

## ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS AND NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER 2023

Against a backdrop of strong headwinds, Africure has navigated the first nine months of the year with agility and strategic foresight, resulting in a commendable quarter-on-quarter performance.



# africure

### DIRECTORS COMMENTARY AND COMPANY OVERVIEW

The Board of Directors of Africure is pleased to present the unaudited results for the third quarter & nine months ended 31<sup>st</sup> December 2023

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

Some ongoing highlights include:

- The group's performance has improved over the previous quarters, amidst persisting challenges in the market. Operational strategies are being implemented to achieve a revenue run rate of \$3 Mn per month.
- Business challenges in Cameroon and certain East African markets have affected our revenue, Strong performances in Botswana, Tanzania, and Burkina Faso have significantly mitigated these impacts, ensuring a stable revenue stream.
- Improved operating margins have ensured that the business is on track with respect to pricing and margin earnings.
- Slow retail market conditions have necessitated reliance on government businesses, resulting in higher working capital cycles.
- Despite these challenges, our strategic responses are designed to maintain revenue growth and a sustainable financial structure.

There has been promising growth seen in our Rx promotion business and brand development strategies. Brands sales at \$2.76 Mn against \$1Mn achieved in the previous year

Our R&D pipeline is trending very positively with more than 60 products being ready for filing in various geographies of Africa.

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

All the amounts are in USD unless otherwise stated

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Particulars	Unaudited as at 31 December 2023	Audited as at 31 March 2023
	Group	Group
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	2,667,023	2,751,577
Property plant and equipment	16,093,309	17,263,999
Intangible assets	28,202	18,758
Deferred tax asset		
Right of use assets	2,262,629	2,269,244
Capital work in progress	7,398,928	6,830,553
<b>Total non-current assets</b>	<b>28,450,091</b>	<b>29,134,131</b>
<b>Current assets</b>		
Inventories	11,184,306	9,253,621
Trade receivables	19,118,471	20,514,721
Cash and cash equivalents	1,744,013	2,401,141
Other assets	3,549,026	3,299,263
<b>Total current assets</b>	<b>35,595,816</b>	<b>35,468,746</b>
<b>Total assets</b>	<b>64,045,907</b>	<b>64,602,877</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital and share premium	10,881,853	10,881,853
Retained earnings	14,786,666	14,490,503
Other reserves	(3,190,302)	(2,559,526)
<b>Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd</b>	<b>22,478,217</b>	<b>22,812,830</b>
<b>Non-controlling interests</b>	<b>(3,444,604)</b>	<b>(3,182,343)</b>
<b>Non-current liabilities</b>		
Borrowings	18,434,648	20,299,873
Operating lease liabilities	2,816,345	2,747,716
Deferred tax liabilities	243,619	277,965
<b>Total non-current liabilities</b>	<b>21,494,612</b>	<b>23,325,554</b>
<b>Current liabilities</b>		
Borrowings	10,918,306	7,881,331
Trade and accounts payables	11,585,919	12,377,705
Other liabilities	755,977	849,617
Operating lease liabilities	124,718	124,718
Current tax liabilities	132,762	413,465
<b>Total current liabilities</b>	<b>23,517,682</b>	<b>21,646,836</b>
<b>Total liabilities</b>	<b>64,045,907</b>	<b>64,602,877</b>
<b>Number of shares in Issue</b>	<b>9,417,500</b>	<b>9,417,500</b>
<b>Net asset value per share</b>	<b>6.80</b>	<b>6.86</b>

### HIGHLIGHTS OF PERFORMANCE

- As of December 2023, the group has achieved just under 70% of its projected revenue and profitability (9 months period from April to Dec 2023)
- Quarter revenue of ~USD 7.24 Mn against USD 8.40 Mn achieved for the same period previous year & USD 6.57 MN in the previous quarter.
- Gross Margins @ 40%, signifying our ability to manage cost increases & improve the product mix.
- Operational EBITDA is at USD 2.95Mn against USD 3.30Mn achieved in the previous year. EBITDA is marginally lower due to decline of revenue, in spite of cost optimization and better gross margins.
- Profit after tax at USD 276k owing to higher depreciation and finance costs on growth capital.
- Ethiopia project is now completed. Licenses for plant are expected to be received during the next quarter, with operations starting immediately after.
- The board has not declared any dividend for the period and continues to reinvest profits to maintain growth momentum.

### CURRENT BUSINESS OUTLOOK

The company is expected to close the year with a Revenue of ~USD 30Mn and with an estimated EBITDA of ~USD 4.2Mn to USD 4.5Mn.

Moreover, both the Executive Management and the Board are continuously analysing new strategies to sustain and further boost the growth trajectory of the business.

We sincerely thank all our employees, customers, investors & other stakeholders for their continued patronage and support during such testing times. We also reiterate the management's commitment to ensuring 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

23 February 2024

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Particulars	Unaudited 3 months ended 31 Dec 2023	Unaudited 3 months ended 31 Dec 2022	Unaudited 9 months ended 31 Dec 2023	Unaudited 9 months ended 31 Dec 2022
	<b>Revenue</b>	<b>7,241,353</b>	<b>8,342,984</b>	<b>20,378,696</b>
Other income	15,661	382,581	929,201	564,257
	<b>7,257,014</b>	<b>8,725,565</b>	<b>21,307,897</b>	<b>26,960,278</b>
Cost of raw-materials and finished goods	4,498,793	5,114,955	12,192,305	16,272,881
Employee benefit expenses	1,153,298	1,243,461	3,371,128	3,594,207
Other expenses	847,601	1,241,945	2,800,240	3,789,066
	<b>6,499,692</b>	<b>7,600,361</b>	<b>18,363,673</b>	<b>23,656,154</b>
<b>Profit before finance cost, depreciation and tax</b>	<b>757,322</b>	<b>1,125,204</b>	<b>2,944,224</b>	<b>3,304,124</b>
Finance costs	(407,210)	(471,570)	(1,477,387)	(1,357,518)
Depreciation and amortisation	(291,107)	(337,700)	(1,190,288)	(867,762)
	<b>59,005</b>	<b>315,934</b>	<b>276,549</b>	<b>1,078,844</b>
<b>Income tax expense</b>				
Current tax	(28,426)	(84,505)	(242,647)	(300,109)
	<b>30,579</b>	<b>231,429</b>	<b>33,902</b>	<b>778,735</b>
<b>Profit/ (Loss) attributable to</b>				
Owners of the Company	66,334	209,153	296,163	1,042,814
Non-controlling interests	(35,755)	22,276	(262,261)	(264,079)
<b>Earnings per share for profit attributable to the ordinary equity holders of the company</b>				
Basic earnings per share	0.01	0.02	0.03	0.11
Diluted earnings per share	0.01	0.02	0.03	0.11
Weighted average number of shares	9,417,500	9,417,500	9,417,500	9,417,500

### CONSOLIDATED STATEMENT OF CASHFLOWS

Particulars	Unaudited as at 31 December 2023	Unaudited as at 31 December 2022
	Net cash used in operating activities (A)	<b>76,981</b>
Net cash flow used in investing activities (B)	<b>(359,840)</b>	(2,647,322)
Net cash flow from financing activities (C)	<b>(374,266)</b>	7,953,875
Net increase/(decrease) in cash and cash equivalents (A+B+C)	<b>(657,125)</b>	2,398,543
Add: Cash and cash equivalents at the beginning of the year	<b>2,401,141</b>	1,566,778
Cash and cash equivalents as per Cash Flow Statement	<b>1,744,016</b>	3,965,321

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Particulars	Group					Total equity
	Share capital	Retained earnings	Other Reserves	Equity attributable to owners of the Company	Non-Controlling interests	
<b>Balance as at 1-Apr-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>
Profit for the period	–	1,042,814	(454,714)	588,100	(264,079)	324,021
<b>Balance as at 31-Dec-22</b>	<b>10,881,853</b>	<b>13,012,169</b>	<b>(3,716,435)</b>	<b>20,177,587</b>	<b>(3,213,665)</b>	<b>16,963,922</b>
<b>Balance as at 1-Apr-23</b>	<b>10,881,853</b>	<b>14,490,503</b>	<b>(2,559,526)</b>	<b>22,812,830</b>	<b>(3,182,343)</b>	<b>19,630,487</b>
Profit for the period	–	296,163	(630,776)	2,888,730	(262,261)	2,393,712
<b>Balance as at 31-Dec-23</b>	<b>10,881,853</b>	<b>14,786,666</b>	<b>(3,190,302)</b>	<b>25,701,560</b>	<b>(3,444,604)</b>	<b>22,024,199</b>

### NOTES TO THE ACCOUNTS

The total number of ordinary shares in issue by the Company is 9,417,500 and the number of preference shares in issue is at 2,945.

The Company is required to publish its consolidated interim financial results for the three and nine months ended 31 December 2023 in terms of the listing rule 12.19 of the SEM.

The abridged unaudited consolidated financial statements for the three months and nine months ended 31 December 2023 ("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 22 February 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, 6th 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**

**Perigeum Capital**

Ocorian Coporate Services (Mauritius) Limited  
Company Secretary

**OCORIAN**