Cambria Africa Plc

Interim Results (the "Results")

EPS of 0.0084 US cents and NAV 1.16 US cents

For the 6 Months ended 28 February 2022

Cambria Africa Plc (AIM:CMB) ("Cambria", the "Company" or together with its subsidiaries the "Group") is pleased to announce its interim results for the six months ended 28 February 2022 (the "Period" or "H1 2022"). A copy of this announcement is available on the Company's website (www.cambriaafrica.com).

Profit after Tax increased by 158% to $245,000 for the Period compared to $95,000 achieved in the same period in 2021 ("H1 2021"). This was mostly due to increased revenue from Tradanet, the Company's 51% owned subsidiary. Revenues rose to $540,000 in H1 2022 compared to $137,000 in H1 2021. The Company's Net Asset Value dropped 2% or $149,000 to $6.32 million (1.16 US cents per share) as at 28 February 2022 compared to H1 2021.

Excluding minority interests, Profit Attributable to Cambria Shareholders was $46,000 (0.01 US cents per share) for H1 2022, down from $72,000 in H1 2021. The Company's subsidiaries in Zimbabwe continued to operate above break-even; Millchem Zimbabwe's product sales in its joint venture with Merken, have slowed down significantly as predicted in prior communications.

Half Year 2022 Results Highlights

6 months ended 28 February 2022 (US$'000)	*2022*	*2021*	*Change*
Group:			
- Revenue	724	526	*38%*
- Operating costs	448	358	*25%*
- Consolidated EBITDA	299	205	*46%*
- Consolidated Profit after tax (PAT)	240	95	*153%*
- PAT attributable to shareholders (excluding minority interests)	46	72	*(36%)*
- Central costs	13	51	*(75%)*
- EPS - cents	**0.0084**	**0.0132**	***(36%)***
- NAV	**6,319**	**6,468**	***(2%)***
- NAV per share - cents	**1.16**	**1.19**	***(2%)***
- Weighted average of shares in issue	544,576	544,576	-
- Shares in issue at year end	544,576	544,576	-
Divisional:			
- Payserv – consolidated PAT	251	136	*85%*
- Payserv – consolidated EBITDA	305	228	*34%*
- Millchem – EBITDA	3	28	*(89%)*

Group Highlights H1 2022:

Net Asset Value ("NAV") decreased by 2% from $6.468 million (1.19 US cents per share) in H1 2021 to $6.319 million (1.16 US cents per share) in H1 2022.

- Group Finance costs decreased to $7,000 in H1 2022 compared to $13,000 in H1 2021. Finance costs will continue to fall as the Group's outstanding debt nears zero. Current debt owing to Ventures Africa Limited ("VAL") stands at $106,000 which will be repaid in full by the end of the 2022 financial year.

- Group revenue recovered by 38% compared to prior year. This is due to Tradanet revenue increasing significantly as loans advanced by Central Africa Building Society, a subsidiary of Old Mutual Zimbabwe, increased in line with inflationary pressures, leading to higher salaries in the market.

- Cambria's Profit After Tax increased 153%, driven by asset sales and above break-even operations, to $240,000 in H1 2022 compared to $95,000 in H1 2021.

- Consolidated EBITDA was 46% higher in H1 2022 at $299,000 compared to $205,000 in H1 2021.

- Cambria's central costs decreased by 75% to $13,000 compared to $51,000 in H1 2021. Cambria's CEO and Directors continued to render services to Cambria without compensation during H1 2022.

- Foreign currency translation losses of $194,000 and losses attributable to hyperinflationary accounting in this period were due to the depreciation of the Zimbabwean currency against the US Dollar from ZWL83.89 to the US Dollar as at 28 February 2021 to ZWL124.02 as at 28 February 2022.

Net Asset Value

The Company's net asset value reduced by 2% from $6.468 million in H1 2021 to $6.313 million (1.19 US cents per share) in H1 2022. This was due to the downward revaluation of the Company's business premises by $200,000 during the 2021 year-end audit.

Components of NAV as at 28 February 2022

The Group's NAV of $6.313 million as at the end of H1 2022 consists of the following tangible and intangible assets:

Building and properties valued at $2.3 million - This valuation, down $200,000 from the prior valuation, was prepared by Hollands Harare Estate Agents ("Holland") in on the 27th of January 2022. Holland also conducted the previous valuations of this prominently located commercial office space and its equally well-positioned vacant plot in Harare's Mount Pleasant Business Park.

Indirect shareholding of 9.74% of Radar Holdings Limited Valued at $1.743 million (net of minority interests) or 35 US cents per share.

USD Cash and Cash Equivalents of $1.4 million - Cash net of liabilities outside Zimbabwe totalled $1.4 million as at 27 May 2021.

Old Mutual Limited shares - The Company holds 204,047 Old Mutual Limited common shares that were suspended on the Zimbabwe Stock Exchange ("ZSE") on 31 July 2020 and valued on its FY 2021 Consolidated Statement of Financial Position at $184,000 based on the closing price of Old Mutual Limited on the Johannesburg Stock Exchange ("JSE") at year end. The value of Old Mutual shares closed at $163,342 on the JSE on 27 May 2022.

Goodwill – The Company has a goodwill value of $717,000 as at 28 February 2022. The Company believes this is a fair assessment of its intangible assets. Despite the shrinkage of Paynet's operations, Cambria continues to maintain turnaround opportunities particularly in Tradanet and Autopay as real salaries catch up with inflation. The Company continues to believe that the Paynet's intellectual property has value and the amalgamation of the above should exceed the book value of its goodwill.

Based on the above analysis, the Company believes its tangible, intangible and realizable NAV are not subject to significant negative shocks and may be the beneficiary of potential positive outcomes.

Chief Executive's Report

The Company released its annual report for the financial year ended 31 August 2021 on the 31 of March 2022. In the two months since that report, the most significant event subsequent has been a government pronouncement intended on halting inflation. One measure, that of stopping all lending, was reversed soon after its intended implementation. Another measure was to bring convergence between the so-called "interbank rate" and the "auction rate" which are reference rates for the Reserve Bank of Zimbabwe's official exchange rates. The net effect has been a doubling of the functional exchange rate to ZWL300 against the US dollar. At this time, our best indication is that this rate still lags the parallel market rate by almost 30%.

The impact of these movements in the exchange rates should be taken into account when analyzing the Company's earnings in ZWL. To the extent we can, we will be investing excess funds into a diversified portfolio on the Zimbabwe Stock Exchange to preserve value. Regardless, we anticipate slower growth in the US dollar value of Tradanet's loan processing portfolio as a consequence of inflation and devaluation. Similarly, we expect a decline in the real value of our Payroll processing revenues. However, both operations should continue to trade at cashflow break-even levels. As mentioned in my CEO report at the end of FY2021, Cambria's story is now focused on realizing its NAV – which remains at 3.3x its trading price as of 27 May 2022. I remain optimistic that this is a realistic and realizable goal.

Samir Shasha
30 May 2022

Contacts

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Cambria Africa Plc

Interim consolidated income statement

For the six month period ended 28 February 2022

	Unaudited 6 months to 28-Feb-22 *US$'000*	Unaudited 6 months to 28-Feb-21 *US$'000*	Audited Year to 31-Aug-21 *US$'000*
Revenue	**724**	**526**	1,216
Cost of sales	(64)	(78)	(138)
Gross profit	**660**	**448**	**1,078**
Operating costs	(448)	(358)	(838)
Other income	39	69	79
Exceptionals	(12)	(13)	(21)
Operating profit	**239**	**146**	**298**
Finance income	8	1	-
Finance costs	(7)	(13)	(22)
Net finance costs	**(1)**	**(12)**	**(22)**
Profit before tax	**240**	**134**	**276**
Income tax	-	(39)	(95)
Profit / (loss) for the Period	**240**	**95**	**181**
Attributable to:			
Owners of the Company	**46**	**72**	82
Non-controlling interests	194	23	99
Profit for the period	**240**	**95**	**181**
Earnings per share ("EPS")			
Basic and diluted earnings per share (cents)	0.01	0.01	0.02
Weighted average number of shares for EPS ('000)	**544,576**	**544,576**	**544,576**

Cambria Africa Plc

Interim consolidated statement of comprehensive income

For the six month period ended 28 February 2022

	Unaudited 6 months to 28-Feb-22 *US$'000*	Unaudited 6 months to 28-Feb-21 *US$'000*	Audited Year to 31-Aug-21 *US$'000*
Profit for the period	**240**	**(15)**	**2,247**
Other comprehensive income			
Items that will not be reclassified to income statement:			
Revaluation of investments held at fair value	-	-	200
Related deferred tax adjustment	-	-	(36)
Foreign currency translation differences for overseas operations	(194)	-	3
Foreign currency translation impact on non-controlling interests		-	-
Total comprehensive (loss) / profit for the period	**46**	**(15)**	**2,414**
Attributable to:			
Owners	**(148)**	**(15)**	**2,064**
Non-controlling interests	194	-	350
Total comprehensive (loss) / profit for the period	**46**	**(15)**	**2,414**

Cambria Africa Plc

Interim consolidated statement of financial position

As at 28 February 2022

	Unaudited Group 28-Feb-22 *US$'000*	Unaudited Group 28-Feb-21 *US$'000*	Audited Group 31-Aug-21 *US$'000*
Assets			
Property, plant and equipment	2,311	2,558	2,317
Goodwill	717	717	717
Intangible assets	1	1	1
Investments at fair value	2,228	2,228	2,228
Total non-current assets	**5,257**	**5,504**	**259**
Inventories	160	75	5,522
Financial assets at fair value through profit and loss	219	251	158
Trade and other receivables	348	219	155
Cash and cash equivalents	1,574	1,540	1,656
Assets for discontinued operations	-	-	-
Total current assets	**2,301**	**2,085**	**1,969**
Total assets	**7,558**	**7,589**	**7,491**
Equity			
Issued share capital	77	77	77
Share premium account	88,459	88,459	88,459
Revaluation reserve	(190)	-	(190)
Foreign exchange reserve	(10,983)	(10,763)	(10,734)
Non-distributable reserves	2,371	2,371	2,371
Retained losses	(73,421)	(73,676)	(73,665)
Equity attributable to owners of the Company	**6,313**	**6,468**	**6,318**
Non-controlling interests	600	506	477
Total equity	**6,913**	**6,974**	**6,795**

Liabilities			
Loans and borrowing	106	-	101
Trade and other payables	89	65	90
Provisions	-	2	-
Deferred tax liabilities	189	193	189
Total non-current liabilities	**384**	**260**	**380**
Current tax liabilities	(1)	75	106
Loans and borrowings	-	45	-
Trade and other payables	261	235	209
Liabilities for discontinued operations	-	-	-
Total current liabilities	**260**	**355**	**315**
Total liabilities	**644**	**615**	**695**
Total equity and liabilities	**7,557**	**7,589**	**7,490**

Cambria Africa Plc

Interim consolidated statement of changes in equity

For the six month period ended 28 February 2022

US$'000	Share Capital	Share Premium	Revaluation Reserve	Foreign Exchange Reserve	Retained Earnings	Non-distributable Reserve	Total	Non-controlling Interest	Total
Balance at 31 August 2020	**77**	**88,459**	**-**	**(10,736)**	**(73,748)**	**2,371**	**6,423**	**496**	**6,919**
(Loss)/profit for the period	-	**-**	-	-	72	-	**72**	23	**95**
Foreign currency translation differences for overseas operations	-	**-**	-	(28)	-	-	**(28)**	-	**(28)**
Foreign currency translation differences for overseas operations-NCI				**1**			**1**	**(1)**	**-**
Total comprehensive loss for the year	**-**	**-**	**-**	**(27)**	**72**	**-**	**45**	**22**	**67**
Contributions by/distributions to owners of the Company recognised directly in equity									
Dividends paid	-	**-**	-	-	-	-	**-**	(12)	**(12)**
Total contributions by and distributions to owners of the Company	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(12)**	**(12)**
Balance at 28 February 2021	**51**	**88,459**	**-**	**(10,763)**	**(73,676)**	**2,371**	**6,468**	**506**	**6,974**

US$'000	Share Capital	Share Premium	Revaluation Reserve	Foreign Exchange Reserve	Retained Earnings	Non-distributable Reserve	Total	Non-controlling Interest	Total

Balance at 31 August 2020	**77**	**88,459**	**-**	**(10,736)**	**(73,748)**	**2,371**	**6,423**	**496**	**6,919**
Profit for the period	-	**-**	-	-	82	-	**82**	99	**181**
Revaluation of investments held at fair value	-	**-**	(190)	-	-	-	**(190)**	-	**(190)**
Related deferred tax adjustment	-	**-**	-	-	-	-	**-**	-	**-**
Transfer of translation reserve to discontinued operation - prior year	-	**-**	-	-	-	-	**-**	-	**-**
Foreign currency translation differences for overseas operations	-	**-**	-	(4)	-	-	**(4)**	-	**(4)**
Foreign currency translation differences for overseas operations - NCI	-	**-**	-	6	-	-	**6**	(6)	**-**
Total comprehensive loss for the year	**77**	**88,459**	**(190)**	**(10,734)**	**(73,666)**	**2,371**	**6,317**	**589**	**6,906**
Contributions by/distributions to owners of the Company recognised directly in equity									
NCI on further investment in A F Philip & Company	-	**-**	-	-	-	-	**-**	-	**-**
Dividends paid to minorities	-	**-**	-	-	-	-	**-**	(112)	**(112)**
Total contributions by and distributions to owners of the Company	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(112)**	**(112)**
Balance at 31 August 2021	**77**	**88,459**	**(190)**	**(10,734)**	**(73,666)**	**2,371**	**6,317**	**477**	**6,794**

US$'000	**Share Capital**	**Share Premium**	**Revaluation Reserve**	**Foreign Exchange Reserve**	**Retained Earnings**	**Non-distributable Reserve**	**Total**	**Non-controlling Interest**	**Total**
Balance at 31 August 2021	**77**	**88,459**	**(190)**	**(10,734)**	**(73,665)**	**2,371**	**6,318**	**477**	**6,795**
(Loss)/profit for the period	-	**-**	-	-	244	-	**244**	194	**438**
Foreign currency translation differences for overseas operations	-	**-**	-	(249)	-	-	**(249)**	-	**(249)**

Total comprehensive loss for the year	**-**	**-**	**-**	**(249)**	**244**	**-**	**(5)**	**194**	**189**
Contributions by/distributions to owners of the Company recognised directly in equity									
Dividends paid	-	**-**	-	-	-	-	**-**	(71)	**(71)**
Total contributions by and distributions to owners of the Company	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(71)**	**(71)**
Balance at 28 February 2022	**51**	**88,459**	**(190)**	**(10,983)**	**(73,421)**	**2,371**	**6,313**	**600**	**6,913**

Cambria Africa Plc

Interim consolidated statement of cash flows

For the six month period ended 28 February 2022

	Unaudited 28-Feb-22 US$'000	Unaudited 28-Feb-21 US$'000	Audited 31-Aug-21 US$'000
Cash generated from operations	**144**	**90**	**294**
Taxation (paid)	(105)	(2)	(31)
Cash generated from operating activities	**(39)**	**88**	**263**
Cash flows from investing activities	15		
Proceeds on disposal of property, plant and equipment		72	144
Purchase of property, plant and equipment	-	-	-
Net proceeds from marketable securities	-	-	-
Other investing activities	-	-	(210)
Interest received	8	1	-
Net cash (utilized in)/ generated investing activities	**23**	73	**(66)**
Cash flows from financing activities	(71)		
Dividends paid to non-controlling interests		(12)	(112)
Interest paid	(7)	(13)	(22)
Proceeds from issue of share capital	-	-	-
Loans repaid	-	(464)	(299)
Proceeds from drawdown of loans	-	-	-
Net cash (utilized) by financing activities	**(78)**	**(489)**	**(433)**
	(128)		
Net (decrease)/ increase in cash and cash equivalents		**(328)**	**(236)**
Cash and cash equivalents at the beginning of the Period	1,656	1,896	1,896
Foreign exchange	(194)	(28)	(4)
Net cash and cash equivalents at 31 August	**1,574**	**1,540**	**1,656**
Cash and cash equivalents as above comprise the following			
Cash and cash equivalents attributable to continuing operations	1,574	1,540	1,656
Net cash and cash equivalents at 31 August	**1,574**	**1,540**	**1,656**

***** *Amounts include both continuing and discontinued operations.*