

**SENS ANNOUNCEMENT**  
(the “Notice” or “Announcement”)

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**ISSUER**

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Intelligent Blasting

**AEL ZAMBIA PLC**

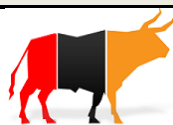
[Incorporated in the Republic of Zambia]

Company registration number: 2736  
Share Code: AELZ  
ISIN: ZM0000000284  
Authorised by: Francois van Niekerk – Finance Director

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**SPONSOR**

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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**

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The captioned Notice or Announcement has been approved by:

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

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**RISK WARNING**

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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.

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**ISSUED: 5 March 2021**



Intelligent Blasting

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**AEL ZAMBIA PLC**

[Incorporated in the Republic of Zambia as a public company]

Registration number: 2736

Share Code: AELZ

ISIN: ZM0000000284

“AEL Zambia” or “the Company”

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**ABRIDGED FINANCIAL RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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In compliance with the Securities Act No. 41 of 2016 and the Listings Requirements of the Lusaka Securities Exchange, AEL ZAMBIA PLC announces the audited financial results for the year ended 31 December 2020.

<b>SUMMARY STATEMENT OF COMPREHENSIVE INCOME</b>	<b>2020</b>	<b>2019</b>
<b>K '000</b>	<b>Year</b>	<b>Year</b>
	<b>Audited</b>	<b>Audited</b>
<b>Revenue</b>	<b>798,498</b>	<b>655,052</b>
<b>Profit before tax</b>	<b>156,248</b>	<b>100,421</b>
Income tax expenses	<b>(44,586)</b>	<b>(29,182)</b>
<b>Profit for the year</b>	<b>111,662</b>	<b>71,239</b>
<b>Basic and diluted earnings per share (ZMW)</b>	<b>5.47</b>	<b>3.49</b>

<b>SUMMARY STATEMENT OF FINANCIAL POSITION</b>	<b>2020</b>	<b>2019</b>
<b>K '000</b>	<b>Year</b>	<b>Year</b>
	<b>Audited</b>	<b>Audited</b>
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>123,137</b>	<b>59,602</b>
<b>Current assets</b>	<b>643,815</b>	<b>478,347</b>
<b>Total assets</b>	<b>766,952</b>	<b>537,949</b>
Total equity and reserves	<b>609,754</b>	<b>417,404</b>
Non-current liabilities	<b>30,737</b>	<b>15,831</b>
Current liabilities	<b>126,461</b>	<b>104,714</b>
<b>Total equity and liabilities</b>	<b>766,952</b>	<b>537,949</b>

<b>SUMMARY STATEMENT OF CASH FLOWS</b>	<b>2020</b>	<b>2019</b>
<b>K '000</b>	<b>Year</b>	<b>Year</b>
	<b>Audited</b>	<b>Audited</b>
Cash utilised in operating activities	<b>53,168</b>	40,134
Cash flows from investing activities	<b>(51,520)</b>	(9,633)
Cash flows from financing activities	<b>(107,930)</b>	(50,072)
<b>Net decrease in cash and cash equivalents</b>	<b>(106,282)</b>	(19,571)
Cash and cash equivalents at beginning of year	<b>159,076</b>	117,118
Translation gain/(loss) on cash	<b>183,129</b>	61,529
Cash and cash equivalents at end of the period	<b>235,923</b>	159,076

<b>SUMMARY STATEMENT OF CHANGES IN EQUITY</b>	<b>2020</b>	<b>2019</b>
<b>K '000</b>	<b>Year</b>	<b>Year</b>
	<b>Audited</b>	<b>Audited</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>294,791</b>	132,768
Dividends paid	(102,441)	(53,057)
Equity at beginning of period	417,404	337,693
<b>EQUITY AT THE END OF THE PERIOD</b>	<b>609,754</b>	<b>417,404</b>
<b>Made up as follows:</b>		
Ordinary share capital	<b>204</b>	204
Reserves:		
- Foreign currency translation differences	394,085	210,956
Retained Earnings	215,465	206,244
	<b>609,754</b>	417,404

## REVIEW OF INTERIM RESULTS

Revenue increased by 21.9% to ZMW 798,498 million (2019: ZMW 655,052 million), with a decrease in higher-margin exports, as well as some turmoil in the local market as a result of circumstances including disruptions relating to Covid-19, being off-set by an increase in local sales, combined with a deterioration of the Zambian Kwacha compared to the US dollar. The majority of customers are invoiced in US dollar, which inflated the Zambian Kwacha value of sales. The US dollar equivalent revenue reduced by 14.5 percent from the previous year (a reduction of US dollar 7,341), while the deterioration of the Zambian Kwacha compared to the United States Dollar was 42.5 percent on average.

The company achieved a net profit after taxation of ZMW 111,662 million (2019: ZMW 71,239 million), an increase of 56.7% from the prior year. Various factors contributed to this situation, with the deterioration of the Zambian Kwacha compared to the US Dollar playing a major role. In addition to this, with the global turmoil in the markets, despite the second and third-quarter results being extremely low, the last quarter in 2020 was more positive.

Fixed costs were also very well managed in order to preserve cash during these uncertain times.

### EARNINGS PER SHARE

Earnings per share are calculated using the profit for the year of ZMW 111,662 million (2019: ZMW 71,239 million) and the number of issued shares of 20,407 million (2019: 20,407 million). Earnings per share in December 2020 were ZMW 5.47 compared to ZMW 3.49 in December 2019.

### DIVIDENDS

The Board of Directors has proposed a final dividend of ZMW 0.84 in addition to the interim dividend paid in November 2020 of ZMW 4.30 per share. The Board has also proposed a special dividend of ZMW 2.90 per share. The interim dividend in 2019 for the same period was ZMW 2.0 per share.

### OUTLOOK

Conditions in the local and global economy remain very challenging, especially with the effects of the novel pandemic Covid-19 still being experienced around the globe. The recent increases in the global commodity prices could mean potential increases in production at the mines, which in turn is expected to increase sales volumes for AEL Zambia Plc.

**By Order of the Board**

**Francois van Niekerk**  
**Financial Director**

**Issued in Lusaka, Zambia on 5 March 2021**

<b>Lusaka Securities Exchange Sponsoring Broker</b>	
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<b>STOCKBROKERS ZAMBIA LIMITED</b>	Stockbrokers Zambia Limited (SBZ) is a founder member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia

**First Issued on 5 March 2020**