



**Emmanuel Katongole**  
Chairman



**Ajay Kumar Pal**  
Chief Executive Officer



### INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF QUALITY CHEMICAL INDUSTRIES LIMITED

#### Opinion

The summary financial statements of Quality Chemical Industries Limited ("Qcil"), which comprise the statement of financial position as at 31 March 2026, the summary statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended are derived from the audited financial statements of Qcil for the year ended 31 March 2026.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements.

#### Summary financial statements

The summary financial statements do not contain all the disclosures as required by IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and the Companies Act Cap. 106. 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 opinion on the audited financial statements in our report dated 28 May 2026. 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.

#### 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  
 P.O. Box 7158,  
 Kampala, Uganda

28 May 2026

### SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2026 US\$ '000	2025 US\$ '000
Revenue	290,493,752	267,129,934
Cost of sales	(154,718,943)	(158,642,358)
<b>Gross profit</b>	<b>135,774,809</b>	<b>108,487,576</b>
Other income	26,949	206,974
General and administrative expenses	(66,325,845)	(52,574,183)
Reversal of impairment allowance	4,364,982	3,250,396
<b>Operating profit</b>	<b>73,840,895</b>	<b>59,370,763</b>
Finance income	4,971,986	4,563,153
Finance costs	(920,359)	(2,257,516)
<b>Profit before tax</b>	<b>77,892,522</b>	<b>61,676,400</b>
Taxation	(21,463,360)	(21,023,488)
<b>Profit for the year</b>	<b>56,429,162</b>	<b>40,652,912</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>56,429,162</b>	<b>40,652,912</b>
Basic and diluted earnings per share (US\$)	<b>15.45</b>	<b>11.13</b>

### SUMMARY STATEMENT OF FINANCIAL POSITION

	2026 US\$ '000	2025 US\$ '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant, equipment and right-of-use assets	48,812,755	56,173,656
Capital work-in-progress	20,129,059	3,885,421
Intangible assets	2,440,110	1,054,870
Deferred tax asset	1,279,604	-
	<b>72,661,528</b>	<b>61,113,947</b>
<b>Current assets</b>		
Inventories	91,358,503	90,525,972
Trade and other receivables	52,324,199	42,270,404
Cash in hand and at bank	22,448,923	34,989,806
	<b>166,131,625</b>	<b>167,786,182</b>
<b>TOTAL ASSETS</b>	<b>238,793,153</b>	<b>228,900,129</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	45,648,865	45,648,865
Reserve	2,275,000	2,275,000
Proposed dividend	23,372,219	21,911,455
Retained earnings	112,462,876	116,655,407
	<b>183,758,960</b>	<b>186,490,727</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liability	-	1,136,000
Lease liabilities	92,525	175,596
	<b>92,525</b>	<b>1,311,596</b>
<b>Current liabilities</b>		
Lease liabilities	106,518	103,145
Trade and other payables	54,835,150	40,994,661
	<b>54,941,668</b>	<b>41,097,806</b>
<b>TOTAL LIABILITIES</b>	<b>55,034,193</b>	<b>42,409,402</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>238,793,153</b>	<b>228,900,129</b>

## SUMMARY STATEMENT OF CHANGES IN EQUITY

	Share capital US\$'000	Reserve US\$'000	Proposed dividend US\$'000	Retained earnings US\$'000	Total equity US\$'000
<b>Balance as at April 1, 2024</b>	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	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<b>40,652,912</b>	<b>40,652,912</b>
Proposed dividends	-	-	49,300,774	(49,300,774)	-
Dividends paid	-	-	(42,362,147)	-	(42,362,147)
<b>Transaction with owners of the Company</b>	-	-	<b>6,938,627</b>	<b>(49,300,774)</b>	<b>(42,362,147)</b>
<b>Balance as at March 31, 2025</b>	<b>45,648,865</b>	<b>2,275,000</b>	<b>21,911,455</b>	<b>116,655,407</b>	<b>186,490,727</b>
<b>Balance as at April 1, 2025</b>	<b>45,648,865</b>	<b>2,275,000</b>	<b>21,911,455</b>	<b>116,655,407</b>	<b>186,490,727</b>
Profit for the year	-	-	-	56,429,162	56,429,162
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	<b>56,429,162</b>	<b>56,429,162</b>
Proposed dividends	-	-	60,621,693	(60,621,693)	-
Dividends paid	-	-	(59,160,929)	-	(59,160,929)
<b>Transaction with owners of the Company</b>	-	-	<b>1,460,764</b>	<b>(60,621,693)</b>	<b>(59,160,929)</b>
<b>Balance as at March 31, 2026</b>	<b>45,648,865</b>	<b>2,275,000</b>	<b>23,372,219</b>	<b>112,462,876</b>	<b>183,758,960</b>

committed to disciplined cost control, while continuing to invest in the organisational capabilities required to deliver on the Company's growth agenda.

### Reversal of GoZ Impairment Allowance

During FY26, Qcil collected the last of the outstanding receivables from the Government of Zambia (GoZ), finalising a long-standing collection effort. Since these balances were fully provisioned in prior years, the reversal of the impairment allowance contributed favourably to the FY26 results.

This recovery underscores the Company's commitment to prudent financial management and reinforces confidence in the robustness of its receivables oversight.

### Finance Income and Finance Costs

Finance income was primarily generated from interest earned on short term cash placements with commercial banks.

Finance costs mainly comprised foreign exchange losses arising from currency movements and declined by US\$ 1.3 billion to US\$ 0.9 billion.

### Profit Before Tax

Profit before taxation increased by 26.3%, driven by strong revenue growth, margin expansion, improved foreign exchange outcomes, and the reversal of previously impaired receivables.

Excluding the reversal of impairments, Qcil delivered record profit before tax of US\$ 73.5 billion, representing a 25.8% year-on-year increase from FY25.

### Cash Flow

Qcil generated operating cash flows of US\$ 67.5 billion in FY26, more than double the US\$ 30.3 billion reported in FY25. The increase reflects improved profitability, the once-off GoZ collection and enhanced working capital management.

Cash used in investing activities rose to US\$ 20.8 billion (FY25: US\$ 6.3 billion), driven by US\$ 18.0 billion in capital expenditure on factory maintenance, new product investment, completion of the IT systems roll-out, and commencement of construction of a new manufacturing facility at Luzira to grow production capacity. These investments are aligned with Qcil's long-term growth, operational resilience, and efficiency objectives.

Cash used in financing activities amounted to US\$ 59.3 billion (FY25: US\$ 42.5 billion), mainly attributable to the higher dividend distribution during the year.

Qcil closed the period with cash and cash equivalents of US\$ 22.4 billion (FY25: US\$ 35.0 billion).

Post the year end, the Company collected USD 1.4 million of the receivables owing from Medpro Pharmaceutica (Pty) Ltd (Medpro) in terms of the Manufacturing and Supply Agreement entered into between Qcil and Medpro at the time of Africa Capitalworks SSA 3's acquisition of control of Qcil in November 2023.

### Dividends

Subject to shareholders' approval at the AGM, the Board has recommended a final dividend of US\$ 6.4 per share, increasing the total dividend to US\$ 16.6 per share for the financial year ended 31 March 2026 (FY25: US\$ 13.5 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.

The Board determined the dividend payout with reference to Qcil's dividend policy, including consideration of the Company's performance, cash reserves, and projected cash requirements. Shareholders should note that this dividend does not set a precedent for future distributions.

### Outlook

Qcil remains focused on disciplined execution, cost optimisation, operational efficiency, capacity planning and strategic portfolio expansion, while advancing access to affordable, high quality medicines across Uganda and the wider African continent.

The Board cautions shareholders that FY26 results benefited from non recurring items, including the recovery of previously impaired receivables from GoZ. Looking ahead, the Company is experiencing pricing pressure on several key products arising from heightened global competition, procurement dynamics, and evolving market conditions. In addition, margins remain sensitive to fluctuations in product mix and the pricing of key inputs, including active pharmaceutical ingredients. The Board expects these factors to weigh on near-term profitability, and shareholders should not extrapolate current period margins or earnings into future periods.

The Company is currently operating near its manufacturing capacity. To support future growth and operational resilience, Qcil commenced construction of a new manufacturing facility in Luzira during FY26. The facility is expected to be commissioned within the next 24 months and will expand production capacity, support portfolio diversification into new therapeutic areas, and strengthen the Company's long-term competitive position.

The Board continues to monitor global geopolitical and macroeconomic developments, including foreign exchange volatility and supply chain disruptions, which continue to impact operating conditions.

While near-term performance continues to reflect prevailing market headwinds and a subdued operating environment, the Board remains confident that the Company's strong fundamentals, operational resilience, and strategic positioning will enable it to navigate current challenges and sustain its long-term growth trajectory.

### 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 Certified Public Accountants, 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](http://www.qcil.com)

The financial statements were approved by the Board on 27 May 2026 and signed on its behalf by:

  
**Emmanuel Katongole**  
 Chairman

  
**Ajay Kumar Pai**  
 Chief Executive Officer

### Abbreviations

<b>ACTs</b>	Artemisinin-based Combination Therapies	<b>IFRS</b>	International Financial Reporting Standards
<b>ARVs</b>	Antiretroviral medications	<b>US\$</b>	Uganda Shillings
<b>FY25</b>	Financial year ended 31 March 2025	<b>USD</b>	United States Dollar
<b>FY26</b>	Financial year ended 31 March 2026	<b>Board</b>	Board of Directors

## SUMMARY STATEMENT OF CASH FLOWS

	2026 US\$'000	2025 US\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	77,892,522	61,676,400
<b>Adjustment for non-cash items:</b>		
Reversal of impairment allowance	(4,364,982)	(3,250,396)
Depreciation of property, plant, equipment and right-of-use assets	9,201,697	9,589,478
Amortisation of intangible assets	1,334,013	489,750
Reversal of provision for obsolete stock	(523,462)	(3,062,993)
Loss on disposal of property, plant, equipment and right-of-use assets	-	62,548
Interest expense on lease liabilities and bank overdraft	128,619	175,734
	<b>83,668,407</b>	<b>65,680,521</b>
<b>Changes in working capital:</b>		
Inventories	(309,069)	(1,143,265)
Trade and other receivables	(5,688,813)	(11,921,375)
Trade and other payables	13,840,489	(2,357,173)
	<b>91,511,014</b>	<b>50,258,708</b>
Interest paid on bank overdraft	(82,763)	(140,404)
Tax paid	(23,878,964)	(19,755,178)
<b>Net cash generated from operating activities</b>	<b>67,549,287</b>	<b>30,363,126</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(57,831)	(2,754,258)
Additions to capital work-in-progress	(18,026,603)	(2,923,782)
Purchase of intangible assets	(2,719,253)	(633,852)
<b>Net cash used in investing activities</b>	<b>(20,803,687)</b>	<b>(6,311,892)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(59,160,929)	(42,362,147)
Repayment of principal on lease liabilities	(107,954)	(91,380)
Payment of interest on lease liabilities	(45,856)	(35,330)
Foreign exchange differences on lease liabilities	28,256	(23,753)
<b>Net cash used in financing activities</b>	<b>(59,286,483)</b>	<b>(42,512,610)</b>
<b>Net change in cash in hand and at bank</b>	<b>(12,540,883)</b>	<b>(18,461,376)</b>
Cash in hand and at bank at start of year	34,989,806	53,451,182
<b>Cash in hand and at bank at end of year</b>	<b>22,448,923</b>	<b>34,989,806</b>

### Basis of Preparation

The summary financial statements of the Company for the year ended 31 March 2026 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 Accounting Standards and in a manner required by the Companies Act Cap. 106.

### Financial Performance

Qcil delivered strong results, driven by consistent operational execution, improved manufacturing efficiencies and disciplined cost management.

This performance was achieved despite the appreciation of the Ugandan Shilling against the United States Dollar, which had a translation impact on reported results. During FY26, the average exchange rate appreciated by 2.9% to US\$ 3,610 per USD from US\$ 3,720 per USD in FY25. At 31 March 2026, the closing rate had, however, depreciated to US\$ 3,790 per USD compared to US\$ 3,670 per USD at 31 March 2025.

### Revenue

Revenue grew by 8.7% to reach US\$ 290.5 billion (FY25: US\$ 267.1 billion), the highest revenue ever recorded by the Company.

Given that much of the Company's revenue is denominated in USD, the stronger Ugandan Shilling reduced the reported growth. On a constant currency basis, using the average exchange rate prevailing in FY25, FY26 revenues would have amounted to US\$ 299.4 billion, representing a 12.1% increase.

### Gross Profit

The gross profit margin increased to 46.7% in FY26 from 40.6% in FY25, reflecting continued improvement in manufacturing efficiencies and effective raw material cost control. This improvement was partly moderated by a change in product mix. During the year, the contribution of higher margin ARVs to total sales declined from 76.3% in FY25 to 73.3% in FY26, while the share of ACTs increased from 21.6% to 24.6%.

### General and Administrative Expenses

General and administrative expenses rose by 26.2% to US\$ 66.3 billion (FY25: US\$ 52.6 billion). The increase was driven by the expansion of operations, higher regulatory and licensing costs, inflationary pressures, and the phased implementation of the long-term incentive scheme. Management remains