

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

**ISSUER**



**COPPERBELT ENERGY CORPORATION PLC (“CEC”)**  
[Incorporated in the Republic of Zambia]

Company registration number: 39070  
Share Code: CEC  
ISIN: ZM0000000136  
Authorised by: Julia C Z Chaila – Company Secretary

**SPONSOR**



**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**

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Copperbelt Energy Corporation Plc

**RISK WARNING**

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.

**ISSUED: 04 March 2024**

## CEC RELEASES CONSOLIDATED AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

<b>2%</b>	<b>171%</b>	<b>21%</b>	<b>10%</b>	<b>(9%)</b>	<b>3%</b>
<b>Revenue:</b>	<b>PAT</b>	<b>M/H LTAs:</b>	<b>Dividends:</b>	<b>Cash from Ops:</b>	<b>Adjusted EBITDA:</b>
USD382.3m 2022: USD374.4m	USD137.6m 2022: USD50.8m	2.3m man-hours 2022: 1.9m man-hour	USD55.2m 2022: USD50.4m	USD80.8m 2022: USD88.5m	USD121.2m 2022: 117.2m

Note: M/H LTAs<sup>^</sup>: Safety measure showing the man-hours achieved without a system-based lost-time accident

In USD'm	2023	2022	2021	2020	2019
Revenue	382.3	374.4	342.6	370.8	408.2
Adjusted EBITDA*	121.2	117.2	106.3	106.5	89.2
PAT	137.6	50.8	50.9	4.7	11.9
Current Assets	179.9	151.3	179.3	174.0	183.1
Net cash/(net debt)	55.4	72.1	73.7	56.8	24.7
Dividends declared	55.2	50.4	37.4	34.1	30.9
Adjusted cash and cash equivalents	108.9	83.4	92.7	83.1	78.1
Cash generated from Ops	80.8	88.5	79.3	57.7	50.1

\* Adjusted EBITDA represents EBITDA plus impairments and other exceptional items.

### Managing Director, Owen Silavwe, commented:

"I am thrilled to present our strong business performance for 2023. The Group has continued to make progress in the delivery of its strategic priorities which should steadily translate into value for our stakeholders. As evidenced by the key performance statistics presented herein, we continue to deliver on our operational and financial performance. Our own generation, third-party sources and power network are managed efficiently, enabling the delivery of safe and reliable power supply and transmission services to our customers. Our strong financial performance alongside the debt writeback arising from the settlement of the previously impaired receivables (one off impact equal to USD121 million writeback) has fully restored the Group's balance sheet and set a great stage for further growth of the business. We believe a combination of financial discipline and efficient allocation of capital should see us maintain a strong and resilient balance-sheet going forward and support the realisation of our targeted business opportunities.

Our pursuit for operational excellence and efficient growth has been firmly anchored on fostering a safe and healthy working environment, evidenced by our relentless efforts to maintain best-in-class safety performance leading to an achievement of 2.3 million-man hours without a Lost Time Accidents, an impressive 21% improvement over the previous year.

We remain focused on achieving our strategy for the period up to 2027, by placing priority on our set key objectives over this period which are themed around optimising performance, strengthening our sourcing and contractual arrangements, enhancing organisational capabilities, and ultimately pursuing sustainable growth. We will aim to make investments in a number of prioritised projects forming part of our strategy during this period. In this regard, USD45.4 million was invested in both infrastructure modernisation and new expansion projects during the year. Investments made extend to renewable energy projects (Solar PV plants to be specific), phase one of the voltage support equipment to make available additional transmission capacity in order to facilitate increased transfer flows on the DRC Interconnector which should underpin increased regional power trading as well as continued investments in infrastructure upgrade and modernisation of our power network.

In pursuit of the energy transition agenda with the aim of enhancing sustainable power sourcing, we commissioned our 34MW Riverside Solar PV plant, and made significant progress in the construction of the first phase 60MW Itimpi Solar PV Plant, with completion expected in the first half of 2024. In promoting sustainable and responsible finance, we registered with the Securities and Exchange Commission and listed on the Lusaka Securities Exchange, Zambia's debut USD200 million Green Bond whose proceeds will partly be directed towards the refinancing of the above two solar PV projects. The first tranche equivalent to USD53.5 million of the Green Bond issued during the year was overly subscribed, a position which gives impetus to the future fundraising plans in support of the attainment of our generation target of 200MW of solar PV by end 2025. To achieve this, we will be commencing the construction of the second phase 126MW Itimpi Solar PV project in 2024. This will be funded through issuance of further tranches under the Green Bond.

We look ahead resolute in our pursuit of quality and sustainable growth which is at the centre of increasing value delivery to all our stakeholders. The continued improvement in the business environment, the anticipated increase in foreign direct investments in the mining sector in both Zambia and DRC, coupled with government's determined efforts to create a private sector led economy, is highly supportive of a well-executed growth agenda over the coming years. Prudent capital allocation will be key as we pursue growth opportunities in the market. As always, we aim to maintain a disciplined approach to our investments, effectively manage our risks and ultimately ensure consistent and progressively increased rewards to our stakeholders."

### Summary consolidated statement of profit or loss and other comprehensive income.

	Year ended 31 December 2023	Year ended 31 December 2022
	USD'000	USD'000
Revenue	382,270	374,440
Gross profit	138,815	136,371
Other (expense)/income	(1,144)	(1,498)
Expenses and impairments	(50,934)	(41,928)
Net impairment reversal/(losses)	120,656	(24,097)
Profit before interest and tax	207,393	68,848
Share of loss from associate	(4)	(8)
Net finance costs	6,461	6,981
Income tax expense	(76,201)	(25,005)
Profit after tax	137,649	50,816
Other comprehensive income	1,808	2,707
Total comprehensive income	139,457	53,523
Earnings per share (US cents)	8.5	3.1

### Summary of consolidated statement of financial position

	31-Dec-23	31-Dec-22
	USD'000	USD'000
Total non-current assets	495,759	510,985
Total current assets	179,870	151,317
<b>Total assets</b>	<b>675,629</b>	<b>662,302</b>
Total equity	415,760	331,552
Total non-current liabilities	217,392	158,808
Total current liabilities	42,477	171,942
<b>Total equity and liabilities</b>	<b>675,629</b>	<b>662,302</b>

### Summary consolidated statement of cash flows for the period ended

	Audited Year ended 31-Dec-23	Audited Year ended 31-Dec-22
	USD'000	USD'000
Net cash flows from operating activities	80,846	88,464
Net cash flows used in investing activities	(45,361)	(39,649)
Net cash flows from financing activities	(13,036)	(58,073)
Net (decrease)/increase in cash and cash equivalents	22,442	(9,258)
<b>Cash and cash equivalents at 1 January</b>	<b>83,384</b>	<b>92,660</b>
Net (decrease)/increase	22,442	(9,258)
Effect of exchange rate movement on cash and cash equivalents	3,067	(18)
<b>Cash and cash equivalents at 31 December</b>	<b>108,889</b>	<b>83,384</b>

### Summary consolidated statement of changes in Equity for the period ended

In USD'000s	Share capital	Share premium	Translation reserve	Revaluation reserve	Retained earnings	Total
Year ended 31 December 2021	2,849	60,078	13	152,408	113,054	328,402
Profit for the year	-	-	-	-	50,816	50,816
Translation differences on subsidiary	-	-	(3)	-	-	(3)
Transfer of excess depreciation	-	-	-	(9,054)	9,054	-
Defined benefits plan actuarial losses	-	-	-	-	(9)	(9)
Related tax	-	-	-	2,716	3	2,719
<b>Total comprehensive income</b>	-	-	(3)	(6,338)	59,864	53,523
Transactions with owners	-	-	-	-	-	-
Dividends paid	-	-	-	-	(50,373)	(50,373)
<b>At year end</b>	<b>2,849</b>	<b>60,078</b>	<b>10</b>	<b>146,070</b>	<b>122,545</b>	<b>331,552</b>
<b>At start of year 2022</b>	<b>2,849</b>	<b>60,078</b>	<b>10</b>	<b>146,070</b>	<b>122,545</b>	<b>331,552</b>
Profit for the year	-	-	-	-	137,649	137,649
Translation differences on subsidiary	-	-	(35)	-	-	(35)
Transfer of excess depreciation	-	-	-	(9,054)	9,054	-
Defined benefits plan actuarial losses	-	-	-	-	(1,247)	(1,247)
Related tax	-	-	-	2,716	374	3,090
<b>Total comprehensive income</b>	-	-	(35)	(6,338)	145,830	139,457
Transactions with owners	-	-	-	-	-	-
Dividends paid	-	-	-	-	(55,249)	(55,249)
<b>At year end</b>	<b>2,849</b>	<b>60,078</b>	<b>(25)</b>	<b>139,732</b>	<b>213,126</b>	<b>415,760</b>

### Financial Highlights

Revenue increased to USD382.3 million (2022: USD374.4 million) signalling an increase of 2% underpinned by the local power sales and the regional power sales which increased 5% and 2% respectively. On the other hand, wheeling revenues reduced by 8% driven by the discount which was part of the negotiations that gave rise to the Debt Settlement Agreement.

The profit for the year at USD137.6 million, represents an increase of 171% from USD50.8 million in 2022. The increase in earnings is as a result of the net impact (USD136.2 million), of the one-off debt writeback and the impairment of the Kabompo costs. The balance sheet has been restored to its historical levels.

Investment spend of USD45.4 million was made during the year in prioritised projects such as the renewable solar projects, transmission assets and in modernising its infrastructure. Further, and as part of the sustainable financing for its projects, a green bond of USD53.5 million was issued and listed on the Lusaka Securities Exchange.

Cash balance as at 31 December 2023 was USD108.9 million (2022: USD83.3 million).

The Company declared and paid an interim dividend of USD55.2 million, which represents a 10% increase over the 2022 dividend distribution of USD50.4 million.

### Cautionary on Forward-looking Information

This summary results announcement contains financial and non-financial forward-looking statements about the Company's performance and position. We believe that while all forward-looking information contained herein is realistic at the time of publishing this report, actual results in future may differ from those anticipated. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause CEC's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Although CEC believes that the expectations reflected in these forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. We take no obligation to revise or update these forward-looking statements to reflect events or circumstances that arise after the statements have been made.

### About the Company

CEC's core business is the supply of power to the copper mines in the Copperbelt Province of Zambia and the DRC. CEC provides the transmission use of system and wheels power through its network on behalf of ZESCO Ltd and other users in Zambia and the Southern Africa Power Pool. The Company operates a transmission interconnection with the DRC. CEC has six incorporated subsidiaries - CEC-Kabompo Hydro Power Limited (CEC-KHPL), CEC DRC Sarl, CEC-InnoVent South, InnoVent-CEC North, CEC Renewables Limited and Power Dynamos Sports Limited (PDSL). CEC-KHPL is the special purpose vehicle through which CEC has been pursuing the development of the Kabompo Gorge hydroelectric power project in Mwinilunga District of the North-Western Province of Zambia, while CEC-DRC Sarl is a special purpose vehicle incorporated to secure the power trading segment and grow the Company's interest in the DRC market. CEC-InnoVent South and InnoVent-CEC North are joint ventures through which the Company intends to develop two solar PV projects in Kitwe. PDSL is a special purpose vehicle which runs Power Dynamos Football Club.

By Order of the Board  
**Julia C Z Chaila (Mrs.)**  
 Company Secretary

### LUSAKA SECURITIES EXCHANGE SPONSORING BROKER



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