



Quality Chemical Industries Limited



Emmanuel Katongole
Chairman



Ajay Kumar Pal
Chief Executive Officer

The Directors of Quality Chemical Industries Limited are pleased to present the summary audited financial statements for the year ended 31 March 2025

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF QUALITY CHEMICAL INDUSTRIES LIMITED

Opinion

The summary financial statements of Quality Chemical Industries Limited ("the Company" or "Qcil"), which comprise the statement of financial position as at 31 March 2025, the summary statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and other disclosures are derived from the audited financial statements of Qcil for the year ended 31 March 2025.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements of the Company for the year ended 31 March 2025, on the basis described in the Basis of Preparation section of the summary financial statements.

Summary financial statements

The summary financial statements do not contain all the disclosures as required by International Financial Reporting Standards ("IFRS") and the Companies Act, 2012. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 12 May 2025. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

Directors' responsibility for the summary financial statements

The Directors are responsible for the preparation of the summary financial statements as described in the basis of preparation section of the summary financial statements.

QUALITY CHEMICAL INDUSTRIES LIMITED

SUMMARY FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2025

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2025 US\$'s '000	2024 US\$'s '000
Revenue	267,129,934	265,339,800
Cost of sales	(158,642,358)	(175,941,930)
Gross profit	108,487,576	89,397,870
Other income	206,974	72,864
General and administrative expenses	(52,574,183)	(45,769,305)
Reversal of impairment allowance/(impairment allowance)	3,250,396	(542,168)
Operating profit	59,370,763	43,159,261
Finance income	4,563,153	5,119,076
Finance costs	(2,257,516)	(432,848)
Profit before tax	61,676,400	47,845,489
Taxation	(21,023,488)	(16,085,164)
Profit for the year	40,652,912	31,760,325
Other comprehensive income	-	-
Total comprehensive income for the year	40,652,912	31,760,325
Basic and diluted earnings per share (US\$)	11.13	8.70

SUMMARY STATEMENT OF FINANCIAL POSITION

	2025 US\$'s '000	2024 US\$'s '000
ASSETS		
Non-current assets		
Property, plant, equipment and right-of-use assets	56,173,656	61,317,371
Capital work-in-progress	3,885,421	3,059,294
Intangible assets	1,054,870	451,018
	61,113,947	64,827,683
Current assets		
Inventories	90,525,972	86,319,714
Trade and other receivables	42,270,404	27,098,634
Current tax recoverable	-	287,392
Cash in hand and at bank	34,989,806	53,451,182
	167,786,182	167,156,922
TOTAL ASSETS	228,900,129	231,984,605
EQUITY AND LIABILITIES		
EQUITY		
Share capital	45,648,865	45,648,865
Reserves	2,275,000	2,275,000
Proposed dividends	21,911,455	14,972,828
Retained earnings	116,655,407	125,303,269
	186,490,727	188,199,962
LIABILITIES		
Non-current liabilities		
Deferred tax liability	1,136,000	155,083
Lease liabilities	175,596	168,398
	1,311,596	323,481
Current liabilities		
Lease liabilities	103,145	109,328
Trade and other payables	40,994,661	43,351,834
	41,097,806	43,461,162
TOTAL LIABILITIES	42,409,402	43,784,643
TOTAL EQUITY AND LIABILITIES	228,900,129	231,984,605

Auditor's responsibilities for the summary financial statements

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material aspects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing ("ISA") 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Grant Thornton

Grant Thornton
Certified Public Accountants
3rd Floor, Lugogo One
Plot 23, Lugogo Bypass
PO Box 7158, Kampala, Uganda
12 May 2025

SUMMARY STATEMENT OF CHANGES IN EQUITY

	Share capital US\$'s '000	Reserves US\$'s '000	Proposed dividends US\$'s '000	Retained earnings US\$'s '000	Total equity US\$'s '000
Balance as at April 1, 2023	45,648,865	2,275,000	9,129,773	114,358,827	171,412,465
Profit for the year	-	-	-	31,760,325	31,760,325
Other comprehensive income	-	-	-	-	-
	45,648,865	2,275,000	9,129,773	146,119,152	203,172,790
Proposed dividends	-	-	20,815,883	(20,815,883)	-
Dividends paid	-	-	(14,972,828)	-	(14,972,828)
Transaction with owners of the Company	-	-	5,843,055	(20,815,883)	(14,972,828)
Balance as at March 31, 2024	45,648,865	2,275,000	14,972,828	125,303,269	188,199,962
Balance as at April 1, 2024	45,648,865	2,275,000	14,972,828	125,303,269	188,199,962
Profit for the year	-	-	-	40,652,912	40,652,912
Other comprehensive income	-	-	-	-	-
	45,648,865	2,275,000	14,972,828	165,956,181	228,852,874
Proposed dividends	-	-	49,300,774	(49,300,774)	-
Dividends paid	-	-	(42,362,147)	-	(42,362,147)
Transaction with owners of the Company	-	-	6,938,627	(49,300,774)	(42,362,147)
Balance as at March 31, 2025	45,648,865	2,275,000	21,911,455	116,655,407	186,490,727

SUMMARY STATEMENT OF CASH FLOWS

	2025 UShs '000	2024 UShs '000
Operating activities		
Profit before tax	61,676,400	47,845,489
Adjustment for:		
- (Reversal of impairment allowance)/impairment allowance	(3,250,396)	542,168
- Depreciation of property, plant, equipment and right-of-use assets	9,589,478	10,113,645
- Amortisation of intangible assets	489,750	477,086
- Reversal of provision for obsolete stock	(3,062,993)	(2,573,544)
- Loss on disposal of property, plant and equipment and right-of-use assets	62,548	-
- Interest expense	175,734	301,007
	65,680,521	56,705,851
Changes in working capital:		
- Inventories	(1,143,265)	(17,410,391)
- Trade and other receivables	(11,921,375)	35,310,797
- Trade and other payables	(2,380,926)	7,926,958
Cash generated from operating activities	50,234,955	82,533,215
Interest paid on bank overdraft	(140,404)	(272,139)
Payment of interest on lease liabilities	(35,330)	(28,868)
Tax paid	(19,755,178)	(15,187,591)
Net cash generated from operating activities	30,304,043	67,044,617
Cash flows used in investing activities		
Purchase of property, plant and equipment	(2,754,258)	(1,395,309)
Additions to capital work-in-progress	(2,923,782)	(2,462,337)
Purchase of intangible assets	(633,852)	(26,692)
Net cash used in investing activities	(6,311,892)	(3,884,338)
Cash flows used in financing activities		
Dividends paid	(42,362,147)	(14,972,828)
Repayment of term loan	-	(5,400,750)
Repayment of lease liability	(91,380)	(148,090)
Net cash used in financing activities	(42,453,527)	(20,521,668)
Net change in cash in hand and at bank	(18,461,376)	42,638,611
Cash and cash equivalents at start of year	53,451,182	10,812,571
Cash in hand and at bank at end of year	34,989,806	53,451,182

Basis of preparation

The summary financial statements of the Company for the year ended 31 March 2025 were prepared in accordance with the criteria established by management under which the Company discloses the summary statements of financial position, profit or loss and other comprehensive income, cash flows and changes in equity. The summary financial statements are derived from the audited financial statements of the Company which are prepared in accordance with IFRS and in a manner required by the Companies Act, 2012.

Financial performance

FY25 marked the first full year following the divestment of a major shareholder. Despite the change, the Company has successfully maintained stability in its revenues, demonstrating resilience and robust performance.

Revenue: In FY25, the Company achieved revenue of UShs 267.1 billion, reflecting a slight increase from the previous year's revenue of UShs 265.3 billion.

Gross profit: The gross profit margin improved markedly from 33.7% in FY24 to 40.6% in FY25. This improvement was partly driven by a shift in product mix. The proportion of ARVs in total sales increased from 59.9% in FY24 to 76.3% in FY25, while the share of ACTs decreased from 38.0% to 21.6% over the same period. Manufacturing efficiencies and a reduction in raw material costs further enhanced profitability.

General and administrative expenses: Rose by 14.8% to UShs 52.5 billion, primarily due to higher licensing costs, the implementation of a new staff incentive scheme, and inflationary pressures.

Reversal of impairment allowance: In FY25, Qcil successfully recovered UShs 3.5 billion from the Government of Zambia (“GoZ”). These amounts had been fully provisioned in previous periods due to delayed payments.

Finance income and finance costs: Finance income was primarily derived from interest on short-term cash placements with commercial banks, while finance costs were mainly incurred as a result of losses from foreign exchange movements.

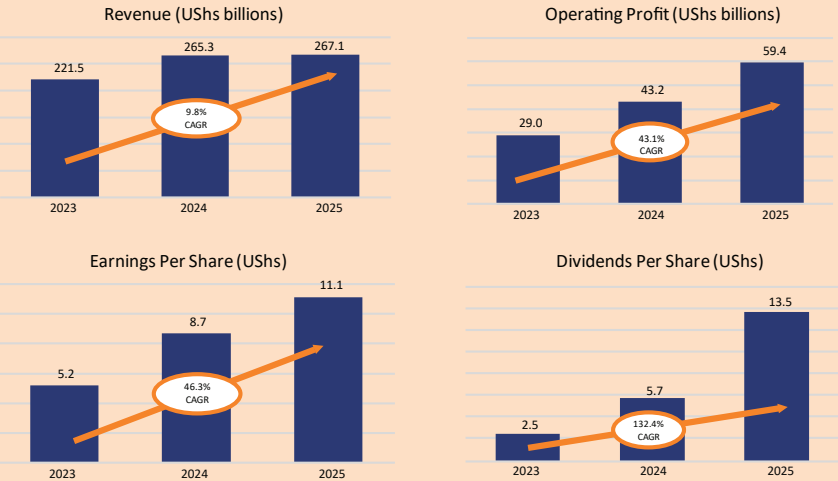
Profit before tax: Excluding collections from the GoZ, Qcil achieved its highest profit before tax of UShs 58.4 billion, marking a 22.1% increase from FY24.

Dividends

Subject to shareholders’ approval at the AGM, the Board has recommended a final dividend of UShs 6.0 per share, increasing the total dividend to UShs 13.5 per share for the financial year ended 31 March 2025 (FY24: UShs 5.7 per share). All dividend payments are subject to withholding tax, although the rate may vary, depending on the domicile and percentage shareholding of the shareholder.

Outlook

Qcil is committed to enhancing the accessibility, availability, and affordability of life-saving treatments in Uganda and across Africa. In alignment with this mission, the Company continues to expand its portfolio and markets. The Board has approved the construction of a second manufacturing facility at the Luzira site. This new facility will not only increase production capacity for Qcil’s existing portfolio but also enable the Company to expand into new therapeutic areas, including the production of injectable medications.



Message from the Directors

The summary financial statements presented above are derived from the Company’s audited financial statements. These statements were audited by Grant Thornton, who issued an unqualified opinion.

A copy of the audited financial statements can be obtained from Qcil’s Registrar; M/s Uganda Securities Exchange Nominees Ltd located at 4th Floor, Block A, UAP Nakawa Business Park, Plot 3-4 New Port Bell Road, Kampala, Uganda.

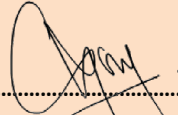
The financial statements can also be viewed on our website: www.qcil.com

Abbreviations

ACTs	Artemisinin-based combination therapies
ARVs	Antiretroviral medications
FY24	Financial year ending 31 March 2024
FY25	Financial year ending 31 March 2025

The financial statements were approved by the Board of Directors on 9 May 2025.


Emmanuel Katongole
Chairman


Ajay Kumar Pal
Chief Executive Officer