

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 CyberCity, 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

THE THREE MONTHS AND NINE MONTHS ENDED 31 DECEMBER 2022

Year-on-Year Growth despite sluggish market conditions in the third quarter

DIRECTORS COMMENTARY AND GROUP OVERVIEW

The Board of Directors of Africure (the "Board") is pleased to present the Company's unaudited consolidated financial statements for the three and nine months ended 31 December 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, alongside key partnerships with various pharma companies in Africa.

Some ongoing highlights include:

- A YoY revenue growth of 6%, driven by our base business which increased by 19%.
- Impressive growth seen in our margins, depicting better quality of business and more effective controls.
- An EBITDA of USD 3.3Mn (margin of 13%), a YoY growth of 40%.
- The Green field Project in Ethiopia is almost complete with validations expected in Q4.

Q3 has been a slow quarter. The retail private market businesses has been impacted in the last two quarters due to low liquidity and resultant low distributor off take. This has impacted Cameroon, Tanzania and other East Africa businesses which are major revenue contributors. However, we are seeing an

improvement since the start of January 2023.

From a credit risk management perspective and given reduced availability of USD, we have resorted to cautious selling in the private market.

However, we are continuing to receive significant orders in Botswana, Cote D'Ivoire and Tanzania from Government procurement arms.

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 across the Group.

PERFORMANCE HIGHLIGHTS

- The Group has achieved 89% of its budgeted revenue & profitability estimates YTD December 2022-2023.
- Quarter revenue of ~USD 8.3 Mn against USD 7.78 Mn achieved for the same period previous year.
- Gross Margins of 38% against 30% achieved in the PY.
- Operational EBITDA at USD 3.3Mn (YTD 2022-23) against USD 2.37 Mn in the previous year, with a margin increase from 9.50% to 13%.
- PAT of USD 779k (2022-23) against USD 692k (2021-22), an increase of 12.6%.
- Receivables at 175 days against 164 days (YTD March 22).

- ~USD 2.6Mn invested in Capex, during Q3, for our Ethiopia project.

- Debt Equity ratio at 1.15x against 1x in the previous year.

- The Board has not declared any dividend for the period and continues to reinvest profits, as a commitment to maintaining the growth momentum.

CURRENT BUSINESS OUTLOOK

The Company is expected to achieve annual revenue of ~USD 35- 36Mn, driven by core businesses which have grown by ~20%. Our focus is on the improvement in margins to allow us to push for further growth in profitability.

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

27 February 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31 December 2022	Audited as at 31 March 2022
	Group USD	Group USD
ASSETS		
Non-current assets		
Goodwill	2,879,570	3,105,376
Property plant and equipment	17,893,547	18,762,960
Intangible assets	19,790	3,361
Right of use assets	2,434,269	2,518,755
Capital work in progress	5,809,171	3,161,849
Total non-current assets	29,036,347	27,552,302
Current assets		
Inventories	9,447,951	6,961,236
Trade receivables	17,318,053	15,693,638
Cash and cash equivalents	3,965,321	1,566,778
Other assets	3,875,225	3,051,497
Total current assets	34,606,550	27,273,149
Total assets	63,642,898	54,825,451
EQUITY		
Equity share capital and share premium	10,881,853	10,881,853
Retained earnings	13,012,169	11,969,355
Other reserves	(3,716,435)	(3,261,721)
Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd	20,177,587	19,589,487
Non-controlling interests	(3,213,665)	(2,949,586)
Non-current liabilities		
Borrowings	23,046,624	13,031,737
Operating lease liabilities	2,796,714	2,819,301
Deferred tax liabilities	289,214	293,338
Total non-current liabilities	26,132,552	16,144,376
Current liabilities		
Borrowings	9,945,542	10,671,623
Trade & Accounts Payables	9,235,539	9,930,277
Other liabilities	807,337	728,045
Operating lease liabilities	200,802	200,802
Current tax liabilities	357,204	510,427
Total current liabilities	20,546,424	22,041,174
Total liabilities	63,642,898	54,825,451
Number of Shares in Issue	9,417,500	9,417,500
Net asset value per share	6.76	5.82

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited three months ended 31 Dec 2022	Unaudited three months ended 31 Dec 2021	Unaudited nine months ended 31 Dec 2022	Unaudited nine months ended 31 Dec 2021
	USD	USD	USD	USD
Revenue	8,342,984	7,766,877	26,396,021	24,948,851
Other income	382,581	(72,101)	564,257	117,627
	8,725,565	7,694,776	26,960,278	25,066,478
Cost of raw-materials and finished goods	5,114,955	5,175,210	16,272,881	17,445,898
Employee benefit expenses	1,243,461	902,727	3,594,207	2,484,042
Other expenses	1,241,945	850,258	3,789,066	2,769,312
	7,600,361	6,928,195	23,656,154	22,699,252
Profit before finance cost, depreciation and tax	1,125,204	766,581	3,304,124	2,367,226
Finance costs	(471,570)	(273,404)	(1,357,518)	(721,117)
Depreciation and amortisation	(337,700)	(308,759)	(867,762)	(758,957)
Profit before income tax	315,934	184,418	1,078,844	887,152
Income tax expense				
Current tax	(84,505)	(46,797)	(300,109)	(195,335)
Profit for the period	231,429	137,621	778,735	691,817
Profit/ (Loss) attributable to				
Owners of the Company	209,153	453,031	1,042,814	1,169,359
Non-controlling interests	22,276	(315,410)	(264,079)	(477,542)
Earnings per share for profit attributable to the ordinary equity holders of the company				
Basic earnings per share	0.02	0.05	0.11	0.12
Diluted earnings per share	0.02	0.05	0.11	0.12
Weighted average number of shares	9,417,500	9,417,500	9,417,500	9,417,500

CONSOLIDATED STATEMENT OF CASHFLOWS

	Unaudited for the nine months ended 31 December 2022	Unaudited for the nine months ended 31 December 2021
	USD	USD
Net cash flow used in operating activities (A)	(2,908,010)	(3,260,847)
Net cash flow used in investing activities (B)	(2,647,322)	(1,949,586)
Net cash flow from financing activities (C)	7,953,875	2,624,368
Net increase in cash and cash equivalents (A+B+C)	2,398,543	(2,586,065)
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	3,965,321	3,271,290

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Group							
	Share capital USD	Share premium USD	Share application money USD	Retained earnings USD	Other Reserves USD	Equity attributable to owners of the Company USD	Non-Controlling interests USD	Total equity USD
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
Fresh Issue of Equity Share Capital	-	4,300,000	(1,500,000)	-	-	2,800,000	-	2,800,000
Profit for the period	-	-	-	1,169,359	168,105	1,337,464	(477,542)	859,922
Balance as at 31-Dec-21	-	10,731,853	-	8,727,698	(3,063,344)	16,396,207	(820,254)	15,575,953
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 year	-	-	-	1,042,814	(454,714)	588,100	(264,079)	324,021
Balance as at 31-Dec-22	-	10,881,853	-	13,012,169	(3,716,435)	20,177,587	(3,213,665)	16,963,922

NOTES TO THE ACCOUNT

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 nine months ended 31 December 2022 in terms of Listing Rule 12.19 of the SEM.

The abridged unaudited consolidated financial statements for the three months and nine months ended 31 December 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.

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 24 February 2023.

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.

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For further information please contact:
Perigeum Capital Ltd

SEM Authorised Representative and Sponsor



Ocorian Corporate Services (Mauritius) Limited
Company Secretary

