

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

ISSUER



ZCCM INVESTMENTS HOLDINGS PLC (“ZCCM-IH”)

[Incorporated in the Republic of Zambia]

Company registration number: 119540000771
Share Code: ZCCM-IH
ISIN: ZM0000000037
Authorized by: Charles Mjumphi – Company Secretary

SPONSOR



Stockbrokers Zambia Limited

[Founder Member of the Lusaka Securities Exchange]

[Regulated and licensed by the Securities and Exchange Commission of Zambia]

Contact Number: +260-211-232456
Website: www.sbz.com.zm

APPROVAL

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange (“LuSE”)
- ii. the Securities and Exchange Commission (“SEC”)
- iii. ZCCM Investment Holdings Plc (“ZCCM-IH”)

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: 6 June 2024



ZCCM INVESTMENTS HOLDINGS PLC

[Incorporated in the Republic of Zambia]

Company registration number: 771

Share Code: ZCCM-IH

ISIN: ZM0000000037

["ZCCM-IH" or "the Company"]

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

INTRODUCTION

In compliance with the requirements of the Securities Act No. 41 of 2016, ZCCM Investments Holdings PLC ("ZCCM-IH PLC" or "the Company") announces the financial statements results of the Company and its subsidiaries (Collectively referred to as the "the Group") for the year ended 31 December 2023.

STRUCTURE OF THE ZCCM-IH GROUP

| The ZCCM-IH Group consists of the following Nine (9) companies: Name | Shareholding |
|--|---------------------|
| Mopani Copper Mine PLC | 100.00% |
| Ndola Lime Company Limited (In liquidation) | 100.00% |
| Kariba Minerals Limited | 100.00% |
| Misenge Environmental and Technical Services Limited | 100.00% |
| Mushe Milling Limited (In liquidation) | 100.00% |
| Kabundi Resources Limited | 100.00% |
| Limestone Resources Limited | 100.00% |
| Investrust Bank PLC (In possession by the Bank of Zambia)) | 71.40% |
| Zambia Gold Company Limited | 51.00% |

The Company also has other interests in the undernoted companies:

| Name | Shareholding |
|-----------------------------------|---------------------|
| Rembrandt Properties | 49.00% |
| Central African Cement Limited | 49.00% |
| Maamba Collieries Limited | 35.00% |
| Copperbelt Energy Corporation PLC | 31.07% |
| Konkola Copper Mines PLC | 20.60% |
| Kansanshi Mining PLC | 20.00% |
| CNMC Luanshya Copper Mines PLC | 20.00% |
| Lubambe Copper Mines PLC | 20.00% |

| | |
|--------------------------------------|--------|
| Mingomba Mining Limited | 20.00% |
| NFCA Africa Mining PLC | 15.00% |
| Chibuluma Mines PLC | 15.00% |
| Chambishi Metals PLC | 15.00% |
| Copper Tree Mineral Limited | 15.58% |
| Oranto Petroleum Limited | 10.00% |
| Nkana Alloy Smelting Company Limited | 10.00% |

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Audited 31 Dec 2023 ZMW'000 | Audited 31 Dec 2022 ZMW'000 |
|---|--------------------------------------|--------------------------------------|
| Revenue | 11,747,105 | 11,920,429 |
| Gross loss | (3,559,228) | (2,749,922) |
| Operating loss | (2,104,964) | (3,314,561) |
| Net finance cost | (2,267,838) | (1,807,093) |
| Share of profit of equity accounted investees | 2,261,209 | 1,603,143 |
| Loss before tax | (2,111,593) | (3,518,511) |
| Income tax expense | (1,206,049) | (248,019) |
| Loss for the year from continuous operations | (3,317,642) | (3,766,530) |
| Loss from discontinued operations | (758,181) | (19,003) |
| Loss for the year | (4,075,823) | (3,785,533) |
| Earnings per share (ZMW) | (25.35) | (23.54) |
| Basic and diluted earnings per share (ZMW) | (25.35) | (23.54) |

ABRIDGED COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Audited 31 Dec 2023 ZMW'000 | Audited 31 Dec 2022 ZMW'000 |
|---|--------------------------------------|--------------------------------------|
| Investment income | 2,128,699 | 4,916,309 |
| Revenue from contracts with customers | 23,180 | 778 |
| Operating profit | 3,067,198 | 4,054,286 |
| Net finance income | 2,979,315 | 440,763 |
| Profit before tax | 6,046,513 | 4,495,049 |
| Income tax expense | (1,205,034) | (236,321) |
| Profit for the year | 4,841,479 | 4,258,728 |
| Earnings per share (ZMW) | 30.11 | 26.48 |
| Basic and diluted earnings per share (ZMW) | 30.11 | 26.48 |

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

| | Audited 31 Dec 2023 ZMW'000 | Audited 31 Dec 2022 ZMW'000 |
|--|--|--|
| Assets | | |
| Property, plant, and equipment | 248,857 | 12,484,907 |
| Exploration and evaluation asset | 51,437 | 51,437 |
| Intangible assets | 14,393,945 | 3,148,325 |
| Investment property | 208,598 | 200,751 |
| Investments in associates | 10,090,940 | 15,174,862 |
| Financial assets at fair value through profit or loss | 3,019,500 | 1,252,400 |
| Trade and other receivables | 1,628,837 | 2,931,539 |
| Environmental Protection Fund | 7,060 | 94,433 |
| Deferred tax assets | - | 122,852 |
| Inventories | 38,299 | 4,921,366 |
| Trade and other receivables | 339,169 | 762,831 |
| Assets classified as held for sale | 23,626,388 | 2,103,761 |
| Term deposits | 4,450,451 | 5,340,202 |
| Cash and cash equivalents | 360,356 | 329,173 |
| Total assets | 58,463,837 | 48,918,839 |
| Equity and liabilities | | |
| Capital and reserves | (5,690,634) | 7,908,807 |
| Borrowings | - | 27,476,859 |
| Deferred tax liability | 751,833 | - |
| Retirement benefits | 17,381 | 182,940 |
| Provisions for environmental rehabilitation | 112,751 | 1,221,068 |
| Borrowings | - | 864,411 |
| Overdraft | - | 688,120 |
| Trade and other payables | 312,756 | 7,451,177 |
| Provisions | 44,243 | 487,689 |
| Current income tax liabilities | 238,553 | 190,143 |
| Retirement benefits | - | 139,131 |
| Liabilities associated with assets classified as held for sale | 62,676,954 | 2,308,494 |
| Total equity and liabilities | 58,463,837 | 48,918,839 |

ABRIDGED COMPANY STATEMENT OF FINANCIAL POSITION

| | Audited 31 Dec 2023 ZMW'000 | Audited 31 Dec 2022 ZMW'000 |
|---|--|--|
| Assets | | |
| Property, plant, and equipment | 110,624 | 90,471 |
| Intangible assets | 14,260,690 | 3,377 |
| Investment property | 208,598 | 200,751 |
| Investment in subsidiaries | 282,384 | 405,051 |
| Investments in associates | 11,240,080 | 16,256,411 |
| Financial assets at fair value through profit or loss | 3,019,500 | 1,252,400 |
| Trade and other receivables | 4,586,471 | 958,162 |
| Deferred tax assets | - | 258,966 |
| Inventories | - | 16,427 |
| Trade and other receivables | 288,268 | 173,829 |
| Term deposits | 4,411,330 | 5,340,202 |
| Cash and cash equivalents | 61,137 | 45,586 |
| Assets classified as held for sale | - | 145,700 |
| Total assets | 38,469,082 | 25,147,333 |
| Equity and liabilities | | |
| Capital and reserves | 37,422,019 | 24,679,852 |
| Deferred tax liability | 618,059 | - |
| Retirement Benefit Obligations | 17,381 | 9,275 |
| Provisions for environmental rehabilitation | 54,498 | 39,357 |
| Borrowings | - | - |
| Trade and other payables | 78,288 | 121,005 |
| Provisions | 41,461 | 108,686 |
| Current income tax liabilities | 237,376 | 189,158 |
| Total equity and liabilities | 38,469,082 | 25,147,333 |

ABRIDGED GROUP STATEMENT OF CASH FLOWS

| | Audited 31 Dec 2023 ZMW'000 | Audited 31 Dec 2022 ZMW'000 |
|---|--|--|
| Net cash flow generated from operating activities | (83,727) | 1,463,062 |
| Net cash flow used from investing activities | 533,274 | (1,113,001) |
| Net cash outflow from financing activities | (207,812) | (698,833) |
| Decrease in cash and cash equivalents | 241,735 | (348,772) |
| Effects of translation and exchange rate changes on cash and cash equivalents | (277,193) | (68,389) |
| Cash and cash equivalents at the beginning of the year | (81,060) | 336,101 |
| | (116,518) | (81,060) |
| Included in the statement of financial position | 360,356 | (358,947) |
| Included in assets held for sale | (476,874) | 277,887 |
| | (116,518) | (81,060) |

ABRIDGED COMPANY STATEMENT OF CASH FLOWS

| | Audited 31 Dec 2023 ZMW'000 | Audited 31 Dec 2022 ZMW'000 |
|---|--|--|
| Net cash flows from operating activities | (368,710) | 4,766,330 |
| Net cash flows used in investing activities | 379,990 | (4,761,256) |
| Net cash flows used in financing activities | - | (1,135) |
| Decreased in cash and cash equivalents | 11,280 | 3,939 |
| Effect of movement in exchange rates on cash held | 4,271 | (39,851) |
| Cash and cash equivalents at the beginning of the year | 45,586 | 81,498 |
| Cash and cash equivalents at the end of the period | 61,137 | 45,586 |

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

| | Audited 31 Dec 2023 ZMW'000 | Audited 31 Dec 2022 ZMW'000 |
|-----------------------------------|-----------------------------------|-----------------------------------|
| Balance at 1 Jan | 7,908,807 | 12,808,905 |
| Loss for the year | (4,075,823) | (3,785,533) |
| Other comprehensive income | (8,700,010) | (1,029,340) |
| Dividend paid | (723,608) | (85,225) |
| Balance at 31 Dec | (5,590,634) | 7,908,807 |

ABRIDGED COMPANY STATEMENT OF CHANGES IN EQUITY

| | Audited 31 Dec 2023 ZMW'000 | Audited 31 Dec 2022 ZMW'000 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Balance at 1 Jan | 24,679,852 | 24,732,194 |
| Profit for the year | 4,841,479 | 4,258,728 |
| Other comprehensive income | 8,624,296 | (3,225,845) |
| Dividend paid | (723,608) | (85,225) |
| Balance at 31 Dec | 37,422,019 | 24,679,852 |

1. FINANCIAL PERFORMANCE

In 2023, the Group faced financial challenges, with post-tax losses increasing from ZMW3,786 million (US\$222.03 million) in 2022 to ZMW4,076 million (US\$198.59 million). This was primarily due to the underperformance of Mopani Copper Mine Plc, which reported a significant loss of ZMW8.97 billion (US\$436.94 million). Mopani's lower copper production and operational issues were key contributors to this decline.

Despite these difficulties, the Group's total assets grew from ZMW48.92 billion (US\$2.81 billion) in 2022 to ZMW58.46 billion (US\$2.30 billion) in 2023, though the value in US Dollars decreased due to currency depreciation. Liabilities also increased significantly, primarily due to the interest accrued on Mopani's loan from Glencore and the resulting foreign exchange losses.

Retained earnings were in a deficit of ZMW16.462 billion (US\$639.40 million) by the end of 2023, worsening from the previous year's deficit of ZMW11.44 billion (US\$561.56 million).

However, the Company itself reported an increase in profits, rising to ZMW4.84 billion (US\$235.90 million) in 2023 from ZMW4.25 billion (US\$249.78 million) in 2022, demonstrating resilience amidst broader financial challenges within the ZCCM-IH Group.

2. KEY OPERATIONS AND STRATEGIC DEVELOPMENTS

(i) Mopani Copper Mines PLC ("MCM")

Below is a summary of Mopani's financial performance which has been incorporated in the Groups Financial Statements:

| Statement of Profit and Loss and Other Comprehensive - Mopani Copper Mine Plc | | |
|--|--------------------|--------------------|
| ZMW'000 | 2023 | 2022 |
| Revenue | 11,552,419 | 11,854,038 |
| Gross loss | (3,532,408) | (2,711,461) |
| Operating loss | (4,351,218) | (2,814,464) |
| Net finance cost | (4,616,657) | (2,238,476) |
| Loss before tax | (8,967,875) | (5,052,940) |
| Loss for the year | (8,967,875) | (5,052,940) |

| Statement of Financial Position - Mopani Copper Mine Plc | | |
|---|-------------------|-------------------|
| | 2023 | 2022 |
| | ZMW'000 | ZMW'000 |
| Property, plant, and equipment, including intangible assets | 15,646,610 | 15,384,497 |
| Inventories | 3,489,128 | 4,836,680 |
| Trade and other receivables | 2,691,333 | 2,616,620 |
| Environmental protection fund | 147,553 | 94,433 |
| Cash and cash equivalents | 58,367 | 159,584 |
| Total assets | 22,032,991 | 23,091,814 |
| Equity and liabilities | | |
| Capital and reserves | (40,916,634) | (14,981,992) |
| Borrowings | 43,518,156 | 28,341,270 |
| Trade and other payables | 15,072,870 | 7,934,977 |
| Bank overdraft | 1,095,462 | 678,900 |
| Provisions for environmental rehabilitation | 3,263,137 | 1,118,659 |
| Total equity and liabilities | 22,032,991 | 23,091,814 |

Mopani Copper Mines plc (MCM) recorded a significant loss of ZMW 8.9 billion (US\$436.94 million) in 2023, up from ZMW 5.05 billion (US\$296.36 million) the previous year. This was due to decreased copper production, low equipment availability, delayed development, and multiple plant outages. In response, US\$35 million was invested in sustaining and expanding projects, with full commissioning of expansion projects expected by 2027. In March 2024, a strategic investment of US\$1.2 billion by International Resources Holding Limited (IRH), through its wholly-owned subsidiary Delta Mining Limited, was approved to enhance Mopani's financial and operational resilience.

(ii) Kansanshi Royalty Right

ZCCM-IH converted its 20% dividend rights in Kansanshi Mining Plc into a 3.1% life-of-mine royalty right, resulting in royalty income and VAT refunds totalling ZMW1.2 billion (US\$58.48 million) and ZMW170.74 million (US\$8.32 million), respectively.

(iii) Copperbelt Energy Corporation Plc (CEC)

ZCCM-IH increased its shareholding in Copperbelt Energy Corporation Plc (CEC) from 24.1% to 31.07%, driven by confidence in CEC's growth prospects, particularly in renewable energy.

(iv) Konkola Copper Mines Plc (KCM)

ZCCM-IH and Vedanta Resources Group have resolved their disputes by entering into a settlement agreement aimed at resetting their relationship. The necessary steps to withdraw the proceedings related to these disputes are currently being undertaken.

(v) Mingomba Mining Limited (MML)

Mingomba Mining Limited, a new partnership formed in 2023, is conducting a drilling program using Artificial Intelligence (AI) techniques in Chililabombwe. This will expedite orebody definition and subsequent mine development.

(vi) Investrust Bank Plc

ZCCM-IH holds a 71.4% stake in Investrust Bank Plc. The Bank of Zambia announced a takeover of Investrust on 2 April 2024, and trading of its shares was suspended. ZCCM-IH is monitoring the situation.

3. Outlook

ZCCM-IH remains focused on mining and mining-related investments, seeking partnerships that benefit the Zambian people and positioning itself to capitalize on opportunities in the mining sector.

By Order of the Board

**Charles Mjumphi
Company Secretary**

Issued in Lusaka, Zambia on 7 June 2024

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

First Issued on 7 June 2024

APPENDICES

US DOLLAR ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | 31 Dec 2023 | 31 Dec 2022 |
|--|------------------|------------------|
| | US\$'000 | US\$'000 |
| Revenue | 572,356 | 699,145 |
| Gross loss | (173,416) | (161,286) |
| Operating loss | (102,559) | (194,403) |
| Net finance income | (110,497) | (105,988) |
| Share of profit of equity accounted investees | 110,173 | 94,026 |
| Loss before tax | (102,883) | (206,365) |
| Income tax expenses | (58,762) | (14,547) |
| Loss from continuing operations | (161,645) | (220,912) |
| Loss from discontinued operations | (36,941) | (1,115) |
| Loss for the year | (198,586) | (222,027) |
| Earnings per share (US\$) | (1.23) | (1.38) |
| Basic and diluted earnings per share (US\$) | (1.23) | (1.38) |

US DOLLAR ABRIDGED COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | 31 Dec 2023 | 31 Dec 2022 |
|--|----------------|----------------|
| | US\$'000 | US\$'000 |
| Investment income | 103,717 | 288,347 |
| Revenue from contracts with customers | 1,129 | 46 |
| Operating profit | 149,444 | 237,788 |
| Net finance income | 145,162 | 25,851 |
| Profit before tax | 294,606 | 263,639 |
| Income tax expenses | (58,713) | (13,860) |
| Profit for the year | 235,893 | 249,779 |
| Earnings per share (US\$) | 1.47 | 1.55 |
| Basic and diluted earnings per share (US\$) | 1.47 | 1.55 |

US DOLLAR ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

| | 31 Dec 2023 US\$'000 | 31 Dec 2022 US\$'000 |
|---|-------------------------|-------------------------|
| Assets | | |
| Property, plant, and equipment | 9,666 | 756,962 |
| Exploration and evaluation asset | 1,998 | 2,767 |
| Intangible assets | 559,064 | 189,407 |
| Investment property | 8,102 | 11,120 |
| Investments in associates | 391,934 | 840,596 |
| Financial assets at fair value through profit or loss | 117,278 | 69,375 |
| Trade and other receivables | 63,264 | 162,390 |
| Environmental Protection Fund | 274 | 5,231 |
| Deferred tax assets | - | 6,805 |
| Inventories | 1,488 | 295,855 |
| Trade and other receivables | 13,173 | 42,256 |
| Term deposits | 172,857 | 295,815 |
| Cash and cash equivalents | 13,996 | 18,234 |
| Assets classified as held for sale | 917,654 | 116,536 |
| Total assets | 2,270,748 | 2,813,349 |
| Equity and liabilities | | |
| Capital and reserves | (221,028) | 541,639 |
| Borrowings | - | 1,522,053 |
| Deferred tax liabilities | 29,201 | - |
| Retirement benefits | 675 | 10,134 |
| Provisions for environmental rehabilitation | 4,379 | 67,640 |
| Bank overdraft | - | 38,118 |
| Borrowings | - | 47,883 |
| Trade and other payables | 12,148 | 412,750 |
| Provisions | 1,721 | 27,015 |
| Current tax liabilities | 9,265 | 10,533 |
| Retirement benefits | - | 7,707 |
| Liabilities directly associated with assets classified as held for sale | 2,434,387 | 127,877 |
| Total equity and liabilities | 2,270,748 | 2,813,349 |

US DOLLAR ABRIDGED COMPANY STATEMENT OF FINANCIAL POSITION

| | 31 Dec 2023 | 31 Dec 2022 |
|---|--------------------|--------------------|
| | US\$'000 | US\$'000 |
| Assets | | |
| Property, plant, and equipment | 4,297 | 7,408 |
| Intangible assets | 553,888 | 198 |
| Investment property | 8,102 | 11,120 |
| Investments in subsidiaries | 10,968 | 22,437 |
| Investments in associates | 436,567 | 900,507 |
| Financial assets at fair value through profit or loss | 117,278 | 69,375 |
| Trade and other receivables | 178,140 | 53,076 |
| Deferred tax assets | - | 14,345 |
| Inventory | - | 830 |
| Trade and other receivables | 11,196 | 9,629 |
| Term deposits | 171,337 | 295,815 |
| Cash and cash equivalents | 2,375 | 2,525 |
| Assets classified as held for sale | - | 8,071 |
| Total assets | 1,494,148 | 1,395,336 |
| Equity and liabilities | | |
| Capital and reserves | 1,453,479 | 1,369,440 |
| Deferred tax assets | 24,006 | - |
| Retirement benefits | 675 | 514 |
| Provisions for environmental rehabilitation | 2,117 | 2,180 |
| Trade and other payables | 3,041 | 6,703 |
| Provisions | 1,610 | 6,021 |
| Current tax liabilities | 9,220 | 10,478 |
| Total equity and liabilities | 1,494,148 | 1,395,336 |

*The Statement of Financial Position has been translated using the rate of K25.75/US\$.