



UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 SEPTEMBER 2023

Challenging first half of the year, with various external conditions requiring a continuous business reassessment

DIRECTORS COMMENTARY AND GROUP OVERVIEW

The Board of Directors of Africure is pleased to present the unaudited results for the Second quarter & first half of the year, the period ending 30th September 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, Ethiopia 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:

- Business challenges in Tanzania & Cameroon due to low liquidity in the market, impacting offtake by retail customers. Plant closure for about 5 months impacted local production.
- Delay in opening up of tenders in Burkina Faso & Cote d'Ivoire impacted H1 revenues.

- Improved operating margins, have ensured that the business is on track with respect to pricing and margin earnings.
- The slow market conditions have forced the business to provide extended credit to customers, resulting in higher working capital investments.

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 66% of its budgeted revenue & 63% of profitability estimates for H1 September 2023-2024.
- Quarter revenue of ~USD 7.45 Mn against USD 10.60Mn Mn achieved for the same period previous year – quarter impact

due to reasons explained above. However, we are expecting to narrow the H1 deficit with improved sales in the second half of the year, based on current pipeline.

- Gross Margins @ 41%, signifying our ability to manage cost increases & improve the product mix.
- Quarterly Operational EBITDA is flat at USD 2.18Mn against USD 2.18Mn achieved in the previous year. EBITDA remains in Line with PY in spite of lower sales, due to cost optimization and better gross margins.
- Negligible Profit after tax owing to higher depreciation and finance costs on growth capital.
- Receivables at 196 days against 182 days end March 23.
- Inventory holding at 182 days against 120 days end March 23, highlighting the inventory build up necessitated by the global supply-chain environment. Days are also high due to lower revenues in H1 of the current period.
- Ethiopia project is now completed. Licenses for plant to be operative is expected to be received during the next quarter.
- 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 H2 and expects to achieve a revenue of ~USD 20 Mn in the next half of the year & expects to close the annual revenue between \$34-\$36 Mn.

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 & 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
22 November 2023

All the amounts are in USD unless otherwise stated

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 September 2023	Audited as at 31 March 2023
	Group	Group
ASSETS		
Non-current assets		
Goodwill	2,655,494	2,751,577
Property plant and equipment	16,315,165	17,263,999
Intangible assets	22,489	18,758
Deferred tax asset		
Right of use assets	2,261,962	2,269,244
Capital work in progress	7,086,868	6,830,553
Total non-current assets	28,341,978	29,134,131
Current assets		
Inventories	10,724,156	9,253,621
Trade receivables	19,689,912	20,514,721
Cash and cash equivalents	1,694,895	2,401,141
Other assets	3,459,020	3,299,263
Total current assets	35,567,983	35,468,746
Total assets	63,909,961	64,602,877
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital and share premium	10,881,853	10,881,853
Retained earnings	14,720,331	14,490,503
Other reserves	(3,841,566)	(2,559,526)
Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd	21,760,618	22,812,830
Non-controlling interests	(3,408,849)	(3,182,343)
Non-current liabilities		
Borrowings	18,694,040	20,299,873
Operating lease liabilities	2,814,003	2,747,716
Deferred tax liabilities	253,967	277,965
Total non-current liabilities	21,762,010	23,325,554
Current liabilities		
Borrowings	8,692,885	7,881,331
Trade & Accounts Payables	13,968,412	12,377,705
Other liabilities	781,250	849,617
Operating lease liabilities	124,718	124,718
Current tax liabilities	228,917	413,465
Total current liabilities	23,796,182	21,646,836
Total liabilities	63,909,961	64,602,877
Number of shares in Issue	9,417,500	9,417,500
Net asset value per share	6.79	6.86

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 3 months ended 30 Sept 2023	Unaudited 3 months ended 30 Sept 2022	Unaudited 6 months ended 30 Sept 2023	Unaudited 6 months ended 30 Sept 2022
Revenue	6,566,439	10,443,736	13,137,343	18,053,037
Other income	887,521	156,259	913,540	181,676
	7,453,960	10,599,995	14,050,883	18,234,713
Cost of raw-materials and finished goods	3,964,407	7,051,085	7,693,512	11,157,926
Employee benefit expenses	1,110,129	1,134,280	2,217,830	2,350,746
Other expenses	967,112	1,049,121	1,952,640	2,547,121
	6,041,648	9,234,486	11,863,982	16,055,793
Profit before finance cost, depreciation and tax	1,412,312	1,365,509	2,186,901	2,178,920
Finance costs	(659,559)	(471,902)	(1,070,177)	(885,948)
Depreciation and amortisation	(563,174)	(263,428)	(899,181)	(530,062)
Profit before income tax	189,579	630,179	217,543	762,910
Income tax expense				
Current tax	(94,866)	(123,101)	(214,221)	(215,604)
Profit for the period	94,713	507,078	3,322	547,306
Profit attributable to				
Owners of the Company	337,384	595,845	229,828	833,661
Non-controlling interests	(242,671)	(88,767)	(226,506)	(286,355)
Earnings per share for profit attributable to the ordinary equity holders of the company				
Basic earnings per share	0.04	0.06	0.02	0.09
Diluted earnings per share	0.04	0.06	0.02	0.09
Weighted average number of shares	9,417,500	9,417,500	9,417,500	9,417,500

CONSOLIDATED STATEMENT OF CASHFLOWS

	Unaudited for the period ended 30 September 2023	Unaudited for the period ended 30 September 2022
	USD	USD
Net cash generated from/used in operating activities	1,360,517	(2,985,888)
Net cash flow used in investing activities	(280,402)	(1,096,974)
Net cash flow used in/financing activities	(1,786,362)	8,805,378
Net decrease in cash and cash equivalents	(706,247)	4,722,516
Cash and cash equivalents at the beginning of the period	2,401,141	1,566,778
Cash and cash equivalents at the end of the period	1,694,895	6,289,294

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Group					Total equity
	Share capital	Retained earnings	Other Reserves	Equity attributable to owners of the Company	Non-Controlling interests	
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 30-Sept-22	10,881,853	12,803,016	(3,810,119)	19,874,750	(3,235,941)	16,638,809
Balance as at 1-Apr-23	10,881,853	14,490,503	(2,559,526)	22,812,830	(3,182,343)	19,630,487
Profit for the period	–	229,828	(1,282,040)	(1,052,212)	(226,506)	(1,278,718)
Balance as at 30-Sept-23	–	14,720,331	(3,841,566)	10,878,765	(3,408,849)	7,469,916

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 1,930.

The Company is required to publish consolidated interim financial results for the six months ended 30th September 2023 in terms of Listing Rule 12.19 of the SEM.

The abridged unaudited consolidated financial statements for the six months ended 30 September 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 and the 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 of Directors (the "Board") on 20th November 2023.

Copies of the abridged unaudited consolidated financial statements and the statement are available free of charge, upon request at the Registered Office of the Company at c/o Ocorian (Mauritius) Limited, Level 6, Tower A, 1 Exchange Square, Wallstreet, 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

