

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

Interim Results (the "Results")

For the 6 Months ended 28 February 2019
Profit After Tax up 50% to Record \$1.7 million
6-Month EPS 0.27 US cents

Cambria Africa PLC ([AIM:CMB](https://www.aim.com/quote/CMB)) ("Cambria" or the "Company") is pleased to announce its interim results for the six months ended 28 February 2019 (the "Period"). A copy of this announcement is available on the Company's website (www.cambriaafrica.com).

Despite achieving record profits of US \$1.7 million in the first half of Fiscal Year 2019, the Company expects its earnings in the second half to be impacted as a result of rapid devaluation in the exchange rate. Cambria has actively ameliorated this impact by reducing expenses, hedging its assets and cashflow, minimizing and hedging its cost of capital. The Chief Executive's Report details the Company's outlook and potential systemic and non-systemic impacts on second half-year earnings.

Summary of Fiscal Half Year Results ended 28 February 2019:

- Cambria's Profit after Tax (PAT) increased 50% to a record \$1.66 million for the six months ended 28 February 2019 compared to the same period in 2018.
- Earnings Per Share (EPS) of 0.27 US cents for the period remained on par with the same period last year despite a 54% increase in weighted average shares in issue to 544.6 million from 352.6 million at 28 February 2018.
- Consolidated EBITDA increased 23% to a record \$2.06 million from \$1.67 million for the same period in 2018.
- Cambria's central costs increased by \$42,000 to \$98,000. Cambria's CEO and Directors rendered services to Cambria without compensation during the Period.
- Group interest costs fell 83% to \$24,000 from \$143,000 in 2018 after the partial conversion of Venture Africa Limited's (VAL) loans implemented in July 2018. Consolidated debt decreased to \$0.43 million from \$3.05 million at 28 February 2018.
- Net Equity increased by \$5.29 million to \$7.13 million from \$1.84 million at 28 February 2018. Net Equity excluding investments increased by \$4.1 million to \$6.0 million from \$1.9 million at 28 February 2018
- The Statement of Comprehensive Income includes a foreign currency translation adjustment (profit) of \$107,000 attributable to Cambria.

Zimbabwe introduced a local currency for the first time since 2009 and effectively devalued that currency (ZWL) on 22 February 2019. The rate fell from parity to the US dollar to ZWL 2.50:US\$1.00 and closed at 2.50 at the end of the Period. At this writing, the interbank rate stands at ZWL 5.22 and the parallel rate is thought to be at ZWL 7.4 against the US dollar. The Reserve Bank of Zimbabwe (RBZ) committed to honour foreign debts incurred prior to the devaluation at parity to the US dollar. Based on the closing interbank exchange rate of 2.50, this commitment has saved Cambria US \$1.56 million in potential losses on \$2.6 million in foreign debt. At the current official rate, this saving increases to over \$3 million. The RBZ has committed to furnish the US \$1.3 million in Payserv Zimbabwe's external legacy debt by mid-September 2019.

Impact of Foreign Currency Translation and Legacy Debts

On 22 February 2019, six days before the end of this reporting period, the Reserve Bank of Zimbabwe (RBZ) officially decoupled its local currency from the US dollar and named it the RTGS Dollar with the symbol “ZWL”. The result was an effective devaluation from parity to an ZWL 2.50:US\$ 1.00 where it closed at the end of the Period.

The foreign currency translation of Cambria’s Zimbabwe operations had minimal impact on the trading Results and EPS for the Period and resulted in a positive Foreign Currency Translation adjustment of \$107,000 attributable to Cambria recorded in the Statement of Other Comprehensive Income.

Despite the interbank adjustment of the ZWL rate against the US dollar, the RBZ confirmed that “Legacy Foreign Debts” originating before 22 February 2019 will be honoured at parity. Should the RBZ *not* have committed to honouring Legacy Foreign Debt at parity, Cambria would have incurred an estimated Foreign Currency Translation loss of \$1.5 million instead of the \$107,000 gain recorded in the Statement of Comprehensive Income for the Period.

In accordance with International Accounting Standard 21 (IAS 21) Zimbabwe’s new currency regime necessitated translation of Cambria Zimbabwe’s operations for the Period as follows:

- Excluding Legacy Foreign Debtors and Creditors which are to be honoured at parity to the US Dollar, assets and liabilities have been translated at the Period’s closing interbank rate of ZWL 2.50:US \$1.00;
- Income and expenses have been translated at the average exchange rate over the Period of ZWL \$1.05:US \$1.00; and
- All resulting exchange differences have been recognised in the Statement of Other Comprehensive Income.

Results Highlights for the Period:

Despite marginally lower revenues, the Company continued to improve profitability and EBITDA following the completion of Payserv’s overhead restructuring and streamlining of operations.

<i>6 months ended 28 February 2019 (US\$'000)</i>	<i>2019</i>	<i>2018</i>	<i>Change</i>
<i>Group:</i>			
- Revenue	4,387	4,555	(4%)
- Consolidated EBITDA	2,058	1,666	24 %
- Operating cashflow	1,993	1,664	20 %
- Central costs	98	56	75 %
- EPS - cents	0.27	0.27	-
- Profit After Tax	1,656	1,102	50.3%
<i>Divisional:</i>			
- Payserv – profit before tax	1,907	1,440	32 %
- Payserv – profit after tax	1,510	1,106	37 %
- Payserv – EBITDA	2,047	1,552	32 %
- Millchem – EBITDA	112	110	2 %

- **Divisional Highlights:**

- Payserv achieved record profit before tax (PBT) of \$1.91 million with:
 - Revenues of \$3.67 million, in line with the same period in 2018,
 - 32% increase in consolidated EBITDA to \$2.05 million,
 - 37% increase in consolidated PAT to \$1.51 million.
- Millchem continued to report improved profits:
 - Profit after Tax of \$210,000 (\$117,000 before a correction of \$93,000 in inventory provisions),
 - \$719,000 in revenues, a reduction of 20% reflecting the strategy to focus on a more profitable product mix,
 - Sales volumes on a like-for-like product basis increased in comparison to the same period in 2018,
 - 33% gross profit margin, a 2% improvement from the 31% gross profit margin for the same period in 2018,
 - 2% increase in EBITDA to \$112,000,
 - \$41,000 (25%) reduction in overheads.

Divisional Review

Payserv Africa Group

The Payserv Africa Group achieved record profits for the Period despite flat revenues.

Payserv Africa Divisional Results

6 months ended 28 February 2019 (US\$ '000)	2019	2018	Change
Revenues	3,668	3,656	0 %
Gross profit	3,383	3,334	1 %
Gross margin	92%	91%	1 %
Overheads	(1,336)	(1,782)	(25 %)
EBITDA	2,047	1,552	32%
Profit before interest and tax	1,898	1,463	30 %
Interest	9	(23)	\$ 32
Profit before tax	1,907	1,440	32 %
Profit after tax	1,510	1,106	37 %
PAT (excluding minority interests)	1,070	949	13 %

Payserv's consolidated EBITDA increased by 32% for the six months ended 28 February 2019 to \$2.05 million from \$1.55 million compared to the same period in 2018. Profit before tax increased by 32% to \$1.91 million from \$1.44 million and consolidated PAT increased by 37% to \$1.51 million from \$1.11 million in 2018. This was achieved despite flat revenues of \$3.67 million.

Payserv completed a reorganisation in FY 2018. Resultant annual savings were estimated at US\$400,000 which will assist in absorbing expected inflationary pressures on the overheads in Zimbabwe. Any residual savings are being allocated to developing new FinTech initiatives and improving Payserv's existing technology.

Paynet Zimbabwe

Paynet Zimbabwe allows government and corporate clients to electronically pay employees and suppliers throughout Zimbabwe's financial network. Last year, Paynet facilitated approximately 28 million transactions with a total value of approximately US \$70 billion. In 2017 the World Bank reported Zimbabwe's GDP to be \$17.85 billion.

Paynet branded software is subscribed to by about 4,000 entities consisting of government departments, insurance, and large corporate clients, and reaches over 2.5 million beneficiaries.

Paynet Zimbabwe processed 14.4 million transactions during the first half of the 2019 Fiscal Year, up 7.5% from 13.4 million for the same six month period in 2018.

Despite this dominant position in the corporate and government sector, Paynet controls less than 2% of the total number of electronic transactions in a market which is now dominated by EcoCash, a mobile wallet owned by the country's largest MNO, Econet Mobile.

Cambria is in negotiations with leading international technology partners to unlock the development potential embedded in Paynet's ubiquitous bank presence and market credibility. Paynet Zimbabwe plans to introduce new products such as:

- New retail products leveraging mobile technology and chat services (through WhatsApp and Telegram etc.) for P2P and P2B payments.
- Establishment of net settlement systems and exposure monitoring to facilitate clearing between banks and the Central Bank
- Distribution of innovative ICT products and services to the banking sector and major corporates.
- Developing distributed ledger technologies to enhance transaction security and reduce transaction costs.
- Developing integrated banking biometric KYC systems.
- Creating settlement and payment systems for closed-loop marketing and purchasing organizations such as the Tobacco Marketing and Grain Marketing Boards.
- Establishing a foothold as a last-mile service provider to multiple international remittance operations by improving their distribution channels and value addition.

Autopay Zimbabwe

Autopay is a leading payroll management business offering 1) a full-service Payroll Bureau; 2) Software and licensing of payroll and HR Products to major corporates and; 3) Online SME payroll processing.

Autopay traded profitably and the process of realigning Autopay's strategy to increase its penetration into the SME market resulted in a 4.6% increase in gross profit on the back of a 6.1% increase in the number of payslips being processed to 190,000 from 179,000 for the same six month period in 2018. Autopay's payment bureau processed 223,000 transactions, up 3.2% from 216,000 for the same period in 2018.

Tradanet (51% owned)

Tradanet provides customised loan processing and management software for Zimbabwe's largest Building Society CABS. It also provides hosted loan management solutions for emerging microfinance entities.

Tradanet's loan volumes decreased 21% to ZWL 49.9 million from ZWL 63.1 million for the same period in 2018. Tradanet's loan book grew by 28% to ZWL 186 million up from ZWL 146 million at 28 February 2018.

During the Period Tradanet made satisfactory progress with its strategies to develop additional revenue streams through:

- Flexicredit Hybrid – a product directed at employees of larger publicly held corporates which can be evaluated by reliance on publicly disclosed information.
- Insurance Premium Financing.
- Automobile ownership financing.

Millchem Zimbabwe

<i>6 months ended 28 February 2019 (US\$ '000)</i>	<i>2019</i>	<i>2018</i>	<i>Growth</i>
Revenues	719	899	(20 %)
Gross profit	238	277	(14 %)
Gross margin	33 %	31 %	2 %
Overheads	(126)	(167)	(25 %)
EBITDA	112	110	2%
Profit after tax	210	102	106%

Millchem has recorded an after-tax profit during the six months ended 28 February 2019 despite a 20% decrease in revenue. Millchem achieved

- \$719,000 in revenues, a reduction of 20% to achieve a more profitable product mix.
- Increased sales volumes on a like-for-like product basis.
- 33% gross profit margin – a 2% improvement from the same period in 2018.
- Increased EBITDA to \$112,000 from \$110,000.
- PAT of \$210,000, an increase of 108,000 which includes a once-off reversal of an overstated inventory provision of \$93,000.

Radar Acquisition and Subsequent Events:

Radar Acquisition:

During December 2018 Paynet Zimbabwe (Pvt) Ltd (Paynet), a wholly owned subsidiary of Cambria, deployed an additional \$400,000 from its local cash resources to increase its effective interest in Radar Holdings Limited (Radar) to 8.98% from 7.83% as at 31 August 2018. The Radar investment is held through Paynet's 72.07% (previously 62.84%) interest in AF Philip & Company (Pvt) Ltd (AF Philip). AF Philip holds a 15.65% interest in Hinshaw (Pvt) Ltd (Hinshaw) which, through its wholly owned subsidiaries, holds a 79.65% interest in Radar.

AF Philip is consolidated into Cambria's Statement of Financial Position with the Radar investment reflected at a fair value of \$2.34 million (\$1.86 million after minority interests). Having invested a total of \$2.0 million of its cash resources in Zimbabwe, Cambria managed to successfully convert local cash resources into a bricks-and-mortar asset at an average rate of ZWL 1.08:\$ 1:00 despite significantly weaker parallel and interbank rates.

Subsequent to the end of the Period, AF Philip followed its pre-emptive rights and its inherited rights from other Hinshaw shareholders, and accepted an offer to purchase 4,000 Hinshaw shares from Caulicle Investments (Private) Limited (Caulicle) at the equivalent of 25 US cents per Radar share. This translates to a value of US \$2.04 million equal to ZWL 6.73 million at the prevailing interbank mid-rate of ZWL 3.30 for the US dollar on the dates of acceptance (8 May 2019 and 10 May 2019). Paynet financed its acceptance through a ZWL 2.4 million bank loan and the balance through Cambria's internal resources. Caulicle is disputing that it made an irrevocable offer of all its shares in Hinshaw and AF Philip expects to bring the matter to binding arbitration.

Cambria intends to separately from Paynet, pursue a shareholding in Radar by considering a share swap with shareholders outside of Hinshaw. Paynet will continue to rely on the pre-emptive rights of AF Philip to increase its shareholding in Hinshaw.

In the opinion of the Board, Radar will be a direct beneficiary of any uptick in the Zimbabwe economy through its regional monopoly in brick manufacturing and its significant development land holdings. As expected, Radar investment has provided an attractive hedge against the deterioration in the purchasing power of cash and cash-equivalents in Zimbabwe.

Appointment of new Payserv Zimbabwe CEO and non-Executive Directors

Cambria announced on 5 April 2019 the appointment of Mr Christian Herbert Beddies as the incoming CEO of Payserv Zimbabwe. Mr Beddies spearheaded the reopening of the IMF Harare Offices in September 2014 and was the Fund's Resident Representative until September 2018. Mr Beddies will join Payserv Zimbabwe shortly after early retirement from the International Monetary Fund (IMF) on 1 June 2019 and will be succeeding Mr Sibert Dube whose resignation was tendered and accepted effective 7 June 2019.

Cambria also announced the appointment of Mr Sean Gammon, the Managing Director of Imara Corporate Finance Zimbabwe and Executive Director of Imara Capital Zimbabwe, as Non-Executive Director of Payserv Zimbabwe. The following distinguished individuals are expected to join Mr Gammon and Mr. Beddies on the Board of Payserv Zimbabwe:

- Mr Lee Ambrose – Managing Director, Ambrose Consulting,
- Mr Gerald N. Mlotshwa – Senior Partner, Titan Law, and
- Mr Paul Turner – Partner (ret.) Ernst and Young (Zimbabwe).

Changes to the Board:

The board remains unchanged.

About Cambria Africa Plc:

Cambria Africa Plc (AIM: CMB), is an AIM listed investment company holding controlling interests and active management control in companies well-positioned to benefit from the growth and modernisation of Zimbabwe's economy. Its wholly owned operations in Zimbabwe are:

- Payserv Africa, a FinTech company with \$7.57 million in revenues in FY 2018. Payserv's Paynet Zimbabwe subsidiary holds a dominant position in the country's electronic payments market, facilitating about 40% of all payments in the country. Paynet has a proven track record of secure transactions with ubiquitous presence in all financial institutions and MNO's. Paynet's product is used by every government department and by over 5,000 of the largest private banking customers. Paynet serves over 2.5 million unique final beneficiaries in Zimbabwe. Payserv also cuts a wide swath in Zimbabwe's payroll management and consumer loan processing markets. Payserv is ideally positioned to leverage its existing technology platforms to exploit opportunities which arise from FinTech disruptions. Payserv intends to introduce innovative payment technologies and distributed ledger security to increase its penetration in the consumer market which represents 97% of transaction volumes.
- Millchem Zimbabwe is a value-added chemicals distributor with \$1.88 million in revenues for FY 2018. The company is currently focused on ethanol-based solvents due to the significant local availability of ethanol. Millchem achieved its first profit in more than four years following the successful implementation of Cambria's turnaround program.

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Chief Executive's Report

I am obviously pleased to report on Cambria's strong performance for the 6 months ended 28 February 2019 having achieved a record Profit After Tax (PAT) of \$1.66 million for the Period. I am not going to repeat detailed earnings results for self-gratification. I intend to focus on the short and long term outlook for the Company in the second half of FY 2019 and beyond.

I disagree that the Monetary Policy Statement of February 2019 or October 2018 resulted in a "devaluation" and subject to currency translation. I believe it is a change of the functional currency of Zimbabwe from US dollars (or multicurrency) to a new currency just as the Euro replaced multiple European currencies. Therefore, we anticipate changes to the accounting treatment of audited results to be put into place which may or may not impact the results reported here.

The first question any investor would ask of these results is whether these earnings are real and if they are real, where is the money? The answer is that these earnings are indeed real US dollar earnings and barring a systemic failure by the RBZ to honour its commitments, will be preserved in real dollars. Cambria will continue to do everything in its power to preserve the value of its investments and returns in real US dollars.

- At the date of this report, cash outside of Zimbabwe totals US \$1.4 million. We hold the total equivalent of US \$2.5 million in cash in our accounts. Of this US \$2.5 million, \$1.9 million was contributed from operations.
- Beyond the general RBZ commitment to pay Legacy Debts at parity, Paynet achieved a specific time commitment by the RBZ protecting US\$1.3 million of profits by 14 September and a further \$1.3 million without a specified timeline.
- Shortly after the close of the period, Paynet Zimbabwe obtained US\$300,000 to pay foreign debts at an average rate of ZWL 2.89 to the US – resulting in a loss of US \$170,000.
- Starting from 1 May 2019, Payserv Africa incorporated in Mauritius will invoice Paynet Zimbabwe's clients in US dollars. Paynet Zimbabwe will in turn invoice 2/3 of these revenues to fund its Zimbabwe operations. This will protect and hedge the US dollar value of the bulk of Cambria's operations.
- Our Radar investment has retained its value in real US dollars evidencing the success of our value preservation strategies. We continue to pursue a strategy to achieve control of Radar's operations.
- The conversion of VAL loans to equity (which I am the ultimate beneficiary of), reduced Cambria's debt levels and finance costs. As a consequence, shareholder equity has significantly improved in comparison to the same period in 2018.
- Our assets continue to be underpinned by their historical value in US dollars. We hope that any accounting standard adopted to report the value of these assets will recognize the functional currency these assets were acquired in.
- Our real cash flow will be impacted by delayed price increases in the local currency, but will also benefit from significant cost savings measures implemented in the last reporting period and should absorb inflationary pressures on our Zimbabwe overheads.

Outlook and Risk Factors:

In our FY 2018 annual report, we stated that companies that have survived seismic shifts in Zimbabwe's fortunes have come back stronger and more profitable. As borne out by our mid-year results, we continue to believe that Cambria is expected to survive the dislocations created by these events. However, there are risks to our strategy and systemic risks that Cambria is faced with, at least in the short-term..

Strategic Risk

The strategic risk Cambria faces, is the refusal of some Paynet clients to be invoiced by Payserv Africa in US dollars and the subsequent loss of their custom. Depending on which clients, if any, exit the Paynet Payment Platform, real revenues may fall. On the other hand, since Paynet will continue to deliver payment instructions to all institutions, it may be able to recover its transaction volumes.

Systemic Risk

If the Central Bank's strategy to introduce a new currency and achieve a market clearing rate for that currency fails, the consequence will be a significant slow down in the economy. The economy has already been dampened by a 2% tax on almost all financial services and an average 3% transaction fee levelled by Ecocash on the bulk of consumer transactions which they control. It is hard to imagine how Zimbabwe's economy can withstand a real as opposed to a nominal 5% contraction.

Notwithstanding the above risks, I expect the economic effects of a continued devaluation of Zimbabwe's currency on both the interbank and the parallel markets to impact our reporting currency – the US dollar – as follows:

Investment Property and Inventory:

We anticipate that the US dollar value of our assets will not change and to even outpace the real depreciation of the currency.

Receivables:

Paynet: The contracted currency of Paynet's receivables is in US dollars. In March and April, Paynet conceded to accepting ZWL from its customers and purchased US dollars at an average interbank rate of ZWL 2.89:\$ 1.00, losing approximately ZWL 489,434 (US\$170,000). Customers of Paynet Zimbabwe were informed on 24 April 2019 that as of the month of May the US dollar contracted charges will be invoiced by Payserv Africa. Payserv Africa owns and operates Paynet's technology and is incorporated in Mauritius.

Autopay has not increased its prices since 2016. It will initiate strategies to increase prices while bowing to competitive pressures. Autopay price increases are expected to be implemented by the end of June 2019.

Tradanet, the 51% owned subsidiary of Paynet operates on the percentage of the income it generates. It is expected that the consequence of inflation will be an increase in loan values, returning Tradanet's earnings to historical US dollar levels.

Millchem: In the new local currency of Zimbabwe, Millchem will experience increased raw material input costs. It is also hamstrung by scarcity of foreign currency for imports as a result of disequilibrium in the interbank exchange market. However, within these constructs, Millchem has managed to remain profitable in US dollars by using a flexible pricing policy which reflects its real cost of funds while maintaining strict cost controls.

Liabilities:

The February Monetary Policy Statement allowed for registration of "Legacy Debts" to be provisioned for at parity to the US dollar. The Governor of the RBZ provided a written assurance that Paynet's US dollar foreign liabilities would be financed by Paynet Zimbabwe at parity by 14 September 2019. Cambria Zimbabwe and Millchem have also registered their "Legacy Debts" avoiding currency translation losses on these liabilities.

Although we have experienced significant inflationary pressures on our local overheads, the reorganisation completed by Payserv in FY 2018 should save the company at least US \$400,000 annually in cost-to-company salaries, allowing it to absorb a significant portion of such an increase.

Cash and Working Capital:

The Company endeavours to hold minimum cash in Zimbabwe and has subsequent to the end of the six month period received a facility with CABS of ZWL 2.4 million (equivalent to US \$450,000 at current interbank rates). At the date of this announcement, cash resources outside Zimbabwe (in "real" US dollars) total \$1.4 million. Shortly after the approval of this loan, CABS notified Payserv that it will be increasing its interest rate from 8% p.a. to 14%.

Investment and FinTech

Despite the challenging macro-economic environment in Zimbabwe, we continue to see the glass as half-full.

We aim to continue our strategy of accumulating shares in Radar, an unlisted public company in Zimbabwe, with a dominant position in the brick market in the nation's second largest city and significant real estate holdings. By investing most of our available cash held in Zimbabwe in this attractive investment, we have hedged against the deterioration of purchasing power of cash equivalents in Zimbabwe.

In addition to the strategy of increasing our shareholding in Radar, we have commenced discussions with leading international technology providers to formalise strategic partnerships and implement FinTech innovations. Cambria is excited about the potential this strategy will open up for the Group. Our FinTech subsidiary, Payserv already holds a leading position in the electronic payments market with a proven track record and ubiquitous presence in all financial institutions and MNO's. We aim to be in the frontline of the FinTech disruption in Zimbabwe – which for all practical purposes has become one of the few cashless economies in the world

Samir Shasha
Chief Executive Officer
31 May 2019

Cambria Africa Plc

Interim consolidated income statement For the six month period ended 28 February 2019

	Unaudited 6 months to 28-Feb-19 <i>US\$'000</i>	Unaudited 6 months to 28-Feb-18 <i>US\$'000</i>	Audited Year to 31-Aug-18 <i>US\$'000</i>
Revenue	4,387	4,555	9,441
Cost of sales	(766)	(944)	(2,001)
Gross profit	3,621	3,611	7,440
Operating costs	(1,579)	(2,101)	(3,997)
Other income	20	60	70
Exceptionals	3	-	(264)
Operating profit	2,065	1,570	3,249
Finance income	12	9	23
Finance costs	(24)	(143)	(252)
Net finance costs	(12)	(134)	(229)
Profit before tax	2,053	1,436	3,020
Income tax	(397)	(334)	(776)
Profit for the period from continuing operations	1,656	1,102	2,244
<i>Discontinued operations:</i>			
Profit from discontinued operations	-	-	3
Profit for the period	1,656	1,102	2,247
<i>Attributable to:</i>			
Owners of the company	1,482	945	1,897
Non-controlling interests	174	157	350
Profit for the period	1,656	1,102	2,247
Earnings per share			
Basic and diluted earnings per share (cents)	0.27c	0.27c	0.50c
Earnings per share - continuing operations			
Basic and diluted earnings per share (cents)	0.27c	0.27c	0.50c

Cambria Africa Plc

Interim consolidated statement of comprehensive income For the six month period ended 28 February 2019

	Unaudited 6 months to 28-Feb-19 US\$'000	Unaudited 6 months to 28-Feb-18 US\$'000	Audited Year to 31-Aug-18 US\$'000
Profit for the period	1,656	1,102	2,247
Other comprehensive income			
<i>Items that will not be reclassified to income statement:</i>			
Revaluation of investments held at fair value	-	-	200
Deferred tax adjustments	-	-	(36)
Foreign currency translation differences for overseas operations	107	2	3
Foreign currency translation impact on non-controlling interests	(330)	-	-
Total comprehensive profit for the period	1,433	1,104	2,414
Attributable to:			
Owners	1,589	947	2,064
Non-controlling interests	(156)	157	350
Total comprehensive profit for the period	1,433	1,104	2,414

Cambria Africa Plc

Interim consolidated statement of financial position As at 28 February 2019

	Unaudited Group 28-Feb-19 US\$'000	Unaudited Group 28-Feb-18 US\$'000	Audited Group 31-Aug-18 US\$'000
Assets			
Property, plant and equipment	2,632	2,802	2,943
Goodwill	717	717	717
Intangible assets	7	20	16
Investments at fair value	2,341	-	2,546
Total non-current assets	5,697	3,539	6,222
Inventories	277	225	243
Financial assets at fair value through profit and loss	141	99	131
Trade and other receivables	490	1,004	843
Cash and cash equivalents	2,880	1,518	3,259
Assets for discontinued operations	1	2	1
Total current assets	3,789	2,848	4,477
Total assets	9,486	6,387	10,699
Equity			
Issued share capital	77	51	77
Share premium account	88,459	85,686	88,459
Revaluation reserve	602	438	602
Foreign exchange reserve	(10,538)	(10,625)	(10,645)
Non-distributable reserve	2,371	1,905	2,371
Retained losses	(73,627)	(75,613)	(75,109)
Equity attributable to owners of the company	7,344	1,842	5,755
Non-controlling interests	511	60	991
Total equity	7,855	1,902	6,746
Liabilities			
Loans and borrowings	-	1,554	-
Trade and other payables	98	-	120
Provisions	34	195	188
Deferred tax liabilities	89	184	223
Total non-current liabilities	221	1,933	531
Current tax liabilities	177	313	477
Loans and borrowings	428	1,500	619
Trade and other payables	785	714	2,303
Liabilities for discontinued operations	20	25	23
Total current liabilities	1,410	2,552	3,422
Total liabilities	1,631	4,485	3,953
Total equity and liabilities	9,486	6,387	10,699

Cambria Africa Plc

Interim consolidated statement of changes in equity For the six month period ended 28 February 2019

<i>US\$'000</i>	Share Capital	Share Premium	Revaluation Reserve	Foreign Exchange Reserve	Retained Earnings	Non- distributable Reserve	Total	Non- controlling Interest	Total
Balance at 31 August 2018	77	88,459	602	(10,645)	(75,109)	2,371	5,755	991	6,746
Profit for the period	-	-	-	-	1,482	-	1,482	174	1,656
Revaluation of investments held at fair value	-	-	-	-	-	-	-	-	-
Related deferred tax adjustment	-	-	-	-	-	-	-	-	-
Foreign currency translation differences for overseas operations	-	-	-	107	-	-	107	-	107
Foreign currency translation differences for overseas operations – non-controlling interests	-	-	-	-	-	-	-	(330)	(330)
Total comprehensive profit / (loss) for the period	-	-	-	107	1,482	-	1,589	(156)	1,433
<i>Contributions by/distributions to owners of the Company recognised directly in equity</i>									
NCI on further investment in A F Philip & Company	-	-	-	-	-	-	-	(164)	(164)
Dividends paid to minorities	-	-	-	-	-	-	-	(160)	(160)
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-	(324)	(324)
Balance at 28 February 2019	77	88,459	602	(10,538)	(73,627)	2,371	7,344	511	7,855

For the six month period ended 28 February 2018

<i>US\$'000</i>	Share Capital	Share Premium	Revaluation Reserve	Foreign Exchange Reserve	Retained Earnings	Non- distributable Reserve	Total	Non- controlling Interest	Total
Balance at 31 August 2017	51	85,686	438	(10,627)	(76,558)	1,905	895	99	994
Profit for the period	-	-	-	-	945	-	945	157	1,102
Foreign currency translation differences for overseas operations	-	-	-	2	-	-	2	-	2
Total comprehensive profit for the period	-	-	-	2	945	-	947	157	1,104
<i>Contributions by/distributions to owners of the Company recognised directly in equity</i>									
Dividends paid to minorities	-	-	-	-	-	-	-	(196)	(196)
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-	(196)	(196)
Balance at 28 February 2018	51	85,686	438	(10,625)	(75,613)	1,905	1,842	60	1,902

Cambria Africa Plc

Interim consolidated statement of cash flows For the six month period ended 28 February 2019

	Note	Unaudited 6 months to 28-Feb-19 US\$'000	Unaudited 6 months to 28-Feb-18* US\$'000	Audited Year to 31-Aug-18* US\$'000
Operating cash flow before movements in working capital		1,993	1,664	3,454
Net working capital movement		(1,224)	52	1,816
Cash from operations*	3	769	1,716	5,270
Taxation paid		(255)	(418)	(693)
Cash from operating activities		514	1,298	4,577
Cash flows from investing activities				
Proceeds on disposal of property, plant and equipment		28	-	36
Purchase of property, plant and equipment		(5)	(169)	(213)
Other investing activities		(400)	-	(1,600)
Interest received		12	9	23
Net cash used in investing activities		(365)	(160)	(1,754)
Cash flows from financing activities				
Dividends paid to non-controlling interests		(164)	(196)	(405)
Interest paid		(4)	(33)	(51)
Proceeds from issue of share capital		-	-	2,731
Loans repaid		(191)	(509)	(2,945)
Loans raised		-	48	37
Net cash used in financing activities		(359)	(690)	(633)
Net increase in cash and cash equivalents		(210)	448	2,190
Cash and cash equivalents at the beginning of the period		3,259	1,069	1,069
Foreign exchange translation effect		(169)	2	-
Net cash and cash equivalents at the end of the period		2,880	1,519	3,259
Cash and cash equivalents as above comprise the following				
Cash and cash equivalents – continuing operations		2,880	1,518	3,259
Cash and cash equivalents – discontinued operations		-	1	-
Net cash and cash equivalents		2,880	1,519	3,259

* Amounts include both continuing and discontinued operations.

Cambria Africa Plc

Notes to the interim consolidated financial statements

1. Reporting Entity

Cambria Africa Plc is a public limited company which is quoted on the AIM London Stock Exchange and is incorporated in the Isle of Man under the Isle of Man Companies Act 2006.

2. Basis of preparation

The condensed interim consolidated financial information for the six months ended 28 February 2019 has been prepared in accordance with the accounting policies that are expected to be adopted in the Group's full financial statements for the year ending 31 August 2019 and are not expected to be significantly different to those set out in the Group's audited financial statements for the year ended 31 August 2018.

The financial information for the half years ended 28 February 2019 and 28 February 2018 are neither audited nor reviewed. They do not include all of the information normally required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the period ended 31 August 2018, which are available upon request from the Company's registered office at Peregrine Corporate Services Ltd, Burleigh Manor, Peel Road, Douglas, Isle of Man IM1 5EP or at www.cambriaafrica.com.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these condensed interim consolidated financial statements.

3. Note to the cash flow statement

	Unaudited 6 months to 28-Feb-19 US\$'000	Unaudited 6 months to 28-Feb-18 US\$'000	Audited Year to 31-Aug-18 US\$'000
Profit for the period	1,656	1,102	2,247
<i>Adjusted for:</i>			
Amortisation of intangible assets	7	7	14
Depreciation of property, plant and equipment	91	94	195
Profit on sale of property, plant and equipment	(6)	-	(33)
Valuation adjustments to inventories, receivables and other assets	(10)	(13)	(45)
Finance income	(12)	(9)	(23)
Finance expense	24	143	252
Share based payment charge	-	-	68
(Decrease) / increase in provisions	(154)	6	3
Income tax charge	397	334	776
Operating cash flows before movements in working capital	1,993	1,664	3,454
Net working capital movement	(1,224)	52	1,816
Decrease / (increase) in inventories	(34)	8	(10)
Decrease / (increase) in trade and other receivables	353	729	887
Increase / (decrease) in trade and other payables	(1,543)	(685)	939
Cash from operations	769	1,716	5,270