

DIRECTORS' COMMENTARY & COMPANY OVERVIEW

The Board of Directors of Africure Pharmaceuticals Ltd is pleased to present the audited results for the year ended 31 March 2026. Africure continues to operate as an African-focused pharmaceutical manufacturing and distribution platform, serving essential healthcare markets through its manufacturing, trading and distribution capabilities across multiple countries.

During the year under review, the operating environment remained demanding across several African markets. Liquidity constraints in key territories continued to affect procurement patterns, while distributors and pharmacies remained cautious in their stockholding decisions. The generic pharmaceutical market remained highly competitive, with longer working capital cycles increasing the need for tighter balance sheet management and disciplined deployment of capital.

Against this backdrop, the Group remained focused on protecting gross margins, preserving operating discipline and improving the quality of revenue. Rather than stepping back, the management team and employees worked aggressively to find solutions – shifting the business further towards private and branded sales, exiting cash-consuming operations and repaying debt. While topline performance was softer, the year confirmed that the recovery which began last year has taken firm hold, and the Group ends the year as a leaner, more focused organisation with a healthier balance sheet.

"A Leaner Africure, A Stronger Africure – that is our endeavour, and this year's results show it taking shape."

HIGHLIGHTS OF PERFORMANCE

- The Group operated through a challenging year marked by tight market liquidity, lower inventory holding across the private channel, elongated buying cycles and a more selective demand environment.
- Revenue declined versus the prior year as subdued procurement in a number of markets affected volume conversion. A large part of this decline was planned, reflecting the Group's lower dependence on opportunistic, tender-driven business, while the core business continued to grow.
- Private market sales increased by 18% year on year, demonstrating continued demand in the Group's core channels, while government sales declined by 32%, primarily due to lower sales in Botswana caused by the country's macroeconomic factors. This shift in channel mix had a direct bearing on overall revenue for the year.
- Despite lower revenue, EBITDA improved to approximately USD 4.17 million, with EBITDA margin at 16%, reflecting disciplined cost management and improved operational quality.
- Gross margin strengthened to 45% from 38% in the previous year, supported by a more favourable market mix and better margin protection across the portfolio.
- Operating expenses stood at USD 8.55 million (vs USD 7.62 million).
- Total assets stood at USD 45.64 million (vs USD 58.44 million), mainly due to the completed hive-off of Africure Pharmaceuticals Côte d'Ivoire, which generated proceeds of USD 8.20 million and closed a major cash-burn gap, alongside a sharper strategic focus on core operations.
- Proceeds from the sale were used to repay USD 4.20 million of the BluePeak facility – a major step in de-leveraging the balance sheet and reducing future finance costs. All financial covenants were satisfied as at 31 March 2026.
- Debt-equity ratio improved to 0.68 (from 0.80 in the previous year).
- The Board has not declared any dividend for the period and continues to retain resources within the business to support de-leveraging and growth.

CURRENT BUSINESS OUTLOOK

- Convert growth opportunities in Cameroon, Tanzania, India and broader East Africa, including the conversion of approximately USD 4.75 million of deferred revenue into revenue during FY 2026–27, while maintaining a disciplined approach to working capital and inventory deployment.
- Align procurement closely with cash-backed demand and confirmed orders, maintain tight control over fixed-cost expansion, and protect margins through pricing discipline and product mix management.
- Sustain pricing discipline and product mix controls to protect gross margins at 45% and above.
- Continue the steady de-leveraging of the balance sheet through scheduled repayments of the BluePeak facility.

The Board believes the business is emerging from a demanding operating cycle as a leaner, more focused organisation with a stronger commercial and financial foundation. The cash-burn gaps of the past have been closed, debt has been reduced, and the year's performance reflects encouraging progress in profitability, margin quality and portfolio discipline.

The Group also successfully advanced its planned quality and ESG compliance initiatives during the year, reinforcing its commitment to high standards of governance, operational quality and long-term sustainability.

All amounts in USD unless otherwise stated

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Particulars	31-Mar-26 Group	31-Mar-25 Group
ASSETS		
Non-current assets		
Goodwill	2,785,198	2,635,871
Property, plant and equipment	17,879,866	15,670,285
Intangible assets	34,310	104,580
Right of use assets	1,728,101	2,487,717
Capital work in progress	–	7,294,453
Total non-current assets	22,427,475	28,192,906
Current assets		
Inventories	7,178,493	9,272,823
Trade receivables	12,023,435	16,380,489
Cash and cash equivalents	1,474,285	1,325,587
Other assets	2,536,367	3,265,425
Total current assets	23,212,580	30,244,324
Total assets	45,640,055	58,437,230
EQUITY AND LIABILITIES		
Equity share capital and share premium	10,881,853	10,881,853
Equity share capital pending allotment	7,762,672	7,762,672
(Accumulated losses)/Retained earnings	(3,799,192)	1,173,731
Other reserves	(3,792,338)	(4,259,196)
Capital and reserves attributable to owners of the Company	11,052,995	15,559,060
Non-controlling interests	(440,006)	(306,133)
Non-current liabilities		
Borrowings	16,442,808	20,435,749
Operating lease liabilities	3,309,550	3,904,360
Deferred tax liabilities	1,302,992	1,419,098
Total non-current liabilities	21,055,350	25,759,207
Current liabilities		
Borrowings	5,089,369	5,059,160
Trade and accounts payables	7,379,731	10,659,208
Other liabilities	1,302,574	1,123,538
Operating lease liabilities	151,534	192,358
Current tax liabilities	48,508	390,832
Total current liabilities	13,971,716	17,425,096
Total equity and liabilities	45,640,055	58,437,230
Net Asset Value	1.17	1.65

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Particulars	Share capital and share premium	Accumulated Losses	Other reserves	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 April 2024	10,881,853	14,208,875	(4,827,146)	20,263,582	(3,305,874)	16,957,708
Loss for the year	–	(2,966,877)	567,950	(2,398,927)	152,339	(2,246,588)
Other reserves	–	–	–	–	541,807	541,807
Proposed allotment of equity shares for non-cash consideration	7,762,672	(7,762,672)	–	–	–	–
Transactions with shareholders holding non-controlling interest	–	(2,305,595)	–	(2,305,595)	2,305,595	–
Balance as at 1 April 2025	18,644,525	1,173,731	(4,259,196)	15,559,060	(306,133)	15,252,927
Loss for the year	–	(4,972,923)	466,858	(4,506,065)	(133,873)	(4,639,938)
Balance as at 31 March 2026	18,644,525	(3,799,192)	(3,792,338)	11,052,995	(440,006)	10,612,989

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 abridged audited consolidated financial statements for the year ended 31 March 2026 have been prepared in accordance with the measurement and recognition requirements of IFRS and the SEM Listing Rules, using the same accounting policies as those of the audited consolidated financial statements for the year ended 31 March 2025, except for new standards as applicable/as amended.
 - The Company's external auditors, RSM (Mauritius) LLP, have issued an unmodified audit opinion on the consolidated financial statements for the year ended 31 March 2026. These abridged audited consolidated financial statements were approved by the Board on 6 July 2026.
 - Copies of the abridged audited consolidated financial statements are available free of charge, upon request, at the Registered Office of the Company at c/o Ocorian Corporate Services (Mauritius) Limited, Nexera, Lot 7, Côte d'Or Technopole, Minissy, Moka, Mauritius.
 - This communiqué 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 communiqué. Contact person: Mr Vashish Bisnathsingh.
- By order of the Board
7 July 2026

FOR FURTHER INFORMATION

Perigeum Capital Ltd
SEM Authorised Representative and Sponsor



Ocorian Corporate Services (Mauritius) Limited OCORIAN
Company Secretary