

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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

"Navigating Market Challenges and Unexpected Hurdles in Key Markets, We've Emerged Stronger.
As a Local Pharma Manufacturer, Our Resilience and Experience Have Fortified Us.
Prepared for a Future of Innovation and Quality Health Solutions."

DIRECTORS COMMENTARY AND COMPANY OVERVIEW

The Board of Directors of Africure (the "Board") is pleased to present the audited results for the year ended 31 March 2024.

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 Tanzania, Cote d'Ivoire, Cameroon, Botswana, Ethiopia and India, besides having distribution companies in various countries across Sub Saharan Africa, together with key partnerships with various companies in Africa.

Some ongoing highlights include,

- The business completed seven years of operations in April 2024, navigating through various market challenges including that of COVID and has set up a formidable player in local manufacturing landscape in Sub Saharan Africa.
- Tough market conditions with low liquidity, reduced stock holding at various supply chain levels & price driven competition has caused lower-than-expected revenues from private markets, resulting in lower revenues compared to the previous year.
- The revenue was impacted by ~8 Mn USD due to an unfortunate fire incident in one of its manufacturing facilities, in Cameroon. This has been reconstructed and has restarted since Feb 2024.
- The Group has conducted alternate businesses to government customers, but wasn't able to make good, the sales lost in the private segment.
- The gross margins have been improving year-on-year, highlighting the results of the Group's market/product selection & efficiency improvement initiatives.
- The Group believes that the tough market conditions are set to remain & the focus will be to ensure capacity utilization and improve efficiencies in manufacturing, sales & working capital management.

- Our Ethiopian plant is now complete and has received approval to manufacture exhibit batches.
- The Group is mindful of various ESG responsibilities & is working on various impact creating initiatives.

We believe in the opportunities that exist in the markets we serve and are constantly working on capacity building to enhance our production volumes & resultant revenues. The Group has a strong orderbook for the next two quarters, with quiet a few long-term contracts as well.

Our R&D pipeline is trending very positively with more than 100 products being ready for filing in various geographies across Africa. The Group currently holds more than 400 product registrations across Sub-Saharan Africa.

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

HIGHLIGHTS OF PERFORMANCE

- The Group has achieved 90% of its revenue & profitability guidance for the financial year 2023-24.
- Annual revenue of ~USD 26.00 Mn against USD 36.00 Mn achieved in the last year, signifying a degrowth. This was due to slow market conditions for generic manufacturers coupled by lost sales in Cameroon.
- Gross Margins have significantly improved to 41% against 38% in the previous year, signifying our ability to manage cost increases & improve the product mix.
- Operational EBITDA at USD 4.10 Mn against USD 5.10 Mn achieved in the previous year, impacted by lower topline.

- Profit after tax at Negative USD 400K against USD 200K in the previous year, caused by lower revenue and high depreciation costs.
- Receivable Days at 200 days against 180 days in the previous year, driven by high sales in last 4 months of the year & delay in realization of certain government receivables.
- Inventory holding at 140 days against 128 days in the previous year, getting closer to ideal inventory holding.
- Debt Equity ratio at 0.90 against 0.80 in the previous year, as the significant investments made in new plants have not yet realized expected profitability. As a manufacturing focused company, we understand that the gestation & payback period is longer and that we are creating value through these capacities for years to come.
- The Board has not declared any dividend for the period and continues to reinvest profits to maintain growth momentum.

CURRENT BUSINESS OUTLOOK

The Group has a positive outlook across all its businesses, and expects continued and consistent growth. Release of working capital through collections will increase our operating cashflows. The Group expects a revenue of ~USD 40 Mn in the coming year, with increased margins. We believe that the Group's ability to adapt & respond to changing market dynamics has helped to create a robust business model that will enrich value for all its stakeholders. The ramp up in Ivory Coast manufacturing, alongside the start of Ethiopian operations, will greatly enhance the Group's growth.

We sincerely thank all our 600+ employees & their families, customers, investors & other stakeholders for their continued patronage and support during these testing times & reiterate the management's commitment to transparent governance & consistent performance, 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

All the amounts are in USD unless otherwise stated

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 -MAR-2024

Particulars	31-Mar-24	31-Mar-23
ASSETS		
Non-current assets		
Goodwill	2,607,969	2,751,577
Property plant and equipment	15,744,934	17,263,999
Intangible assets	162,453	18,758
Right of use assets	2,624,627	2,269,244
Capital work in progress	8,034,076	6,830,553
Investment in subsidiaries		
Loans and advances		
Total non-current assets	29,174,059	29,134,131
Current assets		
Inventories	10,855,793	9,253,621
Trade receivables	16,053,857	20,514,721
Cash and cash equivalents	1,511,754	2,401,141
Other assets	3,202,524	3,299,263
Total current assets	31,623,928	35,468,746
Total assets	60,797,987	64,602,877
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital and share premium	10,881,853	10,881,853
Retained earnings	14,208,874	14,490,503
Other reserves	(4,827,146)	(2,559,526)
Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd	20,263,581	22,812,830
Non-controlling interests	(3,305,874)	(3,182,343)
Non-current liabilities		
Borrowings	16,853,087	20,299,873
Operating lease liabilities	3,195,689	2,747,716
Deferred tax liabilities	(186,419)	277,965
Total non-current liabilities	19,862,357	23,325,554
Current liabilities		
Borrowings	11,317,227	7,881,331
Trade and accounts payables	11,534,523	12,377,705
Other liabilities	782,505	849,617
Operating lease liabilities	192,358	124,718
Current tax liabilities	151,310	413,465
Total current liabilities	23,977,923	21,646,836
Total Equity and liabilities	60,797,987	64,602,877
Net Asset Value	2.15	2.42

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31-MAR-2024

Particulars	Audited for 31-Mar 24 Group	Audited for 31-Mar 23 Group
Revenue	26,796,900	36,396,694
Other income	1,472,891	3,449,615
	28,269,791	39,846,309
Cost of raw-materials and finished goods	15,752,734	22,705,944
Employee benefit expenses	4,432,447	4,696,327
Other expenses	3,977,885	5,243,611
	24,163,066	32,645,882
Profit before finance cost, depreciation and tax	4,106,725	7,200,427
Finance costs	(2,324,999)	(2,420,419)
Depreciation and amortisation	(1,537,879)	(1,697,839)
Profit before income tax	243,847	3,082,169
Income tax expense		
Current tax	(608,067)	(735,871)
Deferred tax	(40,940)	(57,907)
Profit/ (Loss) for the year	(405,160)	2,288,391
Profit/ (Loss) attributable to		
Owners of the Company	(281,629)	2,521,148
Non-controlling interests	(123,531)	(232,757)
Earnings per share for profit attributable to the ordinary equity holders of the company		
Basic earnings per share	(0.03)	0.27
Diluted earnings per share	(0.03)	0.27
Weighted average number of shares	9,417,500	9,417,500

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31-MAR-2024

Particulars	31-Mar 24 Group	31-Mar 23 Group
Net cash flow/(used) from operating activities	2,724,810	2,645,236
Net cash flow used in investing activities	(1,085,357)	(3,666,895)
Net cash flow from financing activities	(2,528,840)	1,856,022
Net (decrease)/increase in cash and cash equivalents	(889,387)	834,363
Cash and cash equivalents at the beginning of the year	2,401,141	1,566,778
Cash and cash equivalents at the end of the year	1,511,754	2,401,141

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31-MAR-2024

Particulars	Group						
	Share capital USD	Share premium 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-22		10,881,853	11,969,355	(3,261,721)	19,589,487	(2,949,586)	16,639,901
Profit for the year		-	2,521,148	702,195	3,223,343	(232,757)	2,990,586
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 year		-	(281,629)	(2,267,620)	(2,549,249)	(123,531)	(2,672,780)
Balance as at 31-Mar-24		10,881,853	14,208,874	(4,827,146)	20,263,581	(3,305,874)	16,957,707

NOTES TO THE ACCOUNTS

The total number of ordinary shares in issue by the Company is 9,417,500.

The Company is required to publish its abridged consolidated audited financial results for the year ended 31st March 2024 in terms of the Listing Rule 12.14 of the SEM.

The abridged audited consolidated financial statements for the year ended 31st March 2024 ("abridged audited 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 31st March 2023, except for new standards as applicable/ as amended.

The Company's external auditors, RSM (Mauritius) LLP have issued an unmodified audit opinion on the abridged audited consolidated financial statements for the year ended 31st March 2024. These abridged audited consolidated financial statements were approved by the Board on 12th July 2024

Copies of the abridged audited consolidated financial statements are available free of charge, upon request at the Registered Office of the Company, at Level 6, Tower A, 1 Exchange Square, Wallstreet, Ebene, Republic of Mauritius.

This communique is issued pursuant to SEM Listing Rules 11.3 and 12.14. 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

Ocorian Corporate Services (Mauritius) Limited

SEM Authorised Representative and Sponsor

Company Secretary

