

Africure Pharmaceuticals Ltd

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

Having its address at Level 6, Tower A, 1 Exchange Square, Wall Street, Ebene, Mauritius, 72201

("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 30th JUNE 2024

A balanced quarter, reflecting a return to normal operations

DIRECTORS COMMENTARY AND GROUP OVERVIEW

The Board of Directors of Africure is pleased to present the unaudited results for the first quarter, being for the period ended 30th June 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 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,

- Q1 for the financial year 24/25 performance was short of expectations, with flat YoY revenues and lower profitability. The budgeted numbers could not be met due to a delay in the expected cash infusion into the business towards working capital.
- There has been a drop in input material prices by 20-25% compared to last year, which has impacted the topline, despite 10-15% growth in terms of volumes.
- The Group achieved revenue of USD 6.45 Mn with an EBITDA of USD 534k, against previous year's quarter revenue of USD 6.57Mn & EBITDA of USD 775k.

In addition, the Group completed the construction of the Africure Pharmaceuticals Manufacturing Plc, Ethiopia despite challenges for 2 years caused by COVID. The Ministry of Health has given permission to market 40 products which are essential medicines and has expressed initial positive response to provide a tender award.

We currently have a robust order book in Botswana, Tanzania, IVC that will support us in achieving the expected revenue.

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.

HIGHLIGHTS OF PERFORMANCE

- The Group has achieved 80% of its budgeted revenue & 52% of profitability estimates for Q1 June 2024-2025.
- Gross Margins at 40%, signifying our ability to manage cost increases & improve the product mix.
- Quarterly Operational EBITDA at USD 535k against USD 775k achieved in the previous year. The decrease is explained by the dip in revenue.
- Increase in loss after tax owing to higher depreciation and finance costs on growth capital.

- Working capital cycle (WCC) of 229 Days. The WCC is relatively high due to elevated creditor levels, which need to be reduced to enable further procurement seamlessly.

- Debt Equity ratio at 1.39:1, against a similar ratio 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 7.50 Mn in the next quarter & remains in line to close the annual revenue between USD 34Mn to USD 36Mn. 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
29 August 2024

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All the amounts are in USD unless otherwise stated

	Unaudited as at 30 June 2024	Audited as at 31 March 2024
	Group	Group
ASSETS		
Non-current assets		
Goodwill	2,651,455	2,607,969
Property plant and equipment	16,028,870	15,744,934
Intangible assets	162,429	162,453
Right of use assets	2,656,513	2,624,627
Capital work in progress	7,423,752	8,034,076
Total non-current assets	28,923,019	29,174,059
Current assets		
Inventories	10,572,877	10,855,793
Trade receivables	15,937,453	16,053,857
Cash and cash equivalents	826,746	1,511,754
Other assets	3,574,782	3,200,792
Total current assets	30,911,858	31,622,196
Total assets	59,834,877	60,796,255
EQUITY		
Equity share capital and share premium	10,881,853	10,881,853
Share application money pending allotment		
Retained earnings	13,791,938	14,208,874
Other reserves	(4,827,510)	(4,827,146)
Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd	19,846,281	20,263,581
Non-controlling interests	(3,150,137)	(3,305,874)
Non-current liabilities		
Borrowings	16,800,281	16,853,087
Operating lease liabilities	3,244,838	3,195,689
Deferred tax liabilities	(229,143)	(186,419)
Total non-current liabilities	19,815,976	19,862,357
Current liabilities		
Borrowings	10,799,232	11,317,227
Trade and accounts payables	11,394,716	11,532,791
Other liabilities	770,550	782,505
Operating lease liabilities	192,358	192,358
Current tax liabilities	165,901	151,310
Total current liabilities	23,322,757	23,976,191
Total liabilities	59,834,877	60,796,255
NAV per share	2.11	2.15

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited as at 30 June 2024	Unaudited as at 30 June 2023
	Group	Group
Revenue	6,453,939	6,570,904
Other income	37,771	54,794
	6,491,710	6,625,698
Cost of raw-materials and finished goods	3,847,872	3,729,105
Employee benefit expenses	1,031,670	1,107,700
Other expenses	1,078,070	1,014,304
	5,957,612	5,851,109
Profit before finance cost, depreciation and tax	534,098	774,589
Finance costs	(488,746)	(410,618)
Depreciation and amortisation	(228,851)	(336,007)
Profit before income tax	(183,499)	27,964
Income tax expense		
Current tax	(77,700)	(119,355)
Profit/ (Loss) for the year	(261,199)	(91,391)
Profit/ (Loss) attributable to		
Owners of the Company	(416,936)	(107,556)
Non-controlling interests	155,737	16,165
Earnings per share for profit attributable to the ordinary equity holders of the company		
Basic earnings per share	(0.04)	(0.01)
Diluted earnings per share	(0.04)	(0.01)
Weighted average number of shares	9,417,500	9,417,500

UNAUDITED CONSOLIDATED STATEMENT OF CASHFLOWS

	Unaudited for the three months ended 30 June 2024	Unaudited for the three months ended 30 June 2023
Net cash generated from/used in operating activities	420,543	78,734
Net cash flow used in investing activities	-	330,107
Net cash flow used in/ from financing activities	(1,105,551)	(1,165,318)
Net decrease in cash and cash equivalents	(685,008)	(756,477)
Cash and cash equivalents at the beginning of the period	1,511,754	2,401,141
Cash and cash equivalents at the end of the period	826,746	1,644,664

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Group						
	Share capital	Share premium	Retained earnings	Other Reserves	Equity attributable to owners of the Company	Non-Controlling interests	Total equity
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	-	-	(107,556)	(651,867)	(759,423)	(16,165)	(775,588)
Balance as at 30-June-23	-	10,881,853	14,382,947	(3,211,393)	22,053,407	(3,198,508)	18,854,899
Balance as at 1-Apr-24	-	10,881,853	14,208,874	(4,827,146)	20,263,581	(3,305,874)	16,957,707
Profit for the period	-	-	(416,936)	(364)	(417,300)	155,737	(261,563)
Balance as at 30-June-24	-	10,881,853	13,791,938	(4,827,510)	19,846,281	(3,150,137)	16,696,144

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

Regarding the comparative financial figures for the year ended 31 March 2024, an immaterial adjustment was made to the previously reported figures, which does not affect the overall financial position or results of operations of the Company.

The Company is required to publish its consolidated interim financial results for the three months ended 30th June 2024 in terms of the Listing Rule 12.19 of the SEM.

The abridged unaudited consolidated financial statements for the three months ended 30th June 2024 ("abridged unaudited consolidated financial statements") have been prepared in accordance with measurements and recognition requirements of the IFRS, the information contained in IAS 34: interim financial reporting and 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 28th August 2024.

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 communique 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 communique.

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For further information please contact:
Perigeum Capital Ltd

SEM Authorised Representative and Sponsor



Ocorian Corporate Services (Mauritius) Limited
Company Secretary

