

# Africure Pharmaceuticals Ltd

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

Having its address at c/o Ocorian (Mauritius) Limited, 6th Floor, Tower A, 1 Exchange Square, Ebene 72201, Mauritius

("Africure" or "the Company")

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



# africure

## ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 JUNE 2023

A slow start to the year, with an expected lower than budgeted revenue & profitability

### DIRECTORS COMMENTARY AND COMPANY OVERVIEW

The Board of Directors of Africure ("the Board") is pleased to present the unaudited results for the first quarter, the period ended 30 June 2023.

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,

- Better operating margins, as a result of better product mix.
- Lower revenues in key markets of Cameroon & Tanzania owing to market factors necessitating new customer acquisitions, which is underway.

The fire accident in Cameroon caused a plant closure of 90 days, impacting product availability. This has been sorted now & plant is ready for full fledged production by end of September 2023.

In addition, delays in calls for tender and ordering process in various geographies have led to revenue short falls in some business segments. We see this as a temporary phenomenon which will correct itself in the next two quarters.

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.

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 70% of its budgeted revenue & 60% of profitability estimates for Q1 June 2023-2024.
- Quarter revenue of ~USD 6.57 Mn against USD 7.48 Mn achieved for the same period previous year – quarter impact due to higher sales in Q4 last year. However, we are expecting to narrow the Q1 deficit with improved sales in next two quarters.
- Gross Margins at 43%, signifying our ability to improve the product mix.
- Quarterly Operational EBITDA at USD 775k against USD 813k achieved in the previous year. Lower due to the dip in revenue.
- Profit after tax lower at USD 91k owing to higher depreciation and finance costs on growth capital.
- Receivables at 180 days against 182 days as at March 2023.
- Inventory holding at 152 days against 120 days as at March 2023, highlighting the inventory build up necessitated by the global supply-chain environment.

- Ethiopia project is completed. Licenses for plant to be operative is expected to be received by October 2023.

- Debt Equity ratio at 0.93 against 1.24 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 8.50 Mn in the next quarter & remains in line to close the annual revenue between USD 40 Mn to USD 42 Mn. 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

5 September 2023

### UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Unaudited as at 30 June 2023 USD	Audited as at 31 March 2023 USD
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	2,683,350	2,751,577
Property plant and equipment	16,817,226	17,263,999
Intangible assets	24,015	18,758
Deferred tax asset		
Right of use assets	2,320,218	2,269,244
Capital work in progress	6,822,038	6,830,553
<b>Total non-current assets</b>	<b>28,666,847</b>	<b>29,134,131</b>
<b>Current assets</b>		
Inventories	9,479,016	9,253,621
Trade receivables	20,645,911	20,514,721
Cash and cash equivalents	1,644,664	2,401,141
Other assets	3,244,965	3,299,263
<b>Total current assets</b>	<b>35,014,556</b>	<b>35,468,746</b>
<b>Total assets</b>	<b>63,681,403</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	14,382,947	14,490,503
Other reserves	(3,211,393)	(2,559,526)
<b>Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd</b>	<b>22,053,407</b>	<b>22,812,830</b>
<b>Non-controlling interests</b>	<b>(3,198,508)</b>	<b>(3,182,343)</b>
<b>Non-current liabilities</b>		
Borrowings	20,432,908	20,299,873
Operating lease liabilities	2,819,612	2,747,716
Deferred tax liabilities	263,932	277,965
<b>Total non-current liabilities</b>	<b>23,516,452</b>	<b>23,325,554</b>
<b>Current liabilities</b>		
Borrowings	7,733,761	7,881,331
Trade and accounts payables	12,213,115	12,377,705
Other liabilities	816,271	849,617
Operating lease liabilities	124,718	124,718
Current tax liabilities	422,187	413,465
<b>Total current liabilities</b>	<b>21,310,052</b>	<b>21,646,836</b>
<b>Total liabilities</b>	<b>63,681,403</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>2.34</b>	<b>2.42</b>

### UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2023

	Unaudited 3 months ended 30 June 2023 USD	Unaudited 3 months ended 30 June 2022 USD
<b>Revenue</b>	<b>6,570,904</b>	7,609,301
Other income	26,019	25,417
	<b>6,596,923</b>	<b>7,634,718</b>
Cost of raw-materials and finished goods	3,729,105	4,106,841
Employee benefit expenses	1,107,701	1,216,466
Other expenses	985,528	1,498,000
	<b>5,822,334</b>	<b>6,821,307</b>
<b>Profit before finance cost, depreciation and tax</b>	<b>774,589</b>	<b>813,411</b>
Finance costs	(410,618)	(414,046)
Depreciation and amortisation	(336,007)	(266,634)
<b>Profit before income tax</b>	<b>27,964</b>	<b>132,731</b>
<b>Income tax expense</b>		
Current tax	(119,355)	(92,503)
Deferred tax		-
	<b>(91,391)</b>	<b>40,228</b>
<b>Profit/ (Loss) for the year</b>	<b>(107,556)</b>	<b>237,816</b>
<b>Profit/ (Loss) attributable to</b>		
Owners of the Company	16,165	(197,588)
Non-controlling interests		
<b>Earnings per share for profit attributable to the ordinary equity holders of the company</b>		
Basic earnings per share	(0.01)	0.03
Diluted earnings per share	(0.01)	0.03
Weighted average number of shares	9,417,500	9,417,500

### UNAUDITED CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30 JUNE 2023

	Unaudited for the 3 months ended 30 June 2023 USD	Unaudited for the 3 months ended 30 June 2022 USD
Net cash generated from/(used in) operating activities	78,734	(2,315,724)
Net cash flow from/(used in) investing activities	330,107	(572,075)
Net cash flow (used in)/from financing activities	(1,165,318)	9,758,025
<b>Net decrease in cash and cash equivalents</b>	<b>(756,477)</b>	<b>6,870,226</b>
Cash and cash equivalents at the beginning of the period	2,401,141	1,566,778
<b>Cash and cash equivalents at the end of the period</b>	<b>1,644,664</b>	<b>8,437,004</b>

### UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023

	Group					
	Share premium USD	Retained earnings USD	Other Reserves USD	Equity attributable to owners of the Company USD	Non-Controlling interests USD	Total equity USD
<b>Balance as at 1 April 2022</b>	10,881,853	11,969,355	(3,261,721)	19,589,487	(2,949,586)	16,639,901
Profit for the year	-	237,816	(476,314)	(238,498)	(197,588)	(436,086)
<b>Balance as at 30 June 2022</b>	<b>10,881,853</b>	<b>12,207,171</b>	<b>(3,738,035)</b>	<b>19,350,989</b>	<b>(3,147,174)</b>	<b>16,203,815</b>
<b>Balance as at 1 April 2023</b>	10,881,853	14,490,503	(2,559,526)	22,812,830	(3,182,343)	19,630,487
Profit for the year	-	(107,556)	(651,867)	(759,423)	(16,165)	(775,588)
<b>Balance as at 30 June 2023</b>	<b>10,881,853</b>	<b>14,382,947</b>	<b>(3,211,393)</b>	<b>22,053,407</b>	<b>(3,198,508)</b>	<b>18,854,899</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 1,930. The abridged unaudited consolidated financial statements for the three months ended 30 June 2023 ("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, the SEM Listing Rules using the same accounting policies as those of the audited consolidated financial statements for the year ended 31 March 2023, except for new standards as applicable/as amended.

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 Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 Exchange Square, 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.

### FOR FURTHER INFORMATION PLEASE CONTACT:

Perigeum Capital Ltd  
SEM Authorised Representative and Sponsor

Ocorian Corporate Services (Mauritius) Limited  
Company Secretary

