 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 Transmitttee, the company may only recognise the Transmitttee as having any title to that share.

- 3.7.2 A Transmittee 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.
- 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."

**Appendix 4**  
**Published Financial Statements**



## 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
<b>Assets</b>		
<b>Non-current assets</b>		
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
<b>Total non-current assets</b>	<b>27,552,302</b>	<b>20,384,822</b>
<b>Current assets</b>		
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
<b>Total current assets</b>	<b>27,273,149</b>	<b>23,359,496</b>
<b>Total assets</b>	<b>54,825,451</b>	<b>43,744,318</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
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)
<b>Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd</b>	<b>19,589,487</b>	<b>12,258,743</b>
<b>Non-controlling interests</b>	<b>(2,949,586)</b>	<b>(342,712)</b>
<b>Non-current liabilities</b>		
Borrowings	13,031,737	11,029,918
Operating lease liabilities	2,819,301	2,738,038
Deferred tax liabilities	293,338	(10,063)
<b>Total non-current liabilities</b>	<b>16,144,376</b>	<b>13,757,893</b>
<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	<b>22,041,174</b>	<b>18,070,394</b>
<b>Total liabilities</b>	<b>54,825,451</b>	<b>43,744,318</b>
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
	<b>35,392,412</b>	<b>31,089,420</b>
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
	<b>30,690,761</b>	<b>27,380,582</b>
<b>Profit before finance cost, depreciation and tax</b>	<b>4,701,651</b>	<b>3,708,838</b>
Finance costs	(1,295,131)	(1,006,652)
Depreciation and amortisation	(1,329,102)	(984,798)
<b>Profit before income tax</b>	<b>2,077,418</b>	<b>1,717,388</b>
<b>Income tax expense</b>		
Current tax	(760,773)	(611,086)
Deferred tax	(27,051)	(141,306)
<b>Profit for the year</b>	<b>1,289,594</b>	<b>964,996</b>
<b>Profit/ (Loss) attributable to</b>		
Owners of the Company	1,040,648	1,316,971
Non-controlling interests	248,946	(351,975)
<b>Earnings per share for profit attributable to the ordinary equity holders of the company</b>		
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
<b>Profit for the year</b>	<b>1,289,594</b>	<b>964,996</b>
<b>Total comprehensive income for the year</b>	<b>1,289,594</b>	<b>964,996</b>
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
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(4,297,822)</b>	<b>38,404</b>
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)
<b>Cash and cash equivalents at the end of the year</b>	<b>1,566,778</b>	<b>5,857,355</b>

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
<b>Balance as at 1-Apr-20</b>	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
<b>Balance as at 31-Mar-21</b>	-	<b>6,431,853</b>	<b>1,500,000</b>	<b>7,558,339</b>	<b>(3,231,449)</b>	<b>12,258,743</b>	<b>(342,712)</b>	<b>11,916,031</b>
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)	-
<b>Balance as at 31-Mar-22</b>	-	<b>10,881,853</b>	-	<b>11,969,355</b>	<b>(3,261,721)</b>	<b>19,589,487</b>	<b>(2,949,586)</b>	<b>16,639,901</b>

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



Ocorian Corporate Services (Mauritius) Limited  
Company Secretary

**O C O R I A N**



# Africure Pharmaceuticals Ltd

(Incorporated in the Republic of Mauritius) | (Registration number: C145852 C1/GBL)

Having its address at Level 6, Tower A, 1 Exchange Square, Wall Street, Ebene, Mauritius, 72201

("Africure" or "the Company")

(Africure along with its subsidiaries are collectively referred to as the "Group")



## ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30<sup>th</sup> JUNE 2024

### A balanced quarter, reflecting a return to normal operations

#### DIRECTORS COMMENTARY AND GROUP OVERVIEW

The Board of Directors of Africure is pleased to present the unaudited results for the first quarter, being for the period ended 30<sup>th</sup> June 2024.

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 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.

Some ongoing highlights include,

- Q1 for the financial year 24/25 performance was short of expectations, with flat YoY revenues and lower profitability. The budgeted numbers could not be met due to a delay in the expected cash infusion into the business towards working capital.
- There has been a drop in input material prices by 20-25% compared to last year, which has impacted the topline, despite 10-15% growth in terms of volumes.
- The Group achieved revenue of USD 6.45 Mn with an EBITDA of USD 534k, against previous year's quarter revenue of USD 6.57Mn & EBITDA of USD 775k.

In addition, the Group completed the construction of the Africure Pharmaceuticals Manufacturing Plc, Ethiopia despite challenges for 2 years caused by COVID. The Ministry of Health has given permission to market 40 products which are essential medicines and has expressed initial positive response to provide a tender award.

We currently have a robust order book in Botswana, Tanzania, IVC that will support us in achieving the expected revenue.

There has been promising growth seen in our Rx promotion business and brand development strategies.

Our R&D pipeline is trending very positively with more than 100 products being ready for filing in various geographies of Africa.

#### HIGHLIGHTS OF PERFORMANCE

- The Group has achieved 80% of its budgeted revenue & 52% of profitability estimates for Q1 June 2024-2025.
- Gross Margins at 40%, signifying our ability to manage cost increases & improve the product mix.
- Quarterly Operational EBITDA at USD 535k against USD 775k achieved in the previous year. The decrease is explained by the dip in revenue.
- Increase in loss after tax owing to higher depreciation and finance costs on growth capital.

- Working capital cycle (WCC) of 229 Days. The WCC is relatively high due to elevated creditor levels, which need to be reduced to enable further procurement seamlessly.

- Debt Equity ratio at 1.39:1, against a similar ratio in the previous year.

- The Board has not declared any dividend for the period and continues to reinvest profits to maintain growth momentum.

#### CURRENT BUSINESS OUTLOOK

The Company has a strong orderbook for Q2 and expects to achieve a revenue of ~USD 7.50 Mn in the next quarter & remains in line to close the annual revenue between USD 34Mn to USD 36Mn. We believe that the group's ability to positively adapt & respond to market forces, has helped to 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 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  
29 August 2024

#### UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All the amounts are in USD unless otherwise stated

	Unaudited as at 30 June 2024 Group	Audited as at 31 March 2024 Group
<strong>ASSETS</strong>		
<strong>Non-current assets</strong>		
Goodwill	2,651,455	2,607,969
Property plant and equipment	16,028,870	15,744,934
Intangible assets	162,429	162,453
Right of use assets	2,656,513	2,624,627
Capital work in progress	7,423,752	8,034,076
<strong>Total non-current assets</strong>	<strong>28,923,019</strong>	<strong>29,174,059</strong>
<strong>Current assets</strong>		
Inventories	10,572,877	10,855,793
Trade receivables	15,937,453	16,053,857
Cash and cash equivalents	826,746	1,511,754
Other assets	3,574,782	3,200,792
<strong>Total current assets</strong>	<strong>30,911,858</strong>	<strong>31,622,196</strong>
<strong>Total assets</strong>	<strong>59,834,877</strong>	<strong>60,796,255</strong>
<strong>EQUITY</strong>		
Equity share capital and share premium	10,881,853	10,881,853
Share application money pending allotment		
Retained earnings	13,791,938	14,208,874
Other reserves	(4,827,510)	(4,827,146)
<strong>Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd</strong>	<strong>19,846,281</strong>	<strong>20,263,581</strong>
<strong>Non-controlling interests</strong>	<strong>(3,150,137)</strong>	<strong>(3,305,874)</strong>
<strong>Non-current liabilities</strong>		
Borrowings	16,800,281	16,853,087
Operating lease liabilities	3,244,838	3,195,689
Deferred tax liabilities	(229,143)	(186,419)
<strong>Total non-current liabilities</strong>	<strong>19,815,976</strong>	<strong>19,862,357</strong>
<strong>Current liabilities</strong>		
Borrowings	10,799,232	11,317,227
Trade and accounts payables	11,394,716	11,532,791
Other liabilities	770,550	782,505
Operating lease liabilities	192,358	192,358
Current tax liabilities	165,901	151,310
<strong>Total current liabilities</strong>	<strong>23,322,757</strong>	<strong>23,976,191</strong>
<strong>Total liabilities</strong>	<strong>59,834,877</strong>	<strong>60,796,255</strong>
<strong>NAV per share</strong>	<strong>2.11</strong>	<strong>2.15</strong>

#### UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited as at 30 June 2024 Group	Unaudited as at 30 June 2023 Group
Revenue	6,453,939	6,570,904
Other income	37,771	54,794
	<strong>6,491,710</strong>	<strong>6,625,698</strong>
Cost of raw-materials and finished goods	3,847,872	3,729,105
Employee benefit expenses	1,031,670	1,107,700
Other expenses	1,078,070	1,014,304
	<strong>5,957,612</strong>	<strong>5,851,109</strong>
<strong>Profit before finance cost, depreciation and tax</strong>	<strong>534,098</strong>	<strong>774,589</strong>
Finance costs	(488,746)	(410,618)
Depreciation and amortisation	(228,851)	(336,007)
	<strong>(183,499)</strong>	<strong>27,964</strong>
<strong>Income tax expense</strong>		
Current tax	(77,700)	(119,355)
<strong>Profit/ (Loss) for the year</strong>	<strong>(261,199)</strong>	<strong>(91,391)</strong>
<strong>Profit/ (Loss) attributable to</strong>		
Owners of the Company	(416,936)	(107,556)
Non-controlling interests	155,737	16,165
<strong>Earnings per share for profit attributable to the ordinary equity holders of the company</strong>		
Basic earnings per share	(0.04)	(0.01)
Diluted earnings per share	(0.04)	(0.01)
Weighted average number of shares	<strong>9,417,500</strong>	<strong>9,417,500</strong>

#### UNAUDITED CONSOLIDATED STATEMENT OF CASHFLOWS

	Unaudited for the three months ended 30 June 2024	Unaudited for the three months ended 30 June 2023
<strong>Net cash generated from/used in operating activities</strong>	<strong>420,543</strong>	78,734
<strong>Net cash flow used in investing activities</strong>	-	330,107
<strong>Net cash flow used in/from financing activities</strong>	<strong>(1,105,551)</strong>	(1,165,318)
<strong>Net decrease in cash and cash equivalents</strong>	<strong>(685,008)</strong>	(756,477)
<strong>Cash and cash equivalents at the beginning of the period</strong>	<strong>1,511,754</strong>	2,401,141
<strong>Cash and cash equivalents at the end of the period</strong>	<strong>826,746</strong>	1,644,664

#### UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Group						
	Share capital	Share premium	Retained earnings	Other Reserves	Equity attributable to owners of the Company	Non-Controlling interests	Total equity
<strong>Balance as at 1-Apr-23</strong>	-	10,881,853	14,490,503	(2,559,526)	22,812,830	(3,182,343)	19,630,487
Profit for the period	-	-	(107,556)	(651,867)	(759,423)	(16,165)	(775,588)
<strong>Balance as at 30-June-23</strong>	-	10,881,853	14,382,947	(3,211,393)	22,053,407	(3,198,508)	18,854,899
<strong>Balance as at 1-Apr-24</strong>	-	10,881,853	14,208,874	(4,827,146)	20,263,581	(3,305,874)	16,957,707
Profit for the period	-	-	(416,936)	(364)	(417,300)	155,737	(261,563)
<strong>Balance as at 30-June-24</strong>	-	10,881,853	13,791,938	(4,827,510)	19,846,281	(3,150,137)	16,696,144

The total number of ordinary shares in issue by the Company is 9,417,500.

Regarding the comparative financial figures for the year ended 31 March 2024, an immaterial adjustment was made to the previously reported figures, which does not affect the overall financial position or results of operations of the Company.

The Company is required to publish its consolidated interim financial results for the three months ended 30<sup>th</sup> June 2024 in terms of the Listing Rule 12.19 of the SEM.

The abridged unaudited consolidated financial statements for the three months ended 30<sup>th</sup> June 2024 ("abridged unaudited consolidated financial statements") have been prepared in accordance with measurements and recognition requirements of the IFRS, the information contained in IAS 34: interim financial reporting and SEM Listing Rules.

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 on 28<sup>th</sup> August 2024.

Copies of the abridged unaudited consolidated financial statements are available free of charge, upon request at the Registered Office of the Company at c/o Ocorian (Mauritius) Limited, 6<sup>th</sup> Floor, Tower A, 1 CyberCity, Ebene 72201, Mauritius.

This communique is issued pursuant to SEM Listing Rules 11.3 and 12.20. The Board accepts full responsibility for the accuracy of the information contained in this communique.

Contact Person: Mr Vashish Bisnathsing.

For further information please contact:  
Perigeum Capital Ltd

**SEM Authorised Representative and Sponsor**



Ocorian Corporate Services (Mauritius) Limited  
**Company Secretary**

