

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

ISSUER



CEC RENEWABLES LIMITED (“CEC Renewables”)
[Incorporated in the Republic of Zambia]

Company registration number: 120220041135
ISIN: ZM2000001171
Authorised by Eric Hanziba – 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. CEC Renewables Limited

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: 19 August 2024

CEC RENEWABLES RELEASES UNAUDITED RESULTS FOR THE HALF-YEAR PERIOD TO 30 JUNE 2024

Financial Indicators

Period to	Revenue	EBITDA	Profit Before Tax	Capex	Net Debt (excluding shareholder funding)	Renewable Energy Generated
30 June 2024	USD 3.238m	USD 2.816m	USD 284k	USD 6.609m	USD42.037m	61.074 MWh

Assets Manager, Hilton Fulele, Commented

I am pleased to report on the performance of CEC Renewables for the half year period ending June 2024. This year has been a landmark period for our company, marked by significant achievements and milestones in our renewable energy generation journey. The results we have achieved reflect our collective effort, resilience, and dedication to increasing our contribution to renewable energy generation for the country, to drive a cleaner and more sustainable future.

On April 10, 2024, His Excellency, the President of the Republic of Zambia, Mr. Hakainde Hichilema, commissioned the 60 MW Itimpi Solar PV Plant Phase 1, bringing the Company's total installed generation capacity to 94 MW. Our two solar generating assets, the 60MW Itimpi Solar Plant Phase 1 and the 34MW Riverside Solar Plant, together generated 61.07 MWh in the first half of 2024, representing a 293% increase compared to the same period in 2023.

Our investments in renewable energy assets have not only boosted our financial performance but also had a significant positive impact on the environment. During the period under review, our operations successfully avoided 29,000 tonnes of carbon emissions equivalent.

Our 2027 strategy has a strong focus on scalable Solar PV projects, aimed at more than doubling our current generation capacity.

Looking ahead, we are excited about our plans to develop an additional 136 MW plant at Itimpi whose construction is planned to begin in the fourth quarter of 2024. The expansion will be financed through the issuance of a second tranche of the USD200 million Green Bond programme registered with the SEC in December 2023 and an equity injection from the Parent Company, CEC PLC.

Our achievements so far have positioned CEC Renewables as a leader in renewable energy generation in Zambia. Our financial growth, operational successes, and environmental impact underscore our dedication to creating sustainable value for our stakeholders.

We remain confident that our strategic initiatives and ongoing projects will continue to drive growth and innovation.

Summary statement of profit or loss and other comprehensive income

	Unaudited six months to 30 June 2024	Unaudited six months to 30 June 2023	Audited year ended 31 December 2023
	USD'000	USD'000	USD'000
Revenue	3,438	963	2,533
Cost of providing services	(1,003)	(339)	(796)
Gross profit	2,435	623	1,737
Operating expenses	(562)	(84)	(359)
Profit / (loss) before interest and tax	1,873	539	1,378
Net finance costs	(1,588)	(259)	(902)
Profit before income tax	285	281	476
Income tax	(85)	(84)	(258)
Profit / (loss) for the year	200	197	218
Other comprehensive income	-	-	-
Total comprehensive profit for the year	200	197	218

Summary statement of financial position

	Unaudited six months to 30 June 2024	Unaudited six months to 30 June 2023	Audited year ended 31 December 2023
	USD'000	USD'000	USD'000
Total non-current assets	65,161	42,171	54,631
Total current assets	13,358	1,051	26,022
Total assets	78,519	43,222	80,653
Total equity	18,785	3,191	18,584
Total non-current liabilities	54,306	84	54,306
Total current liabilities	5,429	39,947	7,763
Total equity & liabilities	78,519	43,222	80,653

Summary of statement of cash flows

	Unaudited six months to 30 June 2024	Unaudited six months to 30 June 2023	Audited year ended 31 December 2023
	USD'000	USD'000	USD'000
Net cash flows from operating activities	(2,285)	678	(424)
Net cash flows from investing	(6,609)	(6,873)	(14,885)
Net cash flows from financing activities	(4,555)	6,903	40,258
Net (decrease)/increase in cash and cash equivalents	(13,449)	708	24,949
Cash and cash equivalents at 1 January	24,949	-	-
Cash and cash equivalents at 30 June/31 December	11,501	708	24,949

Summary of statement of changes in Equity

	Share Capital	Share Premium	Accumulated profits/(losses)	Total
	USD'000	USD'000	USD'000	USD'000
Year ended 31 December 2022				
At start of the year	6	2,994	(6)	2,994
Profit for the year	-	-	218	218
Transactions with owners:				
Land transferred to CEC Renewables	-	958	-	958
Shareholder loan converted to equity	-	14,414	-	14,414
Total transactions with owners	-	15,372	-	15,372
At end of year	6	18,366	212	18,584
For six months Period to 30 June 2024				
At the start of the year	6	18,366	212	18,584
Profit for the half year	-	-	200	200
Transactions with owners:				
Total transactions with owners	-	-	-	-
For the period ended 30 June 2024	6	18,366	412	18,784

Financial Highlights

Revenue for the six months to 30th June 2024 was USD3.438 million up from USD0.963 million, a 257% growth on account of the commissioning of the Itimpi Solar Plant and improved performance of the Riverside Solar Plant. However, Profit After Tax for the six-month period only grew by 1% to USD0.199 million (2023: USD0.197 million), curtailed by the increase in finance costs from the Green Bond issuance in December 2023.

The Company paid out the first coupon of USD2.416 million in interest on the Green Bond for the half-year underscoring our commitment to financial integrity and creating value for our investors.

We continued to invest in requisite renewable energy generation infrastructure, with Capital expenditure of USD6.609 million spent in the period to 30 June 2024.

As of 30th June 2024, the cash balance stood at USD11.501 million (2023:0.708) having paid out Green Bond Interest and USD11.022 million paid in shareholder loans for amounts invested in the Riverside and Itimpi Solar Plants.

The company looks to leverage the balance of the USD200 million Green Bond programme registered with the SEC Zambia to finance the development of an additional 136 MW solar plant at Itimpi, which will result in significant social and economic benefits.

Dividends

No dividend was declared and paid during the period under review.

Cautionary on Forward-looking Information

This summary results announcement contains financial and non-financial forward-looking statements about the Company's performance and position. The statements reflect management's current views with respect to certain future events. Whilst all forward-looking information contained herein is realistic at the date of this report, actual results may differ from those anticipated. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause CEC Renewables' 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 Renewables 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 Renewables Limited is a wholly owned subsidiary of CEC PLC, incorporated on 28th October 2022 as a platform for renewable energy expansion, designed to scale up the deployment of renewable energy across the Zambian Grid. The Company's principal activity is renewable energy generation. CEC Renewables currently has an installed capacity of 94 MWp of Photovoltaic (PV) solar power generated from its 34 MW Plant in Riverside, Kitwe and 60 MW Plant in Itimpi, Kitwe.

By Order of the Board

Eric M. Hanziba
 Company Secretary

LUSAKA SECURITIES EXCHANGE SPONSORING BROKER



STOCKBROKERS ZAMBIA LIMITED
 [MEMBER OF THE LuSE and REGULATED BY THE SECURITIES AND EXCHANGE COMMISSION OF ZAMBIA]

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