

ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 SEPTEMBER 2022

A profitable first half of the year, with solid margin and EBITDA growth

DIRECTORS COMMENTARY AND GROUP OVERVIEW

The Board of Directors of Africure (the “Board”) is pleased to present the unaudited consolidated financial statements for the three months and six months ended September 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 Cote d’Ivoire, Cameroon, Botswana, Tanzania, Kenya 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,

- Quarter revenues are at all time high, driven by better operating margins & controlled operating costs.
- Uncertainty in container availability & delivery dates have forced our businesses to hold higher levels of inventories, to ensure continuity in production & uninterrupted product deliveries to our customers, as evident in our working capital investments.

H1 revenue stands at 97% of the Budget with an 8% YoY growth. Africure has achieved the highest quarter (Q2) revenue of USD 10.45Mn.

Our tender based businesses show positive trend, with key tender awards in Botswana & Cote D’Ivoire.

There has been promising growth seen in our Rx promotion business and retain businesses.

Our R&D pipeline is trending very positively with more than 100 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 high standards of quality and compliance.

HIGHLIGHTS OF PERFORMANCE

- The Group has achieved 97% of its budgeted revenue & profitability estimates YTD September 2022-2023.
- Quarter revenue of ~USD 10.45 Mn against USD 9.20 Mn achieved for the same period previous year.
- Gross Margin of 38% Vs budgeted 40%, against 28% achieved in the last year.
- H1 Operational EBITDA at USD 2.18Mn against USD 1.60Mn in the previous year.
- Profit after tax CY Vs PY - USD 547k against USD 554k, owing to higher finance cost, funds invested in new projects & working capital.
- Receivables at 168 days against 167 days end March 22.
- Inventory holding at 112 days against 100 days in the last quarter, highlighting the inventory buildup necessitated by the global supply-chain environment.
- ~USD 1Mn invested on Capex in the period in our Ethiopia project with a further commitment of up to USD 1.5Mn in the current year.
- Debt Equity ratio at 0.84 against 0.58 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 is expected to achieve its annual target in the range of USD 40-42Mn on the back of a strong orderbook for H2 2022-2023. 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
15 October 2022

Statement of Financial Position

	Unaudited as at 30 September 2022	Audited as at 31 March 2022
	USD	USD
ASSETS		
Non-current assets		
Goodwill	2,691,611	3,105,376
Property plant and equipment	17,144,742	18,762,960
Intangible assets	13,918	3,361
Deferred tax asset	-	-
Right of use assets	2,429,527	2,518,755
Capital work in progress	4,258,823	3,161,849
Investment in subsidiaries	-	-
Loans and advances	-	-
Total non-current assets	26,538,621	27,552,302
Current assets		
Inventories	10,471,134	6,961,236
Trade receivables	16,922,846	15,693,638
Cash and cash equivalents	6,289,294	1,566,778
Other assets	3,675,359	3,051,497
Total current assets	37,358,633	27,273,149
Total assets	63,897,255	54,825,451
EQUITY		
Equity share capital and share premium	10,881,853	10,881,853
Share application money pending allotment	-	-
Retained earnings	12,803,016	11,969,355
Other reserves	(3,810,119)	(3,261,721)
Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd	19,874,750	19,589,487
Non-controlling interests	(3,235,941)	(2,949,586)
Non-current liabilities		
Borrowings	23,349,401	13,031,737
Operating lease liabilities	2,789,653	2,819,301
Deferred tax liabilities	284,916	293,338
Total non-current liabilities	26,423,970	16,144,376
Current liabilities		
Borrowings	10,015,637	10,671,623
Trade and accounts payables	9,424,709	9,930,277
Other liabilities	713,073	728,045
Operating lease liabilities	200,802	200,802
Current tax liabilities	480,255	510,427
Total current liabilities	20,834,476	22,041,174
Total liabilities and Equity	63,897,255	54,825,451
Number of shares in issue	9,417,500	9,417,500
Net asset value per share	6.78	5.82

Statement of changes in equity

All the amounts are in USD unless otherwise stated.

Balance as at 1-Apr-21

Business combination

Profit for the period

Balance as at 30-Sep-21

Share premium on issue of shares

Transaction with Equity Shareholders

Balance as at 1-Apr-22

Profit for the period

Balance as at 31-Sep-22

Statement of Comprehensive Income

Revenue

Other income

Cost of raw-materials and finished goods

Employee benefit expenses

Other expenses

Profit before finance cost, depreciation and tax

Finance costs

Depreciation and amortisation

Profit before income tax

Income tax expense

Current tax

Profit for the period

Profit/ (Loss) attributable to

Owners of the Company

Non-controlling interests

Earnings per share for profit attributable to the ordinary equity holders of the company

Basic earnings per share

Diluted earnings per share

Weighted average number of shares

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 months and six months ended 30 September 2022 in terms of Listing Rule 12.19 of the SEM.

The abridged unaudited consolidated financial statements for the three months and six months ended 30 September 2022 (“abridged unaudited consolidated financial statements”) have been prepared in accordance with the measurement and recognition requirements of IFRS, the information contained in IAS 34: Interim Financial Reporting and the SEM Listing Rules.

For further information please contact:

SEM Authorised Representative and Sponsor

Perigeum Capital Ltd



Company Secretary

Ocorian Corporate Services (Mauritius) Limited

O C O R I A N

	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-21	-	6,431,853	1,500,000	7,558,339	(3,231,449)	12,258,743	(342,712)	11,916,031
Business combination	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	716,328	625,896	1,342,224	(162,132)	1,180,092
Balance as at 30-Sep-21	-	6,431,853	1,500,000	8,274,667	(2,605,553)	13,600,967	(504,844)	13,096,123
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 1-Apr-22	-	10,881,853	-	11,969,355	(3,261,721)	19,589,487	(2,949,586)	16,639,901
Profit for the period	-	-	-	833,661	(548,398)	285,263	(286,355)	(1,092)
Balance as at 31-Sep-22	-	10,881,853	-	12,803,016	(3,810,119)	39,796,086	(3,235,941)	32,684,932

	Unaudited three months ended 30 Sept 2022	Unaudited three months ended 30 Sept 2021	Unaudited six months ended 30 Sept 2022	Unaudited Six months ended 30 Sept 2021
	USD	USD	USD	USD
Revenue	10,443,736	9,244,378	18,053,037	17,181,974
Other income	156,259	(89,280)	181,676	189,728
	10,599,995	9,155,098	18,234,713	17,371,702
Cost of raw-materials and finished goods	7,051,085	6,811,551	11,157,926	12,270,688
Employee benefit expenses	1,134,280	766,576	2,350,746	1,581,315
Other expenses	1,049,121	931,669	2,547,121	1,919,054
	9,234,486	8,509,796	16,055,793	15,771,057
Profit before finance cost, depreciation and tax	1,365,509	645,302	2,178,920	1,600,645
Finance costs	(471,902)	(254,965)	(885,948)	(447,713)
Depreciation and amortisation	(263,428)	(224,489)	(530,062)	(450,198)
Profit before income tax	630,179	165,848	762,910	702,734
Income tax expense				
Current tax	(123,101)	(39,583)	(215,604)	(148,538)
Profit for the period	507,078	126,265	547,306	554,196
Profit/ (Loss) attributable to				
Owners of the Company	595,845	300,604	833,661	716,328
Non-controlling interests	(88,767)	(174,339)	(286,355)	(162,132)
Earnings per share for profit attributable to the ordinary equity holders of the company				
Basic earnings per share	0.06	0.03	0.09	0.08
Diluted earnings per share	0.06	0.03	0.09	0.08
Weighted average number of shares	9,417,500	8,850,000	9,417,500	8,850,000

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 14 November 2022.

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 communiqué 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 communiqué. Contact Person: Mr Vashish Bisnathsing.

Statement of Cashflows

	Unaudited for the six months ended 30 September 2022	Unaudited for the six months ended 30 September 2021
	USD	USD
Net cash used in operating activities (A)	(2,985,888)	(1,936,368)
Net cash flow used in investing activities (B)	(1,096,974)	(868,427)
Net cash flow from financing activities (C)	8,805,378	190,789
Net increase in cash and cash equivalents (A+B+C)	4,722,516	(2,614,006)
Add: Cash and cash equivalents at the beginning of the year	1,566,778	5,857,355
Cash and cash equivalents as per Cash Flow Statement	6,289,294	3,243,349