

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

FOR THE SIX MONTHS ENDED 30th September 2024

A Balanced Half-Year: Stabilizing and Advancing

DIRECTORS COMMENTARY AND GROUP OVERVIEW

The Board of Directors of Africure is pleased to present the unaudited results for the first half of the year, being for the period ended 30th September 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.

H1 2024-25 Performance Overview

Africure demonstrated significant progress in H1 24-25, achieving a revenue of \$16.50 million, representing a 26% growth compared to the previous year's \$13.14 million. This performance was primarily driven by strong contributions from East Africa and Southern Africa verticals.

Revenues in the French Africa vertical was impacted due to stock availability issues during the first half of the year, this is expected to be normalised over the remaining part of the year.

Africure' strategic focus remained on profitable and low working capital-intensive markets, ensuring efficient capital allocation and a foundation for sustainable growth despite operational constraints.

Group has a solid orderbook for execution in H2, wherein most of the businesses are expected to be back on track. The first half of the year saw significant investments & focus on brand development efforts across all the markets. The business has been successful in raising mezzanine finance to plug the working capital gap.

HIGHLIGHTS OF PERFORMANCE

- The Group has achieved 81% of its budgeted revenue, a growth of 26% over the previous year & 69% of EBITDA estimates for H1 2024-2025.
- Gross Margins are at 35%, in line with the expectations. However, a change in market mix caused a decline in margins in comparison to previous year.
- Operational EBITDA at USD 1.95Mn against USD 2.20Mn achieved in the previous year. This is due to impact of lower margins.
- Profit after tax at USD 215k vs 34k of the previous year.
- Working capital cycle (WCC) of 187 Days.
- Debt Equity ratio at 1.33:1, against a 1.39:1 as on March 24.
- The Board has not declared any dividend for the period and continues to reinvest profits to maintain growth momentum.

CURRENT BUSINESS OUTLOOK

Key Actionable:

H2 2024-25 Strategic Priorities

- Inventory Management: Deploy adequate working capital from Investor and local banks to secure orders through March and build critical inventories in Ivory Coast (IVC), Cameroon, and Tanzania to meet demand seamlessly.
- Finalize agreements with principal manufacturers for the general product tender awarded in southern Africa and close supply terms by December 2024, ensuring uninterrupted operations.

- Focus on regaining the missed H1 sales, with a strategic push in Cameroon and East Africa, backed by better inventory and operational efficiency.

Ethiopia Project (ET):

- Expedite regulatory approvals and registrations to access government and institutional tenders.
- Source and manage the required working capital locally to ensure project viability and long-term growth.

The Company has a strong orderbook for H2 and expects to achieve a revenue of ~USD 16.50 Mn in the next Half year & remains in line to close the annual revenue between ~USD 30 Mn to ~USD 32 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
2 December 2024

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All the amounts are in USD unless otherwise stated

	Unaudited as at 30 September 2024 Group	Audited as at 31 March 2024 Group
ASSETS		
Non-current assets		
Goodwill	2,743,059	2,607,969
Property plant and equipment	16,161,880	15,744,934
Intangible assets	162,905	162,453
Right of use assets	2,622,555	2,624,627
Capital work in progress	7,362,987	8,034,076
Total non-current assets	29,053,386	29,174,059
Current assets		
Inventories	10,331,645	10,855,793
Trade receivables	16,801,212	16,053,857
Cash and cash equivalents	1,049,172	1,511,754
Other assets	3,574,842	3,200,792
Total current assets	31,756,871	31,622,196
Total assets	60,810,257	60,796,255
EQUITY		
Equity share capital and share premium	10,881,853	10,881,853
Share application money pending allotment	-	-
Retained earnings	14,396,134	14,208,874
Other reserves	(4,827,146)	(4,827,146)
Capital and reserves attributable to owners of Africure Pharmaceuticals Ltd	20,450,841	20,263,581
Non-controlling interests	(3,278,394)	(3,305,874)
Non-current liabilities		
Borrowings	16,832,723	16,853,087
Operating lease liabilities	3,202,393	3,195,689
Deferred tax liabilities	(44,887)	(186,419)
Total non-current liabilities	19,990,229	19,862,357
Current liabilities		
Borrowings	10,428,606	11,317,227
Trade and accounts payables	11,941,931	11,532,791
Other liabilities	750,859	782,505
Operating lease liabilities	192,358	192,358
Current tax liabilities	333,827	151,310
Total current liabilities	23,647,581	23,976,191
Total equity & liabilities	60,810,257	60,796,255
Number of shares in issue	9,417,500	9,417,500
NAV per share	2.17	2.15

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 3 months ended 30 Sept 2024	Unaudited 3 months ended 30 Sept 2023	Unaudited 6 months ended 30 Sept 2024	Unaudited 6 months ended 30 Sept 2023
Revenue	10,080,792	6,566,439	16,534,731	13,137,343
Other income	286,615	858,746	324,386	913,540
	10,367,407	7,425,185	16,859,117	14,050,883
Cost of raw-materials and finished goods	6,924,366	3,964,407	10,772,238	7,693,512
Employee benefit expenses	949,777	1,110,130	1,981,447	2,217,830
Other expenses	1,080,388	938,336	2,158,458	1,952,640
	8,954,531	6,012,873	14,912,143	11,863,982
Profit before finance cost, depreciation and tax	1,412,876	1,412,312	1,946,974	2,186,901
Finance costs	(495,503)	(659,559)	(984,249)	(1,070,177)
Depreciation and amortisation	(311,872)	(563,174)	(540,723)	(899,181)
Profit before income tax	605,501	189,579	422,002	217,543
Income tax expense				
Current tax	(129,562)	(94,866)	(207,262)	(214,221)
Profit/ (Loss) for the year	475,939	94,713	214,740	3,322
Profit/ (Loss) attributable to				
Owners of the Company	475,939	67,233	187,260	229,828
Non-controlling interests	-	27,480	27,480	(226,506)
Earnings per share for profit attributable to the ordinary equity holders of the company				
Basic earnings per share	0.05	0.01	0.02	0.02
Diluted earnings per share	0.05	0.01	0.02	0.02
Weighted average number of shares	9,417,500	9,417,500	9,417,500	9,417,500

UNAUDITED CONSOLIDATED STATEMENT OF CASHFLOWS

	Unaudited for the period ended 30 September 2024	Unaudited for the period ended 30 September 2023
Net cash generated from operating activities	1,772,175	1,360,517
Net cash flow used in investing activities	(287,031.96)	(280,402)
Net cash flow used in financing activities	(1,947,725)	(1,786,362)
Net decrease in cash and cash equivalents	(462,582)	(706,247)
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	1,049,172	1,694,894

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Group					
	Share capital	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	-	229,828	(1,304,683)	(1,074,855)	(226,506)	(1,301,361)
Balance as at 30-Sept-23	10,881,853	14,720,331	(3,864,209)	21,737,975	(3,408,849)	18,329,126
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	-	187,260	-	187,260	27,480	214,740
Balance as at 30-Sept-24	10,881,853	14,396,134	(4,827,146)	20,450,841	(3,278,394)	17,172,447

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

The Company is required to publish its consolidated interim financial results for the three and six months months ended 30th September 2024 in terms of the listing rule 12.19 of the SEM.

The abridged unaudited consolidated financial statements for the three months and six months ended 30th September 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.

These 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 29th November 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.

Contact Person: Mr Vashish Bisnathsing.

For further information please contact:
Perigeum Capital Ltd

SEM Authorised Representative and Sponsor



Ocorian Coporate Services (Mauritius) Limited
Company Secretary

