

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

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**ISSUER**

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**AECI MINING EXPLOSIVES PLC**  
[Incorporated in the Republic of Zambia]

Company registration number: 2736  
Share Code: AECI  
ISIN: ZM0000000284  
Authorised by: Warren Pritchard – Finance Director

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**SPONSOR**

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**Stockbrokers Zambia Limited**  
[Founder Member of the Lusaka Securities Exchange]  
[Regulated and licensed by the Securities and Exchange Commission of Zambia]

Contact Person: Mchema Chinzewe  
Contact Number: +260-211-232456  
Website: [www.sbz.com.zm](http://www.sbz.com.zm)

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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: 28 September 2022**



**AECI MINING EXPLOSIVES PLC**  
 [Incorporated in the Republic of Zambia as a public company]  
 Registration number: 2736  
 Share Code: AECI  
 ISIN: ZM0000000284  
 “AECI” or “the Company”

## INTERIM RESULTS FOR THE PERIOD ENDED 30 JUNE 2022

In compliance with the Securities Act No. 41 of 2016 and the Listings Requirements of the Lusaka Securities Exchange, AECI MINING EXPLOSIVES PLC announces the unaudited interim results for the half-year ended 30 June 2022.

| SUMMARY STATEMENT OF COMPREHENSIVE INCOME         | 2022                    | 2021                    | 2021            |
|---|-------------------------|-------------------------|-----------------|
| ZMW'000   | First half<br>Unaudited | First half<br>Unaudited | Year<br>Audited |
| Revenue   | 414,828                 | 559,582                 | 983,762         |
| Profit before tax                                 | 13,141                  | 73,320                  | 113,783         |
| Income tax expenses                               | (3,683)                 | (32,841)                | (13,917)        |
| <b>Profit for the period</b>                      | <b>9,458</b>            | <b>40,479</b>           | 99,866          |
| <b>Basic and diluted earnings per share (ZMW)</b> | <b>0.46</b>             | 1.98                    | 4.89            |

| SUMMARY STATEMENT OF FINANCIAL POSITION | 2022                    | 2021                    | 2021            |
|---|-------------------------|-------------------------|-----------------|
| ZMW'000                                 | First half<br>Unaudited | First half<br>Unaudited | Year<br>Audited |
| <b>ASSETS</b>                           |                         |                         |                 |
| Non-current assets                      | 65,654                  | 120,606                 | 71,789          |
| Current assets                          | 487,330                 | 739,776                 | 430,160         |
| <b>Total assets</b>                     | <b>552,984</b>          | 860,383                 | 501,949         |
|   |                         |                         | -               |
| Total equity and reserves               | 409,393                 | 623,819                 | 415,302         |
| Non-current liabilities                 | 16,195                  | 23,371                  | 21,423          |
| Current liabilities                     | 127,396                 | 213,193                 | 65,224          |
| <b>Total equity and liabilities</b>     | <b>552,984</b>          | 860,383                 | 501,949         |

| SUMMARY STATEMENT OF CASH FLOWS                    | 2022            | 2021            | 2021             |
|--|-----------------|-----------------|------------------|
|  | First half      | First half      | Year             |
| ZMW'000  | Unaudited       | Unaudited       | Audited          |
| Cash utilised in operating activities              | (5,985)         | (12,719)        | (23,230)         |
| Cash flows from investing activities               | (908)           | 34,432          | 4                |
| Cash flows from financing activities               | (19,280)        | (75,444)        | (125,383)        |
| <b>Total cash movement for the year</b>            | <b>(26,173)</b> | <b>(53,731)</b> | <b>(148,609)</b> |
| Cash at the beginning of the year                  | 68,792          | 235,923         | 235,923          |
| Effects of exchange rate movement on cash balances | (7,792)         | 49,906          | (18,522)         |
| <b>Total cash at end of year</b>                   | <b>34,827</b>   | <b>232,099</b>  | <b>68,792</b>    |

| SUMMARY STATEMENT OF CHANGES IN EQUITY           | 2022           | 2021           | 2021           |
|--|----------------|----------------|----------------|
|  | First half     | First half     | Year           |
| ZMW'000  | Unaudited      | Unaudited      | Audited        |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b> | <b>13,681</b>  | <b>90,385</b>  | <b>-67,115</b> |
| Dividends paid                                   | (19,590)       | (76,321)       | (127,337)      |
| Equity at beginning of period                    | 415,302        | 609,754        | 609,754        |
| <b>EQUITY AT THE END OF THE PERIOD</b>           | <b>409,393</b> | <b>623,819</b> | <b>415,302</b> |
| <b>Made up as follows:</b>                       |                |                |                |
| Ordinary share capital                           | 204            | 204            | 204            |
| Reserves:  |                |                |                |
| - Foreign currency translation differences       | 231,327        | 443,992        | 187,994        |
| - Other reserves                                 |                |                |                |
| Retained Earnings                                | 177,862        | 179,623        | 227,104        |
|  | <b>409,393</b> | <b>623,819</b> | <b>415,302</b> |

## REVIEW OF INTERIM RESULTS

Revenue achieved during the six months period ending 30 June 2022 amounted to ZMW 414.8 million (2021: ZMW 559.6 million). This reduction is due to the appreciation of the Zambian Kwacha against the United States Dollar by 20.4% compared to the corresponding period last year. This led to a 26% drop in revenues and increase in labour and other Kwacha denominated costs on translation. In addition there was a reduction in export sales. The material margin decreased as a result of the decrease in revenue, material margin % has been affected by increased global commodity pricing on major raw material inputs.

The company achieved a net profit after taxation of ZMW 9.5 million (2019: ZMW 40.5 million), a decrease of 76.6% from the corresponding period in 2021.

The reported numbers for revenue and net profit after tax were impacted by the appreciation in the value of the Kwacha to the US Dollar since June 2021. The average exchange rate used in 2022 was 17.455 against the rate of 21.9313 in 2021.

Fixed costs were well managed to compensate to a certain extent for the loss of margin.

## EARNINGS PER SHARE

Earnings per share are calculated using the profit for the year of ZMW 9.5 million (2021: ZMW 40.5 million) and the number of issued shares of 20.407 million (2021: 20.407 million). Earnings per share reported in June 2021 were ZMW 0.46 compared to ZMW 1.98 in June 2021.

## DIVIDENDS

The Board of Directors agreed not to declare an interim dividend for the period ending 30 June 2021. The interim dividend in 2021 for the same period was ZMW 2.50 per share.

The decision not to declare an interim dividend was taken after careful consideration of the current level of activity within the business, current cash on hand and future requirements for business working capital.

## OUTLOOK

Conditions in the local and global economy remain very challenging. Reduced productivity in the mining industry, especially in the export markets, and continuous fluctuations of the ZMW/USD exchange rate will have a significant influence on year-end results.

### By Order of the Board

**Warren Pritchard**  
Financial Director

Issued in Lusaka, Zambia on 28 September 2022

| Lusaka Securities Exchange Sponsoring Broker                                       |   |
|--|---|
|  | <p><b>T</b>   +260-211-232456</p> <p><b>E</b>   <a href="mailto:advisory@sbz.com.zm">advisory@sbz.com.zm</a></p> <p><b>W</b>   <a href="http://www.sbz.com.zm">www.sbz.com.zm</a></p> <p>Stockbrokers Zambia Limited (SBZ) is a founder member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia</p> |

**First Issued on 28 September 2022**