

SENS ANNOUNCEMENT
(the "Notice" or "Announcement")

ISSUER



CEC AFRICA INVESTMENTS LIMITED ("CECA")
[Incorporated in the Republic of Mauritius]

Company registration number: 221060000054
Share Code: CCAF
ISIN: ZM00000000516
Authorised by: Clara Mvula

SPONSOR



STOCKBROKERS ZAMBIA LIMITED

Stockbrokers Zambia Limited

[Founder member of the Lusaka Securities Exchange]
[Regulated and licensed by the Securities and Exchange Commission of Zambia]

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APPROVAL

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Stockbrokers Zambia Limited

DISCLAIMER AND RISK WARNING

The Notice or Announcement contained herein contains information that may be of a price sensitive nature.

Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

ISSUED: 20 October 2020



CEC AFRICA INVESTMENTS LIMITED

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 Share Code: CCAF
 ISIN: ZM00000000516
 ["CCAF" or the "Company"]

SUMMARY RESULTS FOR THE YEAR ENDED 31 December 2019

In compliance with the requirements of the Securities Act No.41 of 2016, CEC Africa Investments Limited ("CECA" or "the Company") announces its audited results for the year ended 31 December 2019.

Summary statement of profit or loss and other comprehensive income for the year ended 31 December 2019

	Year ended 31 December 2019 ZMW'000	Year ended 31 December 2018 ZMW'000
Revenue	9,212,754	2,765,633
Gross Profit	5,468,101	(549,180)
Share of (loss)/profit in associate	78,619	43,607
Other income	129,404	137,229
Operating Expenses	(1,686,865)	(1,943,528)
Net Finance Income/Costs	316,403	(625,979)
(Loss)/Profit before interest and tax	4,305,662	(3,064,531)
Income tax expense	(54,132)	(7,707)
(Loss)/Profit after tax	4,251,530	(3,072,238)
Earnings per share	0.0070	(0.0074)

Summary of Statement of Financial Position as at 31 December 2019

	Audited year ended 31 Dec 2019	Audited year ended 31 Dec 2018
	ZMW'000	ZMW'000
Total non-current assets	4,689,611	4,824,682
Total current assets	2,198,447	1,995,356
Total assets	6,888,058	6,820,038
Total equity	(1,390,366)	(6,225,305)
Total non-current liabilities	995,060	1,142,230
Total current liabilities	7,283,364	11,903,112
Total equity and liabilities	6,888,058	6,820,038

Summary statement of cash flows for the year ended 31 December 2019

	Audited Year ended 31 December 2019	Audited Year ended 31 Dec 2018
	ZMW'000	ZMW'000
Net cash flows from operating activities	382,054	(824,582)
Net cash flows used in investing activities	(217,813)	(534,691)
Net cash flows from financing activities	(282,360)	1,005,326
Net increase/(decrease) in cash and cash equivalents	(118,118)	(353,947)
Cash and cash equivalents at 1 January	264,159	(23,044)
Effect of exchange rate fluctuations	(134,067)	287,203
Cash and cash equivalents at 31 December	130,092	264,159

Summary statement of changes in equity for the year ended 31 December 2019

In ZMW'000s	Share Capital	Revaluation reserve	Foreign Currency Translation Reserve	Retained earnings	Total	Non- Controlling Interest	Total
Balance at 1 January 2019	1,029,600	1,192,017	165,875	(7,803,334)	(5,415,842)	(809,463)	(6,225,305)
Correction of prior period errors (Note 33)		943	7,611	(161,464)	(152,910)	(19,913)	(172,823)
At 01 January 2019 – as restated	1,029,600	1,192,960	173,486	(7,964,798)	(5,568,752)	(829,376)	(6,398,128)
Loss for the year				1,916,947	1,916,947	2,334,583	4,251,530
Actuarial loss				(1,589)	(1,589)	(1,951)	(3,541)
Foreign currency translation difference			403,018		403,018	356,755	759,772
Total comprehensive income			403,018	1,915,358	2,318,375	2,689,387	5,007,762
Transactions with owners of the company							
Issue of shares							
Balance at 31 December 2019	1,029,600	1,192,960	576,503	(6,049,440)	(3,250,377)	1,860,011	(1,390,366)
Balance at 1 January 2018	1,029,600	815,951	(2,645,502)	(6,486,694)	(7,286,646)	(2,492,324)	(9,778,970)
Transition Adjustment				463,433	463,433	566,436	1,029,869
Profit for the year				(1,316,639)	(1,316,639)	(1,755,599)	(3,072,238)
Gain on revaluation		376,066			376,066	459,635	835,701
Foreign currency translation difference			2,811,377		2,811,377	2,978,825	5,790,202
Total comprehensive income		376,066	2,811,377	(1,316,639)	1,870,804	1,682,861	3,553,665
Balance at 31 December 2018	1,029,600	1,192,017	165,875	(7,803,334)	(5,415,842)	(809,463)	(6,225,305)

CEC Africa Investments Limited (“CEC Africa”) recorded a profit of ZMW 4.2billion in 2019. The profit was mainly as a result of a write back of a tariff short fall of USD 458m which related to the period between 2015 and 2019.

During the year 2019, the Nigerian Regulatory Commission (NERC) issued a minor tariff review which saw an increase in end user tariffs and full cost reflective tariffs expected by the end of 2021. This tariff review saw revenue up by 233% compared to the same period in 2018.

North South Power Company Limited, an associate company contributed profit of K78million, a 195% increase on the previous year.

The Group profit for 2019 at K4,251 million showed a 238% increase on 2018 results; and net finance income which was attributable mainly to the net interest payable on NBET and ONEM bills written off, at K316million, was 150% higher than the previous year.

Acquisition Facility from UBA at KANN

CEC Africa acquired its shares in Abuja Electricity Distribution Company Plc through its subsidiary KANN Utility Company Limited “KANN”). The total amount paid for the 60% share acquisition was US\$164million of which US\$122million was provided by United Bank of Africa Plc (UBA) of Nigeria through a 7-year acquisition debt facility guaranteed by CEC Africa. In 2016, UBA issued a default notice to KANN based on the failure to meet certain agreed ratios and covenants, and subsequently in November 2018 UBA called the loan.

In 2020, UBA appointed a Receiver for the assets of KANN. However, CEC Africa counter sued as a lender to KANN and put an injunction on the Court proceedings. The high court in Nigeria advised the parties to seek amicable settlement of the matter and the lawyers of UBA and CEC Africa are engaged in talks to find a solution to the dispute.

Dividends proposed and paid

During the period under review, the Company did not declare nor pay any dividend.

By Order of the Board

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Issued in Lusaka, Zambia on Tuesday, 20th October 2020

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First Issued on 20 October 2020