

AEP Energy Africa Limited
Incorporated in the Republic of South Africa
(Registration number 2017/024904/06)
JSE share code: AEY
ISIN: ZAE000241741
("AEP" or "the Company")

Unaudited Condensed Interim Financial Results
for the six months ended 31 December 2017

Introduction

1. Basis of presentation

The unaudited condensed interim financial results are prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. These accounting policies are consistent with those applied in the previous annual financial statements.

The condensed interim financial results for the six months ended 31 December 2017 have not been audited or reviewed. The unaudited condensed interim financial results have been prepared under the supervision of Mr KG Simons CA (SA), in his capacity as Chief Financial Officer.

2. Nature of business

The Company successfully listed as a special purpose acquisition company ("SPAC") on the alternative exchange ("AltX") of the JSE Limited ("JSE") on 30 June 2017. Upon listing, 5 255 480 shares of no par value were placed at R10 a share, raising R52,554,800 worth of equity share capital in the process.

AEP's business model is to acquire clean energy infrastructure businesses or energy service providers that are operating and cash generative or not more than 12 months away from commercial operations. Typically such assets and service providers have clear revenue and income visibility. Examples include long-term electricity supply contracts.

3. Commentary

At 31 December 2017, AEP is yet to acquire a viable asset. Management is actively pursuing the acquisition of a viable asset. AEP remains under cautionary and will alert the market of the progress thereof.

Any income generated thus far has solely been from interest received on cash balances. AEP made a loss after tax for the period of R6,962,602 (30 June 2017: R6,136,894). Basic and headline loss of 132.48 cents per share (30 June 2017: 18 224 cents per share) is based on 5 255 680 shares, being the weighted average number of shares in issue over the interim period to 31 December 2017 and is a result of interest received from funds in escrow and current accounts, less permissible and operating expenses.

The current tax for the period under review amounts to R354,037 (30 June 2017: R9,849).

4. Comparatives

Comparatives for the period ending 31 December 2016 have not been shown as the Company only started trading in February 2017. The comparatives as shown are for the five months ended 30 June 2017.

5. Changes to the Board

On 4 September 2017, Erica Johnson resigned as an independent non-executive director.

6. Going concern

The unaudited condensed interim results for the period ended 31 December 2017 have been prepared on a going concern basis.

This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

7. Dividend

There were no dividends declared for the interim period.

Introduction

8. Details of the Board

The directors in office at the date of this report are as follows:

Executive directors

Edwin Kikonyogo (Chief Executive Officer)
Nkosi-Yawo Gugushe (Chief Operations Officer)
Kevin Simons (Chief Financial Officer)

Non-executive directors

David Wright* (Chairman)
Silvanus David*
Carla Cloete*
Sifiso Sibiyi*
Meriam Kekana*
Sello Moloko
Thabo Leeuw
Oliver Petersen

* Independent

9. Registered office

The registered address of the company is:

Business address: Second Floor
 28 Fricker Road
 Illovo
 Sandton
 2196

10. Company secretary

The company secretary of AEP is Imbokodvo Bethany Governance and Statutory Compliance Proprietary Limited who is represented by Ms. Sipiwe Ngwenya.

Business address: First Floor, Yellowwood House
 Ballywoods Office Park
 33 Ballyclare Drive
 Bryanston
 2196

11. Designated advisor

Questco Corporate Advisory Proprietary Limited is the designated advisor to AEP.

Business address: First Floor, Yellowwood House
 Ballywoods Office Park
 33 Ballyclare Drive
 Bryanston
 2196

Date of issue: 26 February 2018

Unaudited Condensed Statement of Financial Position as at 31 December 2017

Figures in Rand	31 December 2017 Unaudited	30 June 2017 Audited
Assets		
Non-Current Assets		
Property, plant and equipment	13,814	16,884
Current Assets		
Trade and other receivables	162,213	1,102,560
Cash and cash equivalents	37,776,257	52,592,028
	37,938,470	53,694,588
Total Assets	37,952,284	53,711,472
Equity and Liabilities		
Equity		
Share capital	48,741,085	48,741,085
Accumulated loss	(13,099,494)	(6,136,894)
	35,641,591	42,604,191
Liabilities		
Current Liabilities		
Trade and other payables	2,233,087	9,773,997
Loans from related parties	-	1,323,435
Current tax payable	77,606	9,849
	2,310,693	11,107,281
Total Equity and Liabilities	37,952,284	53,711,472

Unaudited Condensed Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	six months ended 31 December 2017 Unaudited	five months ended 30 June 2017 Audited
Unrealised foreign exchange gains		26,077	-
Operating expenses		(7,861,949)	(6,162,221)
Operating loss		(7,835,872)	(6,162,221)
Interest received		1,227,309	35,176
Loss before taxation		(6,608,563)	(6,127,045)
Taxation		(354,037)	(9,849)
Loss for the six months		(6,962,600)	(6,136,894)
Other comprehensive income		-	-
Total comprehensive loss for the six months		(6,962,600)	(6,136,894)
Loss per share			
Per share information			
Basic loss per share (cents)	1	(132.48)	(18,224.00)
Headline loss per share (cents)	1	(132.48)	(18,224.00)
		(132.48)	(18,224.00)

There are no dilutive instruments in issue for all periods presented.

Unaudited Condensed Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated loss	Total equity
Issue of shares	52,555,000	-	52,555,000
Share issue costs	(3,813,915)	-	(3,813,915)
Opening balance as previously reported	48,741,085	-	48,741,085
Loss for the five months ended 30 June 2017	-	(6,136,894)	(6,136,894)
Other comprehensive income	-	-	-
Total comprehensive loss for the five months	-	(6,136,894)	(6,136,894)
Balance at 01 July 2017	48,741,085	(6,136,894)	42,604,191
Loss for the six months ended 31 December 2017	-	(6,962,600)	(6,962,600)
Other comprehensive income	-	-	-
Total comprehensive loss for the six months	-	(6,962,600)	(6,962,600)
Balance at 31 December 2017	48,741,085	(13,099,494)	35,641,591

Unaudited Condensed Statement of Cash Flows

Figures in Rand	six months ended 31 December 2017 Unaudited	five months ended 30 June 2017 Audited
Cash flows from operating activities		
Loss before taxation	(6,608,563)	(6,127,045)
Adjustments for:		
Depreciation	3,070	1,535
Unrealised foreign exchange gains	(26,077)	-
Interest received	(1,227,309)	(35,176)
Changes in working capital:		
Trade and other receivables	940,347	(1,102,560)
Trade and other payables	(7,514,833)	9,773,997
Cash used in operations	(14,433,365)	2,510,751
Interest received	1,227,309	35,176
Tax paid	(286,280)	-
Net cash (outflow)/inflow from operating activities	(13,492,336)	2,545,927
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(18,419)
Loans from related parties repaid	(1,323,435)	-
Proceeds from loans from related parties	-	1,323,435
Net cash (outflow)/inflow from investing activities	(1,323,435)	1,305,016
Cash flows from financing activities		
Proceeds on share issue	-	52,555,000
Payment of share issue costs	-	(3,813,915)
Net cash (outflow)/inflow from financing activities	-	48,741,085
Total cash movement for the period	(14,815,771)	52,592,028
Cash at the beginning of the period	52,592,028	-
Total cash at end of the period	37,776,257	52,592,028

Notes to the Unaudited Condensed Interim Financial Results

	six months ended 31 December 2017 Unaudited	five months ended 30 June 2017 Audited
Figures in Rand		

1. Basic loss per share

Basic earnings/loss per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Basic and Headline loss per share

From continuing operations (cents per share)	(132.48)	(18,224.00)
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Basic loss per share was based on losses after tax of R6,962,600 (30 June 2017: R6,136,894) and weighted average number of ordinary shares of 5 255 680 at 31 December 2017 (30 June 2017: 33 676).

AEP has not yet acquired a viable asset and therefore income earned is not indicative of the of the company's future performance capability.

Headline earnings reconciliation

There are no adjustments to basic earnings to arrive at headline earnings for the period ended 31 December 2017 and the comparative period ended 30 June 2017.

2. Related parties

Destiny Corporation Management Services Proprietary Limited has been appointed as the Management Company of AEP Energy Africa Limited and therefore has significant influence. The directors of Destiny Corporation Management Services Proprietary Limited are also the directors of AEP Energy Africa Limited.

Management fees for the six months ended 31 December 2017 were R900,000 (30 June 2017: Nil).