

Cambria Africa Plc
("Cambria" or the "Company")

Interim Results ("the Results")
for the 6 Months ended 28 February 2021 (HY 2021)

EPS of 0.01 US cents and NAV of 1.19 US cents

Cambria Africa PLC (AIM: CMB) ("Cambria" or the "Company") announces its interim accounts for the six months ended 28 February 2021. A copy of this announcement is available on the Company's website (www.cambriafrica.com).

A Profit after Tax increased three-fold to US \$95,000 for the Half Year 2021 (HY 2021) ended 28 February 2021 compared to \$36,000 achieved in the same period in 2020. This profit includes non-recurring asset sales for items with zero or near-zero book value in Millchem and Paynet Zimbabwe. While compared to HY 2020, the Company's Net Asset Value dropped 10% or \$704,000 to \$6.47 million (1.19 US cents per share) in HY 2021, NAV improved by \$45,000 from \$6.23 million at the end of FY 2020.

Excluding minority interests, Profit Attributable to Cambria Shareholders was \$72,000 (0.01 US cents per share) for HY 2021. The Company's subsidiaries in Zimbabwe continued to operate above breakeven in both EBITDA and accounting profit despite the significant shrinkage in its revenue footprint by 60% from US \$1.306 million in HY 2020 to US \$526,000 in HY 2021. As expected in our audited Fiscal Year-end report, the Company's subsidiaries continue reporting at breakeven levels.

Half Year 2021 Results highlights:

<i>6 Months ended 28 February 2021 (US\$'000)</i>	<i>HY 2021</i>	<i>HY 2020</i>	<i>% Change</i>
- Revenue	526	1,306	<i>(60%)</i>
- Operating costs	358	555	<i>(35%)</i>
- Consolidated EBITDA	205	222	<i>(8%)</i>
- Consolidated Profit after tax (PAT)	95	36	<i>164%</i>
- PAT attributable to shareholders (excluding minority interests)	72	105	<i>(31%)</i>
- Central costs	51	137	<i>(63%)</i>
- EPS – cents	0.01	0.02	<i>(50%)</i>
- NAV	6,468	7,172	<i>(10%)</i>
- NAV per share – cents	1.19	1.32	<i>(10%)</i>
- Weighted average of shares in issue	544,576	544,576	-
- Shares in issue at year end	544,576	544,576	-
<i>Divisional:</i>			
- Payserv - consolidated PAT	136	53	<i>157%</i>
- Payserv - consolidated EBITDA	228	180	<i>27%</i>
- Millchem – EBITDA	28	185	<i>(85%)</i>

- **Group Highlights HY 2021:**

- Net Equity (NAV) decreased by 10% from US \$7.172 million (1.32 US cents per share) in HY 2020 to \$6.468 million (1.19 US cents per share) in HY 2021. NAV increased marginally by \$45,000 from \$6.423 million at the end of FY 2020.
- Group Finance costs dropped by 63% to \$13,000 in HY 2021 compared to \$35,000 in HY 2020. Finance costs will continue to drop as the Group's outstanding debt nears zero.
- Group Revenue continued to drop, as a result of discontinuing Millchem's industrial sales, to \$526,000 from \$1.306 million in HY 2020.
- Cambria's Profit After Tax increased 164% on the back of asset sales and above break-even operations to \$95,000 in HY 2021 compared to \$36,000 in HY 2020.
- Consolidated EBITDA was 8% lower in HY 2021 at \$205,000 compared to \$222,000 in HY 2020.

Cambria's central costs decreased by 63% to \$51,000 compared to \$137,000 in HY 2020. Cambria's CEO and Directors continued to render services to Cambria without compensation during HY 2021.

- Foreign currency translation losses and losses attributable to hyperinflationary accounting in this period were restrained due to the limited movement in exchange rates and inflation falling to the 20% range during the period.

- **Divisional Highlights**

- Payserv Africa, improved Consolidated Profit after Tax earnings by 157% to \$136,000 in HY 2021 from \$53,000 in HY 2020. This improvement was on the back of improved performance by Autopay and Tradanet (51% owned subsidiary).
- Tradanet (Pvt) Ltd, Paynet Zimbabwe's 51% held subsidiary, continued to provide loan management services to CABS, the country's largest building society. Improvements in salaries and allowed increases by CABS to the loan book has allowed improved performance by Tradanet.
- Autopay, Paynet Zimbabwe's payroll processing division has hired a new management team with extensive payroll experience and established an independent contract relationship with payroll managers on a pure profit share basis. Despite the shrinkage of its revenue base in HY 2021, Autopay is operating profitably.
- Millchem exited the industrial chemical sector and focused on the sanitizer sector. Despite the resurgence of COVID-19 issues, its Joint Venture Partner, Merken (Pvt) Ltd has reported non-material sales of hand sanitizer tubes and bulk disinfectant and sanitizers. These sales are being audited and Millchem will invoice Merken upon the completion of this audit of JV sales and expenses.

Net Equity (Net Asset Value)

The Company reported FY 2020 results in mid-June 2021, little over two weeks from the publication of this interim report for HY 2021. Since the close of FY 2020 on 31 August 2020, NAV has improved marginally during HY 2021 by \$45,000 on the back of asset sales and operating profit. Unlike FY 2020 this improvement in NAV was not impacted by translation losses and hyperinflationary accounting as asset sales were in USD and the exchange rate and inflation rates stabilized. It is worth repeating the components of NAV as at the end HY 2021 which do not differ much from 2020.

Components of NAV at 28 February 2021

The Group NAV of \$6.5 million as at the end of HY 2021 consists of the following tangible and intangible assets:

Building and properties valued at \$2.5 million. Management believes this is a realizable value in US dollars for the Paynet office headquarters building and the prominently positioned plot adjacent to it. Management believes this valuation remains valid and realizable as at the date of this publication

Indirect shareholding of 9.74% of Radar Holdings Limited (4.98 million shares) valued at US \$1.743 million (net of minority interests) or 35 US cents per share. Radar announced a NAV per share as at the end 30 June 2020 of ZWL 3,821. As at 30 June, 67 US cents at the official rate of 57.3582 ZWL/USD and 38.21 US cents per share at the parallel rate of 100 prevailing on that date according marketwatch.co.zw archives. Based on explanation of the adverse audit opinion issued by PWC in respect of the Radar June 2020 Financial Statements, we believe the most accurate valuation of Radar's NAV in USD is to divide by the official rate of ZWL/USD since the official rate was used to obtain the ZWL rates in the Radar Statement of Financial Position. Either way, the per share valuation of 35 US cents on Cambria's Statement of Financial Position is conservative. An excerpt from PWC adverse opinion on the Radar's June 2020 Financial Statement follows (**emphasis added**):

Valuations rely on historical market evidence for calculation inputs. ...market evidence for inputs on buildings including transaction prices for comparable properties, rentals, and costs of construction were available in US\$ at 30 June 2019 when the independent valuer performed the valuation. The directors performed the valuation as at 30 June 2020 and used the same USD inputs. In order to determine the ZWL\$ values of the property and equipment and investment property as at 30 June 2020, **US\$ inputs were used and then translated into ZWL\$ using the closing interbank exchange rate**. The application of a conversion rate to US\$ valuation inputs to calculate ZWL\$ property value is not an accurate reflection of market dynamics as the risks associated with currency trading do not reflect the risks associated with property trading. In addition, as at 30 June 2020 the US\$ inputs for valuation **were translated using the interbank rate which is not considered an appropriate spot rate for translation** as required by IAS 21. **It was not practicable to quantify the financial effects** of this matter on the financial statements.

While the above is cryptic, management's conclusion is that the valuation started in US dollars and was converted at an inflated value for ZWL – hence should be converted back by the same inflated value (57.3582 ZWL/USD) yielding a maximum possible value of Cambria's indirectly held Radar Shares of US \$3.34 million. This optimistic valuation should be tempered by the fact that Cambria remains a minority shareholder in Hinshaw. Management believes that this valuation continues to be realizable as at the publication of this report.

USD Cash and Cash Equivalents – cash net of liabilities *outside* Zimbabwe totalled \$1.3 million as at 31 May 2021. A further US \$50,000 was held in cash and US dollar denominated accounts in Zimbabwe. VAL debt fell to \$41,000 during HY 2021 significantly reducing interest costs to \$13,000 for the HY and protecting the remaining cash balances outside Zimbabwe. In valuing the Company's realizable NAV, we are placing a zero value on the remaining net monetary assets in Zimbabwe whose value will be to finance the majority of the subsidiary working capital.

Old Mutual Limited shares – the Company holds 204,047 Old Mutual Limited common shares suspended on the Zimbabwe Stock Exchange (ZSE) and valued on its HY 2021 Statement of Financial Position at US \$200,000 based on the closing price of Old Mutual Limited on the ZSE at suspension. Should the Company be able to repatriate these shares to Johannesburg Stock Exchange where it purchased them or UK where these shares continue to trade, their value as at 30 June 2021 based on 67.80 p (LSE) per share is the equivalent of US \$191,468 down from \$211,500 reported on 28 May as a result of depreciation in the value of OM in London and the strengthening of the US dollar against the pound. By acquiescing to the suspension of Old Mutual and the discontinuation of fungibility by the Government of Zimbabwe, Old Mutual plc has forced the Company to indefinitely hold a position in Old Mutual which is neither its core business nor in its investments. The Company reiterates its displeasure with the Board of Old Mutual plc in not protecting its shareholders in Zimbabwe from the effective freezing of their shareholding in Old Mutual.

Blocked/Legacy funds of US \$1.39 million. This asset sits on the books at approximately \$16,000 due to the official devaluation of the ZWL from parity to 10.71/USD to the current level of 85/USD. Management successfully negotiated with the Reserve Bank of Zimbabwe the payment at parity of \$1.25 million and carried the same on its books at the end of FY 2019 because Cambria had a time determinate commitment from the Reserve Bank Governor, Dr. John Mangudya, which was honoured in full during FY 2020. Hence there is reason to believe that the appropriate and conservative approach of converting these blocked funds at the prevailing exchange rate may be a significant underestimation of their realizable value. The Company intends to negotiate with the RBZ to achieve a win-win outcome.

Goodwill of US \$717,000. The Company has a goodwill value of \$717,000 on its Statement of Financial Position at the current time. The Company believes this is a fair assessment of its intangible assets. Despite the shrinkage of Paynet's operations, it continues to maintain turnaround opportunities in Tradanet and Autopay when salary levels and market penetration recovers. Further, it has been apparent that Paynet's technology which was deployed by the majority of the country's banks to process bulk salary and merchant payments as well as to clear large transactions between banks on a gross settlement basis, is yet to be substituted by a robust inter-platform technology. This FinTech which processed close to 25 million transactions annually and produced revenues of over \$7 million per annum remains the most cost-effective solution for the banking industry. The Board of Paynet has approved licensing an unlabelled version of the product if favourable transaction terms can be established with a reputable licensor.

The above analysis results in an estimated \$6,756,000 (1.24 US cents per share) in NAV and \$6,039,000 (1.11 US cents per share) in tangible NAV (excluding Goodwill). This estimate can be adversely or positively impacted by the following factors:

- Central Costs including interest expenses. These costs fell to \$51,000 in HY 2021 and we continue to expect that in FY 2021 Central Costs including interest expenses will be significantly below \$224,000 recorded in FY 2020.
- Eventual price achieved by the sale of Old Mutual shares.
- Commercial Property Values in Zimbabwe. Currently property values in US dollars have been buoyant and this may well not be reflected in the Company's property valuations. Much will depend on government's economic and political policies post-COVID lockdowns.
- Recovery of Legacy/Blocked Funds at or near parity – this could add 10 US cents per share to NAV.
- The value of Radar shares. The Company believes that 35 US cents is a fair realizable value for Radar shares but as this is highly correlated to residential property values and activity – much of which is fuelled by diaspora funds – post COVID these values can increase dramatically.
- Monetizing of Payserv Africa's intellectual property through licensing or equity transfer.

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

Chief Executive's Report

This is probably the shortest CEO report written by Cambria.

Very little has changed since my last CEO report on 15 June 2021 incorporated in our Audited FY 2020 annual report. The "Delta Variant" of the COVID-19 Virus has resulted in a renewed lockdown of Zimbabwe's economy. We don't expect that this lockdown will negatively impact our operations in the short term. The lockdown may also spur sales of sanitizer products by our Joint Venture Partner, Merken (Pvt) Ltd.

As I expressed in our Annual Report, Cambria remains with some hard assets and cash, as well as what I believe continues to be valuable intellectual property. I do believe that the numbers achieved by Autopay and Tradanet indicate that these two Payserv subsidiaries continue to represent meaningful equity for shareholders over and above the value of Payserv's intellectual property which we still hope to realize through licensing our clearing and bulk payment technologies.

We do remain with cash and we are nearly debt free. While we will jealously guard our cash, we remain alert to possibilities to deploy these funds to the best advantage of shareholders. Sometimes the best investment of cash is cash itself.

Samir Shasha

30 June 2021

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Cambria Africa Plc

Interim consolidated income statement

For the six-month period ended 28 February 2021

	Unaudited 6 months to 28-Feb-21 <i>US\$'000</i>	Unaudited 6 months to 29-Feb-20 <i>US\$'000</i>	Audited Year to 31-Aug-20 <i>US\$'000</i>
Revenue	526	1,306	1,319
Cost of sales	(78)	(655)	(519)
Gross profit	448	651	800
Operating costs	(358)	(555)	(845)
Other income	69	368	55
Exceptional item – Radar Fair Value Adjustment	(13)	(318)	(375)
Operating profit / (loss)	146	146	(365)
Finance income	1	1	1
Finance costs	(13)	(35)	(60)
Net finance costs	(12)	(34)	(59)
Profit / (loss) before tax	134	112	(424)
Income tax	(39)	(76)	(46)
Profit / (loss) for the Period	95	36	(470)
<i>Attributable to:</i>			
Owners of the company	72	105	(408)
Non-controlling Interests	23	(69)	(62)
Profit / (loss) for the year	95	36	(470)
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per share (cents)	0.01c	0.02c	(0.07.c)
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 2021

	Unaudited 6 months to 28-Feb-21 US\$'000	Unaudited 6 months to 29-Feb-20 US\$'000	Audited Year to 31-Aug-20 US\$'000
Profit / (loss) for the year	95	36	(470)
Other comprehensive income			
<i>Items that will not be reclassified to income statement:</i>			
Increase in investment in subsidiary - impact on equity		(72)	(74)
Foreign currency translation differences for overseas operations	(28)	(256)	(511)
Foreign currency translation impact on non-controlling interests	-	-	-
Total comprehensive profit / (loss) for the year	67	(292)	(1,055)
Attributable to:			
Owners	44	(223)	(993)
Non-controlling interests	23	(69)	(62)
Total comprehensive profit / (loss) for the year	67	(292)	(1,055)

Cambria Africa Plc
Interim consolidated statement of financial position
As at 28 February 2021

	Unaudited Group 28-Feb-21 <i>US\$'000</i>	Unaudited Group 29-Feb-20 <i>US\$'000</i>	Audited Group 31-Aug-20 <i>US\$'000</i>
Property, plant and equipment	2,558	2,680	2,604
Goodwill	717	717	717
Intangible assets	1	1	1
Investments in subsidiaries and associates	2,228	2,228	2,228
Financial Assets at fair value	201	547	201
Total non-current assets	5,705	6,173	5,751
Inventories	75	134	102
Financial assets at fair value through profit and loss	50	30	16
Trade and other receivables	219	191	151
Cash and cash equivalents	1,540	2,328	1,896
Assets for discontinued operation	-	-	-
Total current assets	1,884	2,683	2,165
Total assets	7,589	8,856	7,916
Equity			
Issued share capital	77	77	77
Share premium account	88,459	88,459	88,459
Revaluation reserve	-	-	-
Share based payment reserve	-	-	-
Foreign exchange reserve	(10,763)	(10,502)	(10,736)
Non-distributable reserves	2,371	2,371	2,371
Retained losses	(73,676)	(73,233)	(73,748)
Equity attributable to owners of the company	6,468	7,172	6,423
Non-controlling interests	506	507	496
Total equity	6,974	7,679	6,919
Liabilities			
Loans and borrowing	-	7	-
Trade and other payables	65	29	22
Provisions	2	12	1
Deferred tax liabilities	193	215	193
Total non-current liabilities	260	263	216
Current tax liabilities	75	56	38
Loans and borrowings	45	510	509
Trade and other payables	235	348	234
Liabilities for discontinued operation	-	-	-
Total current liabilities	355	914	781
Total liabilities	615	1,177	997
Total equity and liabilities	7,589	8,856	7,916

Cambria Africa Plc
Interim consolidated statement of changes in equity
For the six-month period ended 28 February 2021

<i>US\$'000</i>	Share Capital	Share Premium	Revaluation Reserve	Foreign Exchange Reserve	Retained Earnings	NDR	Total	Non-controlling Interest	Total
Balance at 31 August 2019	77	88,459	-	(10,251)	(73,266)	2,371	7,390	747	8,137
Profit / (loss) for the period	-	-	-	-	105 (72)	-	105 (72)	(69) (136)	36 (208)
Foreign currency translation differences for overseas operations	-	-	-	(256)	-	-	(256)	-	(256)
Foreign currency translation differences for overseas operations – NCI	-	-	-	5	-	-	5	(5)	-
Total comprehensive profit for the period	-	-	-	(251)	33	-	(218)	(210)	(428)
<i>Contributions by/distributions to owners of the Company recognised directly in equity</i>									
Dividends paid to minorities	-	-	-	-	-	-	-	(30)	(30)
NCI on further investment in A F Philip & Company	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-	(30)	(30)
Balance at 29 February 2020	77	88,459	-	(10,502)	(73,233)	2,371	7,172	507	7,679

<i>US\$'000</i>	Share Capital	Share Premium	Revaluation Reserve	Foreign Exchange Reserve	Retained Earnings	NDR	Total	Non-controlling Interest	Total
Balance at 1 September 2019	77	88,459	-	(10,251)	(73,266)	2,371	7,390	747	8,137
Profit / (loss) for the period	-	-	-	-	(408)	-	(408)	(62)	(470)
Increase in investment in subsidiary - impact on equity	-	-	-	-	(74)	-	(74)	(137)	(211)
Transfer between reserves – IAS 29 application	-	-	-	-	-	-	-	-	-
Foreign currency translation differences for overseas operations	-	-	-	(511)	-	-	(511)	-	(511)
Foreign currency translation differences for overseas operations – NCI	-	-	-	26	-	-	26	(26)	-
Total comprehensive profit for the year	-	-	-	(485)	(482)	-	(967)	(225)	(1,192)
<i>Contributions by/distributions to owners of the Company recognised directly in equity</i>									
Dividends paid to minorities	-	-	-	-	-	-	-	(26)	(26)
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-	(26)	(26)
Balance at 31 August 2020	77	88,459	-	(10,736)	(73,748)	2,371	6,423	496	6,919

<i>US\$'000</i>	Share Capital	Share Premium	Revaluation Reserve	Foreign Exchange Reserve	Retained Earnings	NDR	Total	Non-controlling Interest	Total
Balance at 1 September 2019	77	88,459	-	(10,736)	(73,748)	2,371	6,423	496	6,919
Profit for the period	-	-	-	-	72	-	72	23	95
Increase in investment in subsidiary - impact on equity	-	-	-	-	-	-	-	-	-
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
<i>Contributions by/distributions to owners of the Company recognised directly in equity</i>									
Dividends paid to minorities	-	-	-	-	-	-	-	(12)	(12)
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-	(12)	(12)
Balance at 28 February 2021	77	88,459	-	(10,763)	(73,676)	2,371	6,468	506	6,974

Cambria Africa Plc
Interim consolidated statement of cash flows
For the six-month period ended 28 February 2021

	Unaudited 6 months to 28-Feb-21 US\$'000	Unaudited 6 months to 29-Feb-20 US\$'000	Audited Year to 31-Aug-20 US\$'000
Cash generated from operations	90	758	605
Taxation paid	(2)	(33)	(43)
Cash generated from operating activities	88	725	562
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment	72	55	37
Purchase of property, plant and equipment	-	-	-
Net proceeds on disposal of marketable securities	-	227	226
Other investing activities	-	(210)	(210)
Interest received	1	1	1
Net cash from/(used in) investing activities	73	73	54
Cash flows from financing activities			
Dividends paid to non-controlling interests	(12)	(30)	(26)
Interest paid	(13)	(35)	(60)
Loans repaid	(464)	(69)	(88)
Proceeds from drawdown of loans	-	-	45
Net cash (utilised)/generated by financing activities	(489)	(134)	(129)
Net (decrease)/increase in cash and cash equivalents	(328)	664	487
Cash and cash equivalents at the beginning of the Period	1,896	1,920	1,920
Foreign exchange	(28)	(256)	(511)
Net cash and cash equivalents at the end of the period	1,540	2,328	1,896
<i>Cash and cash equivalents as above comprise the following</i>			
Cash and cash equivalents attributable to continuing operations	1,540	2,328	1,896
Net cash and cash equivalents at the end of the period	1,540	2,328	1,896