

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

EPS of 0.01 US cents and NAV 1.06 US cents

For the 6 Months ended 28 February 2023

Cambria Africa PLC ([AIM:CMB](#)) ("Cambria" or the "Company") is pleased to announce its interim results for the six months ended 28 February 2023 (the "Period"). A copy of this announcement is available on the Company's website (www.cambriaafrica.com). With the publishing of the Group's FY 2022 and HY 2023 results, the suspension of the Company's shares on the AIM will be lifted at 7.30am on 15 September 2023.

Profit after tax decreased by 59% to US\$99,000 for the 6 months ended 28 February 2023 compared to \$240,000 achieved in the same period in 2022. This was due to a decline in revenue and earnings contributions from Tradanet. Tradanet's performance was impacted by the slower growth in the US dollar value of its loan processing portfolio which value slowed as a consequence of inflation and the devaluation of Zimbabwe's currency (ZWL). Tradanet's revenues were further adversely impacted by liquidity constraints in the banking sector. Autopay also experienced a decline in the real value of its Payroll processing revenues caused by the depreciation of ZWL relative to the US dollar.

The Group's Net asset value of \$5.76 million remained in line with the audited NAV reported for the financial year ended 31 August 2022 of \$5.75 million.

Half Year 2023 Results Highlights

6 Months ended 28 February 2023 (US\$'000)	2023	2022	Change
- Revenue	451	724	(38%)
- Operating costs	323	448	28%
- Consolidated EBITDA	128	299	(57%)
- Consolidated Profit after tax (PAT)	99	240	(59%)
- PAT attributable to owners of the Company	28	46	(39%)
- Central costs	21	13	(62%)
- EPS - cents	0.01	0.01	-
- NAV	5,763	6,313	(9%)
- NAV per share - cents	1.06	1.16	(9%)
- Weighted average of shares in issue	544,576	544,576	-
- Shares in issue at year end	544,576	544,576	-
<u>Divisional:</u>			
- Payserv - consolidated PAT	121	251	(52%)
- Payserv - consolidated EBITDA	149	305	(51%)
- Millchem - EBITDA	-	3	(100%)

Group Highlights HY 2023:

- Net Equity (NAV) decreased by 9% from US \$6.313 million (1.16 US cents per share) in HY 2022 to \$5.763 million (1.06 US cents per share) in HY 2023.
- Group revenue decreased by 38% compared to the prior period from \$724,000 to \$451,000. This is mainly due to Tradanet revenues decreasing as a result of declining loan advances by CABS in United States dollar terms during the period.
- Consolidated EBITDA was 57% lower in HY 2023 at \$128,000 compared to \$299,000 in HY 2022.

Net Equity (Net Asset Value)

The company's net asset value reduced by 9% from \$6.313 million at HY 2022 to \$5.763 million at HY 2023. The HY2023 NAV corresponds with the audited NAV at 31 August 2022 of \$5.75 million.

Components of NAV at 28 February 2023

The Group NAV of \$5.763 million as at the end of HY 2023 consists of the following tangible and intangible assets:

Building and properties valued at \$2.3 million - The valuation was prepared by Hollands Harare Estate Agents in January 2022. Holland conducted the previous valuations of the prominently located commercial office space and its equally well-positioned vacant plot in Harare's Mount Pleasant Business Park.

Investment in Radar Holdings Limited - 9.74% or 4.98 million shares valued at US \$1.743 million (net of minority interests) based on 35 US cents per equivalent Radar share. In the post balance sheet period, the Company conditionally agreed to sell its 78.2% shareholding in A.F. Philips (Pvt) Ltd ("AFP") for a sum of US \$1.743 million (35 US cents per equivalent Radar Share) in cash. The sale is subject to conditions precedent which the Company has reasonable cause to believe will be met and that the full purchase price will be realized at the holding Company level.

USD Cash and Cash Equivalents - US dollar cash totalling \$1.36 million.

Old Mutual and Nedbank 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 2022 Statement of Financial Position at US \$122,820 based on the closing price of Old Mutual Limited on the Johannesburg Stock Exchange at the year end. By way of an unbundling by Old Mutual in November 2021, the company received 2,692 Nedbank shares, which are retained in Zimbabwe. The total value of this portfolio was \$168,120 based on the Johannesburg Stock Exchange (JSE) closing price's as at 11 September 2023.

Goodwill - The Company has a goodwill value of \$717,000 on its Statement of Financial Position relating to its investment in the Payserv group of Companies. The Company believes this is a fair assessment of the intangible asset despite the impact of the decisions made by Zimbabwe's banking institutions against using its payment platforms. Turnaround opportunities are being explored and are more recently evidenced by the granting to Multi-Pay Solutions (Pvt) Ltd (Multi-Pay Solutions) the exclusive rights to use, distribute, and operate Paynet Software in the Southern African Development Community (SADC). Payserv Africa will continue to operate Paynet outside of the SADC. Tradanet, in which the Company holds an effective 51% interest, is the largest contributor to the Company's earnings. Tradanet processes microloans on behalf of CABS, Zimbabwe's largest Building Society. At their peak in 2019, these microloans comprised about a third of the banks assets and the Directors believe that a return to those levels is fully conceivable. Accordingly, the Company continues to believe that Payserv's intellectual property value and the amalgamation of the above exceeds the book value of the goodwill.

Chief Executive's Report

The Company has released its Annual Report for the financial year ended 31 August 2022 simultaneously with its 2023 half year results. As covered in my CEO report attached to the audited year end results, Cambria's story is now focused on realizing its NAV.

Investors might find value in examining our estimate of realizable NAV at US \$7.5 million (1.4 US cents per share). Our estimate draws from the following actual and anticipated components:

- **Cash:** As at the half year ended 2023, the Group held cash reserves of US\$1.36 million. As at 31 August 2023, in addition to Zimbabwe-held US dollar-denominated cash, shares and gold coins, the Company holds a Fixed Deposit of \$1.4 million in Mauritius, yielding 5% per annum.
- **Commercial Property:** This is represented by the prominently located Mt. Pleasant Business Park Commercial Property valued annually by Hollands Harare Estate Agents at \$2.3 million.
- **Recovery of Legacy Debts:** The Company is actively pursuing the recovery of "Legacy Debts" or "Blocked Funds" owed by our Zimbabwe subsidiaries to the holding companies. As at 31 August 2023, we've successfully recovered US\$407,350, leaving an outstanding balance of \$1.2 million held by the Ministry of Finance. These funds, initially held by the Reserve Bank in ZWL on a one-to-one basis with the USD, were marked down to a negligible value in our FY 2021 accounts based on the official exchange rate. However, post FY 2022, the Ministry of Finance began repaying these debts and assures us of the balance, as funds become available. As a result, our NAV after the financial year end will see an increase, accounting for the recovered debts.
- **Listed Portfolio Value:** We aim to realise the value of the 204,047 Old Mutual shares and 2,692 Nedbank shares by transferring these shares to the South African register. The total value of this portfolio was \$155,132 based on JSE closing prices on 28 August 2023 and \$168,120 as at 11 September 2023.
- **Sale of Radar equivalent shares:** At the holding Company level, we will, realise \$1.743 million from the sale of our indirect stake in Radar, subject to fulfilment of the outstanding conditions precedent to the agreement of sale.
- **Intellectual Property Value:** The Board is committed to deriving maximum value from our intellectual property, both in our current operations and future endeavours. The Company's Statement of Financial Position lists a goodwill value of \$717,000. Our assessment is that this represents the baseline value of the Company's intellectual property, considering Tradanet's historical profitability and Paynet's potential profits from its proposed agreement with Multi-Pay.

These estimates, culminating in a projected NAV of US \$7.5 million, come with the following considerations:

1. Maintenance of stable commercial real estate prices in Harare and successful sales realization at the holding Company level.
2. Successful completion of the Radar Sale agreement.
3. Repayment of US \$1.2 million in Legacy Debts.
4. Effective utilization of intellectual properties for profit.
5. The resumption of fungibility of dual-listed shares.

We remain cautiously optimistic about achieving full value for the Company's assets beyond its NAV. While we still see value in our listing, the Board is considering whether to maintain its listing. With the publishing of the Group's FY 2022 and HY 2023 results, the suspension of the Company's shares on the AIM will be lifted. This should enable shareholders to trade with a comprehensive understanding of the investment landscape confronting Cambria. At the time of suspension, Cambria shares were valued at 0.027p, contrasting with a book NAV of 0.084p and our estimate of 1.35 US cents per share or 1.04p per share. Shareholders must determine whether the market has aptly gauged the discount to the Company's book NAV and management's estimates of realizable NAV, which we are committed to achieving.

Samir Shasha

12 September 2023

Contacts

Cambria Africa Plc

www.cambriaafrica.com

Samir Shasha

+44 (0)20 3287 8814

WH Ireland Limited

www.whirelandplc.com/capital-markets

James Joyce / Sarah Mather

+44 (0) 20 7220 1666

Cambria Africa Plc

Interim consolidated income statement

For the six month period ended 28 February 2023

	Unaudited 6 months to 28-Feb-23 US\$'000	Unaudited 6 months to 28-Feb-22 US\$'000	Audited Year to 31-Aug-22 US\$'000
Revenue	451	724	920
Cost of sales	-	(64)	(22)
Gross profit	451	660	898
Operating costs	(323)	(448)	(623)
Other income	-	39	69
Exceptionals	-	(12)	(212)
Operating profit	128	239	132
Finance income	11	8	12
Finance costs	-	(7)	(5)
Net finance income	11	1	7
Profit before tax	139	240	139
Income tax	(40)	-	(144)
Profit/(loss) for the period	99	240	(5)
<i>Attributable to:</i>			
Owners of the company	28	46	(178)
Non-controlling Interests	71	194	173
Profit/(loss) for the period	99	240	(5)
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per share (cents)	0.01c	0.01c	(0.03c)
Earnings per share - continuing operations			
Basic and diluted earnings/(loss) per share (cents)	0.01c	0.01c	(0.03c)
Weighted average number of shares for EPS	544,576	544,576	544,576

Cambria Africa Plc

Interim consolidated statement of comprehensive income

For the six month period ended 28 February 2023

	Unaudited 6 months to 28-Feb-23 US\$'000	Unaudited 6 months to 28-Feb-22 US\$'000	Audited Year to 31-Aug-22 US\$'000
Profit/(loss) for the period	99	240	(5)
Other comprehensive income			
<i>Items that will not be reclassified to Statement of Profit or Loss:</i>			
Foreign currency translation differences for overseas operations	(10)	(51)	(424)
Total comprehensive profit/(loss) for the period	89	189	(429)
Attributable to:			
Owners	18	(5)	(602)
Non-controlling interests	71	194	173
Total comprehensive profit/(loss) for the period	89	189	(429)

Cambria Africa Plc

Interim consolidated statement of financial position

As at 28 February 2023

	Unaudited Group 28-Feb-23 US\$'000	Unaudited Group 28-Feb-22 US\$'000	Audited Group 31-Aug-22 US\$'000
Property, plant and equipment	2,305	2,311	2,306
Goodwill	717	717	717
Intangible assets	-	1	-
Financial assets at fair value through profit and loss	152	-	155
Total non-current assets	3,174	3,029	3,178
Inventories	8	160	8
Financial assets at fair value through profit and loss	15	219	28
Trade and other receivables	172	348	142
Cash and cash equivalents	1,361	1,574	1,263
Assets classified as held for sale	2,228	2,228	2,228
Total current assets	3,784	4,529	3,669
Total assets	6,958	7,558	6,847
Equity			
Issued share capital	77	77	77
Share premium account	88,459	88,459	88,459
Revaluation reserve	(190)	(190)	(190)
Foreign exchange reserve	(11,138)	(10,785)	(11,128)
Non- distributable reserves	2,371	2,371	2,371
Accumulated losses	(73,816)	(73,619)	(73,844)
Equity attributable to owners of the company	5,763	6,313	5,745
Non-controlling interests	496	600	425
Total equity	6,259	6,913	6,170
Liabilities			
Loans and borrowing	-	106	-
Trade and other payables	40	89	-
Provisions	-	-	-
Deferred tax liabilities	189	189	188
Total non-current liabilities	229	384	188
Current tax liabilities	134	(1)	141
Loans and borrowings	-	-	-
Trade and other payables	336	262	348
Liabilities for discontinued operation	-	-	-
Total current liabilities	470	261	489
Total liabilities	699	645	677
Total equity and liabilities	6,958	7,558	6,847

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Interim consolidated statement of changes in equity

For the six month period ended 28 February 2023

	<i>US\$'000</i>	Share Capital	Share Premium	Revaluation Reserve	Foreign Exchange Reserve	Accumulated Losses	Non- distributable Reserve	Total	Non- controlling Interest	Total
Balance at 31 August 2021		77	88,459	(190)	(10,734)	(73,666)	2,371	6,317	477	6,794
Profit for the period		-	-	-	-	46	-	46	194	240
Foreign currency translation differences for overseas operations		-	-	-	(51)	-	-	(51)	-	(51)
Total comprehensive loss for the year		-	-	-	(51)	46	-	(5)	194	189
<i>Contributions by/distributions to owners of the Company recognised directly in equity</i>										
Dividends paid		-	-	-	-	-	-	-	(71)	(71)
Total contributions by and distributions to owners of the Company		-	-	-	-	-	-	-	(71)	(71)
Balance at 28 February 2022		77	88,459	(190)	(10,785)	(73,619)	2,371	6,312	600	6,912

US\$000	Share Capital	Share premium	Revaluation reserve	Foreign exchange reserve	Accumulated losses	NDR	Total	Non-Controlling interests	Total
Balance at 1 September 2021	77	88,459	(190)	(10,734)	(73,666)	2,371	6,317	477	6,794
Profit/(loss) for the year	-	-	-	-	(178)	-	(178)	173	(5)
Foreign currency translation differences for overseas operations	-	-	-	(424)	-	-	(424)	-	(424)
Foreign currency translation differences for overseas operations – NCI	-	-	-	30	-	-	30	(30)	-
Total comprehensive income for the year	77	88,459	(190)	(11,128)	(73,844)	2,371	5,745	620	6,365
<i>Contributions by/distributions to owners of the Company recognised directly in equity</i>									
Dividends paid to minorities	-	-	-	-	-	-	-	(195)	(195)
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-	(195)	(195)
Balance at 31 August 2022	77	88,459	(190)	(11,128)	(73,844)	2,371	5,745	425	6,170

<i>US\$'000</i>	Share Capital	Share Premium	Revaluation Reserve	Foreign Exchange Reserve	Accumulated Losses	Non- distributable Reserve	Total	Non- controlling Interest	Total
Balance at 1 September 2022	77	88,459	(190)	(11,128)	(73,844)	2,371	5,745	425	6,170
Profit for the period	-	-	-	-	28	-	28	71	99
Legacy debt revaluation	-	-	-	75	-	-	75	-	75
Foreign currency translation differences for overseas operations	-	-	-	(85)	-	-	(85)	-	(85)
Total comprehensive (loss)/income for the period	-	-	-	(10)	28	-	18	71	89
<i>Contributions by/distributions to owners of the Company recognised directly in equity</i>									
Dividends paid	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-	-	-
Balance at 28 February 2023	77	88,459	(190)	(11,138)	(73,816)	2,371	5,763	496	6,259

Cambria Africa Plc

Interim consolidated statement of cash flows

For the six month period ended 28 February 2023

	Unaudited 28-Feb-23 US\$'000	Unaudited 28-Feb-22 US\$'000	Audited 31-Aug-22 US\$'000
Cash generated from operations	128	144	495
Taxation paid	(43)	(105)	(111)
Cash generated from operating activities	85	39	384
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment	15	15	17
Purchase of property, plant and equipment	-	-	(6)
Non-cash proceeds from scrip dividend	-	-	(33)
Interest received	11	8	12
Net cash (utilized in)/ generated investing activities	26	23	(10)
Cash flows from financing activities			
Dividends paid to non-controlling interests	-	(71)	(195)
Interest paid	-	(7)	(5)
Legacy debt repayment	75	-	-
Loans repaid	-	-	(100)
Net cash (utilized) by financing activities	75	(78)	(300)
Net (decrease)/ increase in cash and cash equivalents	186	(128)	(74)
Cash and cash equivalents at the beginning of the period	1,263	1,656	1,656
Foreign exchange	(88)	(194)	(467)
Net cash and cash equivalents at the end of the period	1,361	1,574	1,263
<i>Cash and cash equivalents as above comprise the following</i>			
Cash and cash equivalents attributable to continuing operations	1,361	1,574	1,263
Net cash and cash equivalents at 31 August	1,361	1,574	1,263

* Amounts include both continuing and discontinued operations.