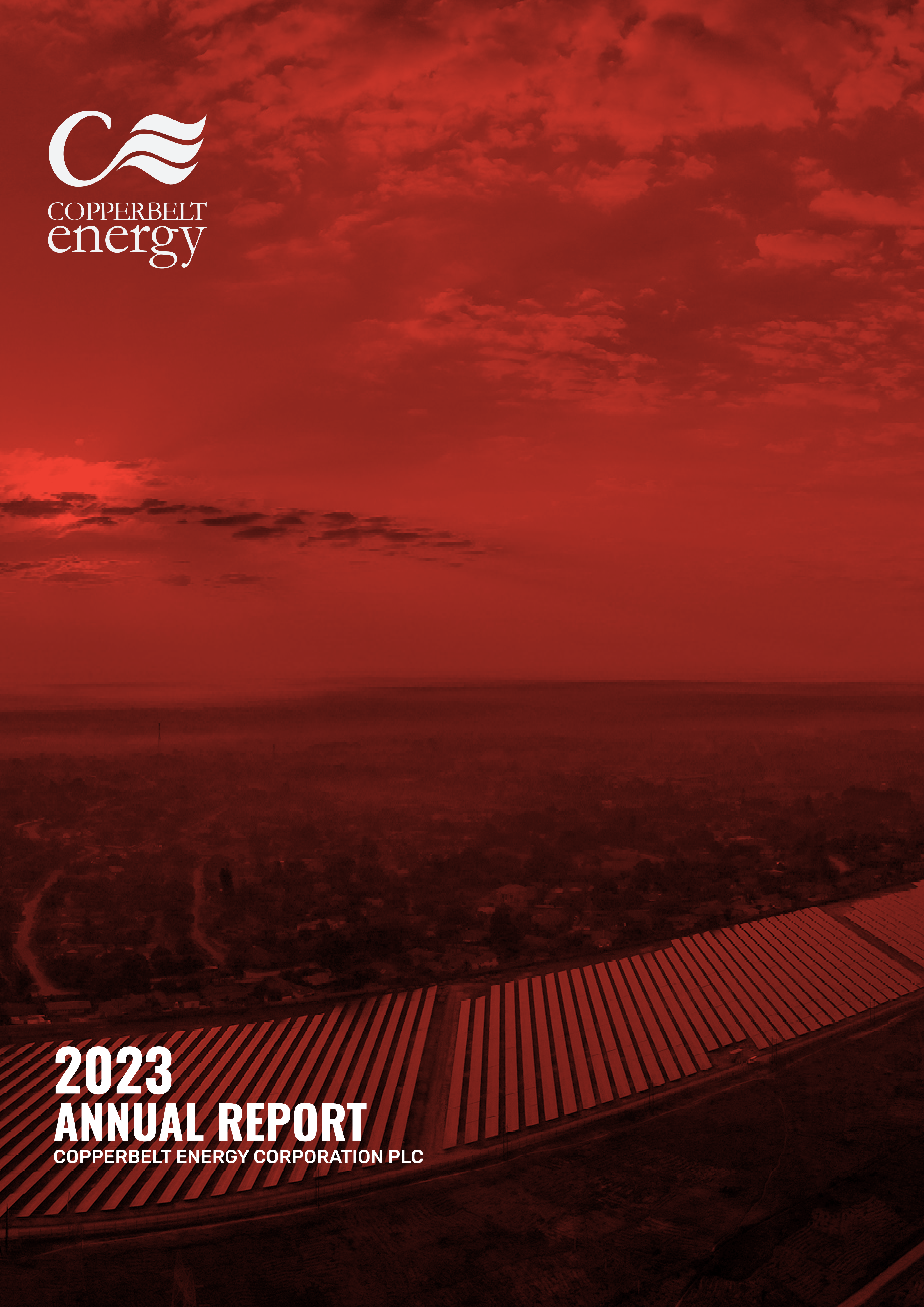
COPPERBELT energy

2023 ANNUAL REPORT

COPPERBELT ENERGY CORPORATION PLC

Annual Report and Financial Statements for the year ended 31st December 2023

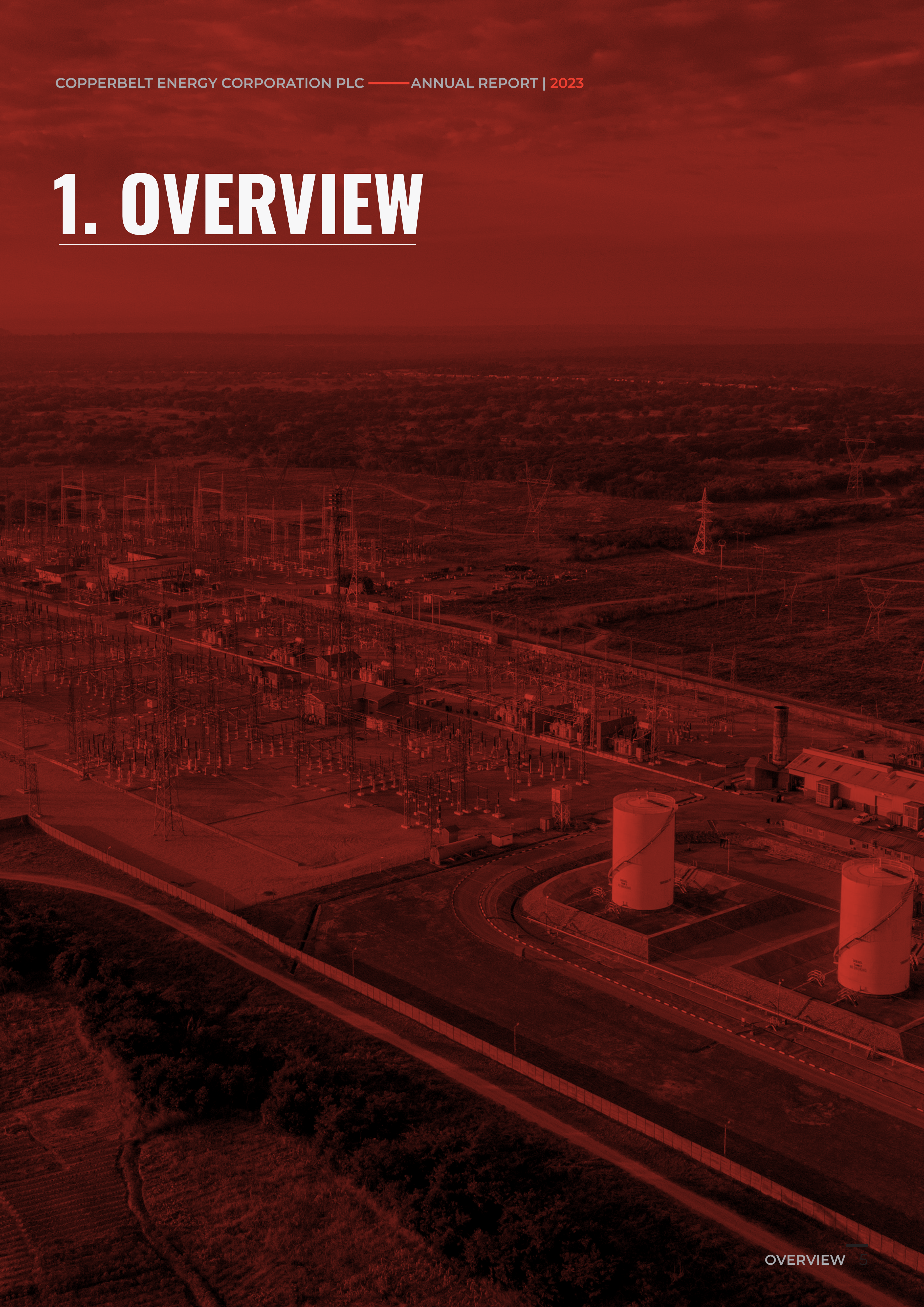


COPPERBELT
energy

2023
ANNUAL REPORT
COPPERBELT ENERGY CORPORATION PLC

CONTENTS

1. OVERVIEW



CEC IN NUMBERS

114 MW POWER GENERATION CAPACITY
34 MW Solar PV
80 MW THERMAL

27 MINE CUSTOMERS
2 NON-MINE CUSTOMERS

USD 495M POWER ASSETS
1,070KM+ OF TRANSMISSION AND DISTRIBUTION LINES
45 HIGH VOLTAGE SUBSTATIONS
186 TRANSFORMERS
487 CIRCUIT BREAKERS

156.4KM OF 220KV
TRANSMISSION INTERCONNECTION WITH THE DRC

2,800 +
DIRECT AND CONTRACT LABOUR IN 2023

4 SUBSIDIARIES
2 ASSOCIATES

OFFICES IN
2 COUNTRIES ZAMBIA and DRC

6,000+
RETAIL AND INSTITUTIONAL SHAREHOLDERS

USD13.1M
SOCIAL INVESTMENT SINCE 2018

USD208M
DISTRIBUTED TO SHAREHOLDERS IN DIVIDENDS SINCE 2019

300MW
3-YEAR PIPELINE OF RENEWABLE ENERGY PROJECTS (Solar PV and WIND)

2023 AWARDS

- **Kitwe District Chamber of Commerce and Industry**
  Most Outstanding Corporate of the Year Award
  Most Innovative Company Award
- **Zambia Environmental Management Agency**
  Green Award
- **Copperbelt Agricultural Mining, Industrial, Networking and Entreprise Expo (CAMINEX)**
  Best Public Service and Utility Award
- **Engineering Institution of Zambia**
  Excellence Award
- **FAZ-MTN Super League Championship**
  Power Dynamos Football Club Super League Championship Award

ABOUT THIS REPORT

This Annual Report for the financial year ended 31st December 2023, covering Copperbelt Energy Corporation PLC ("CEC" or the "Company") and its subsidiaries (together, "the Group") is presented pursuant to the:

- Companies Act, 2017
- Securities and Exchange Act, 2016
- International Financial Reporting Standards
- LuSE Listing Rules

The Annual Report and financial statements comprehensively detail the Group's financial and operational performance in 2023, its strategy and value creation. The outlook information contained herein indicates our goals and objectives for future years, including how the industries we operate in and serve will transition and transform, and how we are preparing for those inevitable changes.

In the 2023 Annual Report, the Group has centred more on sustainability, identifying the environmental, social and governance factors with the most effect and consequence for the business and industry at present and in the future. The information contained in this report is intended for and will be used by a large audience of different stakeholders, including our existing shareholders, potential investors, regulators, the government, our current and potential customers and our employees.

Throughout this report, frequently used terms are written in abbreviated format, with the long form terms explained in the glossary from pages 9 to 13.

Responsibility and Assurance

The Board of Directors is responsible for ensuring the integrity of this Annual Report.

The Board has assured that to the best of its knowledge and belief, the 2023 Annual Report and financial statements of the CEC Group address and fairly present all the material issues.

The Audit and Risk Committee of the Board retains oversight of the preparation of this report and has satisfied itself with the accuracy and completeness of the information contained herein. The external auditor, PwC, has audited the annual financial statements and has given its independent report on page 91 to 95.

Forward-Looking Information

This report 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. We take no responsibility to revise or update these forward-looking statements to reflect events or circumstances that arise after the statements have been made.

Stakeholder Engagement

Our investor and stakeholder contact information is on page 186.

London Mwafulilwa
Chairperson

Owen Silavwe
Managing Director

SUPPLEMENTARY INFORMATION

Glossary of Terms and Abbreviations

Throughout this Annual Report, unless the context indicates otherwise, the words in the column on the left below shall have the meaning stated opposite them in the column on the right below. Reference to the singular shall include the plural and vice versa, words denoting one gender include the other and words and expressions denoting natural persons include juristic persons and associations of persons.

"Act" or "Companies Act"	The Companies Act, 2017
"Adjusted EBITDA	EBITDA adjusted for impairment (loss)/gain, write backs and gain/(loss) on disposal
"AGM"	The Annual General Meeting of the members or shareholders of CEC or the Company
"AI"	Artificial Intelligence
"APC"	Association of Power Companies
"Articles"	The Articles of Association of the Company (CEC)
"the Board" or "the Directors"	The Board of Directors of CEC as at the date of this Annual Report and "Director" shall be construed accordingly
"BSA"	The Bulk Supply Agreement between CEC and ZESCO limited 2022-2035
"Carbon Sequestration"	Carbon sequestration is a naturally occurring process of capturing and storing atmospheric carbon in vegetation such as grasslands or forests, as well as in soils and oceans.
"CA" or "CAs"	Connection Agreement (s) entered into between CEC and its customers
"CBU"	The Copperbelt University
"CEC" or "the Company" or "the Group"	Copperbelt Energy Corporation PLC (Registration number 39070), a public Company incorporated in accordance with the laws of Zambia and listed on the LuSE
"CEC-DRC Sarl"	CEC DRC Sarl (registration No. CD/LSH/RCCM/18-B-00132), a Limited Liability Company incorporated in accordance with the laws of the Democratic Republic of Congo
"CEC-KHPL"	CEC-Kabompo Hydro Power Limited (Registration number 99488), a Company registered in Zambia
"CGU"	Cash Generating Unit
"CMP"	Chambishi Metals PLC, a customer of CEC
"CHIB"	Chibuluma Mines PLC, a customer of CEC
"CLM"	CNMC Luanshya Copper Mines PLC, a customer of CEC
"CODM"	Chief Operating Decision Maker
"Copperbelt"	The mining area of Zambia, which is centred around the Copperbelt Province of Zambia
"Corporate Governance Code"	The corporate governance code of the LuSE
"COSO"	Committee of sponsoring organisations
"COVID-19"	The novel coronavirus disease, SARS-CoV-2, declared a pandemic by the World Health Organisation in March 2020
"CSR"	Corporate Social Responsibility
"CSI"	Corporate Social Investment
"CTA"	Common Terms Agreement
"CSD" or "LuSE CSD"	The Central Securities Depository maintained by the LuSE

“Dangote”	Dangote Industries Zambia Limited and the thermal power plant at the Dangote cement manufacturing plant
“Decarbonisation”	Decarbonisation refers to methods of climate change mitigation that of reducing carbon dioxide and other greenhouse gas emissions, and removes them from the atmosphere
“Dematerialised Shareholders”	CEC shareholders who hold dematerialised shares in CEC
“DFI”	Development Finance Institution
“Dividend”	A distribution of a portion of the Company’s earnings, decided by the Board of Directors, paid to shareholders
“Documents of Title”	Share certificates, certified transfer deeds, balance receipts, or any other documents of title to CEC shares
“DPS”	Dividend Per Share
“DRC”	Democratic Republic of Congo
“DSA”	Debt Service Agreement
“EBITDA”	Earnings Before Interest, Tax, Depreciation and Amortisation
“ECL” or “ECLs”	Expected Credit Loss(es)
“ENPS”	Employee Net Promoter Score
“EPS” or “Earnings Per Share”	Earnings attributable to each CEC share, calculated by dividing the Company’s profit attributable to shareholders by the weighted average number of issued CEC shares
“ERB”	Zambia’s energy sector regulatory body established under the Energy Regulation Act Chapter 436 of the Laws of Zambia
“ERP”	Enterprise Resource Planning
“ETRM”	Energy Trading and Risk Management
“ESG”	Environment, Social and Governance
“ESIA”	Environmental Social Impact Assessment
“ESMP”	Environmental and Social Management Plan
“ESOP”	Employee Share Ownership Plan
“FDI”	Foreign Direct Investment
“FVPL”	Fair value through profit or loss
“FY”	The appropriate financial year-end reporting date for the defined year
“GCSA”	Grid Connection Services Agreement
“GET FiT Zambia”	A programme designed to assist the Zambian Government in the implementation of its Global Renewable Energy Feed-In Tariff Strategy and aims to procure and support Independent Power Producer projects of up to 20MW each
“GHG(s)”	Greenhouse gas emissions
“Golden Share”	“Golden Share” or “Special Share” is a share in CEC that may only be issued to, held by and transferred to the Minister responsible for Finance or his successor or a nominee on his behalf or any other Minister or other Person acting on behalf of GRZ, the Special Shareholder
“Greenhouse Gases”	Greenhouse gases are a distinct set of gases in the atmosphere that absorb infrared radiation from the Earth and reradiate it back to the Earth, hence causing the earth to be warmer.
“GRZ”	The Government of the Republic of Zambia
“GRZ Nominated Member”	The Board member appointed by GRZ, pursuant to the Golden Share, usually the Permanent Secretary of the Ministry of Energy as shall be designated as such by the Minister from time to time
“GTA”	Gas Turbine Alternators

"GWh"	Gigawatt hours, a unit of energy representing one billion (1,000,000,000) watt hours and equivalent to one million kilowatt hours. Gigawatt hours are often used as a measure of the output of large electricity power stations
"HFO"	Heavy Fuel Oil
"HSE"	Health, Safety and Environment
"HV"	High Voltage
"IAS"	International Accounting Standards
"IASB"	International Accounting Standards Board
"ICT"	Information and Communication Technologies
"IFC"	International Finance Corporation
"IFRS"	The International Financial Reporting Standards and Interpretations adopted by the IASB and the International Financial Reporting Interpretations Committee of the IASB
"IMS"	Integrated Management System
"IPP"	Independent power producer
"IRU"	Indefeasible right of use in relation to the excess capacity on the CEC Telecoms Assets by Liquid Telecom
"IRP"	Integrated Resource Plan - industry long-term plan that outlines how growth in power demand/consumption will be met by investments in generation, transmission and distribution infrastructure
"ISO"	International Organisation for Standardisation
"Itimpi"	60 MW solar plant under development in Itimpi area, Kitwe
"JETS"	Junior Engineers, Technicians and Scientists
"Kabompo"	The Kabompo Gorge Hydroelectric Power Project, located in the North-Western Province of Zambia
"KCM"	Konkola Copper Mines PLC, a customer of CEC
"KM" or "km"	Kilometres, a measure of distance equivalent to 1,000 metres
"KPIs"	Key Performance Indicators
"kV"	Kilovolts, a unit of electromotive force equal to 1,000 volts
"LASI"	LuSE All Share Index
"LHPC" or "Lunsemfwa"	Lunsemfwa Hydropower Company Limited, a hydropower power IPP located in the Central Province of Zambia
"Listings Requirements	The Listings Requirements of the LuSE, as amended from time to time
"LPG"	Liquid Petroleum Gas
"LTA"	Lost Time Accident
"LTIFR"	Lost Time Injury Frequency Rate
"LTISR"	Long Term Injury Service Rate
"Lubambe"	Lubambe Copper Mine Limited, a customer of CEC
"LuSE"	The Lusaka Securities Exchange Limited (Registration number 120120030495), a Company incorporated in Zambia and licensed to operate as a stock exchange under the Securities Act, No. 41 of 2016
"MCM"	Mopani Copper Mines PLC, a customer of CEC
"MoE"	Ministry of Energy
"Mutende"	Mutende Community Service Group, a voluntary charitable association of CEC employee

"MW"	Megawatt(s), a unit of power equal to one million watts
"MYTF"	Multi-Year Tariff Framework
"NAPSA"	National Pension Scheme Authority
"NAV"	Net Asset Value
"NDC"	Nationally Determined Contribution
"NEP"	The National Energy Policy of 2019
"Net Asset Value Per Share" or "NAV per share"	CEC shareholders' equity, as determined by deducting liabilities from assets, divided by the weighted average number of CEC shares in issue
"Net Zero"	Net zero refers to a state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere
"NFC"	NFC Africa Mining PLC, a customer of CEC
"NHIS"	National Health Insurance Scheme
"OPGW"	Optical Ground Wire
"Open Access Market/Open Access"	The availability of spare transmission or distribution capacity to any qualifying participant on non- discriminatory terms and conditions
"O & M"	Operations and maintenance
"PACRA"	The Patents and Companies Registration Agency of Zambia, established pursuant to section 3 of the Patents and Companies Registration Agency Act No. 15 of 2010, as amended
"PAT"	Profit After Tax
"PAYE"	Pay-as-you earn
"PBT"	Profit Before Tax
"Person"	A natural individual or body corporate with legal capacity
"Power Dynamos" or "PDFC"	Power Dynamos Football Club, a Zambian super league side fully sponsored by the Company
"PDU"	Presidential Delivery Unit
"PPDF"	the Public Private Dialogue Forum, a platform for structured, participatory and inclusive engagement between private and public sector economic players in Zambia on policy and socio-economic development
"PPE"	Personal protective equipment;
"PSA"	Power Supply Agreement (between CEC and each of its customers)
"PV"	Photovoltaic
"RBCSC"	Risk and Business Continuity Steering Committe
"Register"	Means the register of Certificated Shareholders maintained by CEC and the sub-register of Dematerialised Shareholders maintained by the Transfer Secretary
"ROA"	Return on Assets
"ROE"	Return on Equity
"RTA"	Road Traffic Accident
"RTAFR"	Road Traffic Accident Frequency Rate
"RTI"	Road Traffic Incident
"RTU"	Remote Terminal Units

"SADC"	The Southern African Development Community, a 16-member inter-governmental organisation whose goal is the furtherance of socio-economic cooperation and integration, and political and security cooperation
"SAPP"	The Southern African Power Pool, an arrangement for, inter alia, co-operation in matters of electricity generation, transmission and trade between member states, including Zambia
"SCADA"	Supervisory Control and Data Acquisition
"SCPE"	Standard Chartered Private Equity, formerly a division of Standard Chartered PLC, which is a bank holding Company registered in England (Registration Number 966425)
"SDGs"	Sustainable Development Goals, the core of the global compact – The 2030 Agenda for Sustainable Development – anchored by and through the United Nations. The SDGs are an urgent call for action by all countries to pursue peace and prosperity for people and the planet, now and into the future
"SDH"	Synchronous Digital Hierarchy
"SEC"	The Securities and Exchange Commission Zambia, a statutory body established under the Securities Act
"SENS"	The Securities Exchange News Service of the LuSE
"Shareholders"	Registered holders of CEC Shares
"Shares"	Ordinary shares of CEC with a par value of ZMW0.01 each in the authorised and issued share capital of the Company
"SHES"	Safety, Health, Environment and Social
"SNEL"	Société Nationale d'Électricité, the national power utility of the DRC
"Solar PV"	Solar Photovoltaic, a power system designed to supply usable solar power by means of photovoltaics
"STEM"	Science, Technology, Engineering and Mathematics - An approach to education that focuses on hard sciences, develops critical thinking skills and improves problem solving abilities
"Transfer Agent" or "Transfer Secretary"	Corpserve Transfer Agents Limited (Registration number 120080074349), a Company registered in Zambia and providing share transfer secretarial services to CEC
"TUoS"	Transmission Use of System
"UAV"	Unmanned Arial Vehicles
"UK"	United Kingdom
"UNCITRAL"	United Nations Commission on International Trade Law
"USD" or "US$" or "$"	United States Dollars
"VAT"	Value added tax
"VFL"	Visible Felt Leadership
"Volts"	A standard unit used to measure the force of an electric current
"WHO"	The World Health Organisation
"Zambia"	The Republic of Zambia
"ZCCM-IH"	ZCCM Investments Holdings PLC (Registration number 119540000771), a Company registered in Zambia
"ZECI"	Zambian Energy Corporation (Ireland) Limited (Registration number 414474) a Company registered in Ireland
"ZEMA"	Zambia Environmental Management Agency
"ZESCO"	ZESCO Limited, the national power utility of Zambia
"ZMW"	Zambian Kwacha, the legal tender of Zambia
"ZRA"	The Zambia Revenue Authority, the state revenue collector of Zambia
"ZCAA"	Zambia Civil Aviation Authority

WHO WE ARE

Founded in the early 1950s as the Rhodesia-Congo Border Power Corporation, CEC is a Zambian power generation, transmission, distribution and supply Company, operating in the Copperbelt Province of Zambia and the Katanga region of the DRC.

CEC has undergone progressive changes since its formation, but, has stayed true to its business model, incorporating advancements to ensure the business evolves in a manner that responds to customer needs. The evolution of the business has cemented CEC's position as a key player in the Zambian and Southern African electricity supply industry.

CEC is a member of the SAPP, and a pioneering international power trader in Southern Africa.

The Company owns and operates a multi-million-dollar power infrastructure, largely with the capacity to ensure consistent uptime and supply, comprising 45 substations and over 1,070Km of transmission lines, supplying power to mine customers in the Copperbelt Province of Zambia as well as the DRC. Also embedded in its network are strategically located thermal power emergency generation assets, known as GTAs, with a generation capacity of 80MW, as well as a 34 MW Solar Power Plant supporting our business operations, with an ambition to reach 300 MW of renewable energy by 2027.

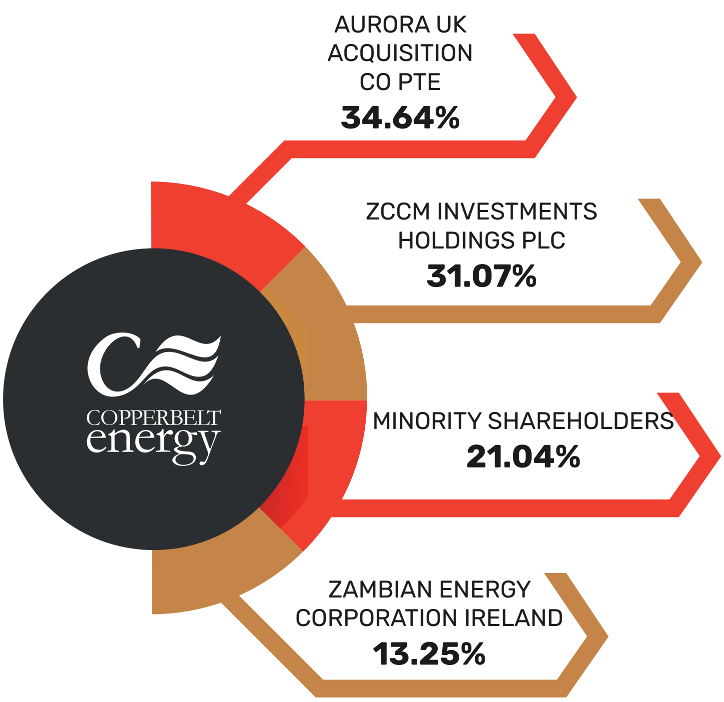
Vision

To be the leading Zambian investor, developer and operator of energy infrastructure in Africa by providing innovative solutions and building strategic partnerships through committed professional teams.

Mission

We are committed to supplying reliable energy and high quality services to meet our customers unique and changing needs, efficiently and proactively through robust infrastructure, diverse power sources and professional teams. We are further committed to increasing value for our shareholders through responsible and transparent corporate conduct. We are committed to innovation and investing prudently.

SHAREHOLDING STRUCTURE AS AT DECEMBER 2023



2. HIGHLIGHTS

CHAIRPERSON'S LETTER TO SHAREHOLDERS

London Mwafulilwa
Chairperson

I am pleased with the great progress we made during the year on several fronts. Achieving notable progress on our sustainability priorities, settling the remaining historical risks, and continuing with the consolidation of our DRC business was at the centre of the milestones achieved in the year.

We are confident in the agility of the business to effect change whenever necessary to enable continued delivery of value to our shareholders.

On behalf of the Board of Directors, I am pleased to present to you the highlights of the Company's performance in 2023. Over the past five years, CEC has continued to evolve and deliver shareholder value amidst a changing and generally improving business landscape. We are pleased with the progress that we continue to make, year after year, as we work tirelessly to meet our operational targets and deliver on our strategy and commitments to our shareholders.

I believe that the CEC shareholders are seeing the positive transformation and the attendant results that the Company is recording. 2023 saw CEC achieve several key milestones that we believe will set the Company on the right trajectory to attain its set ambition for the period up to 2027. Noting that the year 2027 will mark the end of the current planning cycle, when we expect to reach significant milestones on several strategic initiatives that the Company is pursuing. The corporate strategy continues to undergo regular evaluation, reviews, and control to ensure its relevance and effectiveness given the dynamic operating environment.

I am pleased with the great progress we made during the year on several fronts. Achieving notable progress on our sustainability priorities, settling the remaining historical risks, and continuing with the consolidation of our DRC business was at the centre of the milestones achieved in the year. On

2023 MILESTONES

34 MW
SOLAR PLANT IN RIVERSIDE

SETTLEMENT OF THE RISKS FROM THE KCM DEBT

COMMISSIONING OF THE TRANSMISSION LINE TO LONSHI

USD 200M
GREEN BOND

the sustainability front, we commissioned the 34 MW Solar PV plant at our Riverside location in Kitwe and commenced with the evacuation of power into the grid. In tandem, CEC commenced the implementation of the 60MW Solar PV plant located at Itimpi in Kitwe. All this is in line with our green growth agenda and comes alongside technological improvements to the transmission network that we continue to adopt as we embed the energy transition process. The combined capital investment made in the period for both our Riverside and Itimpi Solar plants was USD75 million.

Our green agenda remains much broader than the two projects cited, encompassing generation to strengthen power sourcing and conditioning the power network through technological adoption, to facilitate flexibility in our operations. To finance all this, we need to continue to be innovative and look to include options that best support the strategy. In this regard we listed a debut USD 200 million Green Bond on the LuSE, aiming to not only refinance existing projects, but also to finance near-term planned projects.

A key development for the year was the negotiated settlement that was concluded with KCM to manage the risks from the long-standing debt owed to us by them. The issue, as may be recalled from the previous report, was protracted and remained outstanding over a long period, leading to an evocation of the arbitration process by CEC, as provided under the contractual arrangements. The matter has finally been settled by an Award by Consent of the parties, endorsed by the sole arbitrator. The resultant significant impact of the settlement of the risks associated with the debt has been the restoration of the Company's balance sheet, as will be noted from this report. This better positions the Company to pursue further priority capital investments and actualise its sustainable growth agenda.

The Board has been resolute on the need to scale up our service delivery in the DRC market, to effectively support efforts to reduce unmet demand that continues to affect that country. This requires that more transmission capacity is made available through upgrades and the construction of new infrastructure, to enable the delivery of more power required. In 2023, the Company signed up new customers and commissioned transmission infrastructure necessary to take power to some of our new customers' facilities. As we implement our green generation projects and sign new PPAs, we see a broadening of our sourcing portfolio, enabling new further signings and supporting our projected demand growth well into the future.

The hallmark of the Company's milestones for the period was the registration and listing of the Green Bond, which is geared to play a critical role in this early phase of the Company's adoption of the energy transition.

Financial Performance

I am pleased with the continuing good financial results recorded in the year, as they evidence the focus that has been placed on prudent management of business risks and quality capital investment. The Company has recorded steady revenue growth, reflecting quality sales and an effective sourcing strategy. In 2023, our revenue of USD 382 million was 2% higher than in 2022. The profitability was USD137.6 million, an impressive increase from USD50.8 million in 2022, on account of a net impact of USD136.2 million which was a one-off debt writeback resulting from the settlement achieved with KCM and the full impairment of the Kabompo project costs.

Environmental Sustainability

CEC continues to work towards delivering on its sustainability ambitions. The strategies that have been put in place, are aligned with SDGs seven (7) and thirteen (13) on affordable clean energy and climate responsibility respectively, which are among the SDGs adopted, to guide our sustainability decisions and actions. The year saw us build carbon offsets to 34,067.77 tonnes against the 6,558.96 tonnes of carbon emissions generated from our operations, ideally presenting a favorable greenhouse gas balance. In our quest to broaden our efforts in offsetting carbon emissions, we continued with our tree planting programme in the year and attained a total of 500,000 trees planted since the inception of our programme. The tree planting programme has the dual impact of managing emissions and preserving water sources.

The capital investments made in the year such as our renewable energy investments, as well as modernisation of our assets and sourcing of finance, encompassed a focus on environmental sustainability.

Stakeholder Relationships

Creating shared value remains at the heart of the CEC business. The Company places reliance on its internal resources and strong relationships to grow a strong business, drawing on its technical expertise and capacity to consistently deliver growing value to its key stakeholders and the wider community.

CEC upholds the realisation of the need to support aspects of the Government's development plan, for the benefit of the broader communities in which we operate. In this regard, we are pleased to have completed establishing of a paediatric Intensive Care Unit at Kitwe Teaching Hospital. We further maintain our support to the Power Dynamos Football Club, supporting and impacting the development of sport in the communities and the Country at large.

The extension of shared value was actualised in the year through CSR initiatives, payments to lenders and suppliers, the statutory contribution made to Government and local authorities, and dividend payouts to shareholders. In the year, CEC's statutory contribution to Government and local authorities increased year-over-year by 28% to USD 135.2 million. Further, the dividend distribution to shareholders increased year-over-year by 10% to USD 55.2 million.

Corporate and Board Governance

The Board continued to uphold corporate values in strengthening disclosures, transparency, and ethical conduct in all its communications and interactions with our various stakeholders, including shareholders and the public. In improving the effectiveness of the Board, we overhauled the terms of reference of all Board committees addressing identified gaps and making them more relevant and better aligned with the current corporate governance trends. With respect to capacity building for the Board, we facilitated specific training in ESG and fraud awareness equipping them with skills relevant to the business and knowledge that best aligns with the reviewed and revalidated strategy.

We bade fond and grateful farewell to Thomas Featherby who resigned on 31st March 2023, having served on the board since 29th August 2018. He had a great impact on the board and shall be greatly missed.

Business Agility

The Board continues to actively engage with the management team to re-evaluate the corporate strategy and closely monitor its implementation. It is important that we are continuously aligned on the set priorities for the business and ensure the best outcome in service delivery to our customers and to put the business on a strong path towards sustainable value creation.

As the sector is expected to experience reform arising from the implementation of the Open Access Market, we have remained an active participant in the processes setting the reform agenda. Internally, we have assessed corporate readiness and set in motion an action plan that will enable us to effectively operate in the Open Access Market environment. We are confident in the agility of the business to effect change whenever necessary to enable continued delivery of value to our shareholders.

We are proud of the progress that our subsidiaries are making. CEC DRC, working with its parent company CEC PLC, and its partners in the DRC market, has made tremendous progress in strengthening the contracting structure and applicable payment arrangements. Once completed, this will move our DRC company to the next phase of development, help it to acquire more demand, and strengthen collections. CEC Renewables had its first full year of operation in 2023, enabling it to embed governance and processes. It successfully operated the 34MW Riverside Solar PV Plant,delivering power to the grid, implementing the energy forecasting and billing system, and effectively meeting its business objectives for the year. We will continue to build and strengthen governance in CEC Renewables to ensure the Company delivers on its mandate of effectively and successfully managing our solar generation assets.

Appreciation

As we reflect on the year and more importantly, the last three years of the business, we extend sincere gratitude to the management team and staff of CEC for their commitment to delivering on our strategy and achieving the important milestones that have been recorded in the year under review, such as the listing of Zambia's debut USD 200 million Green Bond, which is expected to anchor CEC's green energy generation ambitions.

London Mwafulilwa
Chairperson

CENTERING SUSTAINABILITY

CEC has integrated ESG into its strategy by adopting best industry practices and standards in ESG in order to actualise our sustainability ambitions.

The policies that have been adopted to guide our actions regarding sustainability are closely aligned with the SDGs of affordable and clean energy (SDG 7), decent work for economic growth (SDG 8), industry innovation and infrastructure (SDG 9), climate action (SDG 13) and life on land (SDG 15). In this regard, our approach to sustainability is anchored on the following principles:

1. Economic Efficiency: We contribute to the creation of a robust and resilient economy that generates prosperity without depleting resources or degrading the environment. We seek to strike a balance between business growth and environmental stewardship, through embracing energy transition to low-carbon sources such as solar and wind, decarbonising processes, and adopting circularity.

2. Ecological Integrity: We have adopted a pattern of operation that supports the ecosystem`s regenerative capacities, which ensure restraining unsustainable biodiversity loss through carbon sequestration, reptile relocation, and restoration of degraded environments.

3. Sustainable Integrated Society: We focus on promoting our business relations in the supply chain by meeting the needs of our customers such as net zero goals and legal compliance. We also spread our equity and inclusiveness to the well-being of our employees and communities.

CEC is committed to reducing its environmental footprint which encompasses all aspects of environmental management. Through our risk-based approach to environmental management, we have refined our objectives to address the need to focus on the most material aspects of our business. In attaining our environmental objectives, we have focused on the management of emissions from our operations by adopting key actions to address scope one, two, and three emissions to attain a net zero position.

Further, in our quest for a balance between environmental stewardship and business growth, CEC has embraced the call for the transition to green energy by adopting a green strategy, that not only considers the development of green energy projects but, includes the sourcing of green finance.

We recognise the need for the preservation of biodiversity in the development of our key infrastructure investments and have, therefore, incorporated the preservation of life on land in the day-to-day environmental management activities. Further, the management of hazardous waste in our operations, in a manner that avoids or minimises harm to the environment is a practice that has also been adopted in our environmental management activities.

Over the decades, Zambia has experienced reduced water flows due to dry spells and environmental degradation around river sources and water catchment areas, impacting the industrial processes that underpin the economy and ecosystem services.

With the electricity industry of the Country being largely dependent on hydro generation, CEC is cognisant of the criticality of preserving rivers, and in this regard, has adopted tree planting as one of its actions to maintain ecological integrity.

In delivering on the social pillar of sustainability, CEC endeavours to create and share value with all its stakeholders. One way in which the Company shares value with its stakeholders is by making social investments through its CSR programme.

As we deliver on our projects, we maintain sight of just transitioning to avoid resettlements as far as is practical. Where this is not possible, resettlements are restricted to the minimum possible through the consideration of alternatives and choosing the ones that have the least resettlements, both in economic and physical terms.

The call to mainstream gender within the energy sector comes at a time when gender parity is gaining the loudest cry across industries and sectors. At the centre of CEC's Human Capital Management strategy, is the drive towards gender parity to attain the right balance of male and female employees in the workforce. In further delivering on the governance pillar of sustainability, CEC is committed to achieving a brilliant compliance record and has onboarded the requisite skills to ensure regulatory compliance is realised.

Through the recognition of material aspects of our business operations as far as the adoption of the best ESG practices is concerned, we remain committed to delivering on our sustainability ambitions.

SDG	Alignment	Action
7 AFFORDABLE AND CLEAN ENERGY	CEC has sourced green finance through the debut USD 200 million Green Bond for further investment in solar and other renewable energy generation projects. The Company has further begun a project to employ low-carbon fuels in the operation of its GTAs. These investments are with the view to improving the energy mix and supporting customers to attain their own sustainability goals.	34 MW Riverside Solar PV Plant 60 MW Itimpi Solar PV Project
8 DECENT WORK ECONOMIC GRO	Our human capital management strategy seeks to provide decent, rewarding work for positive economic outcomes at the individual, community, and national levels. We ensure a safe, healthy, inclusive working environment, with protected labour rights, and sensitivity to gender differences. CEC seeks to achieve a gender balance in the workplace and attained 15% of females in the workforce. We provide employment to the local community through the recruitment of unskilled labour in development of our projects.	Enforcement of Gender Policy 15% female workforce 800 employed during construction works at Itimpi
9 INDUSTRY, INNOVATIO AND INFRASTRUCTUR	CEC has invested in key infrastructure to meet growing customer demand and adopted the digitalisation of processes to deliver efficiencies within the business.	Introduction of automated billing system Solar plant development Development of Lonshi transmission line
13 CLIMATE ACTION	CEC has embarked on a strategy to achieve a net zero position. We have further embarked on green energy generation to support carbon off-setting, as well as tree planting to preserve water catchment areas.	34,067.7 tonnes carbon emissions offset Seed Bank set up to preserve indigenous trees
15 LIFE ON LAND	CEC is restoring forests and water sources through its afforestation programme, primarily targeting river sources and critically depleted forest areas. Alongside this, we are improving biodiversity and preserving indigenous vegetation and wildlife, specifically snakes, while investing in community awareness and knowledge for sustainable environmental stewardship.	500,000 trees planted 32 species of snakes relocated

SUSTAINABILITY DASHBOARD

ESG

ENVIRONMENT

6,558.96 tonnes
Carbon emissions (all processes)

34,067.78 tonnes
Carbon emissions offset (all processes)

2,500 tonnes/year
Carbon capture (from trees only)

500,000
Trees planted to date

0
Serious environmental incidents

0
Legal contraventions

SOCIAL

2.3 million man hours
Injury-free hours (cumulative)

0.07
LTIFR

0
Fatalities

0
Community grievances

USD 2.8m
Social Investments

100%
Community safety awareness engagements. Target 4

Employee gender diversity
52/348

15% **85%**

38% Labour union representation
133/348 employees

GOVERNANCE

100%
Risks with mitigation plans: 100% risks with mitigation.

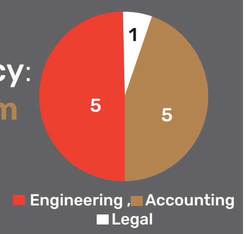
74%
Audit issues close-out:74%.

80%
Audit committe members with financial expertise: 3/4 members.

100%
LuSE ethics and code of conduct compliance: 100% (107/107 applicable rules).

Tax transparency: USD 135.2m

Diversity of Board Directors



OUR RENEWABLE ENERGY JOURNEY

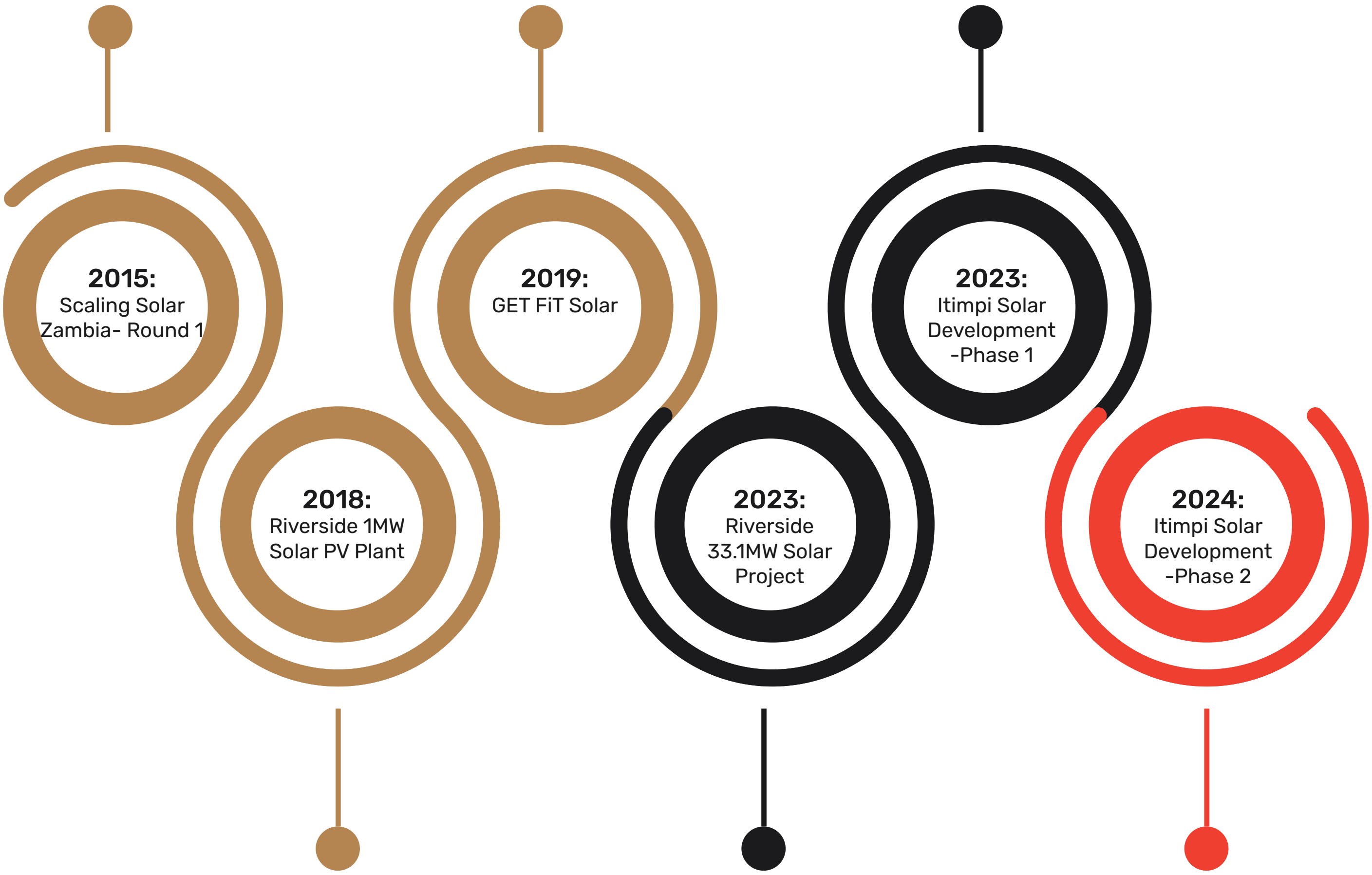
Successful RFQ in partnership with IFC Advisory Services for the development of a 50 MW Solar PV Plant.

Qualified for the development of two 20 MW Solar PV plants under the GET FiT Zambia Program.

*Awaiting resumption of the GET FiT programme post addressing lender requirements.

Begun construction work on 60MW Solar PV Plant in Itimpi.

Target COD 2nd quarter – 2024



Development of pilot 1MW Solar PV Plant, the first grid connected utility scale Solar PV plant.

33.1MW
Commissioned Solar PV Plant on 15th February 2023.
*100% CEC PLC funded and developed under a Special Purpose Vehicle, CEC Renewables.

120MWp
Commencement of development in 2024.

Target COD 2025

FINANCIAL INDICATORS AND HIGHLIGHTS

REVENUE
USD382m
2%
2022-USD374m

GROSS PROFIT
USD139m
2%
2022-USD136m

ADJUSTED EBITDA
USD121m
3%
2022-USD117m

EBITDA
USD232m
149%
2022-USD93m

PROFIT AFTER TAX
USD138m
171%
2022-USD51m

NET CASH
USD55m
-24%
2022-USD72m

CASH GENERATION
USD81m
-8%
2022-USD88m

CASH BALANCE
USD109m
31%
2022-USD83m

GEARING
16%
-433%
2022-3%

RETURN ON EQUITY
33%
120%
2022-15%

RETURN ON ASSETS
20%
150%
2022-8%

DIVIDEND PER SHARE
USc3.4
10%
2022-USc3.1

TOTAL ASSETS
USD676m
2%
2022-USD662m

CAPITAL EXPENDITURE
USD45m
15%
2022-USD39m

NET CURRENT ASSETS
USD137m
752%
2022-USD21m

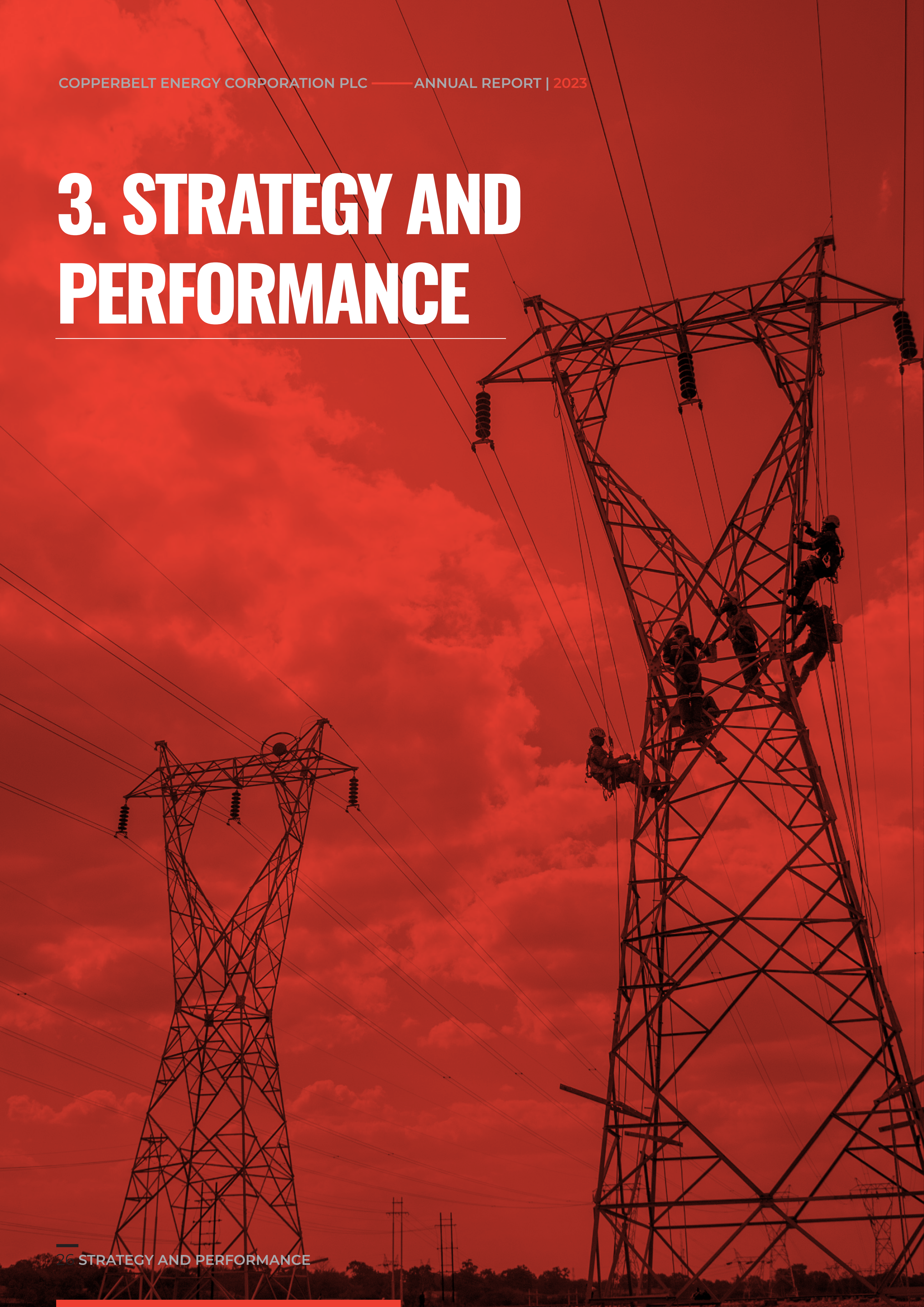
SALIENT STATISTICS

	2023	2022
FINANCIAL PERFORMANCE (USD'000)		
Revenue	382,270	374,440
Gross Profit	138,815	136,371
Adjusted EBITDA	121,209	117,161
PAT	137,649	50,816
ECONOMIC INDICATORS		
Average ZMW/USD exchange rate	20.21	16.93
Closing ZMW/USD exchange rate	25.71	18.07
SHARE STATISTICS		
Çlosing share price (ZMW)	7.09	3.78
Average share price (ZMW)	5.2	3.47
Market capitalisation (USD'm)	448.123	339.90
EMPLOYEES		
Total number of employees	473	402
Total number on permanent contracts	326	327
Total number on long term contracts (> _ 12 months)	15	15
Total number on short term contracts (6 -12 months)	7	3
Employee training/skills development spending (USD'000)	269	184
EXTERNAL LABOUR		
Short term (seasonal contracts, up to 3 months)	1,882	1700
Long term (>_ 12 months)	578	333
Total contracted	2,460	2033
HEALTH, SAFETY AND ENVIRONMENT		
LTIFR (per 100,000- man hours)	0.07	0.08
Carbon offsets as a % of carbon emissions produced	34,067	4,552
LTISR (per 100,000- man hours)	5.04	1.25
SOCIAL AND TRANSFORMATION		
Corporate social investment (USD'm)	2.8	2.3
Community sensitisation engagements	6	8

FIVE-YEAR REVIEW

In thousands of USD	2023	2022	2021	2020	2019
INCOME STATEMENT					
Revenue	382,270	374,440	342,689	370,817	408,259
EBITDA	231,787	93,101	93,666	30,081	33,850
Adjusted EBITDA	121,209	117,198	106,290	106,469	89,185
Operating profit/ (loss)	207,393	68,848	69,787	9,079	17,087
Net finance costs	6,461	6,981	798	(3,245)	(4,850)
Share of profits from joint ventures	(4)	(8)	-	-	-
Profit/ (loss) before tax	213,850	75,821	70,585	5,834	12,237
Taxation	(76,201)	(25,005)	(19,700)	(1,075)	(339)
Net profit/ (loss) attributable to equity holders	137,649	50,816	50,885	4,759	11,898
Adjusted Net profit/ (loss) attributable to equity holders	68,274	67,683	49,847	55,276	48,274
Headline earnings attributable to shareholders	0.085	0.0313	0.0313	0.0029	0.0073
BALANCE SHEET					
Property, plant and equipment	495,083	510,345	494,871	502,638	458,294
Intangible assets	135	107	69	-	-
Investments in Associates	541	533	365	-	-
Total non- current assets	495,759	510,985	495,305	502,638	458,294
Current assets	179,870	151,317	179,342	173,937	183,090
Total assets	675,629	662,302	674,647	676,575	641,384
CASH FLOW					
Net cash inflow/ (outflow) from operating activities	80,846	88,464	75,849	57,749	50,065
Net cash outflow from investing activities	(45,368)	(39,649)	(16,423)	(10,079)	(20,722)
Net cash (outflow)/ inflow from financing activities	(13,036)	(58,073)	(49,582)	(56,269)	(37,035)
Net cash increase / (decrease) for the year	22,442	(9,258)	9,844	(8,599)	(7,692)
RATIOS AND STATISTICS					
Earnings					
Earnings per share	0.085	0.031	0.031	0.003	0.007
Headline earnings per share					
Dividend per share	0.034	0.031	0.023	0.021	0.019
Dividend cover	24.9138	1.0088	1.3615	0.1395	0.3854
Profitability					
Adjusted operating margin	24%	18%	15%	17%	15%
Adjusted return on capital employed	10%	19%	14%	17%	10%
Adjusted return on equity attributable to shareholders	16%	15%	15%	18%	14%
Financial					
Debt to equity	13%	3%	6%	9%	15%
Net debt to equity	13%	22%	22%	22%	19%
Current ratio	4.23	0.88	1.09	1.08	1.47
Liquidity ratio	4.17	0.86	1.07	1.07	1.06

3. STRATEGY AND PERFORMANCE



MANAGING DIRECTOR'S REVIEW

Owen Silavwe
Managing Director

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 indicators presented herein, we continue to deliver on our operational and financial performance. Our own generation, third party sources and power network are being managed as efficiently as possible, enabling the delivery of safe and reliable power supply and transmission services to our customers. Our strong financial performance this year alongside the debt writeback arising from the settlement of the previously impaired receivables 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.

Business Environment Highlights

We are happy with the continuing improvements we are seeing in the business environment we operate in. In Zambia the government has shown resolve and determination to continue improving the business environment and systematically reducing the costs associated with doing business in the Country. Through the PPDF, the government is forging deeper ties with the private sector, creating a common understanding of the challenges businesses face and enabling implementation of appropriate solutions.

The energy sector, through the APC, whose chairmanship is currently under CEC, has actively used the PPDF over the last one year to engage government and related institutions on the challenges that negatively impact the ease of doing business, and to highlight opportunities that can be leveraged to accelerate the pace of infrastructure development in the energy sector. The sector has for years been faced with bottlenecks which include, for example, the number of institutions that an entity must deal with to obtain the multitude of consents, permits and licenses required before construction of any power infrastructure, let alone the long lead times that these institutions take to reach a decision. Additionally, the practice that an investor should first construct their planned power infrastructure before a license can be issued is seen as a serious regulatory risk

2023 HIGHLIGHTS

2.3 MILLION MAN - HOURS
NO LOST TIME ACCIDENT

USD 45 MILLION
ASSET RENEWAL and MODERNISATION

USD 382.3 MILLION
REVENUE

USD 136.2 MILLION
ONE OFF DEBT WRITEBACK/KABOMPO IMPAIRMENT

both by the investors and the financiers. These impediments, amongst others, constitute issues that need to be addressed as part of the next phase of aligning the business environment with investor expectations. Through the work that the APC is doing, and the open engagements that the government is encouraging, we are confident that more efficient mechanisms that support better investments by the private sector will be put in place.

During the year, the task of migrating to an open access market, being a key workstream for the industry, reached an advanced stage. Open access market has a dual objective of opening up the transmission and distribution systems to facilitate fair and unhindered access while the new industry structure to be adopted is expected to spur further competition in the market. The market rules and guidelines that will be applicable were drafted, reviewed, and adopted by the stakeholders. These are now undergoing legal formalities within the government system and are expected to be formally adopted and issued into law in the course of 2024. This will mark the beginning of the open access market and the operationalisation of all the associated rules and structures. Importantly, the open access market regime will require that the different licensed activities that an entity is involved in are ringfenced and operated at arms-length from each other. CEC continues to fully assess and adequately prepare itself for the requirements of the open access market to ensure readiness well before time.

Business Highlights

Our pursuit for operational excellence and efficient growth has been firmly anchored on fostering a healthy and safe working environment, evidenced by our relentless efforts to maintain best-in-class safety performance. We are committed to continuous investment in learning, competence improvement and maintenance of the Company's safety and health management systems. It is important that we continuously evaluate colleagues' commitment and engagement to health and safety as this determines our performance in this area. During the year we achieved 2.3 million man-hours without a Lost Time Accident, an impressive 21% improvement over the previous year. However, we also recorded two dangerous occurrences which are a good reason to deeply reassess some of our practices to build on our learning and devise appropriate responses to avoid recurrences and more importantly create more awareness and improvement in our health and safety culture.

We are in the business of developing highly reliable power infrastructure and using it to supply power to customers in different markets where we operate. We also use the network infrastructure that we operate to transmit power on behalf of others. With clear forward leaps being made in improving the business environment while at the same time stabilising macro-economics, we expect that we will see consistent positive power demand trends over the coming years. This is evidenced by the levels of FDI we are beginning to see in the mining sector and other areas of the economy. The challenge for Southern Africa remains the rate at which both generation and transmission infrastructure will be developed to ensure there will be enough power to meet the growing demand, and adequate transmission capacity to take it to load centres. We see clear opportunities in these two areas and one of our key tasks over the coming years will consist in augmenting our supply portfolio to meet the pipeline of demand, mostly through long-term supply contracts.

Our business segments which include local power supply (the Zambia supply business), domestic and international wheeling (wheeling power on behalf of third parties) and regional power supply (supplying power to power markets outside Zambia) delivered a total of 6,623 GWh. This was about 8% short of our contracted demand on account of shortfalls on the supply side and inadequate transmission capacity during certain periods in some parts of the wider interconnected network. This highlights the opportunity for the business to supply more power by growing its supply portfolio and investing in additional transmission capacity.

While overall we face a big opportunity to supply more power in all our markets, in 2023 the supply business in Zambia was characterised by suppressed demand due to interim softening in copper output, mainly on account of the mining sector matters impacting operations at MCM and KCM that were at the time yet to be resolved. Post balance sheet date, these matters have been resolved with the expectation that the affected mines will be returning to full commercial operations in the course of 2024. We remain positive about the growth prospects for this business segment based on projected demand recovery, expansionary and new demand that we continue to sign with the mining customers.

We are doing a great job of converting our demand pipeline under the regional power supply business while moving all contracts on both the demand and supply side to long-term as is standard in our business. This is important as it offers great stability and predictability of supply to customers and enables better matching of demand and supply under our supply portfolio. The demand for power in the DRC market has continued to grow at impressive rates. As we are adding new demand, we also realise the need for additional supply and transmission capacity to enable us to fulfil the growing demand. The work we are doing to enable the existing DRC interconnection carry more power is critical as it will enable additional power to be made available in that market, while also allowing us to wheel more power on behalf of others.

Furthermore, we invested over USD45.0 million in asset renewal and modernisation in our power network and other priority projects over and above the capacity upgrade of the transmission interconnection to the DRC. Other key investments include renewable energy projects i.e., solar PV plants to be specific (more details on this are provided under the subsidiaries section below). With the voltage support facilities that we are investing in to upgrade the transmission capacity of the interconnection to the DRC, we will make available additional transmission capacity to facilitate increased power flows which should bolster regional power trading while modernisation of our power network is part of our ongoing programme to adopt new technology, improve efficiencies and enhance the safe and reliable delivery of power to our customers. It is pleasing that year-after-year the age and quality of our network assets continues to improve.

Given, Zambia remains highly dependent on hydro as its main source of power, forecasts of precipitation expectation form an important dataset to the business. In 2023, we saw a good balance between supply and demand driven by good availability of water in the Kafue River basin while the Kariba Dam on the Zambezi River basin continues to experience low water levels. The contribution from the fossil fuel sources which are in the minority was good. However, towards year end, weather projections started showing that Southern Africa was going to experience the el-nino weather during the 2023/2024 wet season. Post balance sheet date, this phenomenon has taken hold as only some parts of the country have continued to experience normal rains while the rest is experiencing well below normal precipitation. From a power supply perspective, we need to brace for expected shortfalls in power availability with their attendant ramifications but more importantly we need to work with partners and customers to put contingency plans in place.

Our financial performance for the year was very strong. The revenue increased to USD382.3 million from USD374.4 million in 2022, a 2% increase year-over-year on account of an increase in power sales in the Zambian and DRC markets by 5% and 2% respectively. The profit at USD137.6. million, represents an increase of 168% from USD50.8 million in 2022 on the back of the net impact equivalent to USD136.2 million of the one-off debt writeback and the impairment of the Kabompo project costs. The write back has further strengthened our balance sheet, an important asset in the realisation of our business strategy.

Special Mention of the KCM Debt

I am pleased that the progress we achieved in resolving the KCM debt has been key in putting finality to resolving historical issues that were still demanding the Company's attention. Achieving closure refocuses our full attention on operational and strategic matters going forward.

During the year, we negotiated and agreed a solution with KCM addressing a significant portion of the long-standing KCM payment default through signing of a settlement agreement. Therefore, a part reversal of the previously impaired amount of USD171.3 million was made to the books of accounts of the Company as detailed in the Financials section. This solution significantly de-risks the business and restores its balance sheet. Given this matter was the subject of arbitral proceedings that commenced in 2021, it is gratifying that the parties have finally settled the matter through an Award by Consent signed off by the sole arbitrator.

Highlights from Subsidiaries

CEC Renewables

In October 2022, we incorporated CEC Renewables, a limited company owned 100% by CEC PLC. CEC Renewables, with its green development mandate in the Group is already doing a good job of leading our foray into the renewables space. Over the last year, CEC Renewables has been operating the 34 MW Riverside Solar PV Plant, the only operational solar plant at the moment in the Group.

CEC Renewables has been resourced with skills, working capital and tools to adequately manage and operate its solar plants. CEC-Renewables has entered into an O&M contract with CEC Plc wherein CEC Plc with its pedigree in managing and operating power infrastructure will supervise and take full responsibility for O&M works at all solar plants to be operated by its subsidiary until such a time that CEC Renewables will not require such supervision.

On the project development side, the Group has been developing the 60 MW Itimpi Solar PV Project which is scheduled to be completed at the end of quarter one in 2024. This is the first phase of the Itimpi Solar PV Project. The second phase will be a 126 MW Solar PV Project whose construction will commence in 2024. On the financing side, in line with our ambition to promote sustainable and responsible finance, we registered with the SEC and listed on the LuSE, Zambia's debut USD 200 million Green Bond whose proceeds will partly be directed towards the refinancing of the above two solar PV projects. The first tranche of the Green Bond, equivalent to USD53.5 million, issued during the year, was overly subscribed, a position which gives impetus to future fundraising plans in support of the attainment of our generation target of 200 MW of solar PV by end 2025.

The power generated from CEC Renewables' solar plants is subject of arms-length long-term PPAs between CEC Renewables and CEC Plc. The PPAs are fully supportive of the financing arrangements entered into by CEC Renewables. CEC Renewables has established the required governance structures that should allow it to operate a viable business and enable its growth.

CEC-DRC

CEC-DRC is the subsidiary in the Group responsible for our power business in DRC. In May 2018, as we set up CEC-DRC, we set out to establish a company which would very quickly create great brand awareness and a strong presence in the DRC market. This far, CEC-DRC has made impressive progress in transforming itself into a fully functional utility. However, we recognise that there is still a lot of work to be done to cement its position in the market.

In 2023 CEC-DRC commenced the process of directly signing long-term contracts with its customers in the market and obtained the first concession allowing it to develop its first transmission infrastructure to supply one of the mine customers. This is an important milestone in the evolution of our DRC business as we work with our partners to improve the quality of service we provide to customers in that market. The contracting structure adopted by CEC-DRC not only facilitates growth at pace but allows provision of innovative power solutions in that market. It is noteworthy that CEC-DRC now has the ability to sign PPAs with CEC PLC and other suppliers in DRC and the region and enter in firm wheeling agreements with operators of transmission infrastructure. CEC-DRC is also better placed now to work with the mines in the DRC market to advance the energy transition agenda. Working with the Group, CEC-DRC will provide the much-needed support to help the mining industry in the DRC market with their decarbonisation efforts.

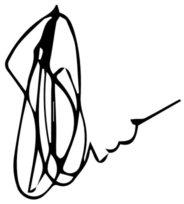
With the transformation of the contracting structure in the DRC market, CEC-DRC will continue to sign customers at pace, increasing its market penetration. As we achieve scale, it should place CEC-DRC in a better position to work with others to develop additional power infrastructure to supply more power and improve further its quality of service.

Looking Ahead

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. Our target investment areas extend from renewable energy projects (both solar and wind), making available the much-required additional transmission capacity to remove bottlenecks, to hydro power generation projects. In achieving this we will continue to build suitable partnerships that create a large pool of resources and capacities required to undertake projects. We continue to capacitate the organisation and colleagues to ensure the business is better able to deliver for its customers and achieve its strategy. It is pleasing that the employee engagement survey, year after year, has continued to show significant improvements in the levels of engagement and empowerment across the Group.

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 FDI 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.

As I close, I take the opportunity to extend my heartfelt gratitude to all my colleagues across the Group and the Board for their passion, dedication and hard work that has enabled us to deliver these results. I look forward to their continued commitment in the coming year.



Owen Silavwe
Managing Director

VALUE CREATION AND DISTRIBUTION

Internal Resources

Physical assets - our electricity generating plants (both thermal and grid scale solar plants), transmission and distribution infrastructure form the core assets.

The team - the highly skilled, dedicated staff who manage and maintain the physical energy infrastructure and manage the relationships relevant to the Company's success.

Financing - we aim to maintain the right combination of debt and equity and manage the risks prudently while investing in accordance with the approved capital allocation framework.

Relationships

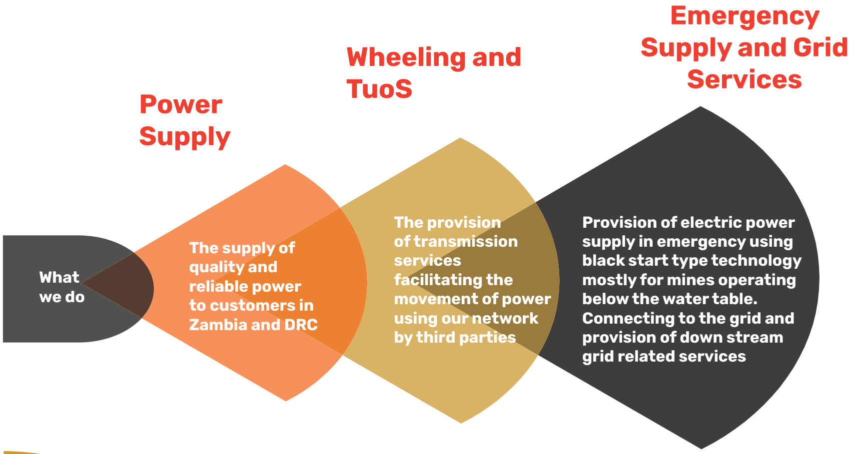
Customers – the customers who depend on our services (network provision and energy supply) as well as utilities and generators whose electricity flows through our network.

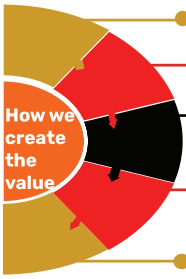
Contractors and suppliers - whose expertise, skills and resources are mutually beneficial.

Government and municipalities – with whom we partner from a local civic duty and policy direction.

Community – partnerships to facilitate for mutual benefit and social license requirement

Regulators – who regulate our business facilitating for an economic, efficient and non-dissimilatory service (ERB), and the government agencies responsible for health, safety and environmental standards.





- We combine our extensive and diverse skills, knowledge, and capabilities with innovation in creating value for all our stakeholders.
- We invest in and maintain our assets across their life using the modern maintenance frameworks as cost effective and efficiently as possible.
- We maintain high standard of ethical business and promote behaviors aligned with our values and culture through safety consciousness, recognising performing employees through the reward system
- We have in place governance structures that include comprehensive risk management, strong controls and financial discipline. Refer to details in the directors and risk section of the Annual Report
- As the energy sector continues to transition to a cleaner future, our strategy articulates our priorities clearly and overall focus is to bring long term benefits in areas in which we operate and to all our stakeholders

The Value We Create

Customers: Delivering safe, reliable, green and quality energy

Communities:
Partnerships through CSR initiatives

Investors:
Shareholder value through sustained dividends

Suppliers and Contractors:
Aligning our interests and those of our suppliers with the interests and needs of our customers

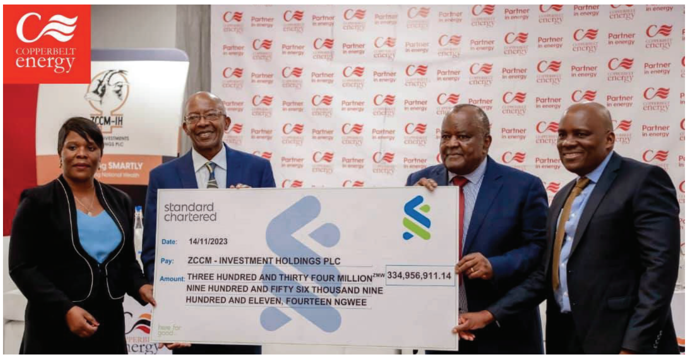
Our Teams:
An environment where employees realise their full potential

Government and Regulators:
Contribution to the treasury, participation in formulating energy policies and fulfilling our commitments

VALUE DISTRIBUTION IN 2023

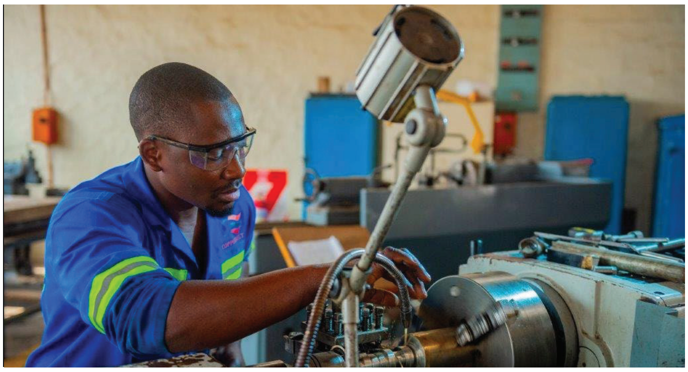
Shareholders (USD55.2 million) 11.4%

Total dividend distributed to CEC shareholders in 2022 was USD50.4million. We are focused on delivering on our strategy and growing shareholder value. Specifically, generating shareholder value through dividends, supported by financial growth in the key financial metrics remains at the core of our operations.



Employees (USD29.9 million) 6.2%

We aim to create an environment where all employees can make a positive contribution and develop their careers. Total paid amount in 2022 was USD22.9million. We employ 473 full time employees. In our approach to people management, we are alive to the fact that our teams are critical to the successful delivery of our strategy. It is therefore essential that they are engaged and embrace our mission and values.



Lenders (USD12.7m) 2.6%

Promoting sustainable and responsible finance. Supporting and meeting our loan obligations as they fall due.

Drawdown of USD53.5million Green Bond.

FMO Entrepreneurial Development Bank

DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH

PROPARCO GROUPE AFD

Suppliers (USD248.2m) 51.3%

Our suppliers provide us with the products and services we need to deliver our strategy. We therefore partner with our suppliers who include power generators, utilities, suppliers of material and service advisors all of whom play an important role in delivery of our strategy. 2022 value shared with suppliers was USD279.2 million.

Community (USD2.8m) 0.6%

Our approach is to create long term close ties with the communities in which we operate for us to be sustainably profitable. We therefore interact with communities, participate in their welfare, partner in addressing some of their needs as well as be a part of the sport's recreational activities. 2022 spend was USD2.3 million.

Governments and Local Authorities (USD135.2m) 27.9%

Our relationship with governments and regulators is important and we hope to work together on policies impacting our industry and customers, while also enabling them to better understand the positive impact we have on the environment and communities in which we operate. More importantly, we support public service delivery and the wider economy through our contribution to the Treasury. Our contribution in 2022 was USD47.2 million.

ELECTRICITY INDUSTRY OVERVIEW

Electricity Demand and Supply

Zambia's energy mix is dominated by hydropower sources, which account for 83.0% of the installed capacity, with thermal and solar accounting for 13.8% and 3.2% respectively. The recent poor rainfall patterns experienced by the country negatively impacted the national energy availability thereby leading to the widening gap between generation capacity and demand which continued to dominate the narrative of the Zambian electricity supply industry. In the wake of the recovery of the water levels at Lake Kariba, the generation capacity by the fourth quarter of 2023 was 2,385 MW, against a peak demand of 2,370 MW. There continues to be a tight balance between supply and demand in the absence of the implementation of demand side management activities.

Regulatory Environment

The electricity supply industry is undertaking various workstreams, which are led by the regulator and the MoE, which are aimed to enhance the operations of the players and the business environment. Progress was recorded in the development of policies and market reforms to support Zambia's liberalised electricity sector.

The Cost-of-Service Study was implemented, resulting in the first ever announcement of a five-year tariff approval for the period 2023 - 2028. The implementation of the five-year tariff order will be supported by the MYTF, which was also concluded in 2023. The application of the MYTF principles will ensure that cost reflective pricing relative to exchange rate and inflation changes is maintained during the five -year period.

Further, the transmission and distribution code, will guide the transmission, distribution and flow of electricity when finalised and enforced as a Statutory Instrument. The codes are expected to ensure among other outcomes, technical resilience, and load efficiency in the grid.

Towards the end of 2023 the IRP which seeks to inform the required infrastructure investment and development by sector players, based on anticipated growth in key economic sectors such as mining and agriculture, was approved by Cabinet. This will serve as a guide for infrastructure development of the electricity sector going forward.

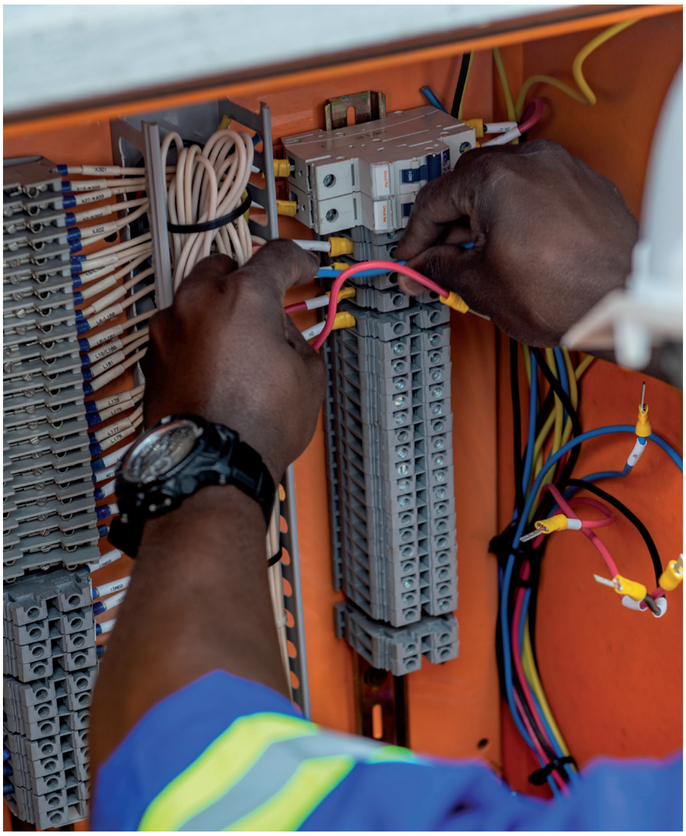
The coming of the open access market regime, which has been completed and approved by its steering committee, will play a pivotal role in the regulatory framework of the electricity sector. The open market access will define the market structure and design, transmission and distribution system pricing methodologies and market guidelines. Its operationalisation will facilitate direct contracting between large producers and large customers of electricity with the potential to result in access to a short-term competitive power market, the opening of additional power offtake options for IPPs, diversification of the energy mix, attraction of more market participants and new investment in the sector, in line with the government's policy direction.

CEC has continued to actively advocate for the development and implementation of favorable sector policies through its representation on the PPDF and the Technical and Steering Committees of the ERB led regulatory studies.

Outlook

With the positive pronouncements from the 2024 National Budget such as the development of 200 km powerlines in farming blocs, geological mapping in the mining sector, removal of customs duty on machinery and equipment for geothermal activities, and increase in the period for VAT refunds on eligible goods before commencement of operations from four to seven years for hydropower generation among others, the potential for growth of Zambia's electricity sector is imminent. These developments are set to drive the growth in demand for electricity and facilitate investments in power infrastructure for power generation, transmission, and distribution.

The state-owned power utility ZESCO dominates ownership of the installed generation capacity and the electricity supply value chain. CEC, however, remains the largest privately owned transmission network services provider, with presence across the entire electricity supply value chain and carrying about 30% of the national peak demand.



COMMERCIAL SUSTAINABILITY

CEC's commercial sustainability is anchored on long-term agreements for power purchase, power supply and transmission services, which are supported by extensive power infrastructure and other assets within the Copperbelt Province and the DRC. The Company is looking to grow its demand in Zambia and increase its market share in the DRC market by making key infrastructure investments that will see CEC actualise this growth. This strategic direction is responsive to the energy sector reforms, opportunities for demand growth and generation requirements to mitigate the energy deficit in the region.

Sustainable practices are embedded in our commercial sustainability strategy evidenced by various initiatives being implemented by the Company including our investment in solar energy generation which goes beyond creating a pool of clean energy sources to meet the future demand in an environmentally sustainable manner but also support the Government's net zero carbon agenda. Our clean energy drive is also supportive of the requirements of our mine customers who are seeking various ways to reduce their carbon footprints. To this end, the company strives to ensure that its resources are managed, maintained, and deployed in a commercially and environmentally responsible manner as detailed in the Sustainability Report.

The Company has power supply agreements with mining customers for the supply of electricity, which is charged using two-part tariff system consisting of Capacity Charges (based on the maximum demand (MW) and Energy Charges (based on energy (MWh) consumption) in the billing period. The business was resilient in the year, with the resolution of key historic matters such as the KCM debt, and management of payment collection risk from customers in the DRC market.

The high efficiency, reliability and availability of our power supply network (as detailed in the Operational Sustainability Report) is sustained to meet our customers' unchanged need for reliability and high quality of supply.

This Commercial Sustainability report provides an overview of the performance in the year 2023 and an outlook of the company performance during the strategy window 2023-2027. The report structure is aligned with the business segments of the Company and categorised as Capacity and Energy Sales, Transmission Services and Power Trading segments.

Energy Sales

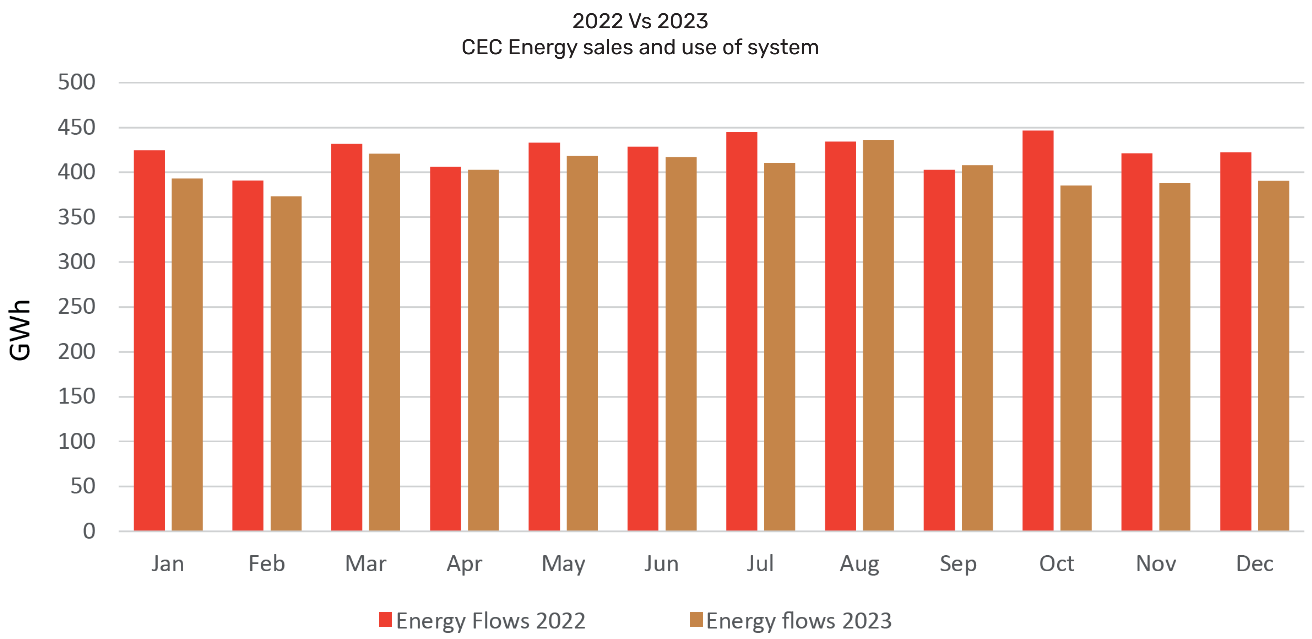
The high availability of the CEC network sustained our sales to mining customers and the Company was able to meet the energy requirements of its customers which was anchored by the secured sources of supply. The total energy imported into the CEC network recorded in the year reduced to 4,891 GWh from 5,145 GWh in 2022 broken down as follows:

i. 1,887 GWh purchased for our local mines, which was 3.3% lower than 2022 performance at 1,952 GWh.
ii. 1,669 GWh was wheeled on behalf of ZESCO to retail and domestic customers. This performance was lower by 2.1% at 1,705 GWh in 2022.
iii. The performance of 1,335 GWh for the TUoS business segment was lower by 10.3% when compared with the 2022 performance at 1,488 GWh.

With mitigation measures that have been implemented at MCM and KCM, operations will stabilise steadily, and coupled with new customers ramping up their operations, energy sales will increase in the coming periods.

The average losses from movement of power in the CEC power system in the year was 2.6%, lower than the 2022 figure of 2.8%. This is aligned with the relatively reduced loading of the network.

The chart below shows the performance of total energy imported into the CEC network in 2023 compared to 2022.



Capacity Sales

Capacity sales relate to the peak demand chargeable to mining customers and transmission use of system services to mining consumers. The capacity sales recorded in the year decreased to 429 MW from 449 MW in 2022. The reduction in capacity sales was on account of the reduced uptake of power from local mine customers on the basis of a slowdown within the sector. The capacity sales are broken down as follows:

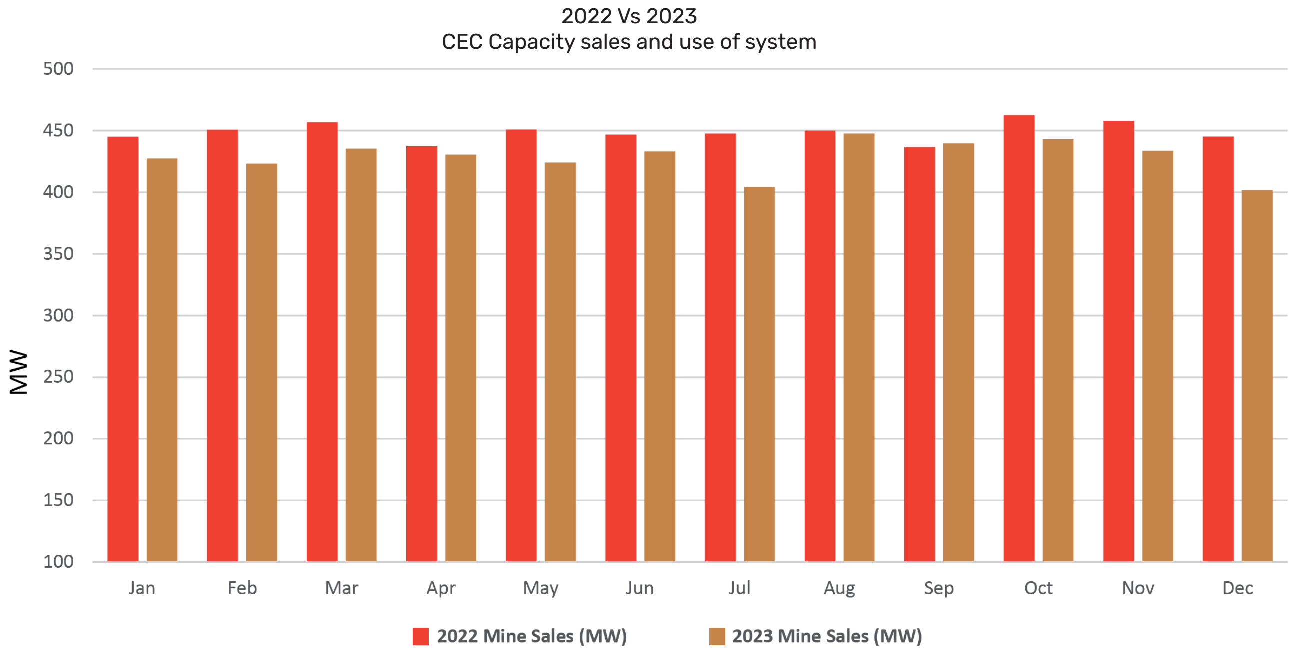
i. Capacity sales to mine customers under various PSAs reduced to 254 MW from 261 MW in 2022. This represents 2.7% reduction in capacity sales when comparing the performance on year-on-year basis. The reduction is mainly attributed to MCM that experienced operational challenges in its value chain of operations for the most part of the year.

ii. 174 MW sold to KCM under the GCSA. This performance was 7.4% lower when compared to the 2022 performance at 188 MW. The reduction in performance is due to the provisional liquidation process that subsisted for most of the year and did not guarantee normal production operations at KCM.

Similarly, capacity sales are expected to increase in the coming period due to the expected stabilisation of operations at MCM and KCM, as well as the ramping up of operations and power demand by new customers.

The system load factor, which is a measure of the consistency in the utilisation of the network for the demand, reduced to 81% in 2023 from 82% in 2022. This too is reflective of operational challenges at the named mines and is expected to change in the coming period.

The chart below shows a comparison of total capacity sales to local mine supply and TUoS services to local mines in 2023 and 2022.

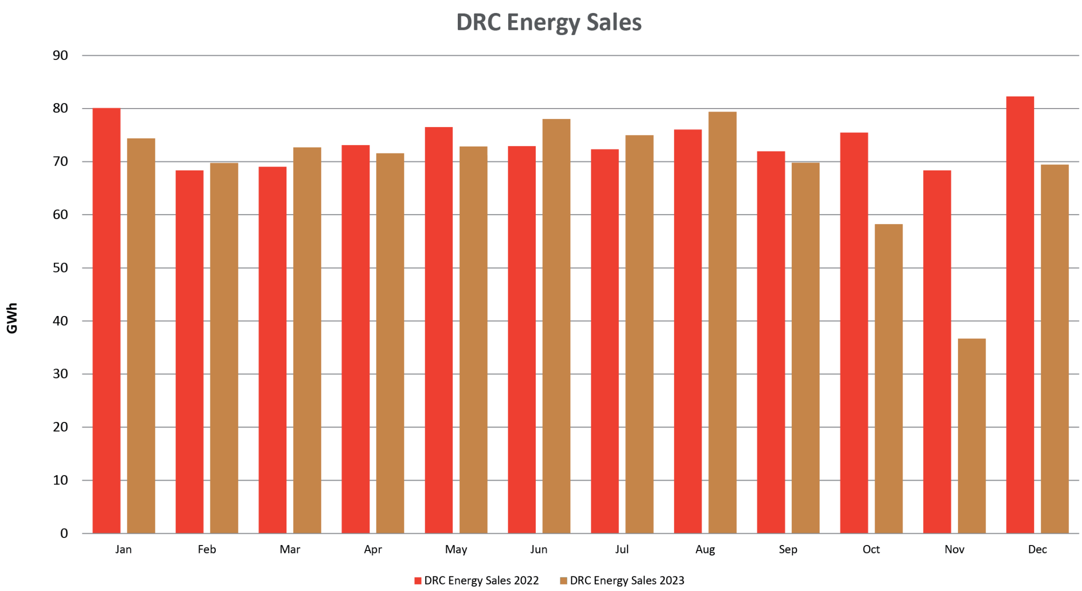


Power Trading

Power trading, one of CEC's business focus areas, is largely composed of sales to customers currently in the DRC market. This business segment relates to the Company securing and sourcing power from a portfolio of suppliers (local and regional bilateral agreements and the SAPP market) and its own generation as well as transmission services in third party networks to deliver the power to customers. Currently, the power secured is delivered to the CEC network where it is transmitted through the CEC and SNEL co-owned interconnector to the DRC network for onward supply to customers in the DRC market. Our energy sales into the DRC reduced to 827.7 GWh in 2023 from 886.4 GWh in 2022. The decrease in sales was mainly due to the interconnection limitations in some cases and the energy deficit in the SADC region during some periods. The Company is implementing a project to upgrade the transfer capacity of the Zambia-DRC interconnector to be commissioned in 2024 as detailed in the Operational Sustainability Report.

The Power Trading segment promises significant growth in the coming period. This is backed by secured demand through new customers that have been signed up and we continue to focus on the development of new customer pipelines. Further, the Company enhanced payment collection by the restructuring of customer contracts to manage the collection risks within the DRC market. With the optimisation of operations and demand growth, energy sales in this segment are expected to improve significantly in the coming periods.

The chart below shows a comparison of energy sales under power trading segment to the DRC market in 2023 and 2022.



Power Sourcing

The Zambian grid remained stable during the year on account of improved availability of generating capacity actualised in 2022. Our energy requirements for our customers were sourced from various local suppliers, which included ZESCO who supplied the bulk of the energy, LHPC, Dangote, and our Riverside Solar Plant, which was commissioned in February 2023. During the year, Riverside Solar contributed 43 GWh energy generation for our supply to various customers. We further expect to increase the sources of power available for the increasing demand by expediting the completion of the Itimpi 60 MW Solar Plant to augment the 34 MW plant currently in commercial operation and other local bilateral sources.

The Company also sourced power from various regional suppliers on bilateral basis with its partners in the interconnected SADC regional network and leveraged on SAPP market to augment its sources and support the regional energy exchange. While continuing with existing partners for power sourcing, the Company is onboarding new suppliers to complement its own generation to support the increasing demand that is forecasted in the coming years.

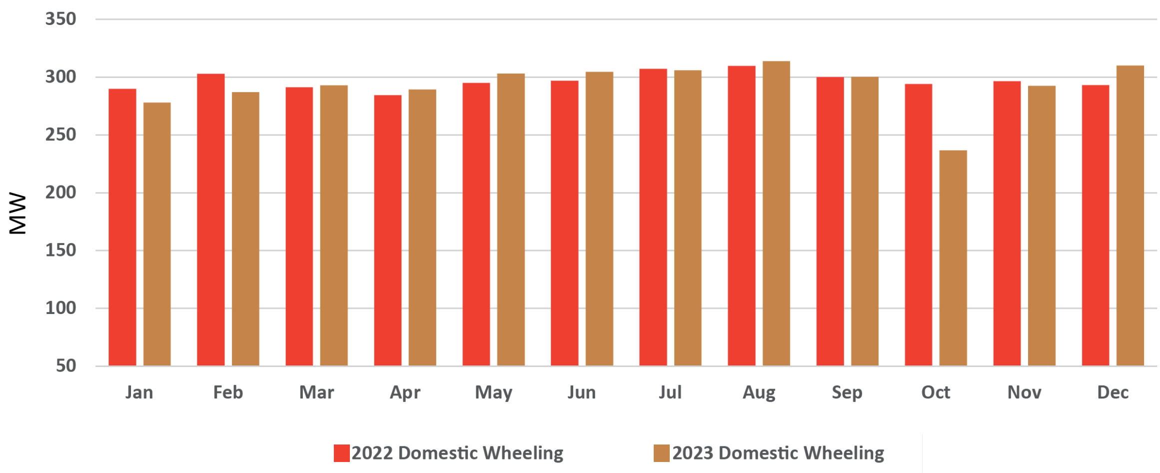
Wheeling Services

Domestic Wheeling

Domestic wheeling forms part of CEC's core business and involves the transportation of power on behalf of other entities within the country. This segment of the Company's business is primarily on behalf of the National Utility, ZESCO. It involves the movement of power from the main points of interconnection between the ZESCO and CEC high voltage networks in Kitwe and Luano to the medium voltage ZESCO substations across the Copperbelt.

The average demand wheeled for ZESCO decreased by 1.6% to 256 MW from 260 MW in 2022.

Domestic Wheeling Services are also provided to Frontier Mine, located in the DRC. The average power wheeled for Frontier Mine in 2023 remained largely unchanged at 36.6 MW compared to an average of 36.4 MW in 2022.



International Wheeling

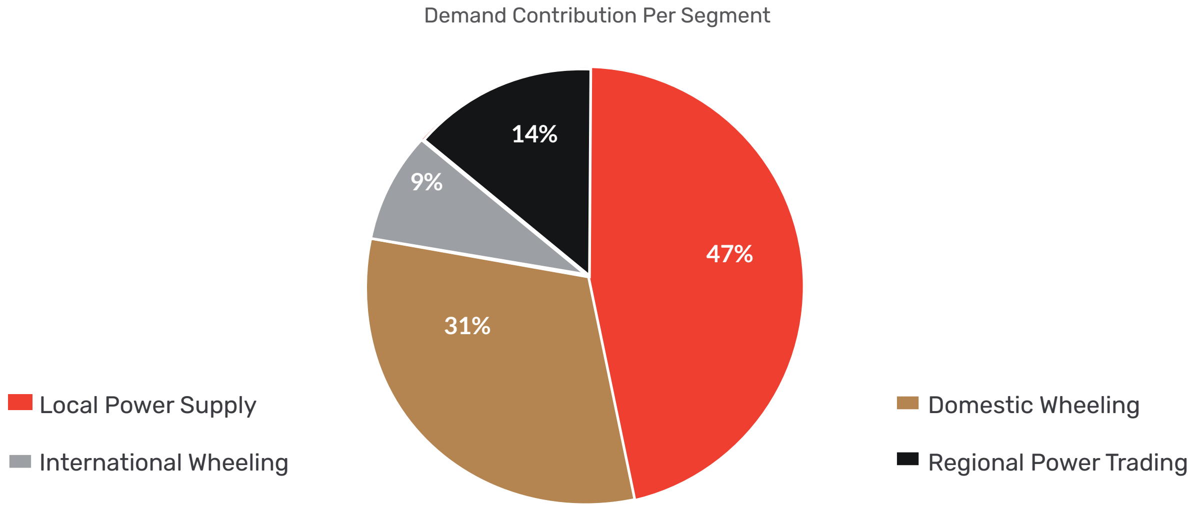
International Wheeling refers to the transmission service offered by the Company for transmission of power through the CEC network on behalf of third parties from various entry points at which power is imported into the CEC network from third-party networks or generators to other points where the power exits the CEC network to other third-party networks. Primarily, International Wheeling is offered to third-parties for purposes of international transfers to or from DRC through the CEC network. The international service is important to the regional power trading and energy exchange as the CEC network and the CEC and SNEL co-owned Zambia-DRC interconnector is the only gateway and interconnection between DRC and the interconnected SADC network.

During the year 2023, the energy wheeled for international wheeling reduced by 22% to 685 GWh from 877 GWh in 2022. The reduction is attributed to reduced availability of power among third-party suppliers to the DRC market. Nonetheless, with the growing demand in the DRC, there are new requests for international wheeling starting in 2024 and thus the performance of this service is expected to rebound in the coming period.

Demand Distribution

CEC supplies power to most of the copper mining operations in Zambia, accounting for 47% of demand distribution. Domestic wheeling accounts for 31%, with power trading and international wheeling at 14 % and 9% respectively.

The following graph shows the breakdown of demand contribution by segment.



Demand Forecasting

a) Local Mine Demand

2023 Mine demand was dominated by MCM and KCM producing a combined contribution at 69.5% and the remaining 30.5% shared among the remaining mine customers. Following the resolution of shareholding issues at MCM and KCM post balance sheet date, the two mines are expected to remain significant contributors to mine demand growth from 2024 to 2027.

Moderate growth of about 17% is expected over the period if the committed projects by our customers are completed. Most of the growth is expected to come from the CLM dewatering project at shaft 28, Mimbula phase two project in Chingola and Macrolink Resources ramping up.

b) Domestic Wheeling

Domestic wheeling for power transported on behalf of ZESCO and Frontier is expected to grow by 8% over the next four years. This growth is expected from demand pickup by retail customers to be connected and supplied at Dola Hill substation in Ndola, and at the new Kasompe substation in Chingola. Further, the completion of the Kafulafuta Dam is expected to contribute to demand pick up at Roan substation in Luanshya.

c) DRC Demand (Power Trading)

The demand in 2023 was dominated by Metalkol and Frontier taking up 50% of the total demand. These will continue to be significant contributors while some new customers are projected to consume similar scale in 2024 and continue ramping up in future periods.

Looking at the 2024 to 2027 horizon, the demand in DRC market will nearly double. The growth in demand will be driven by new customers recently contracted commencing power uptake, while several existing end users are scheduled to ramp up their demand starting in 2024.

In order to meet the growing demand in the DRC market, the Company is implementing a project to install reactive power compensation equipment to increase the transfer capacity of the existing interconnection with DRC, and phase one of the project is scheduled to be completed within 2024.

d) International Wheeling

Power transported through the CEC network into DRC on behalf of other entities is expected to increase by 50% over the next four years on the back of increased interconnector capacity projects cited above and growing demand in the DRC, backed by the Company offering third party users access to use the CEC network.

Power Sourcing Forecasting

To ensure that the Company meets the capacity and energy requirements of its customers, securing a robust and resilient portfolio of power using power sourcing and generation projects that will deliver sufficient energy to meet the increasing requirements of our customers is at the core of our strategy.

Further, CEC has taken pragmatic steps to expand the Riverside Solar Project to 34 MWp, which was commissioned in 2023. The Company commenced construction of the 60 MWp Itimpi Solar PV phase one Project in 2023 with commissioning expected within 2024. With Itimpi Solar PV phase two planned to commence in 2024, the company will soon realize the target of 200 MW solar generation by 2025.

We are looking to work with our customers considering in situ co-generation solutions for both baseload and emergency. power and we continue looking to local and regional IPPs to improve the energy mix for our customers. While continuing to offtake from our existing partners, the Company is onboarding new suppliers to meet the growing demand in the local and regional markets.

With these initiatives, the Company ensures that there are sufficient reliable sources of supply to anchor the demand that is secured. These measures will not only enhance the Company's supply reliability but should also improve the carbon rating of the energy mix. We remain eager to pursue other clean energy projects and viable business expansion projects aligned to our core business.

OUR HUMAN CAPITAL SUSTAINABILITY REPORT

85% MALE WORKERS EMPLOYED

15% FEMALE WORKERS EMPLOYED

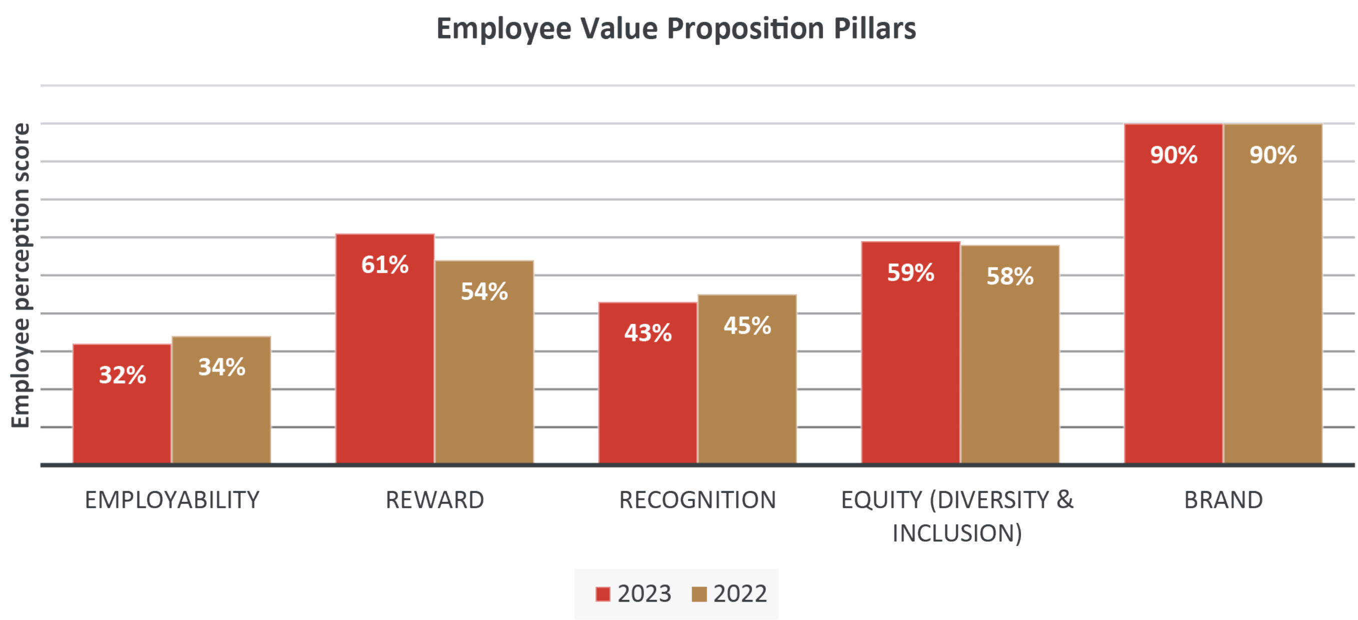
Introduction

In the transformative landscape of 2023, our Company transitioned to strategic planning and talent cultivation. Our focus was realigned to strategically position our human capital for the evolving future. To this end, we have continued to advance our employee value proposition to position CEC as an employer of choice.

Employee Engagement

The Company attaches great importance to the strategic objective of fostering a high-performance culture. In order to achieve this, managing and ensuring that the welfare of our employees is taken care of is paramount. We have put in measures aimed at facilitating feedback through the annual employee survey to better understand and monitor levels of employee engagement and identify areas of improvement. The feedback of the survey shows that employee perception of the competitiveness of the reward structure increased from 54% in 2022 to 61% in 2023. This positive shift can be attributed to the successful implementation of a new salary structure which addressed equity concerns for specific categories of our employee grades and improved communication on reward related matters. As a business, our objective is to recruit talented people and invest in their development. However, going by our aspiration, we noted low scores in areas of employee recognition and employee development of 43% and 32% respectively. The Company is committed to facilitating improvements in this area and therefore, in addition to the proposals received through the survey process, the Company will review and implement an updated recognition procedure in addition to an enhanced and robust succession management program in the year 2024.

The other measure that the Company continues to monitor in order to ensure that it maintains a high-performance culture and that retention of top talent is assured is through ENPS. Company endorsement in 2023 remained high at 98% compared to 99% in 2022, while supervisor endorsement decreased from 80% to 67%, indicating perceived shortcomings in recognising employee potential. We have in our plans prioritised leadership programs which we anticipate should address some of the perceived limitations. Despite this, an overwhelming 98% of employees recommended CEC as a good company to work for with 90% expressing an intention to stay for more than 12 months.



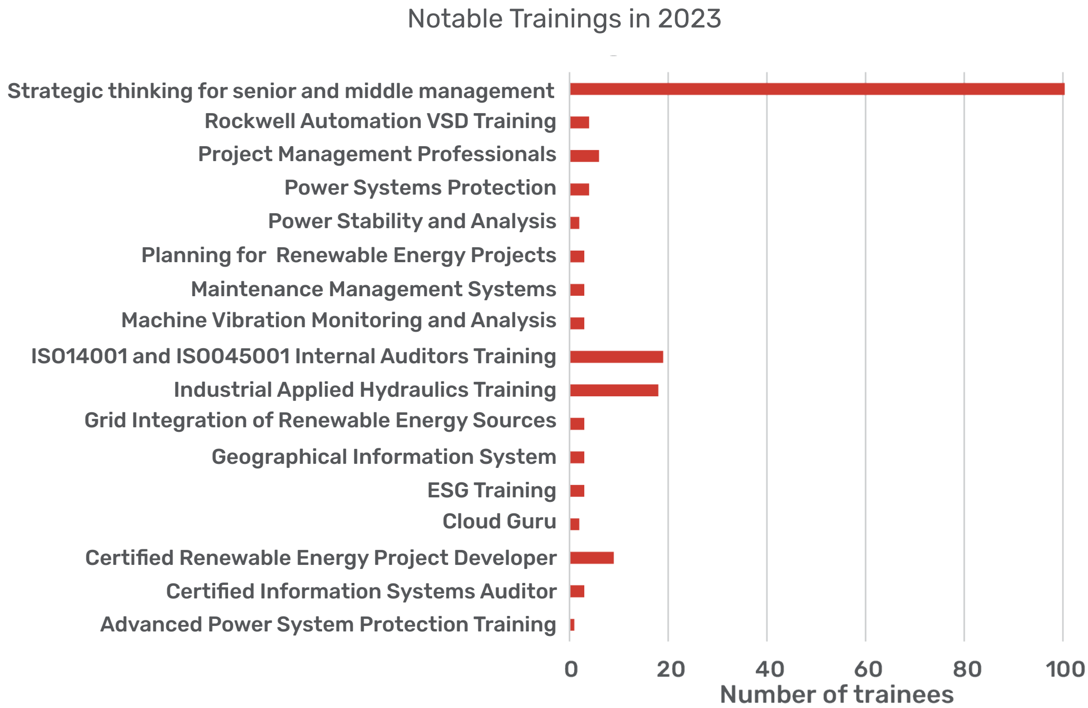
Diversity and Inclusion

We believe that an inclusive and diverse workforce promotes safety, productivity and wellbeing, and underpins our ability to attract and retain employees. As a result, we have embraced the social aspect of the ESG agenda by enhancing diversity and inclusion from talent acquisition or recruitment and ultimately in the employee composition. Our strategy on this score is to focus on attracting and retaining a workforce that is all inclusive. In relation to gender balance, the Company hopes to increase female employees from the current 15% to 20% by end of 2027. Initiatives that were introduced in 2023 to support this objective included the revision of the Talent Acquisition Procedure to make the recruitment process more favorable for female applicants. Regarding, inclusion, the Company embarked on the identification of jobs that could be performed by the differently abled and to partner with organisations dealing with differently abled individuals.

Human Capital Development

In our continued agenda to grow organisational capabilities that support sustainable growth of the business, the Company facilitated 33 different types of trainings that covered three areas i.e. academic acumen, leadership/supervisory and technical/specialised acumen. To demonstrate the value the company places on the ESG agenda, training was facilitated in ESG awareness for select staff. As the Company pursues sustainable development by diversifying in renewable energy, training was conducted in grid integration for renewable energy sources, planning for renewable energy and certified renewable energy developers. A strategic thinking workshop was held for senior and middle management staff to support management's goal of enhancing capabilities in leaders that will steer the formulation and implementation of the CEC strategy.

In terms of learning hours, the Company attained 17.8 hours on average per employee against a set standard of 16 hours per employee. This reflects an improvement in learning hours from 15.4 hours per employee attained in 2022. This reflects the Company's commitment and dedication to ensuring that right skill sets are developed to adequately support the company's sustainable growth.



Employee Wellness

Prioritising the wellbeing of our staff is central to creating productive teams where all individuals feel valued and included. We deploy workshops, campaigns aimed at teaching on practices and emphasises the importance of the well-being and health of the staff all aimed at building a supportive inclusive culture. Specific initiatives were put in place to address some of the risks identified in support of public health. As part of its ongoing commitment to employee wellness, the Company established a collaboration with healthcare providers to introduce a range of medical screenings directly into the workplace environment. The screenings encompassed essential health checks, including optical examinations, dental assessments, and screening for Hepatitis B. By offering these services onsite, employees were provided with convenient access to preventative healthcare measures, fostering a culture of proactive health management within the workplace. This initiative not only demonstrated the Company's dedication to the well-being of its employees but also underscored its proactive approach to promoting a healthy and thriving workforce.
On the continuing threat of COVID-19 and Cholera, the Company continued with employee sensitisation engagements on COVID-19, Anthrax and Cholera protocols. This was achieved by means of collaboration with the Ministry of Health through the Kitwe District Health Office.

Labour Relations and Communications

As part of the strategic drive to enhance relationships and communication, stakeholder engagements continued in the year through the holding of shopfloor meetings to promote the development of open communication channels and fostering a sense of trust and cooperation between management and employees. Walkabouts were also conducted across various operational units to actively identify any employee-related issues of concern. These measures played a significant role in fostering effective dialogue between management and employees. As a result, the Company recorded no industrial action, grievances and or disruptive incidents throughout the reporting period, evidencing the effectiveness of the Company's proactive approach in managing and addressing employee concerns.

Within the framework of the relevant Industrial and Labour Relations Law Cap 269 of the Laws of Zambia, the Company engaged in collective bargaining with the Mineworkers' Union of Zambia to negotiate the terms of the 2024 Collective Agreement. Through this process, significant enhancements to conditions of service were achieved, notably a 12% increment in basic salary. This outcome reflected the commitment of both parties to fostering fair and equitable labour relations while ensuring the well-being and satisfaction of the workforce.

Outlook for 2024

Human capital is a key driver in pursuing the company's top business drivers. As we venture into 2024, the Company is poised for continued growth, innovation and success, while embracing the challenges as catalysts for progress.

Looking ahead, we will work towards supporting the overall company strategy by rolling out various human resource programs. Key among them is our leadership development program, which will be designed to address developmental areas arising from the psychometric assessments that were undertaken by all our managers. The Graduate Development Program will also be launched for the purpose of broadening the talent base. To ensure a high performance culture, the company will roll out the wellness program and conduct a culture survey as well as implement programs arising from the outcome of the culture survey.

OPERATIONAL SUSTAINABILITY

The Group owns and operates electricity network assets in the Copperbelt Province of Zambia and the DRC with largely in-built (n-1) redundancy, comprising 45 substations and over 1070 km of transmission lines, supplying power to its customers in both countries. Embedded in the network are 80MW of strategically located thermal power emergency generation assets known as GTAs, primarily utilised to provide emergency power to mine customers in an event of interruption of power supply to prevent irreversible damage to the mines and loss of life. Additionally, the Group owns and operates a 34MWp Solar PV Plant which is an integral element of the strategy to achieve a diversified power supply portfolio and actualise the decarbonisation agenda. The network is continuously monitored and operated from a modern 24/7 Control Centre utilising state-of-the-art Network Manager system.

Our maintenance philosophy provides for the classification of assets based on their value and risk to inform capital allocation and maintenance decisions. This coupled with our relentless goal to maintain our assets to very high standards that guarantee efficiency and reliability whilst ensuring security as well as safety of the network and personnel, enables us to sustain the best possible quality of supply to our customers and consistent value addition to our shareholders and stakeholders.

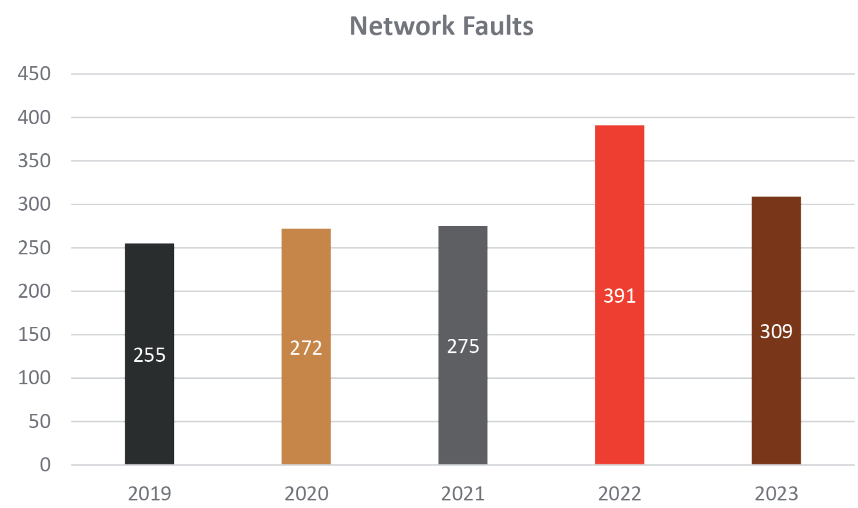
Network Expansion

CEC has continued to pursue opportunities to sustainably grow its business both in Zambia and the DRC as part of its strategy leveraging its unique geographical location within the interconnected electricity grid and its robust network infrastructure. The Group has maintained focus on capturing emerging potential customers seeking reliable power supply from within the highly competitive market. Once an opportunity is identified, comprehensive feasibility studies and due diligence assessments are undertaken to determine technical and financial viability which then inform decision-making. If satisfactory and approved, a project is initiated and progressed to implementation following a well-structured governance process.

CEC is proud to state that during the year, the network expanded into the DRC following the construction and commissioning of a 23km,66kV transmission line from Dangote Substation in Ndola to service a newly onboarded customer, Lonshi Mine. This was the first project of its kind to be built beyond Zambian borders by a private company. Additionally, two new substations, Mwekera and Mimbula were commissioned resulting in the total transformation capacity increase of 0.7%, from 4,628MVA to 4,660.5MVA.

Performance of Network Assets

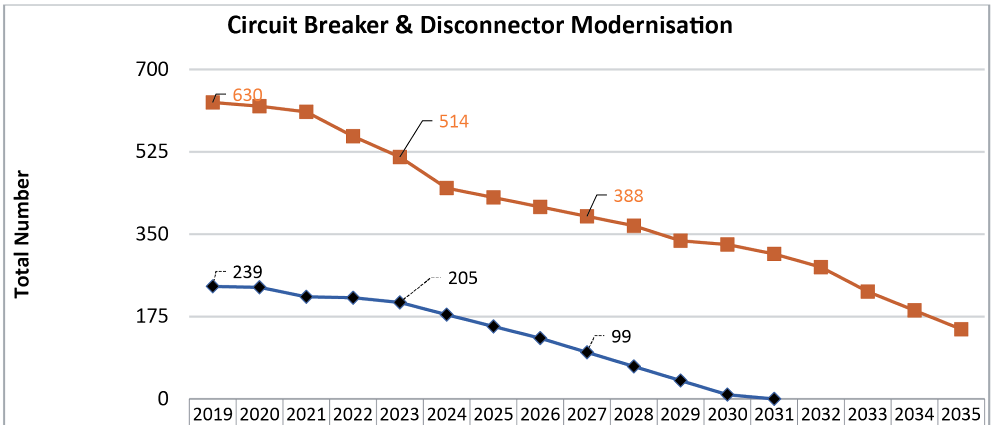
In 2023, a satisfactory level of security of supply was maintained and, in comparison to the previous year, we recorded a 20.97% reduction in system faults on our network due to reduced impact of disturbances emanating from SNEL. Our network availability for both 220kV and 66kV systems were above regulatory set targets (see section on Quality of Supply). The run reliability of our GTAs was at 96.1% against the target 94%. However, the availability of our generating plants was below our 90% target at 80.78% due to a defect on one of the 20 MW GTA plants which was out of service since July 2022.



Asset Health and Management

CEC continued with the upgrading of existing equipment and replacement of obsolete units to ensure sustained and improved performance of our asset base. In view of our focus to operate our business in an environmentally sustainable manner, we continued with the replacement of our 66 kV oil circuit breakers and obsolete disconnectors within our network. The replacements are being undertaken in a phased approach under our 10-year CAPEX programme. Alongside our robust maintenance regime, we have achieved an improved general outlook of our assets with most in a moderate to healthy condition.

CEC remains resolute in embracing new environmentally friendly technologies in the replacement of equipment such as our 66kV circuit breakers and we expect delivery of 29 eco-friendly units in 2024. With the ongoing research and development of technology by manufacturers for circuit breakers at the 220kV level, replacement of the remaining four obsolete 220kV Air Blast Circuit breakers on our network is targeted for 2026. In the year under review, we successfully installed and commissioned a new 66kV busbar protection system at Luano substation. This will improve fault detection and clearance times, thus minimizing the effects of system disturbances experienced by our customers. CEC has targeted similar installations to be done at Kansuswa and Maposa substation in 2024 and 2025 respectively to fully meet the regulatory requirements.

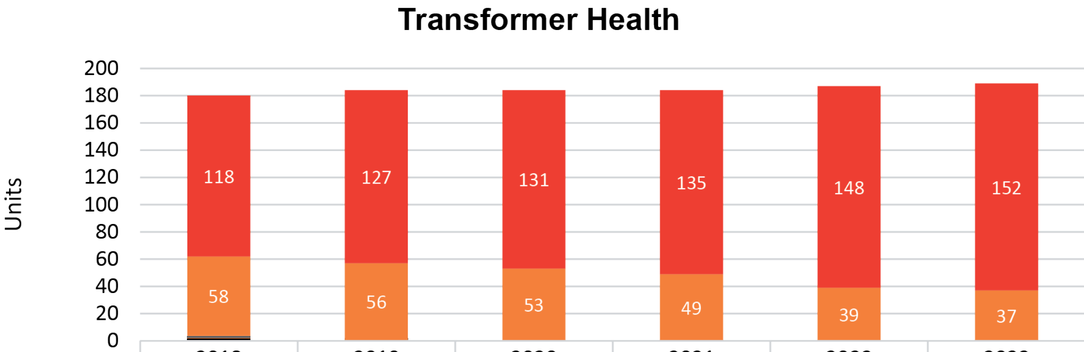


	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
OCBs	239	237	217	215	205	179	154	129	99	69	39	9	0				
Manual Isol.	630	622	610	558	514	448	428	408	388	368	336	328	308	280	228	188	148

The focus area in relation to transmission lines was on a phased rehabilitation of the line steel tower structures, rehabilitating 43 out of the years' target of 60 on priority circuits. This exercise will continue under our 10-year rolling CAPEX implementation programme.

Restoration of the 20MW Luano GTA No. 1 out of service since July 2022 commenced in the final quarter of 2023. Works are expected to be completed in the first quarter of 2024. Further, the feasibility study on the planned GTA diesel-to-gas fuel conversion project was completed, and a pilot will be conducted on one 10MW GTA in 2024. Upon proof of viability, the conversion is expected to be rolled out to the rest of the GTA fleet in phases on account of the significant benefits anticipated in terms of reduced operating costs and gas emissions.

The ongoing assessment of our critical primary network assets, transformers, indicates that they are in a moderate to healthy condition as can be noted in the chart below.



	2018	2019	2020	2021	2022	2023
Healthy	118	127	131	135	148	152
Moderate	58	56	53	49	39	37
Extensive	3	1	0	0	0	0
End of Life	1	0	0	0	0	0

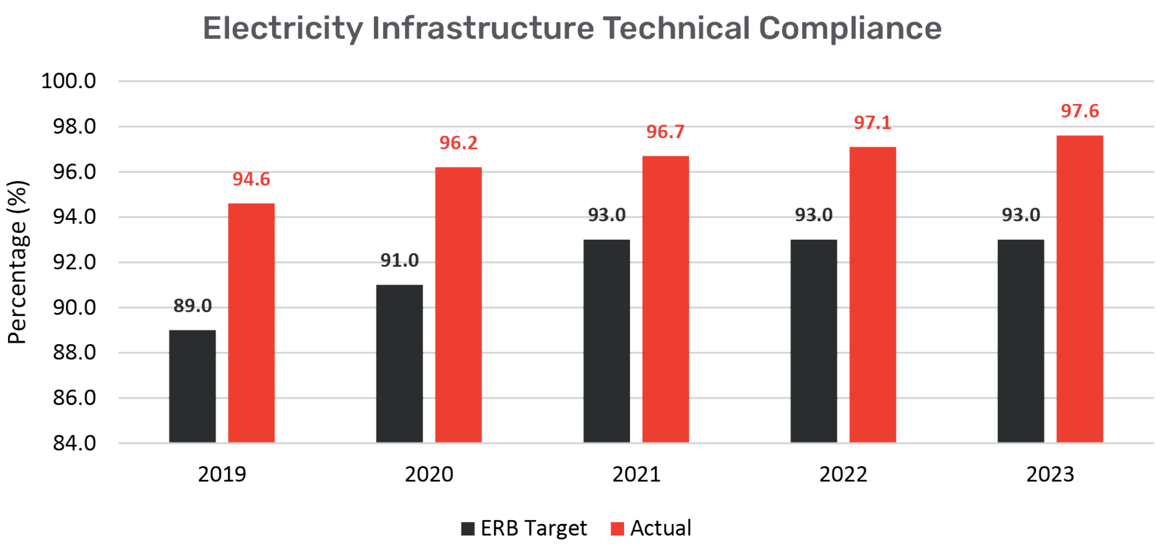
CEC Electricity Infrastructure Compliance

CEC is regulated by the ERB, which is mandated by GRZ under the electricity act of 2019 to oversee the energy sector. Annually, the ERB conducts electricity infrastructure compliance inspections to evaluate licensee performance against set Zambian standards, regulations, codes of practice, license conditions and Board directives.

To ensure compliance with the regulator's requirements, CEC rigorously implements all the recommendations arising from inspections undertaken by ERB. This is generally achieved via the CAPEX programme which includes timely replacement or refurbishment of defective assets, installation of new equipment that improves system safety as well as delivering a robust maintenance program.

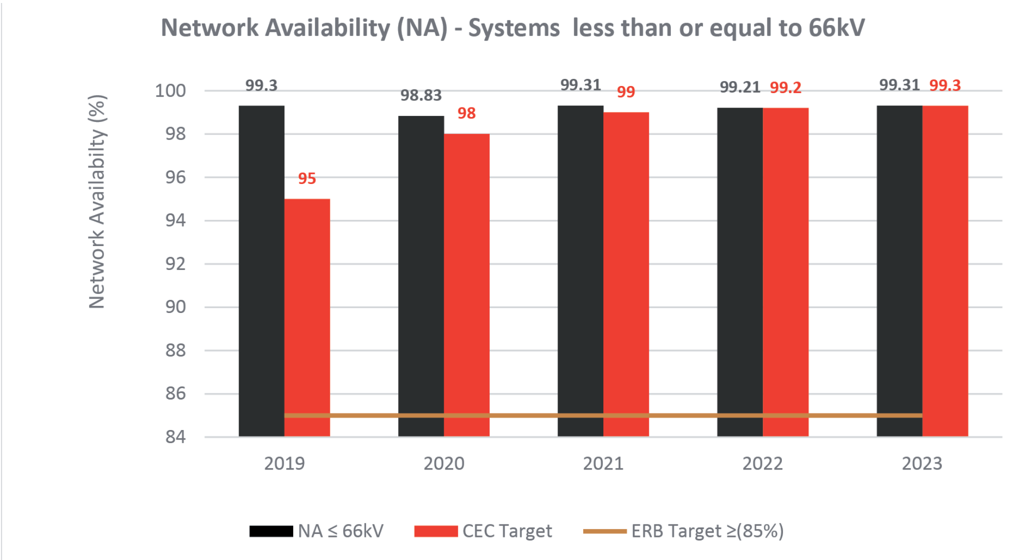
As a result, CEC's infrastructure compliance has continued to perform above ERB set targets and gradually improved year-on-year from 94.6% to 97.6% in 2019 and 2023 respectively.

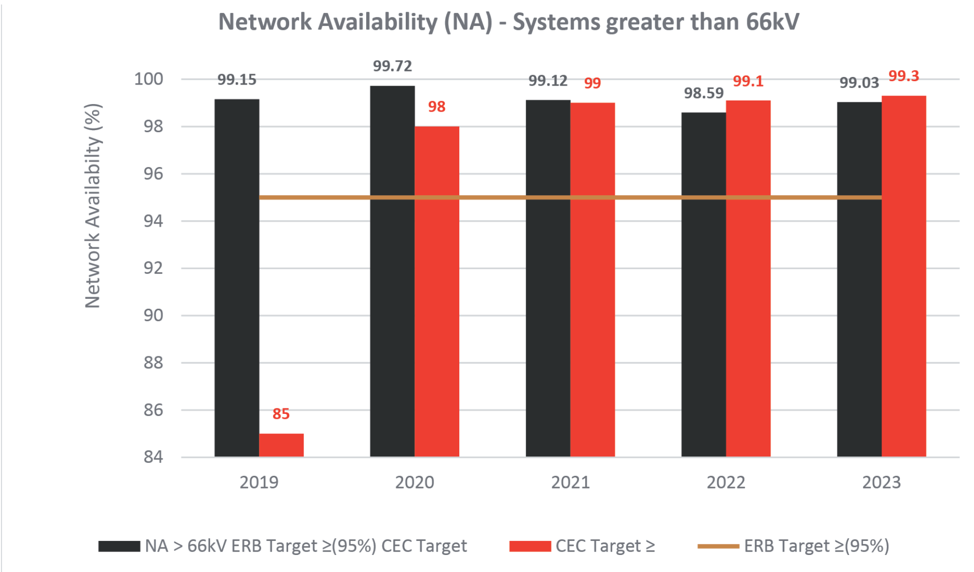
Quality of Supply

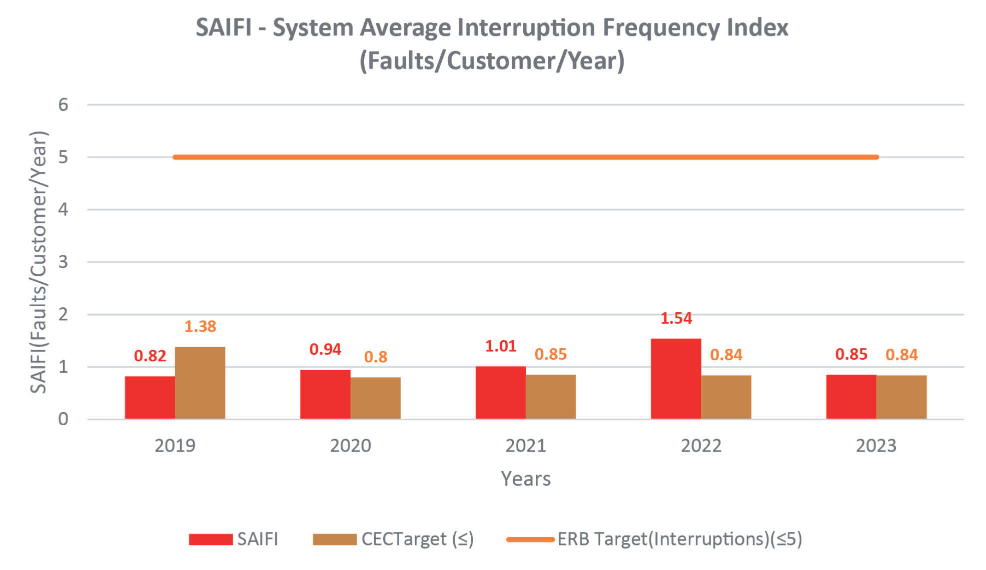


CEC continued to sustain quality of supply by undertaking initiatives to ensure high levels of network availability at all times and reduced power supply interruptions, hence meeting diverse customers' unique needs. The initiatives to minimise trip outs on the network include installation of line surge arresters on transmission lines, automatic voltage regulators, vegetation management in wayleaves, and modernising or replacement of system assets.

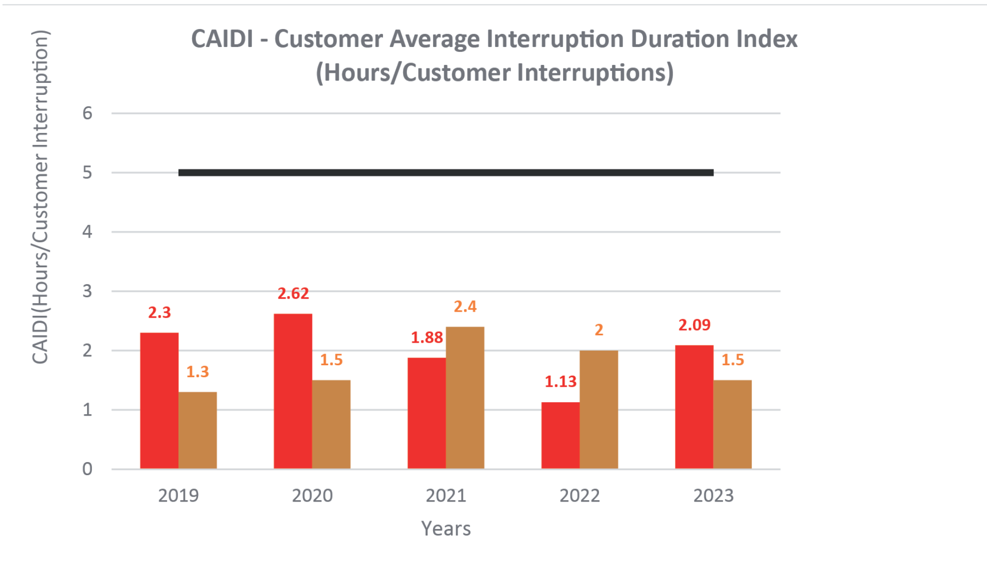
The Company continues to prioritise the needs of its customers through regular engagements and efficient resolution of concerns related to power quality such as management of system voltages and system disturbances. From a regulatory perspective, CEC has continued to meet the quality of supply standards and targets set by the ERB. Further, we strive to improve the quality of service for our customers by setting more stringent targets as depicted in the graphs below.







[System Average Interruption Frequency Index is the average number of Interruptions that a customer would experience.]



[Customer Average Interruption Duration Index is the average time required to restore service.]

Network Safety

System regulations and procedures governing operations and maintenance of the network to ensure safety of personnel and apparatus are well established and integral to operational excellence in CEC. The ever-present risk of changes in the network and evolving technologies rendering the system regulations inadequate is mitigated by regular reviews of these critical procedures. Some gaps posing challenges in the safe operation of the network were identified. A technical team was constituted to benchmark the system regulations against best practices in other utilities within the SADC region to assure system safety.
The system regulations were reviewed and subsequently rolled out in the first quarter of 2023 in line with the company strategy. To manage change, sensitisation and retraining of all authorized personnel that work on the system was conducted during the year. Further, to evaluate effectiveness of the revised system regulations, three performance reviews were carried out for continuous improvement purposes. This process revealed a need for further refinement of the system regulations planned for 2024.

During the year, three incidents on the network were recorded compared to one in 2022. Various recommended measures were implemented to address the identified root causes.

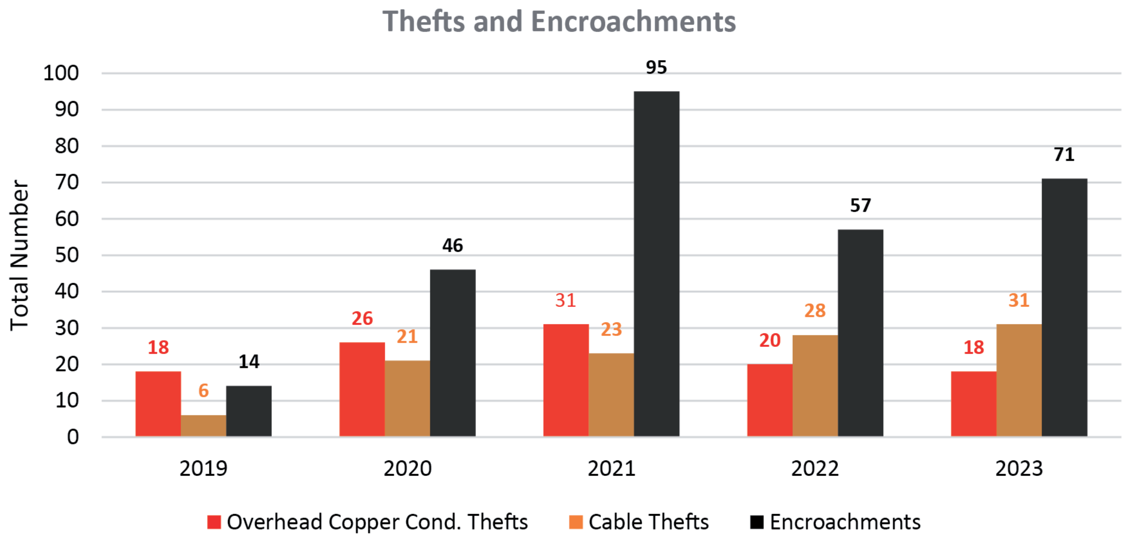
Security of Company Assets

CEC transmission and distribution network largely comprises overhead and earthing conductors as well as cables made from copper material which makes them vulnerable to thefts because of the high copper prices and readily available market. Steel tower structure members have become more vulnerable to theft due to a ready market for these materials used for various fabrication works. Over the last five years, the estimated cost of the above losses exceeded USD 300,000.

To curb theft incidences, the Company has continued to rigorously implement various initiatives, among them, public sensitisation and collaboration with the State security agencies and other stakeholders. Reduced overhead copper conductor thefts on the transmission lines infrastructure particularly during the second half of the year were noted. However, vandalism of transmission line structural steel members, substation cables and earthing conductors remained on the rise. To further enhance the security of the assets, the Company has incorporated the use of technology such as CCTV at all substations and is exploring the use of Artificial Intelligence for automatic detection of intrusion and events.

CEC was greatly concerned with the rising cases of encroachments in its wayleaves over the previous two years due to poor controls in land allocation. To mitigate this, various measures were being implemented which included enhanced patrols, installation of boundary markers, and better collaboration with local authorities over illegal allocation of plots etc.

In 2023, we recorded a 24% increase in wayleave encroachment cases compared to 2022 as shown in the chart below.

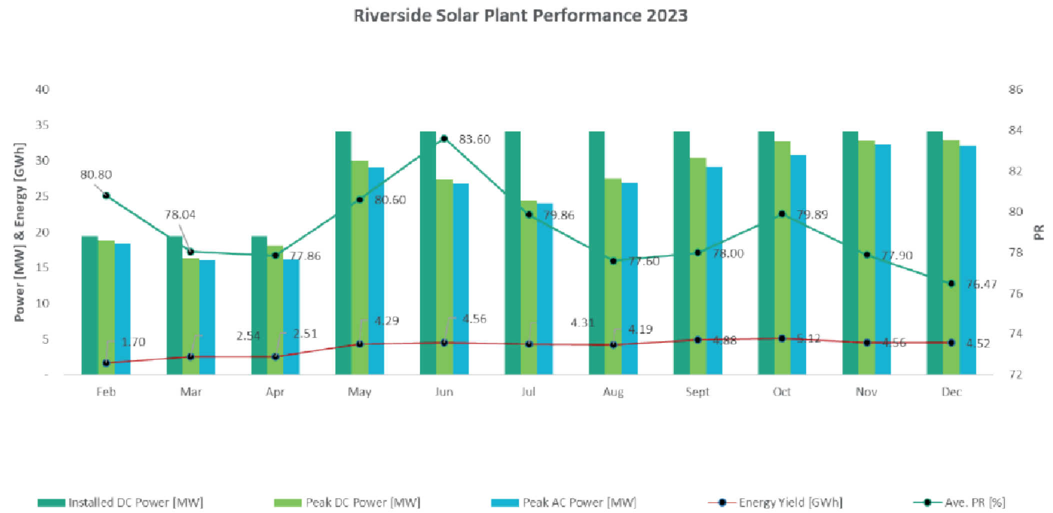


Our Renewable Energy Story

The Group has been aware of the need to add and augment Solar PV generation capacity within the Zambian electricity grid to mitigate the impacts of climate change resulting in power deficits due to the predominantly hydro-dependent power supply portfolio. Consequently, CEC has committed to exploit the abundant solar resource in the country to meet its' customers growing energy demands and support the country's growing energy demands in a sustainable manner, in line with the national Integrated Resource Plan.

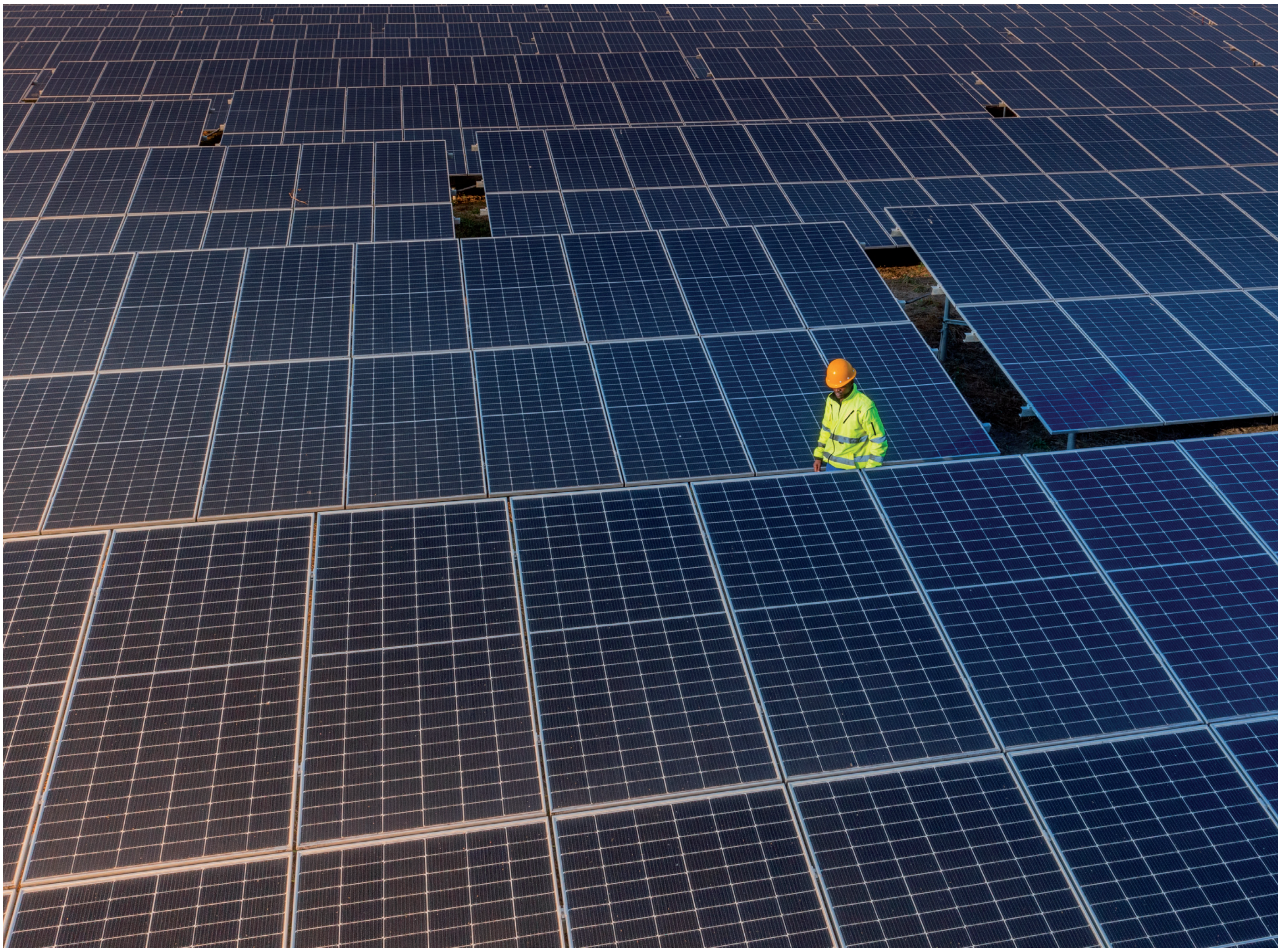
Our first solar plant, the Riverside Solar Plant in Kitwe, a 1 MW pilot project, was commissioned in 2018. We expanded the RSP to a 34 MW solar power plant that was commissioned in February 2023 by the Republican President, Mr. Hakainde Hichilema. This renewable energy asset is owned and operated by our wholly owned subsidiary, CEC Renewables Limited.

The solar plant has generally been operating within the design specifications, and where operational gaps were noted, corrective measures were instituted to prevent a recurrence. The maximum demand recorded was 32.32 MW in October 2023 and the total annual energy yield was 46.6 GWh which was 82% of the target. This was due to a technical constraint in the CEC PLC evacuation path which resulted in the solar plant not generating at the available plant capacity from date of commissioning to 12 May 2023 and significant dust accumulation on the modules due to exposure of the baren land post construction in the period July to September 2023.



We are currently completing the construction of our largest renewable energy asset, the Itimpi 60 MW Solar PV facility that is expected to be commissioned by 31 March 2024 and subsequently operated by CEC Renewables.

The Group's subsidiary is poised to be leading provider of sustainable grid connected renewable energy solutions and adding to the diversification of renewable energy sources in Zambia. Renewable energy solutions not only unlock sustainable power sources but also provide a pathway to environmental responsibility, cost efficiency, and a brighter, greener future for generations to come.



DIGITAL TRANSFORMATION AND SUSTAINABILITY

Digital transformation forms part of our priority focus areas, to make our operations more efficient. Several initiatives have been adopted to modernise our telecommunications systems, enhance the resilience of substation control infrastructure and digitally transform our business processes. Our focus is on embedding the use of digital technology to automate repetitive and manual tasks in business processes, for improved efficiency, accuracy, and cost reduction.

Telecommunications Systems

Key projects which have been undertaken in our telecommunications system have included an upgrade of 600Km of OPGW. This pivotal project involves the replacement of the decade-old 24-core Optical Ground Wire with the new 96-core version, with the objective of extending the lifespan of the fiber network, improving reliability, and expanding capacity to meet future data requirements. Fourty percent of the targeted 600km was upgraded in the year. This infrastructure serves as the backbone of CEC's communication network, facilitating critical services like asset protection, smart meter telemetry collection, remote substation control systems, CCTV feeds and telephone systems.

Additionally, we began a migration of our telephony system to an IP-Based Telephony System with Luanshya and Ndola areas already successfully migrated. The project is slated for completion in 2024 and includes integration with soft phones and collaboration tools such as Microsoft Teams.

Substation Control Systems

To enhance efficiency and build resilience in our substation control systems, we began the implementation of retrofitting of RTUs to support dual supply units. This will fortify substation control systems during outages.

Further, a project to upgrade all multiplexers in substations, to improve communication efficiency and accommodate modern protocols was successfully completed in the year under review.

The installation of CCTV at all substations was also completed in the year under review. Our focus in the coming year will be on improving coverage and piloting the use of Artificial Intelligence for automatic detection of intrusion and events in order to enhance security and safety of our assets.

Digital Transformation Outlook

Looking to the future, our focus will be on harnessing digital technology including data analytics to streamline internal processes, enhance service and operational delivery, navigate risks and ultimately improve profitability.

We began the implementation of the new ERP in the fourth quarter of 2023, with go live projected to be in the second quarter of 2024. The new implementation will include digitalisation of various business processes in finance, supply chain, human resources, health and safety, projects, and asset management. This implementation is expected to enhance operations, manage resources efficiently, and facilitate data-driven decision-making.

CEC has commenced a process to develop a strategy that will guide the business to transition into a smart grid utility. Unlike traditional grids, which rely on one-way communication from power plants to consumers, smart grids enable two-way communication and real-time data exchange between various components of the electrical network. This interconnectedness allows for more precise control and monitoring of electricity generation, transmission, and consumption.

Further, to enhance operational efficiency, CEC will embark on an ambitious program to integrate the use of UAVs, commonly known as drones in its operations. These will be used in infrastructure planning, modelling, monitoring, inspections, surveillance and aerial support during security incidents. The first UAV is on order and the process to obtain the necessary aviation certificates from ZCAA is underway.

Additionally, to capitalise on the increase in the number of power sources and mix, and the need for real-time data to improve profitability and navigate risks involved in the process. A project has been embarked on to deploy an ETRM system, expected to go live before end of 2024.

The rapid increase in the amount of data generated by systems, devices and sensors coupled with the advancement of data analytic techniques and tools provide an opportunity for CEC to aggregate data from various sources, process it and obtain useful business insights. CEC is building capacity in its information systems unit to effectively manage business data and mainstream data analytics and AI in strategic decision making and operational optimisation.

To defend our technological infrastructure, CEC will prioritise and continue to review its cybersecurity strategy in order to ensure that the approach encompasses risk assessment, employee training, incident response planning, continuous monitoring, and compliance with regulations. Investment in capacity building and smart tools to improve monitoring, detection and response to the ever-growing threat surface has been an ongoing commitment.

Our digital transformation drive promises numerous advantages for CEC, including heightened operational efficiencies, elevated customer satisfaction, and enhanced safety measures. We anticipate improved asset management and the introduction of greater operational flexibility. As technology continues to evolve, we foresee even more benefits on the horizon, promising a brighter and more responsive future for our organisation.

SOCIAL AND RELATIONSHIP SUSTAINABILITY

CEC's CSR is driven by the pillars of education, health, social infrastructure, environment, and sport.

Our engagement with the communities in the areas in which we operate is guided by policies that ensure our actions positively impact the wellbeing of individuals, groups, and society.

As an entity rooted in Zambia, we recognise our responsibility in supporting the actualisation of the outcomes of Zambia's national development areas, among them increasing the literacy rate, improving health care, and reducing carbon emissions.

In this regard, CEC supported initiatives in health, education, environmental sustainability, and infrastructure development.

In the reporting year, the Company completed the rehabilitation of the Luntembwe Paediatric ICU Ward at Kitwe Teaching Hospital. The ward will be the first critical care ward dedicated to infants and young children to enhance the quality of health care provided to children at the hospital.

CEC is dependent on skilled labour to support the delivery of the Company's ambitions. We, thereby, recognise that improving education resources is an investment in human capital for the present and future. In the year, the Company supported STEM initiatives which included the Copperbelt University Tech Expo and Copperbelt JETS fair. In view of the Country's commitment to electric car battery manufacturing, CEC in partnership with the Vice President's Office, sponsored two CBU students for a learning tour at Makerere University in Uganda, to support skills transfer in electric vehicle manufacturing.

The improvement of social conditions often requires that the infrastructure to support or enable the improvement are available. CEC extended its environmentally sustainable focus to its communities by installing solar streetlights in partnership with Kitwe City Council. The first phase of the project which began in 2022 was completed in the period.

With the global focus on preserving our environment and planet for future generations, CEC is contributing to environmental preservation through its tree planting programme. In the year, a total of 500,000 trees were planted from the inception of the tree planting program. Because we are cognisant of the current dependence on hydroelectric generated power, the trees are being planted around water sources to restore river catchment areas and degrading river sources.

As a parent Company and main sponsor of the Power Dynamos Football Club, we continued to extend support to the club. The Club begun the year being crowned champions of the MTN FAZ Super leagues for the 2022/2023 season. We maintain our focus on supporting the club in view of the impact of the sport at community and national level.

CEC continued to prioritise engagements with its stakeholders including government. On 27th April 2022, the

Government established the PPDF whose objectives are to (a) provide a mechanism for structured interaction between Government and the private sector on various matters concerning the economy; (b) identify challenges inhibiting private sector investment, productivity and competitiveness both across the economy and in specific sectors; (c) foster trust between the government and private sector as well as other development partners; and (d) create a favourable and predictable environment for private sector growth.

Additionally, the PDU whose function is to ensure there is efficiency in public institutions as an enabler to private sector investments was established.
CEC has actively been involved in the dialogue process, as co-chair of the Energy Technical Working Group. Our role as co-chair is on account of being the current chair of the APC whose creation was spearheaded by CEC. Through the dialogue process a number of issues that pose challenges for investors or players in the power sub-sector have been discussed.

The results from these engagements are evidenced through among others, progress on the establishment of an open access framework for the power sub-sector in Zambia which is expected to be approved and launched in 2024.

ENVIRONMENTAL SUSTAINABILITY REPORT

Our Carbon Footprint

With climate change placing unprecedented strain on the planet and its inhabitants, industries are coming under pressure to curb greenhouse gas emissions and make their operations sustainable. We have embarked on a program to understand our carbon emissions, which will lead to setting out a roadmap towards achieving net zero across all our operations. As such, we aim to offset most of the carbon emissions through both carbon offsetting and carbon insetting initiatives. Among the strategies in place are the integration of renewable energy such as Solar PV, decarbonisation and carbon sequestration through the planting of trees across the Copperbelt Province.

The total emissions during the year 2023 stood at 6,558.96 tonnes CO^2 representing 44.15% decrease from 2022 and the emissions offset at 34,067.77 tonnes CO^2, resulting in offset surplus of 27,508.81 tonnes CO^2. The offsets were mainly driven by the emissions avoided scheme on solar energy generation from the 34 MW Solar PV Plant. Although the carbon offsets are higher than the emissions, it is worth noting that the emissions accounted for under Scope three from the value chain upstream and downstream, are yet to determined as we are in the process of engaging key stakeholders on emissions verification methodologies that are internationally accepted.

Our Approach to Sustainability

Green Energy Transition

We have set ourselves on a path to transition to green energy and are determined to achieve this through strategic objectives aligned to our green energy aspirations and the UN SDG 7 targets.

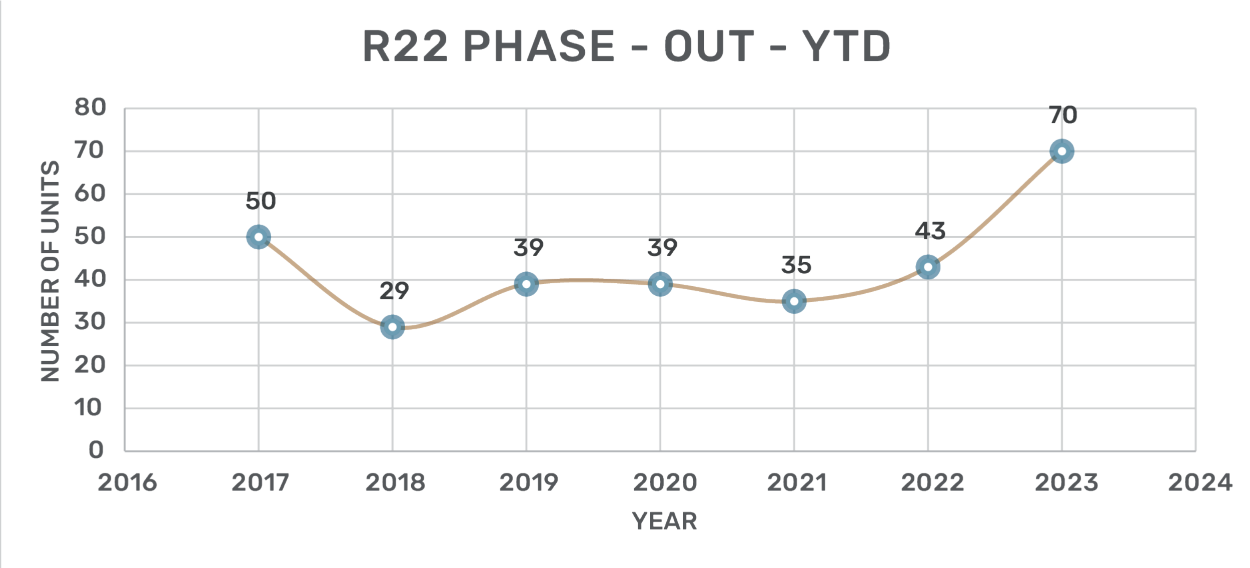
As part of the contribution towards the global energy transition agenda, we have started to scale up our renewable energy portfolio building on the 1 MW Solar PV that was commissioned in 2018. In the light of this, we commissioned the 34 MW Solar PV Plant in Riverside area of Kitwe, effective February 2023. Furthermore, a 60 MW Solar PV Plant is under construction in Garneton area of Kitwe with commissioning scheduled for the first quarter of 2024.

Decarbonisation

Being fully aware of the impact that GHG emissions have on the climate, we continued to review our operational processes and identified opportunities to reduce our greenhouse gas emissions. As a company, we recognize our role in accelerating the implementation of Article 6 of the Paris Agreement on climate change, to limit the global temperature rise to 1.5°C through reduction of GHG emissions. In order to effectively contribute to the effort on climate action, we have positioned ourselves to reduce GHG emissions from our operations through initiatives that absorb, remove, or avoid GHG emissions. Some of these include the proposed retrofitting of the GTA machines, phase out of potent refrigerants and introduction of eco-friendly circuit breakers.

The company has determined to retrofit its emergency power generating machines of 80 MW combined capacity that use diesel to use LPG that is not only environmentally friendly but also provides the same operational efficiency. Implementation of the retrofitting project is in phases starting with a 10 MW machine in 2024.

In line with its decarbonisation strategy, CEC is determined to phase out high potent refrigerant gases from its operations. This is in conformity with the Montreal Protocol, ratified in 1987, which, requires all to eliminate the production and consumption of ozone depleting substances to protect the earth's ozone layer. Following an audit in 2016, 446 air-conditioning units that contain high potent refrigerants were identified and we commenced the replacement exercise. The replacements involve deployment of Puron (R410A)-containing air conditioning units and replacing Freon(R22)-containing air conditioners and the exercise reached 68% closure in 2023 with 100% closure planned for 2025.



We have continued to explore opportunities to decarbonise, leveraging on technological advancements in HT circuit breakers. The company has SF^6 circuit breakers on its power system. In recognition that SF^6 has a very high global warming potential than CO^2, we have a plan to introduce ecofriendly CO^2-based breakers. We are confident that not only will our decarbonisation agenda contribute to an effective climate action but will assist the country achieve its NDCs.

Carbon Sequestration

Beyond the management of emissions within our operations, CEC further offsets emissions through tree planting. We embarked on increasing carbon sinks in our immediate environment through a five-year tree planting program, which started in 2019 and was completed in 2023.

The tree planting program involved planting of indigenous trees in 10 districts on the Copperbelt province, focusing on afforestation of degraded river sources and water catchment areas in the Kafue River basin. We understand that river sources and water catchment areas are depleted of trees that are suitable for vegetation .The trees naturally support recharge of water into rivers and streams due to human activity, and as such water volumes in the rivers are low affecting ecosystems services for the communities. We are also cognisant of the negative impact that low volumes of water has on the generation of hydropower.

In recognition of the negative impact low water flows have on the environment, CEC in partnership with the Department of Forestry on the Copperbelt, undertook the initiative to plant 500,000 indigenous trees to restore degraded river sources and catchment areas over a five-year period. By end of 2023, 500,000 trees had been planted. The trees planted will be a contribution to the natural sequestration of carbon, where we hope to achieve a sequestration rate of 2500tonnes/year. As the trees grow more and more, the absorption capacity will increase and hence, we shall realise a more sustainable environment.

Circular Economy

We are committed to minimizing waste generation by making the most out of resources by keeping materials and products in use for as long as possible, thereby reducing environmental impact and promoting sustainable development. We have a strategy to shift from the traditional linear model of take-make-dispose to one that emphasises re-use, recycling, and regeneration of materials.

The company collected 9.72 tonnes of combined waste that included wastepaper, e-waste, batteries and plastic bottles. We have a partnership with the recycling plants namely, Zambezi Paper Mills that recycle wastepaper, Alpha Polyplast that recycle our plastic bottles and TCH E-waste where electronic waste is recycled. Circularity of these wastes slows down natural resource depletion, reduces habitat disruption and limits biodiversity loss. We also recognise the positive impact that recycling of waste has in offsetting our carbon emissions.

Our plastic waste reduction program aims at collecting plastic from the environment and recycling it to produce material that can be used. We collect plastic bottles, transport the waste to recycling sites, where they are recycled to make straps.

Biodiversity Protection and Conservation

CEC is aware of the impact that its operations have on biodiversity, such as loss of flora and fauna. As a result, we are committed to integrating the preservation of biodiversity during the implementation of infrastructure projects. To preserve biodiversity, our approach is to use existing power corridors for transmission projects and solar farms as far as is practicable to minimise loss of vegetation and to capture animal life and relocate them to natural habitats, maintaining their existence in the natural habitat.

In partnership with a local reptile farm on the Copperbelt, we capture reptiles out of our vicinity during project construction and relocate them to a reptile farm, maintaining their existence in the natural habitat and preventing the extinction of this precious reptile. To enhance capacity and ensure continuity in biodiversity protection, our employees have been trained in "Snake Awareness and Recognition, "First Aid for Snakebites" and "Basic Snake Handling" by a Herpetologist.

Fostering Climate Resilient Communities

We are committed to working with communities in order to build resilience in climate risk impacts. Through our tree planting program and project implementation, we empower our communities to mitigate and adapt to effects of climate risks through awareness training and support for programs that shift the attention of the community from contributing to climate change such as cutting trees for charcoal burning/ cooking. Every tree planting year begins with cordial engagement with the communities where the communities are first educated about the value of protecting trees and the need to take climate action. In partnership with the Department of Forestry, on the Copperbelt province, these activities are facilitated to reach every resident that lives near the tree planting sites. In 2023, we engaged various households from the local communities to educate them about the importance of tree planting and recruit them to participate in the program. This strongly encouraged the 320 households to come on board to plant trees with us. The communities are very happy to be engaged as households, so that every family benefits from the job opportunity created on a short-term basis and ultimately, no one is left behind in the fight against climate change.

Apart from engagement, in the climate fight, we also provide capacity building to communities of farmers that are affected when we traverse their crop fields during business expansion projects. During the period under review, a project-based training was conducted to equip farmers affected by the CEC Lonshi Transmission Line project. 72 farmers were trained in improved farming methods over a period of four days. The training was meant to equip farmers with skills in entrepreneurship, improved agriculture, marketing, financial management, agriculture as a business and value addition in agriculture. The training is structured in a manner that it includes both theory and practical sessions. It also allows for continual monitoring through partnership programs with relevant government departments such as the ministry of Agriculture and the forestry department.

Apart from the theory component of the training, there were practical sessions during which the participants were exposed to hands-on agricultural methods and entrepreneurial skills to get the experience and a feel of how certain practices are actually done. Among the practical sessions done were the identification of crop pests and diseases in the field, making botanical pesticides, food processing (for peanut milk, soya milk, tomato jam and tomato paste).

4. GOVERNANCE AND LEADERSHIP

GOVERNANCE AND LEADERSHIP OVERVIEW

Governance Group

Our Board continued to oversee the governance, smooth operation and oversight of the Group. The Board and Management supported the Group's continued commitment to maintaining the highest corporate governance standards, embedded in the Group's governance framework, that promotes long term success and deliver sustainable shareholder value. We have a high-functioning Board that is effective in its decision making and maintaining oversight of the Group's activities, complementing our values and ethics as prescribed in our Code of Conduct and Ethics and governance policies and procedures.

Our Board aims to provide the Group with a shared understanding and a consistent approach towards the Group's strategic objectives, culture, purpose and vision and ensure that corporate governance best practice is applied throughout the Group. Subsidiary boards and their respective businesses are required to have in place effective policies and procedures that are aligned to the Group governance ethos, are accountable and comply with the relevant framework of laws and regulations. Through the structures and networks in the organisation, it ensures that the Group boards are accountable and possess appropriate balance of skills, diversity, experience and knowledge, having regard to the nature of each business.

How the Board Operates

Our Board is collectively responsible for the effective oversight of the Group. It determines the Company's strategic direction and objectives, business plan, dividend policy, viability and governance structure to help achieve long-term success and deliver sustainable shareholder value. It also plays a major role in setting and leading the Company's culture and wider sustainability goals. It considers key stakeholders in its decision making and, in doing so, ensures that Directors are responsive and comply with their duty under the Companies Act, 2017. To operate efficiently and enable appropriate review and consideration over relevant matters, the Board delegates certain responsibilities to Board Committees. Each Committee Chair reports to the Board on their respective Committee's activities after each meeting.

The Board, through the Nominations Committee of the Company reviews the skills and experience of the Independent Non-Executive Directors and those of the members of the Committees. This ensures that the Board is comprised of the necessary skills, diversity, experience and knowledge, to maintain its effectiveness. Appointments of Independent Non-Executive Directors of the Board are subject to an assessment and selection process undertaken by the Nominations Committee, before recommendations are made to the Board and subsequently recommended for the approval of the shareholders at the AGM of the Company.

Composition of the Board and Appointments

Directors are appointed because of their considerable corporate business knowledge, skill and broad range of experience that are requisite to their role and the value they bring to the Company. Appointments to the Board, other than those for Independent Non-Executive Directors, are made pursuant to the qualifying threshold set out in the Articles.

The Articles prescribe a maximum number of twelve seats for the Board. All members of the Board, other than the Managing Director, are considered independent of the Company and its management. The Non-Executive Directors serving on our Board as at 31st December 2023 comprised of Mr. London Mwafulilwa, the Chairperson, Dr. Patrick Nkanza the Vice Chairperson, Mr. Ronald Tamale, Mr. Derrick Chime, Mr. Joe M. Chisanga, Mr. Tisa Chama, Mr. Hastings Mtine, Mr. Siyanga Malumo, Mr. Munakupya Hantuba and Mr. Arnold Simwaba.

Mr. Mwafulilwa and Dr. Nkanza were re-elected as Independent Non -Executive Directors at the AGM that was held on 27th April 2023. The Board is constituted of only one Executive Director who is Mr. Owen Silavwe, the Managing Director.

Biographies of the Directors are available on pages 77 to 79 of the Annual Report.

The roles of the Chairman and the Managing Director are separate. There is a clear division of responsibilities between the leadership of the Board by the Chairman, and the executive responsibility for day-to-day management of the Company by the Managing Director.

Board Activities During 2023

During 2023, the Board remained focused on the key strategic objectives under the Company's 2023 – 2027 Corporate Strategy, overseeing performance, and risk for the Group. It considered performance against financial and other strategic objectives, key business opportunities and challenges, emerging risks, business development, investor relations, major SHES and significant legal issues and the Group's relationships with its stakeholders.

Our Board is attending to insights to provide the implementation of the ESG strategy and developing policies across the Group, following the completion of the ESG gap analysis, the planned transition to net zero and decarbonisation of processes. The

Group has climate ambitions to align its financed emissions to net zero and to become net zero in its own operations and supply chain within the strategic period of 2023 to 2027. The Group aims to achieve this, focusing on sustainable finance opportunities, as well as by reducing the carbon emissions in its own operations and other actions.

Strategy and Business Performance

The Group's strategy remains focused on increasing returns for investors, creating capacity for future investment and building a sustainable platform for growth. In 2023, each Board meeting featured the Group's strategic performance on its agenda, facilitating opportunities to track its delivery throughout the year, and providing opportunity to shape how it was developed. The Board reviewed performance of the Group's businesses, as well as progress against its key strategic pillars.

Risk, Regulatory and Legal Considerations

Our Board promotes a strong risk governance culture that shapes the Group's risk appetite and supports the maintenance of a strong risk management framework, considering the measurement, evaluation, acceptance and management of risks, including emerging risks. The Board considered critical legal matters and the status of adherence to legal compliance.

Shareholder Engagement

The Board is committed to maintaining strong communications with our investors (both equity and debt). The Company has a comprehensive investor relations programme where it meets a range of key investors in person or virtually at small meetings and larger investor roadshows and other events. Management also hosts web-based meetings for both our half-year and full-year results and takes questions from investors and analysts to ensure open dialogue with the market. Presentations are given to analysts and investors covering the Group's results, along with all results and other regulatory announcements. Shareholder engagements are also undertaken at the Company's AGMs.

Board Performance Evaluation

Our annual self performance evaluation process is undertaken and provides the Board and its Committees with an opportunity to consider and reflect on the quality and effectiveness of their function as a Board and also as separate Committees.

Directors' Training

Directors' training in ESG was undertaken, alongside the annual Board and Management Strategy session that was held in Livingstone on 9th and 10th November 2023.

Time Commitment

Directors are required to commit and allocate sufficient time to discharge their Board responsibilities effectively. Directors are also expected to attend meetings of the Board and the Committees of which they are members and devote sufficient time to prepare for such meetings in advance.

Board Committees Composition and Governance Structures

The Board delegates oversight of some of its functions to the Committees. Each standing Board Committee is chaired by a non-executive Board member and has a remit to cover specific topics in accordance with their respective Terms of reference.

Our Board has five committees, comprised of:

a. The Executive Committee
b. The Audit and Risk Committee
c. Safety, Health, Environmental and Social Committee
d. Nominations Committee
e. Remuneration and Employee Development Committee

Through the Committees the Board ensures there is a strong representation of experience, requisite knowledge, independence, foresight and good judgement, necessary to enable the Board to function efficiently and to expected standards. In carrying out their functions, the Committees may not exceed the authourity delegated to them by the Board.

Executive Committee

The Executive Committee oversees operational decisions it considers necessary to safeguard the interests of the Company to execute the strategy, business objectives and targets established by the Board for the business. The Committee is responsible for making and directing decisions on key initiatives carried out by the Company, mandated to it by the Board, between board meetings. It oversees investment strategies and approves investment decisions. In addition, the Committee reviews management reports for business and support units. The Executive Commitee, together with the Audit and Risk Committee, reviews the Company's annual budget and any supplemental requirements for consideration and approval by the Board set out in its Terms of reference.

The Executive Committee remained active in 2023, in its interface role of facilitating decision making between Board meetings and providing guidance on ongoing day to day implementation of the Company's strategies and policies, on major operational and commercial matters and the new and ongoing business expansion projects for the Group in Zambia and the DRC. Key issues considered by the Committee also included the oversight of the Company's material legal cases in particular, the CEC and KCM UNCITRAL arbitration process which was finally settled during the year, and the appointment of Senior Management.

New Executive appointments were made in relation to Mrs. Betty Matandiko Sikana, Mr. Raphael Maseko and Mrs. Verona Mwila Nkolola, who took up the roles of Chief Human Resources Officer, Head Telecommunications and Informations Systems and Head Corporate Communications and Investor Relations respectively.

The Committee approved the budgetary reallocation for the GTA projects, sale of the biodiesel plant and oversaw the Green Bond financing process.

The Committee membership is comprised of two Independent Non-Executive Directors, three Non-Executive Directors, one Executive Director and the Chief Financial Officer. Meetings of the Committee are attended by senior management. During the year 2023 the Committee met seven times.

Patrick Nkanza
Chairperson - Executive Committee

"Delivering on the Company's strategy and commitments to our shareholders, remains the focus of the commitee as we strive towards the actualistion of our strategy up to 2027"

Committee Members
London Mwafulilwa
Ronald Tamale
Owen Silavwe
Munakupya Hantuba
Mutale Mukuka
Hastings Mtine

Audit and Risk Committee

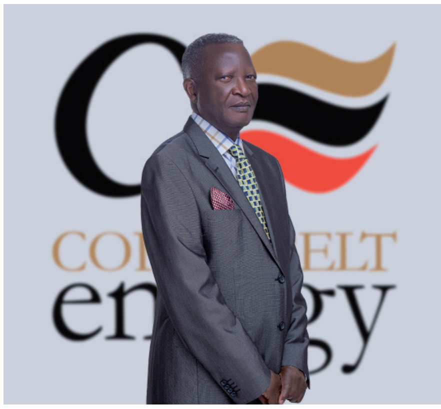
The Audit and Risk Committee provides oversight on the effectiveness of the Company's operational and financial reporting systems, ensuring accuracy and fairness in published financial statements. The Committee is responsible for ensuring that appropriate accounting policies, controls and compliance procedures are in place and that compliance management and other internal control activities are operating effectively. The Committee also ensures the effectiveness of governance and management of risk within the Company's operations.

The purpose of the Audit and Risk Committee:

- Evaluating the reliability and integrity of information and the means used to identify, measure, classify and report such information.
- Evaluating established systems to ensure compliance with those policies, plans, procedures, laws and regulations, whose non-compliance could have a significant negative impact on the Company.

The Committee is governed by a charter approved by the Board. It recommends to the Board, the appointment and remuneration of the external auditors. The Committee has a right to hold separate meetings with the Head of Assurance and Internal Audit and the External Auditors when required, to enhance auditor independence.

It is chaired by a Non-Executive Director and consists of at least three Non-Executive Directors. The Committee meets at least quarterly and at such other times as may be required.



Joe .M. Chisanga
Chairperson - Audit and Risk Committee

"The committe aims to ensure utmost compliance as well as adequacy of internal controls, for the management of risk in order to assure the delivery of value to our shareholders"

Committee Members
Ronald Tamale
Patrick Nkanza
Hastings Mtine

Further, it is required to meet at least four times in every year and members make no conflicts of interest declarations at the beginning of every meeting, to confirm their independence. There were no conflicts of interest recorded in 2023.

The Committee met on seven occasions in 2023.

Internal Controls

The Company maintains a comprehensive system of internal controls to mitigate identified risks and to ensure that its objectives are consistently achieved. CEC's internal controls are based on the principle of acceptable risk being inherent to the design and implementation of a cost-effective system. This system of internal controls includes monitoring mechanisms and mitigation measures for deficiencies when they are detected. The system is benchmarked against the Committee of Sponsoring Organisations of the Treadway Commission Internal Control - Integrated Framework.

Assurance

Three year Internal Audit Plans which are reviewed annually are set and approved by the Board through the Audit and Risk Committee. Designed on a risk-based assurance approach, they are focused on adding value to the control environment while rendering independent assurance to the Board on the effectiveness of internal controls over operational and compliance activities, and the adequacy of our governance system.

The Committee discharged its responsibilities in accordance with its terms of reference with the full cooperation of Management, the Assurance and Internal Audit and the External Auditor. Overall, risk management and internal control processes continue to improve.

During the period, the Committee reviewed and approved the following:

- The financial statements and Directors' report
- The external auditor's management letter
- The LuSE Corporate Governance Compliance report
- The Annual Report of the Audit and Risk Committee
- The quarterly management accounts
- The quarterly Directors' and Senior Management Expenses report
- The half year financial statements
- The Company risk profile
- VAT Paper
- Impairment of Kabompo Investment
- The operating and capital budget, working with the Executive Committee
- The Assurance and Internal Audit reports
- The Group risk profile

Audit Report Reviews and Recommendations Tracking

The Committee continued to monitor and track the implementation of audit recommendations by Management. The Committee notes that outstanding recommendations are the subject of ongoing management attention, and it will continue to monitor and track implementation.

Key matters considered:

- Financial reporting and statements;
- Internal controls, risk management and compliance;
- Corporate audit;
- External audit and assurance;
- Complaints and whistleblowing procedures;
- ESG and climate change-related disclosures.

AGM

The AGM is a business meeting that provides an opportunity for the Board and Management to provide reports, meet and engage with shareholders.

We were pleased to hold our 2023 AGM on 27th April 2023. The meeting was held virtually. The AGM was well attended and provided the opportunity to broaden our engagement with shareholders. The number of shareholders in attendance at the 2023 AGM was 353.

We look forward to holding the 2024 AGM and under consideration is a hybrid meeting. Details of the agenda for the meeting and other relevant documents were issued with the Notice for the AGM made available to shareholders in advance of the meeting and available on the Company's website.

The Company also held an EGM on 5th June 2023 to consider specific business for the passing of a Special Resolution to ratify the amendment of Article 3.4 of the Articles, relating to the Special Share Rights of the Special Shareholder.

Nominations Committee

The Nominations Committee plans and reviews the composition of the board committees to ensure that there is the required mix of skills, experience, demographics and diversity on the committees.

The Nominations Committee also evaluates suitable candidates for appointment as Independent Non-Executive Directors on the Board of Directors, for recommendation and appointment by shareholders at the AGM, where a vacancy (or vacancies) arises in the number of Board members and remains unfilled. The Committee has no scheduled meetings and only meets as and when required.

Among its roles as prescribed in its Terms of reference, the Nominations Committee is to ensure that:

- Independent Non-Executive Directors considered for appointment by the shareholders at the AGM have the appropriate composition of skills, expertise and knowledge to execute their duties effectively and that similar criteria is applied for Board Committee appointments.
- Induction of new Directors and training and development of the Directors is conducted on an ongoing basis.

A meeting of the Nominations Committee was held on 28th February 2023 to consider and make recommendations for the appointment of Independent Non-Executive Directors to the Board for final approval by the shareholders at the AGM. The decision taken at the meeting of the Commitee was for the recommendation of the re-appointment of Mr. London Mwafulilwa and Dr. Patrick Nkanza as Directors of the Company.

London Mwafulilwa
Chairperson - Nominations Commitee

"Our focus is on ensuring diversity on the board and harnessing of the right skill set to support the management team of CEC."

Commitee Members
Ronald Tamale
Hastings Mtine

Remuneration and Employee Development Committee

The Remuneration and Employee Development Committee provides oversight of the development of human resources strategy, policies and budgets; ensuring alignment and congruence with overall corporate strategy, policies and priorities and enhancement of human capital contribution towards the sustainable performance of CEC. The Committee monitors human capital performance and advises remediation required or opportunities for consideration.

During the year, the Remuneration and Employee Development Committee provided essential oversight and strategic guidance on various dimensions of human resources. The Committee played a pivotal role in shaping training initiatives, ensuring they aligned with corporate goals and enhanced employee skills. It exercised vigilant oversight in addressing disciplinary cases, contributing to fair and effective resolutions.

Additionally, the Committee actively engaged in monitoring and optimising human capital productivity metrics to enhance workforce efficiency. Amid the challenges posed by the COVID-19 pandemic, the Committee provided strategic direction for measures aimed at safeguarding employee well-being.

The Committee further guided on fostering positive relations with the trade union representing unionised employees, thereby, contributing to a collaborative and harmonious industrial relations climate in the Company. The Committee played a key role in overseeing the performance of the CEC Pension Trust Scheme, offering valuable insights into its operations.

Munakupya Hantuba
Chairperson - Remuneration and Employee Development Committee

"The commitee remains committed to monitoring and optimising all human capital metrics in order to safeguard employee well-being."

Commitee Members
Joe M. Chisanga
Siyanga Malumo
Tisa Chama
Owen Silavwe

Safety, Health, Environmental and Social (SHES) Committee

The SHES Committee provides oversight on the overall SHES strategy and performance of the Company and operations. To deliver on its mandate, the Committee monitors and reviews the Company's SHES Strategy, evaluates the Company's policies and systems for delivering the Company's SHES strategy, monitors the quality and integrity of the Company's internal and external reporting of SHES performance and issues and assesses the policies and systems within the Company for ensuring compliance with SHES regulatory requirements.

The Committee is governed by the terms of reference that are approved by the Board of Directors.

During the year, the Committee held four meetings as per meeting calendar. There were no conflicts of interest between the Directors and the matters discussed.

The Committee reviewed the SHES performance of the Company in line with the strategic objectives, ensuring that appropriate policies and strategies were in place to sustain a safe workplace and protect the environment.

In addition, the Committee evaluated its performance against its mandate to foster improvement in its performance. The Chairperson of the Committee engaged all members one-on-one in areas where there was room for improvement, so as to make the Committee more fit for purpose and in tune with the overall Company objectives. The Committee also approved the 2024 SHES strategic objectives.

The Board Committees are available on the Company's website. The attendance record of the members of the Board and Committees is set out in the Director's Report.

Derek Chime
Chairperson - SHES Committee.

"The committee is committed to ensuring that appropriate policies and strategies are in place to deliver on our ESG ambitions and sustain a safe work place."

Commitee Members
London Mwafulilwa
Siyanga Malumo
Tisa Chama

RISK MANAGEMENT, ASSURANCE AND CONTROLS

Risk Management Approach

In order to enable the successful accomplishment of strategic objectives, CEC seeks to advance risk management maturity to the point where risks are clearly taken into account in all activities, and choices that are consistently made in accordance with established standards. The core elements of enterprise risk management, as well as governance and oversight, systems, and tools have all been operationalised by the Company.

Risk Management Process

The following are the stages of risk management: Risk identification, risk analysis and evaluation, risk response to significant risks, risk performance reporting, risk management monitoring and review.

Risk Identification

The risk identification process sets out to identify the Company's exposure to uncertainty. The desired outcome of risk identification is to catalogue all sources of risks so that the business impact can be evaluated. The process is designed such that all significant activities within the organisation are identified and all the risks flowing from these activities are defined. The identified risks are documented in risk registers.

Risk Analysis and Evaluation

This is a stage where all risks that have been identified are analysed by understanding their causes and consequences, on the business so that a decision can be made on the appropriate risk treatment as required, and the priority for treatment implementation. After the risks have been analysed, the risks are then evaluated and ranked in accordance with materiality and responsibility for mitigation is assigned. Risk impact and likelihood of occurrence for each risk is determined using a defined matrix. A total risk score is derived by identifying the highest impact score (severity) and multiplying this by the probability or likelihood of occurrence. Risk heat maps are developed that depict evaluated risks identified for specific periods of time, typically on a quarterly basis. Risks are allocated numbers in order of significance, and allocation to the risk owner is based on the resultant colour code.

Risk Performance Reporting

The risk and SHES department receives reports from directorates on the effectiveness of the risk management process through risk registers. A detailed evaluation of the risk registers is done, cataloguing all the risks, and identifying the top 10 risks facing the Company, which are then submitted to the RBCSC for scrutiny. The Executive Management Team receives a risk report from the RBCSC for further review, determining appropriate enhancements to the mitigation controls where necessary. The Audit and Risk Committee of the Board receives the report from management for adoption upon verifying and ensuring adequacy and appropriateness of the controls to mitigate the identified risks. The adopted risk report is then submitted to the Board for ratification.

Monitoring and Review

Risks are continually subjected to formal review by individuals with the accountability and authority for managing the risk and any associated risk treatments. This review involves the monitoring of risk treatment actions, control effectiveness and changes to the external or internal context, including changes to CEC's stakeholder's objectives and perceptions.

Functional risk registers are reviewed once a year to reflect changes in the business, and the prevailing business environment and business risk registers are reviewed and validated quarterly.

Governance Structure

Governance Oversight

The Board of Directors establishes the Company's risk appetite and is ultimately in charge of the risk management plan. Every quarter, the Board reviews the efficiency of the Company's internal control and risk management systems and discusses the main business risks the Company faces.

The Board has further delegated the Audit and Risk Committee to review the effectiveness of Company's risk management framework and internal controls and oversees effectiveness of the assurance and Internal Audit function to determine appropriateness of internal controls, recommendations and that appropriate action is being taken.

Operational Oversight

Management is responsible for the operationalisation of the risk management framework. They ensure that the designed and implemented internal controls to mitigate the risks and uncertainties are operating effectively. Management has further established and delegated the RBCSC to provide oversight over the implementation of the established risk management processes.

Adopted Risk Management Standards

The COSO and the ISO 31000 risk management standard serve as the foundation for CEC's risk management practices.

Key Business Risks

Highlighted below are some of the significant business risks identified and managed during the period under consideration. This does not constitute all the risks the business faced, but only those that are deemed to have high impact and likelihood. The identification and mitigation of these risks is the main goal of the CEC risk management approach, which aims to maximise sustainable value addition to all organisational activities. The Company is well-positioned to take the necessary steps to reduce its risks and seize opportunities to provide value for all of its stakeholders.

Key business risks are as depicted in the heat map below:

Key Business Risks Heat Map							
Extreme	C6	21	30	32	34	35	36
Major	C5	17	27	28	29	31 2	33 1
High	C4	14	22	23	24	25	26
Moderate	C3	8	15	16	18	19	20 3
Minor	C2	2	9	10	11	12	13
Insignificant	C1	1	3	4	5	6	7
		L1	L2	L3	L4	L5	L6
		"Almost Impossible"	"Very Unlikely"	Unlikely	Likely	Very likely	"Almost certain"
				Likelihood			

Post Treatment Risk Classification Index

Post-treatment risk classification index:	Response:	Report to Authority Level:
31 to 36	Immediate and urgent action	ExCom and Board
25 to 30	Proactive management	MD and ExCom
16 to 24	Active management	Risk owner and MD
9 to 15	Manage routinely	Risk champion and HSE Lead
1 to 8		

<table>
<tr><th>TOP RISKS</th><th>RISK DESCRIPTION</th><th>MITIGATION AND RESPONSE</th><th>RISK OWNER</th></tr>
<tr><td>Risk # 1

KCM's non-payment of debt and ongoing obligation</td><td>Following the expiry of the PSA in 2020 between CEC and KCM, there was a change of contractual structure where KCM would contract for GCSA from CEC. However, the two companies operated without an agreement until the last quarter of 2023 when the GCSA was signed. The parties agreed to separate the payment obligations into two: - (i) the USD 20 million payable under the terms of the DSA and (ii) the ongoing payment obligation under the GCSA. The risk is the potential payment default by KCM in relation to the DSA and GCSA</td><td>There is an Arbitration Award by Consent which the Company has rights to enforce in support of the default under the DSA.</td><td>Chief Financial Officer</td></tr>
<tr><td rowspan="2">Risk # 2

Inability to supply contracted power to our customers on account of power deficits and transmission bottlenecks.</td><td>There is a risk of failure to supply contract power requirements on account of regional and local power generation deficit against a growing demand.</td><td>We are reinforcing power supply sources to allow for a diversified energy mix sourced from third-party suppliers in country, the region and from our own generation.</td><td>Chief Commercial Officer</td></tr>
<tr><td>There is a risk of failure to supply contract power requirement on account of transmission bottlenecks.</td><td>We have allocated capital, investing in reinforcing the bottlenecks identified in our network, including the interconnector between Zambia and DRC.

Further, we are engaging partners seeking solutions aimed at partnerships in the construction of transmission lines to address the identified bottlenecks.</td><td>Chief Project Officer</td></tr>
<tr><td>Risk # 3

Impact of climate Change on the business.</td><td>Climate change is posing a serious risk to operations. One specific impact in Southern Africa is droughts and tropical cyclones that have the potential to impact power generation.

Based on the 2023 power sources, over 80% of the power we supply is generated from hydro technology which is dependent on water as a source of fuel.</td><td>We have embarked on a number of measures aimed at addressing the concentration to hydro technology as a main source of power generation. The measures include:

• The construction of up to 300 MW of Solar PV by 2027. As at end of 2023, 34 MW was operating and another 60 MW was under construction ready for commissioning in 2024.

• We are working with third party developers to offtake the power from their Solar PV plants

• Strategically, collaborating with regional utilities and IPPs to offtake the power from alternative generating sources and hydros situated on rivers in different regions for diversity and risk management</td><td>Managing Director</td></tr>
<tr><td>Risk # 4
Impact of cyber security on operations on company data and/or systems.</td><td>Increased use of information technology as part of digital transformation widens the surface area of cyber security attacks from different actors that can potentially disrupt operations or hold the business at ransom with financial impact.</td><td>Our commitment to cybersecurity is reflected in our proactive, multi-layered approach. Key strategies include the segmentation of our network, effectively air-gapping our Operational Technology from Information Technology environments. Robust security measures, such as stringent access controls and intrusion detection systems, safeguard our data and information systems against unauthorised access and malicious activities.

This approach is further strengthened by:
• Continuous network monitoring, enabling real-time detection and response to potential security incidents.

• Implementation of access controls and adherence to least privilege principles, ensuring restricted access to critical systems and data.

• Maintenance of comprehensive business continuity and disaster recovery plans, guaranteeing uninterrupted operations in the face of cyber threats.

• Clear delineation of roles and responsibilities in the event of a cyber incident, facilitating swift and effective response procedures.

• Continuous user training and awareness.</td><td>Head Telecoms and Information Systems</td></tr>
</table>

DIRECTORS' REPORT

The Directors have pleasure in submitting to the shareholders, their report on the Group financial statements and financial statement for Copperbelt Energy PLC ("the Company") for the year ended 31 December 2023.

The Directors' Report has been prepared and is published in accordance with, and with reliance upon applicable Zambian Company law and the liabilities of the Directors in relation to this report are subject to the limitations and restrictions provided by such law.

1.0 The Company

CEC is a Public Limited Company incorporated under the Companies Act of Zambia and is listed on the LuSE. The Company's registered office and principal place of business is its Headquarters, Stand Number 3614, 23rd Avenue, Nkana East Kitwe.

2.0 The Group

The Company has direct shareholding in the following companies:

- CEC-KHPL, a subsidiary Company incorporated to develop the 40MW hydro power generation project in Zambia's North Western Province.
- CEC (DRC) Sarl, a subsidiary Company registered and domiciled in the DRC established to secure the power trading business segment and grow the Company's interest in that country.
- CEC Renewables Limited, a wholly owned subsidiary Company registered and domiciled in Zambia, incorporated for CEC's renewable energy business.
- Power Dynamos Sports Limited, a special purpose vehicle which runs the soccer club Power Dynamos Football Club.
- CEC-InnoVent Garneton South Solar Ltd and InnoVent-CEC Garneton North Solar Ltd, special purpose vehicle companies registered and domiciled in Zambia jointly owned by the consortium created by the Company and InnoVent of France. The companies were established to carry out the solar projects awarded to the consortium, under the GET Fit Zambia Solar PV RFP.

3.0 Principal Activities of the Group

The principal activities of the Group are the generation, transmission, distribution and sale and trade of electricity, primarily to mining customers located in the copper mining regions of Zambia and the DRC.

The Company's core business remains the generation, transmission, distribution and supply of electricity to the mines on the Copperbelt.

4.0 Share Capital and Shareholding Structure

The Group
The authorised, issued and fully paid share capital of the Group is:

	2023 Number of Shares Authorised	Issued	2023 Value ZMW'm
The Company	2,000,000,000	1,625,000,597	16.250
CEC Kabompo Hydro Power Ltd	15,000	15,000	0.015
CEC DRC Sarl	80,100	80,100	40
CEC Renewables Ltd	100,000	100,000	0.1
Power Dynamos Sports Ltd	10,000	10,000	0.01
CEC-Innovent Garneton South Solar Ltd	15,000	15,000	0.015
InnoVent-CEC Garneton North Solar Ltd	15,000	15,000	0.015

5.0 The Company

The authorised share capital of the Company is K20,000 thousand, divided into 2,000,000,000 ordinary shares of a par value of K0.01 each and 1 special share of K1.40 held in the Company by GRZ. The Company's share register and other Company records are maintained at its registered office.

As at 31 December 2023, the shareholding in the Company was as follows:

Aurora UK Acquisition Co Pte Ltd	562,888,648
ZCCM Investments Holdings PLC	504,833,325
Private Individuals/Institutions	302,879,338
Zambia Energy Corporation Ireland Limited	215,315,790
Standard Chartered - Nominees	39,083,496
Saturnia Regina Pension Trust Fund	33,125,777
GRZ (Golden Share)	1 Special Share

All ordinary shares have the same rights, including the rights to one vote per share at any general meetings and equal proportion of any dividend declared and paid. The rights and obligations to the shares in the Company are provided in the Articles of Association.

6.0 Significant Shareholding in the Company

As at 31 December 2023, substantial shareholding (5% or more) in the Company's share capital was as follows:

Aurora UK Acquisition Co Pte Ltd	34.64%
ZCCM Investments Holdings PLC	31.07%
Private Individuals/Institutions	16.60%
Zambia Energy Corporation Ireland Limited	13.25%

7.0 Directors' Interests and their Interests in the Company's Shares

Directors' interest in the share certificate capital of the Company are shown in the table below:

	2023	2022	2021	2020	2019
Total ordinary issued Shares of the Company					
Direct shareholding					
Owen Silavwe	-	3,371,856	5,128,980	3,628,981	982,500
Munakupya Hantuba	343,615	343,615	343,615	343,615	343,615
*Siyanga Malumo	113,137	113,137	113,137	100,000	-
Indirect shareholding					
Siyanga Malumo	81,437,063	81,437,063	81,437,063	81,437,063	55,940,759

*Shares jointly owned

8.0 Directors' Indemnity Statement

As permitted by the Articles, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined under the Companies Act 2017. The indemnity was in force throughout the last financial year and remains in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

9.0 Dividends

At the core of the business' existence is the need to create value for the shareholders of the Company and dividend payment is one of the ways in which shareholder return is realised. The Company has adopted a dividend policy that provides for a payout of 50% of earnings; subject to the availability of cash, reserves and having provided sufficiently for working capital and other obligations.

A cash dividend of USD55.2 million was paid out to our ordinary shareholders, an increase of 10% over 2022 (USD50.4 million).

10.0 Activity of Company shares on the LuSE

The Company shares continued to be actively traded on the LuSE. In 2023 a total volume of 685,534,676 shares were bought and sold in 7,294 trades. This performance was significantly higher than 2022 which saw a total volume of 30,175,478 from 6,790 trades. The total turnover in 2023 amounted to ZMW 4.2 billion.

The share price performance in the year was consistently above the LASI. CEC's share price increased by 87.57 % from ZMW 3.78 to ZMW 7.09.

The Company ended 2023 as the first locally listed Company to attain a market capitalisation of USD448.8 million on the LuSE.

11.0 Financial Results

The Group

In thousands of USD	2023	2022	2021	2020	2019
Revenue	382,270	374,440	342,689	370,817	408,259
Gross Profit	138,815	136,371	101,304	117,729	100,607
PBIT	207,393	68,848	69,787	8,131	15,457
Net profit/ (loss) attributable to equity holders	137,649	50,816	50,585	4,690	11,328
Total non- current assets	495,759	510,985	495,305	503,432	457,723
Inventory	2,821	2,670	2,836	1,874	1,605
Current assets	179,870	151,317	179,342	173,937	183,090
Total assets	675,629	662,302	674,647	677,369	640,813
Current Liabilities	42,477	171,942	164,497	160,967	124,273
Loans	53,538	11,325	19,025	26,725	53,375
Non- Current Liabilites	217,392	158,808	181,748	213,945	163,451
Equity	415,760	331,552	328,402	301,490	352,711
Acid test ratio (Times)	4.17	0.86	1.07	1.08	1.47
Adjusted EBITDA	121,209	117,198	106,290	106,464	89,185
Return on Assets	20%	8%	8%	1%	2%
Return on Equity	33%	15%	15%	2%	3%
Earnings per share	0.085	0.0313	0.0313	0.0028	0.0070

The Company

In thousands of USD	2023	2022	2021	2020	2019
Revenue	380,919	374,283	342,520	370,931	408,272
Gross Profit	137,863	138,044	102,301	118,955	101,960
Operating Profit	205,706	69,376	70,905	9,947	17,372
Net profit/ (loss) attributable to equity holders	137,296	51,340	51,249	5,609	12,246
Total non- current assets	460,445	480,164	496,858	503,313	457,557
Inventory	2,809	2,571	2,836	1,870	1,605
Current assets	156,788	183,460	178,205	171,642	182,862
Total assets	617,233	663,624	675,063	674,955	640,419
Current Liabilities	37,498	171,474	163,676	159,486	124,000
Loans	-	11,325	19,025	26,725	53,375
Non- Current Liabilities	162,529	158,834	181,748	212,995	162,790
Equity	417,206	333,316	329,639	302,474	353,629
Acid test ratio (Times)	4	1.05	1.07	1.06	1.44
Adjusted EBITDA	118,815	117,686	106,578	108,070	91,200
Return on Assets	22%	8%	8%	1%	2%
Return on Equity	33%	15%	16%	2%	4%
Earnings per share	0.084	0.0316	0.0315	0.0035	0.0080

12.0 Human Resources

The total remuneration for employees in the Group amounted to USD29.9 million compared to USD22.9 million in 2022. Below is an analysis of the Group's labour costs.

	2023 USD'000	2022 USD'000
Group	29,860	22,931
The Company	29,314	22,423
CEC Kabompo Hydro Power Ltd	-	-
CEC DRC Sarl	415	225
CEC Renewables	127	-
*Power Dynamos Sports Ltd	4	283
CEC-Innovent Garneton South Solar Ltd	-	-
Innovent-CEC Garneton North Solar Ltd	-	-

*Part of the Power Dynamos Sports Ltd labour cost has been recognised in Cost of Sales.

The table below shows the total average number of employees in the Group during the year:

Month	CEC PLC	Power Dynamos Sports Ltd	CEC DRC Sarl	CEC Renewables Ltd	CEC Kabompo Hydro Ltd	CEC- InnoVent Garneton South Solar Ltd	InnoVent- CEC Garneton North Solar Ltd	Total
January	373	76	2	-	-	-	-	451
February	364	82	2	-	-	-	-	448
March	374	81	2	-	-	-	-	457
April	370	81	2	-	-	-	-	453
May	379	81	2	-	-	-	-	462
June	378	83	2	-	-	-	-	463
July	381	84	2	-	-	-	-	467
August	381	81	2	-	-	-	-	464
September	385	82	3	3	-	-	-	473
October	380	81	4	3	-	-	-	468
November	375	82	4	3	-	-	-	464
December	373	93	4	3	-	-	-	473

The Group is committed to attracting, developing and retaining talent capable of delivering the Group's business objectives into the future, thereby, contributing to enhancing shareholder value. Our 2023 Group focus on renewable energy developments and the open-access market structure, demonstrates our commitment to staying ahead in the evolving business landscape. Through ongoing support for talent development, we aim to maintain a competitive edge and contribute to the broader success of the Group.

13.0 The Board

The membership of the Company's Board of Directors as at 31st December 2023 was as follows:

Non - Executive Directors
Siyanga Malumo
Hastings Mtine
Ronald Tamale
Joe M Chisanga
Munakupya Hantuba
Derek Chime
Arnold Simwaba
Tisa Chama

Independent Non – Executive Directors
London Mwafulilwa - Chairperson
Patrick Nkanza - Vice Chairperson
Executive Directors
Owen Silavwe

Schedule of Directors' Meeting Attendance

The table below shows attendance of each Director at Board and Committee meetings (scheduled and unscheduled) held in the year 2023:

	Board	EXCOM	Audit/Risk	Rem	SHE	JOINT EXCOM/ AUDIT and RISK	Nom
Number of meetings held in the year	6	6	7	4	4	3	1
Director							
London Mwafulilwa	6	6	2	*	4	3	1
Munakupya Hantuba	6	6	2	4	*	3	*
Derek Chime	6	6	*	4	4	*	*
Siyanga Malumo	5	6	*	4	4	*	*
Ronald Tamale	6	6	7	*	*	3	1
Owen Silavwe	6	6	2	4	*	3	*
Joe M Chisanga	6	6	7	4	*	3	*
Hastings Mtine	5	6	7	*	*	3	*
Patrick Nkanza	6	5	7	*	*	3	*
Arnold Simwaba	5	6	*	*	*	*	*
Tisa Chama	6	6	*	4	1	*	*
Thomas Featherby	1	*	2	*	1	*	•
► Mutale Mukuka	*	6	*	*	*	3	*

- Director Thomas Featherby retired from the Board on 31st March 2023.

* Not Applicable

► Chief Financial Officer, Mutale Mukuka is a member of the Executive Committee of the Board.

14.0 Director's Interests in Contracts

There were no contracts of significance during or at the end of the financial year in which a Director is or was materially interested, other than through shareholding interests.

15.0 Director's Fees and Remuneration

The Company paid USD1.1 million to Executive Directors as remuneration and USD0.61 million to Non-Executive Directors as Directors' fees in 2023.

There were no outstanding ESOP loans from Executive Directors at the year end. Members of the Board were not entitled to any form of defined pension benefits from the Company.

16.0 Corporate Social Responsibility

The Company's social investment programme encompasses various specifically selected socio-economic sectors which contribute to our creation of shared sustainable value. In 2023, the Company focused on the pillars of education, health, social infrastructure and environment in implementing some of the projects. A total of USD2.8 million was spent on social investment in 2023 (2022: USD2.3m), including the annual grant to Power Dynamos Football Club.

17.0 Compliance

The Directors confirm that the Company is not in violation of any laws and regulations that would hereby have a material adverse effect on the operation of the business and that the Company has obtained all material licences and permits that are necessary to enable the Company carry out its business.

18.0 Significant changes in the State of Affairs

There are no significant changes in the state of affairs of the Company that occurred during the financial year under review.

19.0 Other Material Facts, Circumstances and Events

The Directors are not aware of any material facts, circumstances or events which occurred between the accounting date and the date of this report which might influence an assessment of the Company's financial position or the results of its operation.

20.0 Corporate Governance

The Group is committed to achieving and demonstrating the highest standards of corporate governance. It continues to refine and improve the governance framework and practices in place to ensure they meet the interests of the shareholders.

The Company is a listed entity and complies with the requirements of the LuSE Governance Code. The detailed Leadership and Corporate Governance Overview Report is provided on page 59 of the Annual Report.

21.0 Auditors

At the last Annual General Meeting of the shareholders of the Company, Messrs PricewaterhouseCoopers were appointed as auditors of the Company.

In accordance with the Articles, Messrs PricewaterhouseCoopers will retire as auditors of the Company at the conclusion of the forthcoming Annual General Meeting.

By Order of the Board

London Mwafulilwa	**Joe M. Chisanga**	**Owen Silavwe**

Date: 06th, March 2024

Statement of Directors’ Responsibilities

The Companies Act, 2017 of Zambia requires the Directors to prepare annual financial statements for each financial year that give a true and fair view of the state of affairs of the Group as at the end of the financial year and of its financial performance. It also requires the Directors to ensure that the Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group. They are also responsible for safeguarding the assets of the Group. The Directors are further required to ensure the Group adheres to the corporate governance principles or practices contained in Sections 82 to 122 of Part VII of the Companies Act, 2017 of Zambia.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with IFRS as issued by the IASB and the requirements of the Companies Act, 2017 of Zambia.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of annual financial statements, and for such internal controls as the Directors determine necessary to enable the preparation of annual financial statements that are free from material mis-statement, whether due to fraud or error.

The Directors are of the opinion that the annual financial statements set out on pages 97 to 101 give a true and fair view of the state of the financial affairs of the Group and of its financial performance in accordance with IFRS as issued by the IASB and the requirements of the Companies Act, 2017 of Zambia. The Directors further report that they have implemented and further adhered to the corporate governance principles or practices contained in sections 82 to 122 of Part VII of the Companies Act, 2017 of Zambia.

Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of these annual financial statements.

Signed on behalf of the Board of Directors

London Mwafulilwa | **Joe M. Chisanga** | **Owen Silavwe**

Date: 06th, March 2024

BOARD PROFILES

London Mwafulilwa

Board Chairperson

Committees: Executive Committee, Health Safety Environmental and Social, Nominations.
Qualifications: BEng., (Mech).

London is the current Chairperson of the CEC Board and chair of the Nominations Committee. He is also a member of the Executive and the Health, Safety, Environment, and Social committees. He is a Fellow of the Engineering Institution of Zambia, with wide experience in the mining sector, obtained through his business involvements. He is currently the principal shareholder and team leader of Shawonga Enterprises Limited, a technical procurement and engineering company, and ZINPRO Zambia, an engineering procurement construction management company, which he chairs. He has previously served as a board member of a number of financial institutions in Zambia.

Patrick Nkanza

Vice Chairperson

Committees: Executive Committee, Audit and Risk Committee.
Qualifications: BEng., PhD.

Patrick is the Vice Chairperson of the Board and serves as Chairperson of the Executive Committee, and a Member of the Audit and Risk Committee.
His board directorate experience includes having chaired the board of directors of ZESCO. Patrick is an Independent Consultant; having served in both public and private sector capacities in and outside Zambia over many years, including as Director General of the Technical Education, Vocational and Entrepreneurship Training Authority during the period 2000 to 2012, and as Permanent Secretary in the Ministry of Higher Education of the Government of Zambia from 2012 to 2016

Ronald Tamale

Non- Executive Director

Committees: Executive Committee, Audit and Risk, Nominations.
Qualifications: BA Economics, MBA.

Ronald is a Non-Executive Director of the Board and serves as a member of the Executive, Audit and Risk and Nominations Committees.
He is a seasoned professional with over 25 years' experience in private equity, investment banking and emerging markets. Ronald is a founding Partner and Head of sub-Saharan Africa at Affirma Capital, an independent emerging market private equity firm owned and operated by the long-standing former senior leadership of Standard Chartered Private Equity. The Affirma Capital Africa team has invested approximately USD1 billion in businesses in the telecommunications, banking, retail, manufacturing, energy, agriculture and consumer goods sectors across the continent.

Derek Chime

Non- Executive Director

Committees: Health, Safety, Environment and Social Remuneration and Employee Development.
Qualifications: BSc Economics, MBA.

Derek is a Non-Executive Director of the Board and serves as Chairperson of the Health, Safety, Environment and Social committee, as well as a member of the Remuneration and employee development committee. He is a seasoned investor with over 15 years broad sector knowledge, investing across the infrastructure, manufacturing, financial services, and telecommunications sectors in sub-Sahara Africa. Derek is currently an Executive Director at Affirma Capital and is primarily responsible for its operations in West Africa and is based in Johannesburg, South Africa. Prior to Affirma Capital, Derek was a Director at SCPE where he was responsible for executing and managing private equity investments across SSA. Before this, Derek spent close to two years as part of Standard Chartered's Mezzanine and Alternative Solutions team which focused on structured mezzanine growth capital and special situations investing (including distressed asset acquisitions) in Africa.

Owen Silavwe
Managing Director

Committees: Executive Committee, Remuneration and Employee Development.
Qualifications: Bachelor's Degree, Electrical Engineering, Master of Science, Electrical Power Engineering (Chalmers University), MBA (IMD).

Owen is the Chief Executive Officer and Managing Director of CEC and a member of the Executive, Remuneration and Employee Development Committees. He has over 26 years' experience in the development, financing and management of infrastructure businesses and operation of energy markets. As Managing Director, Owen leads on the development and implementation of the Groups' strategy as well as on the operational and financial performance of the Group. Prior to his current role, Owen served in various senior roles of the Company including that of Commercial Director and Chief Operating Officer, demonstrating a very strong track record of performance.
Owen has served on various boards across the industry including that of Absa Bank Zambia. He currently chairs the boards of CECDRC and CEC Renewables. He is a Fellow of the Engineering Institution of Zambia.

Joe M. Chisanga
Non- Executive Director

Committees: Audit Committee, Remuneration and Employee Development.
Qualifications: Chartered Accountant.

Joe is a Non-Executive Director of the Board and serves as chairperson of the Audit and Risk Committee and member of the Remuneration and Employee Development Committee.
He is a chartered accountant with over 40 years' experience both in the public and private sectors.
Joe is a Trainer of Trainers in good corporate governance certified by the Global Corporate Governance Forum/International Finance Corporation.
He is a Fellow of both the Institute of Directors of Zambia (F. IoDZ) and of South Africa (F.Inst.D). He serves on the board of Zambia Metal Fabricators (ZAMEFA) and is a past president of the Zambia Institute of Chartered Accountants (ZICA) and the Chartered Institute of Management Accountants Zambia Branch (CIMA).

Munakupya Hantuba
Non- Executive Director

Committees: Executive Committee, Remuneration and Employee Development.
Qualifications: BA Economics, MBA Finance.

Munakupya is a Non-Executive Director of the board and serves as chairperson of the Remuneration and Employee Development Committee.
He has vast experience in investment advisory and acquisitions in financial services and mining. He established the Financial Services Division of the Anglo-American Corporation in 1992, which created the Multi-Employer Saturnia Regna Pension Fund. Munakupya serves as a director on several boards and is the Group CEO of African Life Holdings Limited.

Arnold Simwaba
Non- Executive Director

Committees: N/A
Qualifications: MA Mechanical Engineering, BA Mechanical Engineering.

Arnold has broad experience in the development of policy and market frameworks. He played a significant role in the successful negotiation of various IPP and PPP implementation agreements for the development of power generating plants, including Ndola Energy and Itezhi-Tezhi; and further participated in the final review of the Electricity Bill (now the Electricity Act, 2019).
He is the Director of Energy at the Ministry of Energy and a registered member of the Engineering Institution of Zambia.

Tisa Chama
Non- Executive Director

Committees: Remuneration and Employee Development, Health, Safety, Environment and Social.
Qualifications: BSc Mining Engineering, MBA.

Tisa is a Non-Executive Director of the Board and a member of the Remuneration and Employee Development and the Health Safety Environment and Social committees.
He is a mining engineer with over 30 years' experience in mine planning and mine operations. Tisa has held leadership and supervisory roles in multi-national mining companies across Africa, including Rio Tinto, AngloGold Ashanti and Barrick Gold Corporation.
He is currently the Chief Technical Officer at ZCCM-IH and represents the company on various boards of the mining companies in Zambia.

Hastings Mtine
Non- Executive Director

Committees: Executive Committee, Audit and Risk, Nominations.
Qualifications: Chartered Accountant, FCCA, FZICA, LLB.

Hastings is a Non-Executive Director of the Board and member of the Audit Risk, Nominations and Executive Committees.
He has over 40 years' experience in corporate governance; financial management; strategic planning; business leadership; company secretarial services; preparation of financial statements and sign off for public and private institutions, as well as listed entities.
His active directorships include; Prudential Life Assurance Zambia Ltd. He is also the financial expert advisor to the Audit Committee of Zambeef PLC. He is a senior partner in MPH Chartered Accountants.

Siyanga Malumo
Non- Executive Director

Committees: Health, Safety, Environment Committee, Remuneration and Employee Development.
Qualifications: MBA (Finance Marketing) , BA (Business, Economics and Law) , Diplomas in French and Portuguese.

Siyanga is a Non-Executive Director of the Board and serves as a member of the HSE Committee, Remuneration and Employee Development Committee.
He is an Investment Banker with vast experience in international banking and finance, with first-hand project finance experience and notable capabilities in structuring and packaging projects and resource mobilisation for infrastructure projects in Africa. In a finance career that began with the African Development Bank and later included merchant banking in London, management of 16 commercial banks in 16 countries from Anglophone and Francophone and Spanish speaking countries, as well as Central and West Africa and now investment bank, he has worked on transactions in 123 countries, 51 in Africa. Siyanga has been on 25 Boards in 21 countries , with most of them as Chairperson. He currently chairs several boards for investment banking firms and several power sector company boards in Africa, among them, Africana Finance and Investments, the Luchenene-Mutinondo 100 MW Hydropower company Zambia and Mulembo-Leyla 100 MW Hydropower company Zambia.

MANAGEMENT TEAM

Mutale Mukuka
Chief Financial Officer

Qualifications: Chartered Accountant, MBA.

Mutale is the Chief Financial Officer for CEC. Prior to his appointment in 2014, he served as Interim CFO for subsidiary CEC Africa Investments Limited, and also as Regional Head – West Africa based in Abuja, Nigeria.
He has led and been involved in several Mergers and Acquisitions and corporate transactions (debt, capital markets, restructuring, acquisitions) across Sub-Saharan Africa. He previously held senior positions in CEC including that of Director Corporate Finance, Manager Corporate Finance and Business Planning Head. He is a member of the Executive Committee of the CEC Board.

Julia Chaila
Chief Legal Counsel and Company Secretary

Qualifications: Bachelor of Laws, Advocate of the High Court and Supreme Court for Zambia, Chartered Arbitrator (UK).

Julia is the Chief Legal Counsel and Company Secretary for CEC.
Julia has previously held several senior positions in both the private and public sector, including as Management Head of the ZCCM Legal Department and has held various senior positions in CEC. She has over 30 years' experience in Corporate and Commercial law, and has specialised in energy, construction, and mining law.
Julia is an active member of the Law Association of Zambia and currently sits on the Electoral Committee. She holds membership in the Chartered Institute of Arbitrators, UK and the Chartered Institute of Arbitrators, Zambia.

Vincent Nyirenda
Chief Projects Officer

Qualifications: BSc Mechanical Engineering

Vincent is the Chief Projects Officer for CEC. He has previously held senior positions in CEC including Head-Business Expansion, Director Pre-Commissioning, and Compliance and Quality Manager.
He has extensive experience in developing and managing short and long-term capital projects for CEC's power systems, business expansion, and equipment replacement to drive operational efficiency, safety and environmental compliance for sustainable business growth and profitability.

Titus Mwandemena
Chief Commercial Officer

Qualifications: BEng. Engineering, MBA.

Titus is the Chief Commercial Officer for CEC and serves on the Management Committee of CEC-DRC SARL. Before being appointed to his current role, he served as Senior Business Development Manager and Commercial Director.
He has experience in business planning, operation and maintenance of high voltage power supply infrastructure and systems in Zambia and in energy markets in the SADC region.

Betty Sikana
Chief Human Resources Officer

Qualifications: BA Public Administration, MBA.

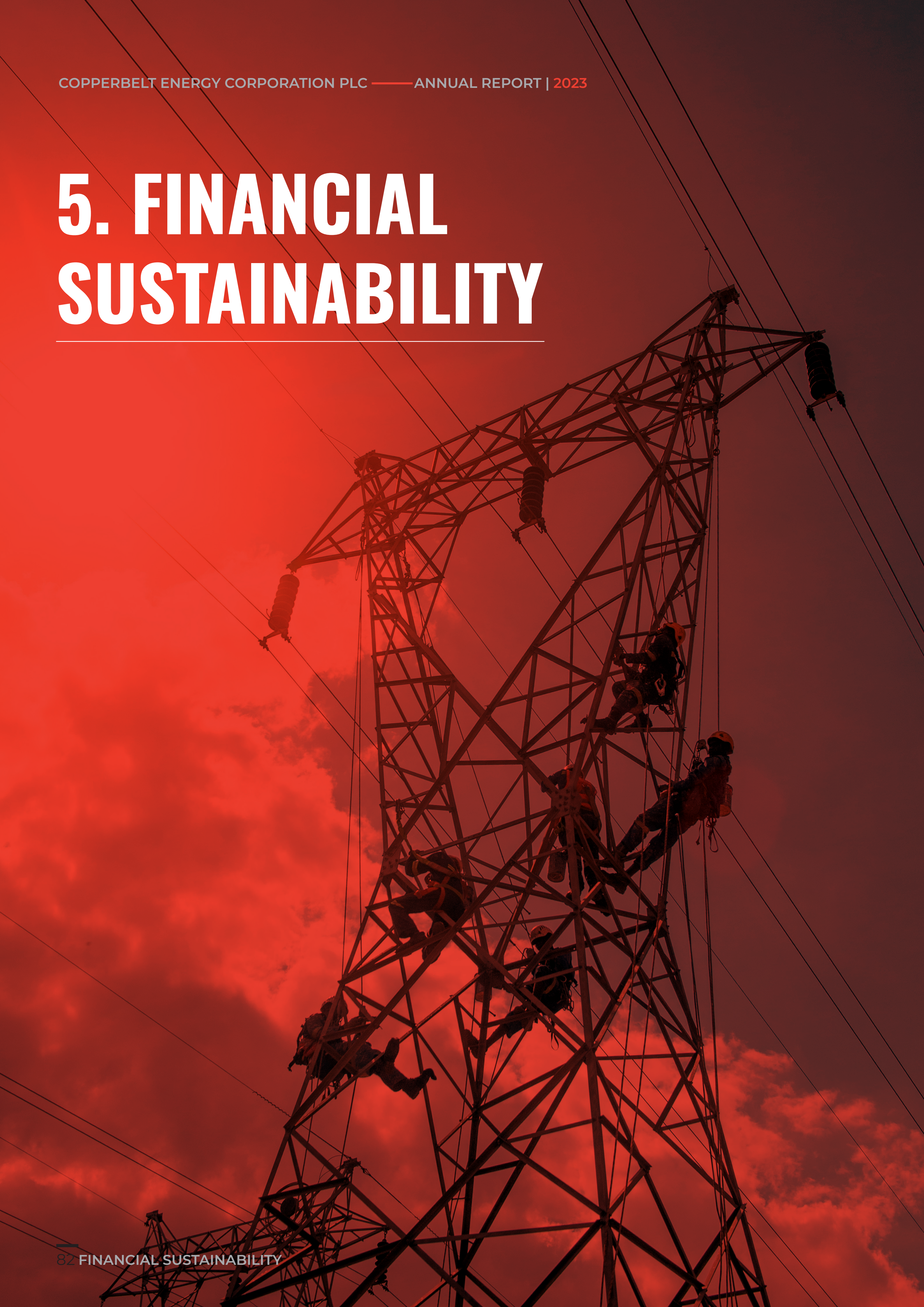
Betty was appointed Chief Human Resources Officer for CEC in July 2023. Prior to joining CEC, she was the Chief Human Resources and Administration Officer at ZAMTEL.
Betty has over 18 years' experience in high performing industries, with proficiency in strategic human capital management including, change management, performance management, policy formulation and procedure development, pension scheme administration, compensation, compliance, and organisational development.

George Kang'ombe
Acting Chief Operations Officer

Qualifications: BEng Degree – Mechanical.

George Kang'ombe is the acting Chief Operations Officer for CEC. Prior to his appointment in September 2023, he served as Head Power Plants and Mechanical Systems.
He has served in various roles in CEC including: Head System Maintenance, Emergency Power Manager and Mechanical Manager.
George has over 30 years' experience in managing power generation plants and the electrical maintenance of primary network equipment, as well as transmission infrastructure.

5. FINANCIAL SUSTAINABILITY



CHIEF FINANCIAL OFFICER'S REPORT

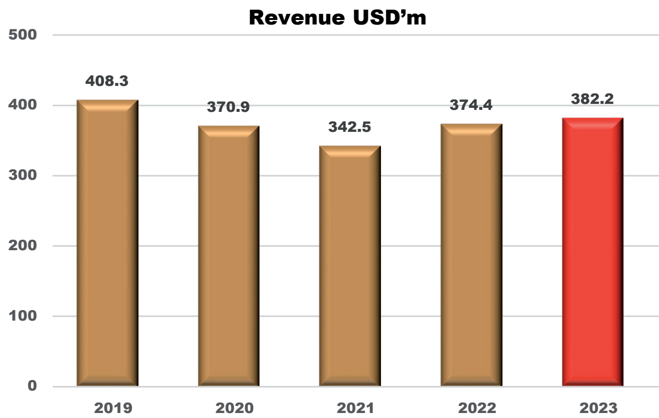
Mutale Mukuka
Chief Financial Officer

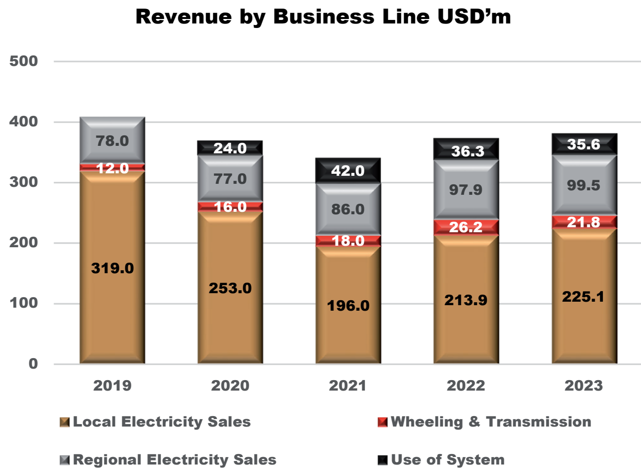
The 2023 financial results are outstanding and well supported by strong operational performance and a disciplined capital investment. Notable achievements underpinning the performance for the year include: the restoration of the balance sheet, the commissioning of the renewable Riverside Solar Project and the acquisition of the Green Bond financing to support the pipeline of solar projects.

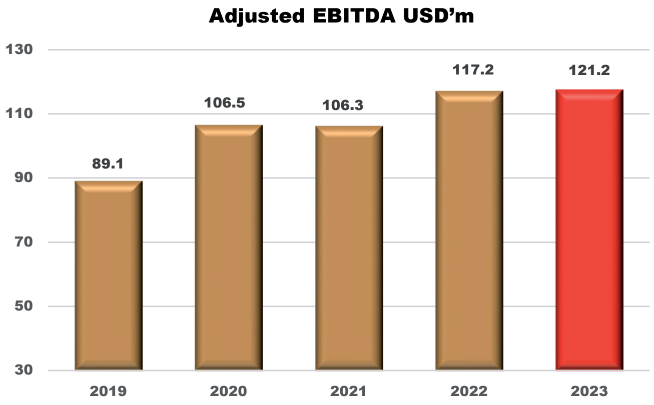
Revenue

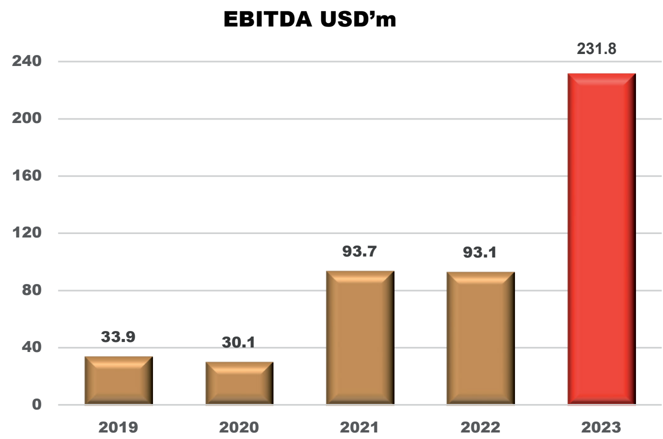
Relative to prior year, revenue increased by 2% from USD374. 4 million to USD 382.2 million. Revenue has consistently been on an upward trend for the last three years. The increase in revenue is on the back end of the increased local and regional power revenue. Our revenue segmentation by business line is analysed below:

1. Local power sales, comprising power sold to the mines in the Copperbelt region of Zambia, increased by 5% to USD225.1 million, up from USD213.9 million the prior year.
2. Regional electricity sales, making up sales of power to the mines in the DRC, were USD99.5 million, increasing from USD97.9 million in 2022.
3. Wheeling services reduced from USD26.2 million to USD21.8 million due to regional power deficits, which led to reduction in third party use of the network.
4. Revenue attributed to the use of system relates to the Company's provision of services, enabling third parties to supply power to mining companies. Revenue for the year from this segment was down to USD35.6 million (2022: USD36.3 million), occasioned by a discount arising from the debt negotiations.







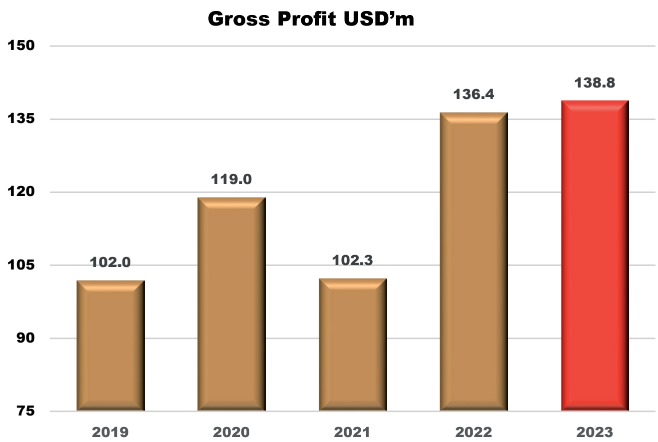


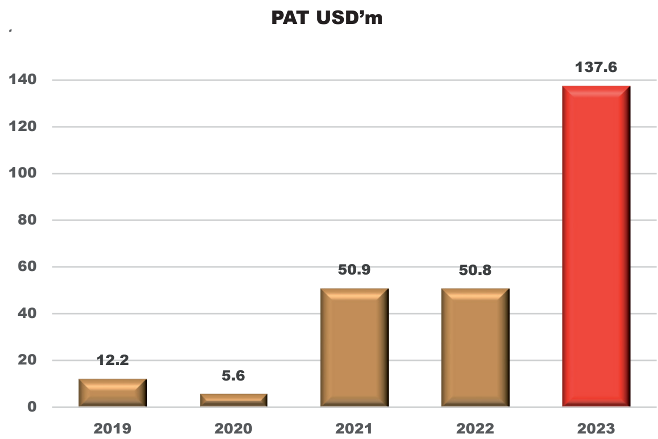
Profitability and Cash Cost Management

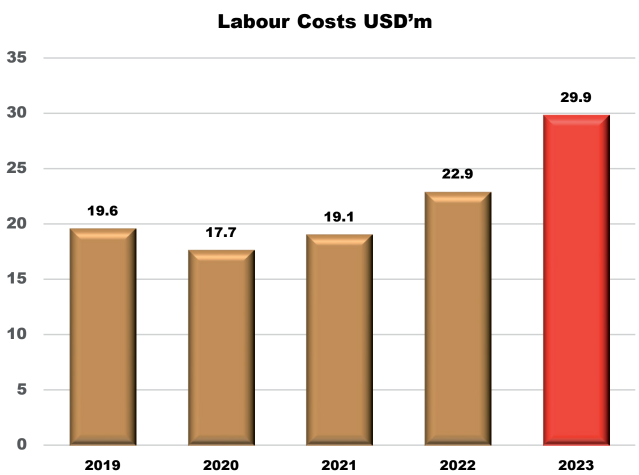
Overall, our profitability measures were significantly better than prior years, impacted by better quality sales, an effective power sourcing strategy and more importantly, the impact of the one-off debt write back which had the effect of dwarfing the prior year's performance.

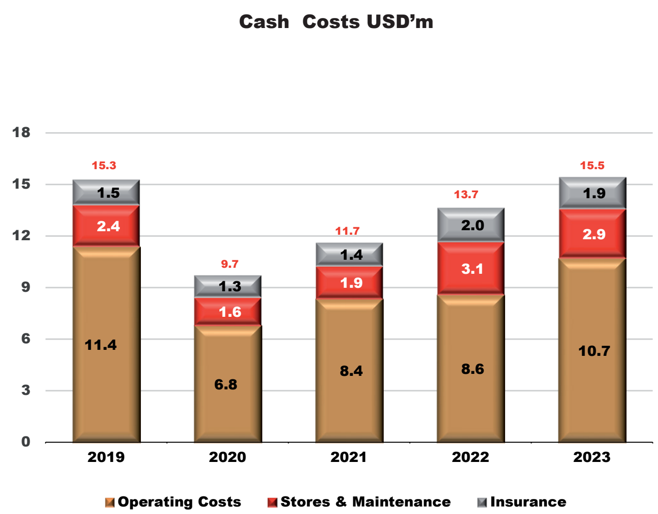
Gross profit increased to USD138.8 million from USD136.4 million on account of increased revenue. Our EBITDA increased from USD93.1 million to USD231.8 million, representing an increase of 149%, which was largely driven by the debt or receivable writeback. The Adjusted EBITDA increased from USD117.2 million to USD121.2 million, representing an increase of 3%.

The business continued to focus on financial discipline with a specific focus on cash costs, The graph below shows the five-year trend which confirms this position. Profitability rose 171% from USD50.8 million to USD137.6 million.









Liquidity and Balance Sheet Restoration

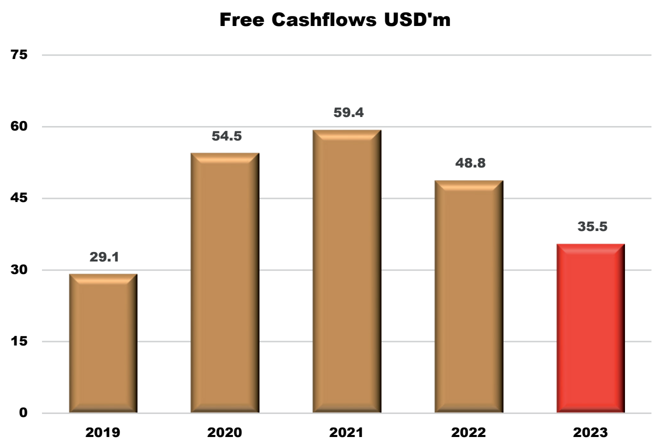
We regard cash as the lifeblood of our business, therefore, we have raised the focus, its management and reinforced the reporting through the governance structures. Managing working capital is paramount to the survival or the going concern of any business and a healthy liquidity will allow the business to meet its on-going obligations and assure its survival. Actively managing working capital as a strategy has positively impacted our cash generation and the cash balances, granting the business sufficient flexibility to respond to needs and more importantly seize the opportunities presented. In assessing liquidity, we use the measure of free cash flow, in addition to the cash generated from operations measure.

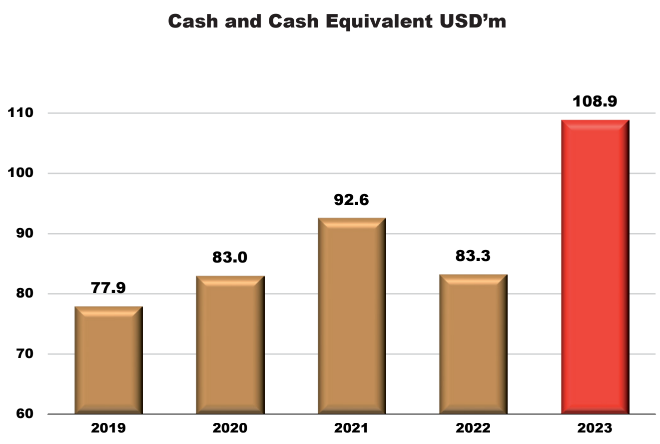
During the year, cash generation was boosted by the collection of the receivables that were previously impaired. In doing so, we also made payments to overdue creditors, a position that has impacted positively on liquidity ratios and specifically the current ratio which improved from 0.9 prior year to 4.3. The Free cash flow was USD35.5 million a reduction from USD 48.8 million on account of an increase in investments while the cash balance increasing to USD108.9 million from USD83.3 million.

The effect of collecting previously impaired debt during the year was a write back which boosted and strengthened the balance sheet. The shareholders fund's or net asset position increased from USD331.5 million to USD415.8 million. The restored strong balance sheet is more resilient and agile to better respond, and realise opportunities. We are of the view that it is critical for a business to maintain a strong investment grade credit rating, if it is to attract the right competitive financing to fund growth. Therefore, we shadow, monitor and do apply credit metrics used by major global ratings agencies to ensure that we continue to generate sufficient cash flows to service our debts.

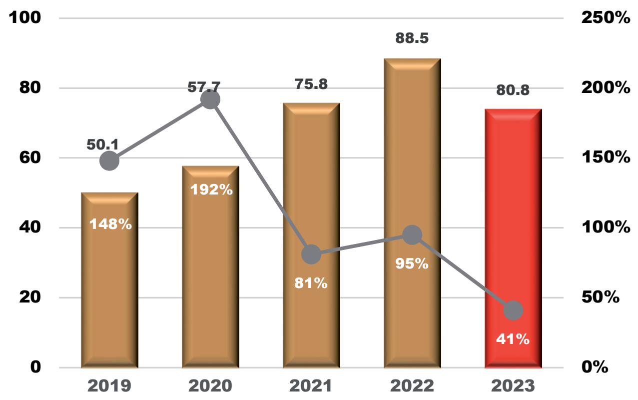
Securing and maintaining an optimal capital structure enhances the business and increases its ability to deliver enhanced value to its stakeholders. We recognise that equity is more expensive than debt and appreciate that debt always poses more risks or could be dangerous to the business during a downturn.

As part of our financing strategy, we are seeking to fund our investments with competitive, long term sustainable and green financing solutions. In this regard, during the year, we registered with the SEC and listed on the LuSE a debut USD 200 million Green Bond, whose proceeds were directed towards the refinancing of the already developed 34 MW Riverside Solar Plant and the completion of the 60 MW Itimpi Solar Plant. The first tranche (USD53.5 million) of the Green Bond was overly subscribed, a position which gives comfort for future fundraising.

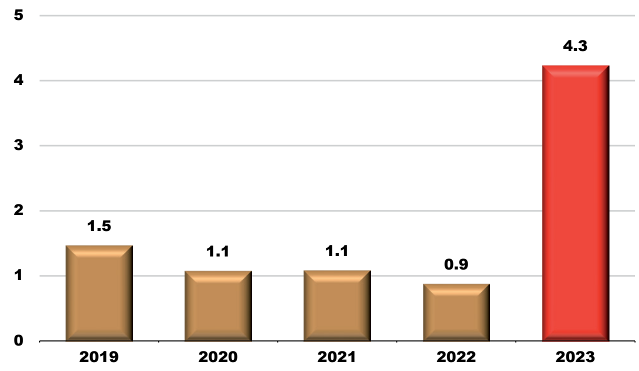




Cash Generated (USD'm) and Cash Conversion (%)



Current ratio



Capital Allocation – Investments and Capital Expenditure

With our business being a capital-intensive operation, our future success is defined by our capital allocation strategy which takes into account the managing and maintaining of infrastructure and assets as well as making well-thought reinvestments for the assurance of future cash flows. Capital allocation therefore should be viewed as the balancing financial soundness and improvement of capital efficiency. In this context we look at capital allocation as the process by which we strategically distribute resources to maximise cash flows, profits and create positive economic value, contributing toward business growth. Our holistic approach to capital allocation ensures that financial decisions are aligned with the principles of sustainability, contributing to a more resilient, equitable, and prosperous future for current and future generations, and ensuring economic benefits flow to all stakeholders. We continually assess, monitor, and challenge our investment decisions to assure our ability to continue running safe, reliable, and cost-effective networks. The concept of impact investing, which refers to investments made with the intention of generating measurable positive social or environmental impact alongside financial returns, is slowly being embedded in the business. Paramount to the entire capital allocation process is the governance process through which projects are reviewed and assessed to aid investment decisions.

Our strategy for investing in our assets is broadly anchored on the following pillars:

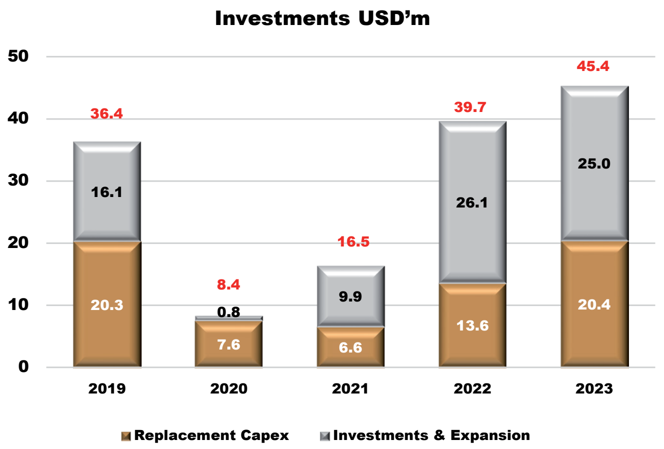
Investments in renewables – These remain core to our energy transition and power sourcing strategy as well as our focus towards reducing carbon footprints in line with the global climate and developmental targets. During the year, we commissioned the 33.1 MW Riverside Solar PV expansion project and commenced the construction of the 60 MW Itimpi Solar PV project. The Company's increased investment in renewable energy spurred significantly higher capital expenditure of USD45.4 million, compared to prior year (2022: USD39.7 million).

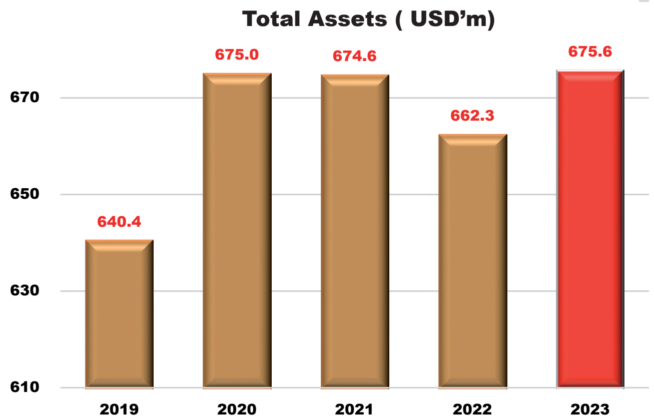
• ***Expansion projects*** – These are organic expansion projects which normally are driven by existing customers' requirements. As an energy partner to the mines, we collaborate in supporting their expansion plans to facilitate the provision of power to their growth areas, including new projects requiring power connection. During the year, we partnered to connect the Mimbula Mine, building grid extensions in Zambia and the DRC to facilitate the connection.

• ***Modernisation and digitalisation projects*** - The need to adapt to technological change is critical for business survival. We recognise the need to keep adapting the equipment to new technology trends, and as a result we prioritised the continual investment in modern infrastructure and platforms to take advantage of technological advancements for improved service delivery and increased efficiency. The business does recognise the need to adapt to the use of analytics and artificial intelligence to aid decision making. In 2023, the Group invested in SCADA, telecommunication systems, SDH network and IT network upgrade, OPGW retrofit, video wall hardware and software upgrade.

• ***Asset replacement program*** – In order to optimise asset use, the right balance between asset maintenance programs and asset replacement plans is required. In accordance with our asset management strategic objectives, we undertake investments based on the condition of assets, which considers age and usage. This approach facilitates effective and more efficient usage of the infrastructure in providing services to our customers. In 2023, we prioritised investments in transformer and circuit breaker replacement, GTA refurbishment and bus zone installation.

•***SHE related expenditure*** - Investments in this area are prioritised for regulatory compliance.





Taxation

Our taxation policy requires us to be a responsible corporate citizen in all countries of our operation. Our point of view to taxation matters is to be consistently transparent, compliant, fair, developmental and progressive. Further, there's key consideration of all stakeholders such as governments, other taxpayers, and communities. At the core of our taxation ethos is a recognition that tax is the entry point to a civilized society and an acknowledgement that there is a moral dimension to the interpretation, application, use and payment of taxes.

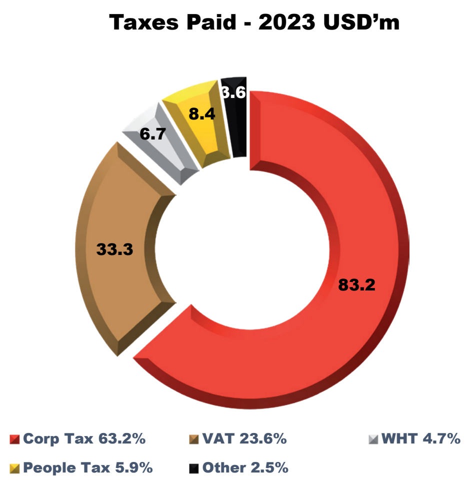
Based on the foregoing, our approach to tax is consistent with the Group's broader commitment to doing business responsibly and upholding the highest ethical standards. This includes the management of our tax affairs, behind the recognition that our contributions to the treasury support the provision of public services and the wider economies of the countries we operation in. We endeavor to manage our tax affairs so that we pay and collect the right amount of tax, at the right time, in accordance with the tax reliefs and incentives where these are applicable to our business operations, but only where they are widely accepted through the relevant legislation such as those established by Governments to promote investment, employment and stimulate economic growth.

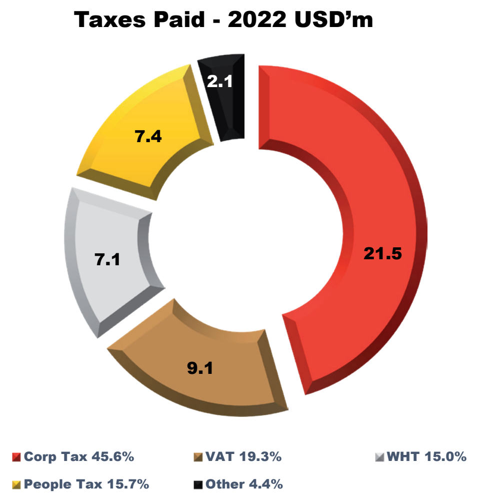
We have a strong governance framework, which is continuously improved upon through updates as and when necessary. Our internal control and risk management framework helps us to appropriately manage risks, including tax risk. We take a conservative approach to tax risk. However, we have not set a prescriptive level of, nor a pre-defined limit to the amount of acceptable tax risk.

The tax disclosures in this Annual Report and financial statements have been taken from our financial systems, which are subject to our internal control framework.

As part of the principle of transparency, we openly and honestly engage with the relevant tax authorities and seek to work with them in real-time. We are a keen participant, that proactively engages in the development of external policy and also engage with the relevant bodies where appropriate. The ultimate responsibility and oversight of our strategy and governance rests with the Audit and Risk Committee, with executive management delegated to the Chief Financial Officer who oversees and approves the tax strategy.

In 2023, our contribution to the treasury was exceptionally high relative to prior years because of the one- off exceptional debt writeback. The tax paid, comprising of all tax types, was USD135.2 million compared to USD47.3 million in 2022.



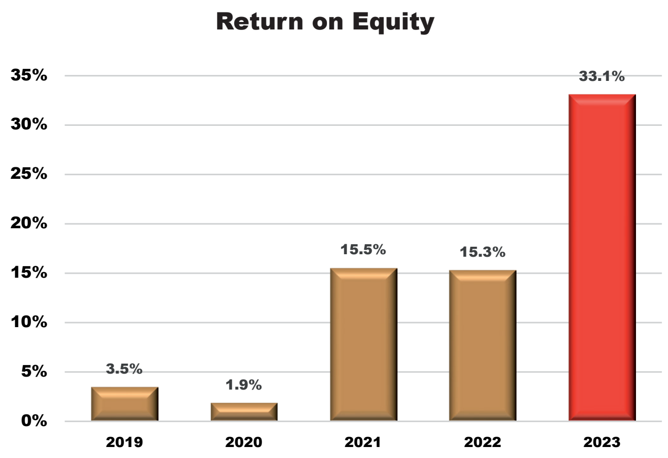


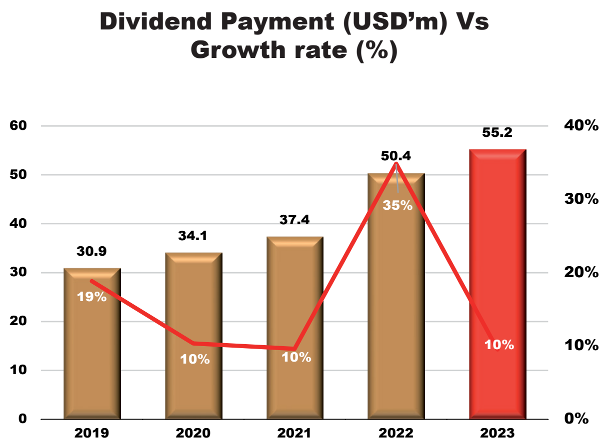
Value Creation and Shareholder Rewards

We are committed to creating shareholder value through sound commercial and responsible business decisions, that deliver steady growth in earnings and dividends. This is done with the intent of generating measurable positive social and environmental impact . In our value creation journey, we take a long-term view to creating and sharing sustainable value for our shareholders, employees, governments and the communities in which we operate. Our goal is to achieve sustainable growth over the long haul. The business practices, decisions and overall management of the balance sheet is done to ensure long term financial stability, regardless of the state of the capital markets.

The Board's commitment to continued long term investment in the business, in accordance with our capital allocation priorities, was re-affirmed through the investment decisions and specifically the quantum to be spent which takes into account the de-risked position of the balance sheet.

Further, on the strength of exceptional financial performance, the Board resolved to reward the Company's shareholders with an increased dividend of USD55.2 million (2022: USD50.4 million); translated into a dividend pay-out of USc3.4 per share (2022: USc3.1), an increase of 10%.





Looking Ahead and Priorities for 2024

Our strategic objectives include an agenda of initiating an accelerated energy transition by continuing to build modern, resilient, and sustainable energy systems. In this regard, the focus for the year will be in the deployment of renewable energy, being the identified cleaner energy sources, into our power sourcing portfolio. This is all in recognition of the need to contribute to climate and development targets.

• Solar generation technology - our target for the year will be to commission the 60MW Itimpi Solar Project and the commence the development and construction of the 126MW Itimpi II Solar Project.

• Wind generation technology – our target for the year will be to achieve an investment decision on the Upepo Wind project in Masaiti, Ndola.

The planned investments will require us to secure partnerships with financiers with a preference of seeking competitive, long tenured facilities aligning the cash flow profile to repayments, sustainable and/or green financing which best aligns with our strategic objects. These developments will also require us to enhance collaboration and partnerships with customers, developers, suppliers, regulators, and local communities.

Acknowledgement

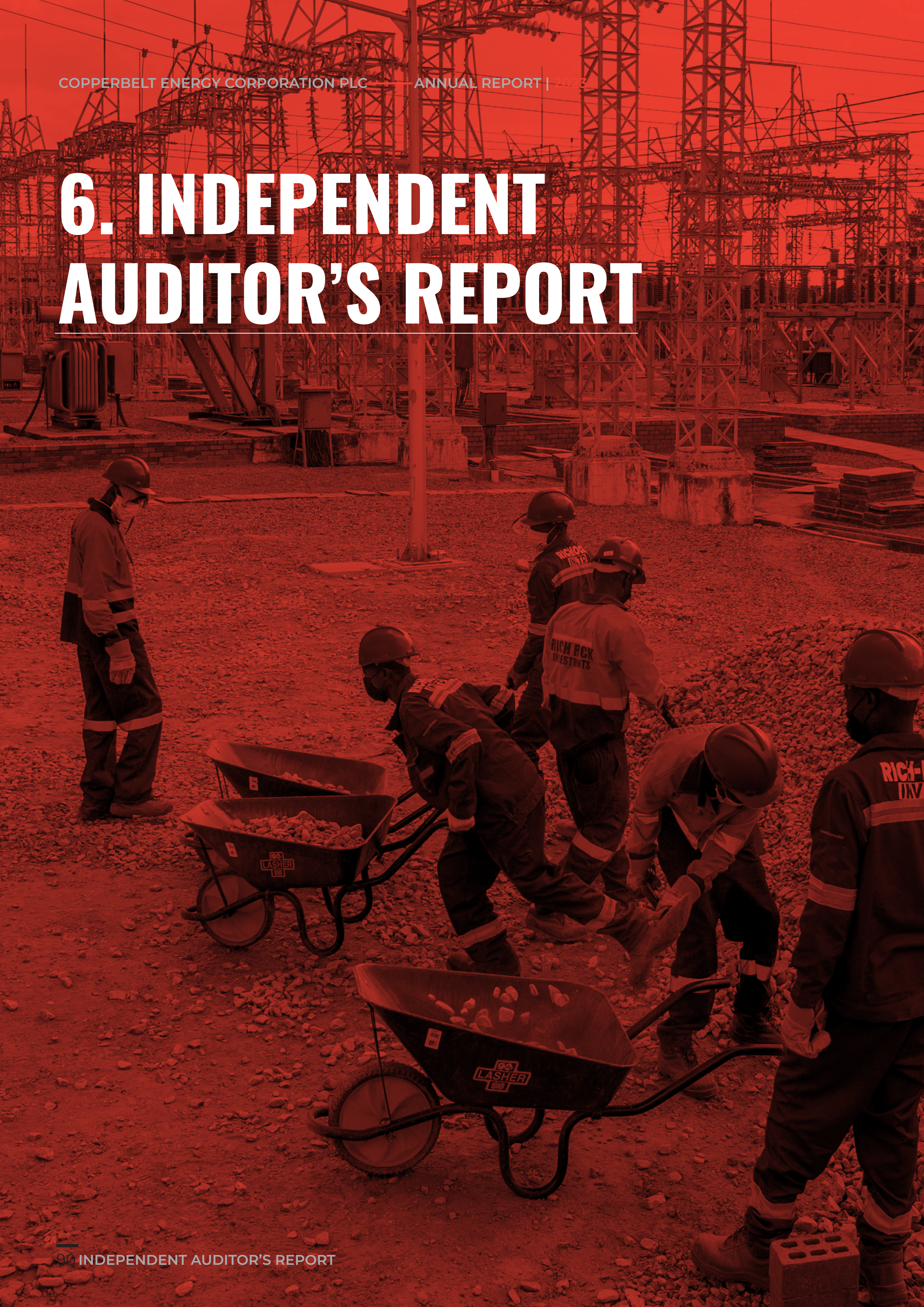
I would like to extend my gratitude to the Board of Directors for their immeasurable guidance and oversight during the year.

I am grateful to my team for the hard work, commitment, diligence and support which resulted in the execution of our strategic objectives and contributed to delivering these excellent results for the year.

Finally, I salute our stakeholders, for the partnership, loyalty, trust and confidence in the Company, its strategy, and operations. We look forward to continuing to work with all stakeholders as we go forward together in the future.

Mutale Mukuka
Chief Financial Officer

6. INDEPENDENT AUDITOR'S REPORT



Independent auditor's report

To the Shareholders of Copperbelt Energy Corporation PLC

Report on the audit of the Group and Company annual financial statements

Our opinion

In our opinion, the Group and Company annual financial statements give a true and fair view of Group and Company financial position of Copperbelt Energy Corporation PLC (the "Company") and its Subsidiaries (together the "Group") as at 31 December 2023, and of the Group and Company financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act, 2017 of Zambia and the Securities Act, 2016 of Zambia.

What we have audited

Copperbelt Energy Corporation PLC's Group and Company annual financial statements are set out on pages 97 to 150 and comprise:

- the Group and Company statements of financial position as at 31 December 2023;
- the Group and Company statements of profit or loss and other comprehensive income for the year then ended;
- the Group and Company statements of changes in equity for the year then ended;
- the Group and Company statements of cash flows for the year then ended; and
- the notes to the Group and Company annual financial statements, comprising material accounting policies and other explanatory information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Group and Company annual financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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Report on the audit of the Group and Company annual financial statements (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group and Company annual financial statements of the current period. These matters were addressed in the context of our audit of the Group and Company annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key audit matter	How our audit addressed the Key audit matter
Impairment of non-financial assets Excess asset capacity is considered a common indicator of impairment in the Energy and Utilities industry. The Group enters into Connection Agreements ("CAs") with its customers which outline the target annual minimum power capacity usage for the constructed network assets once commissioned. The inability of a customer to achieve the capacity targets prescribed in the CA indicate that the constructed network assets may be operating below the level that makes them economically viable. An assessment was undertaken to determine whether network assets constructed under CAs were impaired as at 31 December 2023.The recoverable amount of the CGU has been determined based on a value in use calculation. Key assumptions used in the calculation include estimation of the following: · Budgeted margins · the most appropriate discount rate; · the most appropriate terminal growth rate We focused on this area because of the materiality of network assets as well as the significant judgements involved in performing the impairment assessment. Refer to Note 3 (Critical accounting estimates and assumptions)	We obtained management's impairment assessment and performed the following procedures: • agreed the cash flow forecasts to the most recently approved budgets and assessed reliability of budgeted numbers against historic performance; • tested the appropriateness of the tariffs and demand loads by agreeing to customer contracts and historical performance respectively; • tested the appropriateness of assumptions used in arriving at expected operating expenses; • assessed the reasonableness of the determined discount rate to ensure it was representative of the risks specific to the CGU; • assessed the reasonableness of the long-term growth rate against historical growth rate of the business; • we evaluated the sensitivity of the value in use to fluctuations in the key assumptions applied to ascertain the extent to which the key inputs would have to change before fixed assets would be considered impaired.

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Report on the audit of the Group and Company annual financial statements (continued)

Other information

The Directors are responsible for the other information. The other information comprises the Annual Report but does not include the Group and Company annual financial statements and our auditor's report thereon.

Our opinion on the Group and Company annual financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Group and Company annual financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Group and Company annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Group and Company annual financial statements

The Directors are responsible for the preparation of the Group and Company annual financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the requirements of the Companies Act, 2017 of Zambia and the Securities Act, 2016 of Zambia, and for such internal control as the Directors determine is necessary to enable the preparation of Group and Company annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Company annual financial statements, the Directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's and Company's financial reporting process.

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Report on the audit of the Group and Company annual financial statements (continued)

Auditor's responsibilities for the audit of the Group and Company annual financial statements

Our objectives are to obtain reasonable assurance about whether the Group and Company annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group and Company annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Group and Company annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company 's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group and Company annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Group and Company annual financial statements, including the disclosures, and whether the Group and Company annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group annual financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the Group and Company annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on other legal and regulatory requirements

The Companies Act, 2017 of Zambia

The Companies Act, 2017 of Zambia requires that in carrying out our audit of Copperbelt Energy Corporation PLC, we report on whether:

i. as required by section 259 (3)(a), there is a relationship, interest or debt which, ourselves, as the Group and Company Auditor, have in the Group and Company;

ii. as required by section 259 (3)(b), there are serious breaches by the Group's and Company's Directors, of corporate governance principles or practices contained in Sections 82 to 122 of Part VII of the Companies Act, 2017of Zambia; and

iii. in accordance with section 250 (2), as regards loans made to a Group or Company Officer (a director, group or Company secretary or executive officer of the group or company), the Group or Company does not state the:

- particulars of any relevant loan made during the financial year to which the accounts apply, including any loan which was repaid during that year; or
- amount of any relevant loan, whenever made, which remained outstanding at the end of the financial year.

In respect of the foregoing requirements, we have no matters to report.

The Securities Act, 2016 of Zambia

Part III, Rule 18 of the Securities (accounting and financial reporting requirements) Rules of the Securities Act, 2016 of Zambia, require that in carrying out our audit of Copperbelt Energy Corporation PLC we report on whether:

i) the Group and Company annual financial statements of the Company have been properly prepared in accordance with Securities and Exchange Commission rules;

ii) the Company has, throughout the financial year, kept proper accounting records in accordance with the requirements of Securities and Exchange Commission rules;

iii) the Group and Company statement of financial position and Group and Company statement of profit or loss and other comprehensive income, together with the Company statement of financial position and Company statement of profit or loss and other comprehensive income are in agreement with the Company's accounting records; and

iv) we have obtained all the information and explanations which, to the best of our knowledge and belief , are necessary for the purposes of our audit.

In respect of the foregoing requirements, we have no matters to report

The engagement partner on the audit resulting in this independent auditor's report is Andrew Chibuye.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
Lusaka

7th March 2024

Andrew Chibuye
Practicing Certificate Number: AUD/F002378
Partner signing on behalf of the firm

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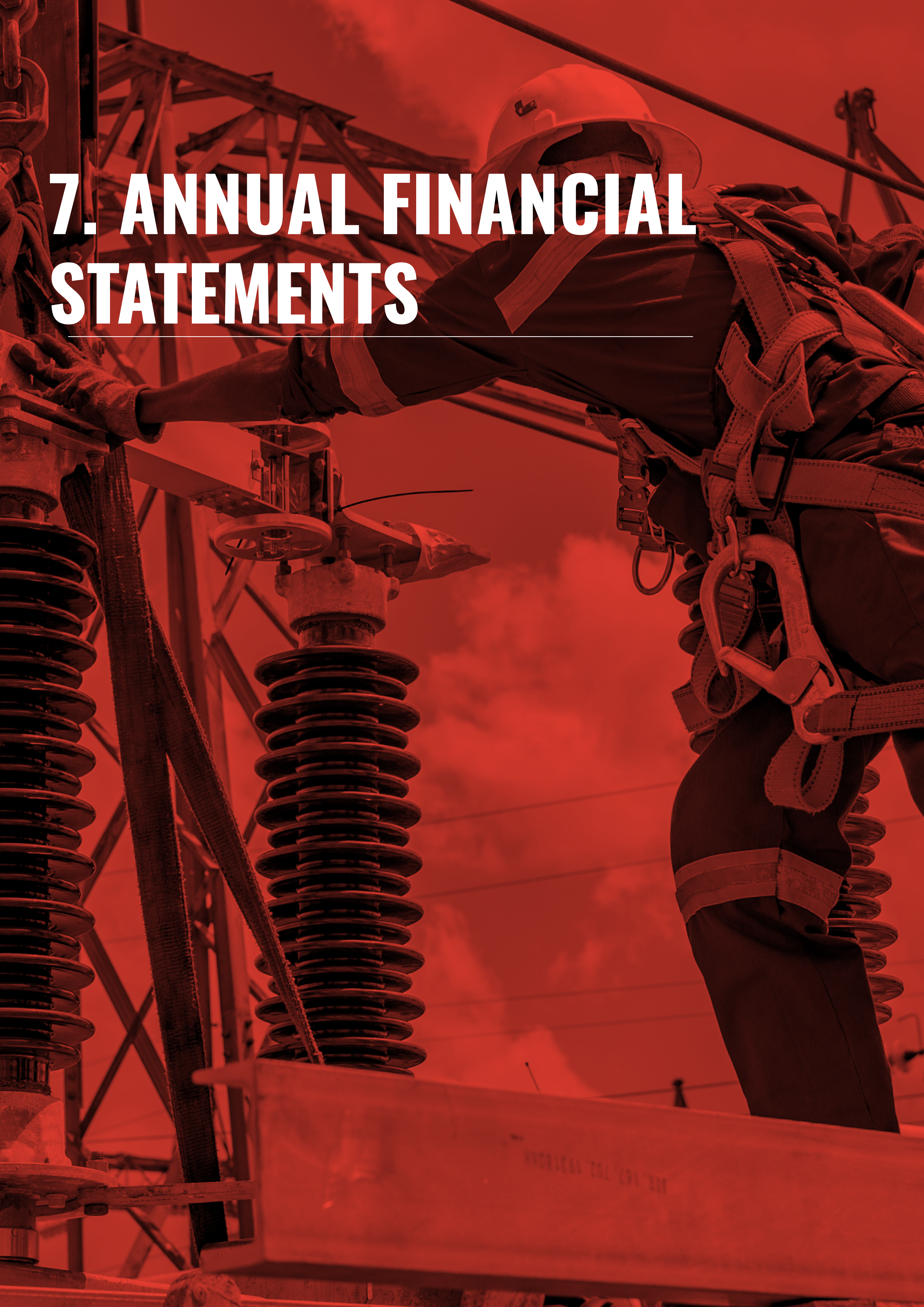
7. ANNUAL FINANCIAL STATEMENTS



Consolidated and Company statement of profit or loss and other comprehensive income

		Group		Company	
		2023	2022	2023	2022
	Notes	US$'000	US$'000	US$'000	US$'000
Revenue from contracts with customers	6	382,270	374,440	380,919	374,283
Cost of providing services	8	(243,455)	(238,069)	(243,056)	(236,239)
Gross profit		**138,815**	**136,371**	**137,863**	**138,044**
Other (expenses)/income	7	(1,144)	(1,498)	(1,449)	(1,564)
Net impairment reversal/(losses) on financial assets	4(b)	156,012	(24,097)	156,012	(24,097)
Impairment of Kabompo Hydro project	12	(35,356)	-	(35,356)	-
Administrative expenses	8	(50,934)	(41,928)	(51,364)	(43,007)
Operating profit		**207,393**	**68,848**	**205,706**	**69,376**
Share of loss from equity investment	14(b)	(4)	(8)	(4)	(8)
Finance income	10	14,737	16,706	15,922	16,706
Finance costs	10	(8,276)	(9,725)	(8,654)	(9,725)
Profit before income tax		**213,850**	**75,821**	**212,970**	**76,349**
Income tax expense	11	(76,201)	(25,005)	(75,674)	(25,009)
Profit for the year		**137,649**	**50,816**	**137,296**	**51,340**
Other comprehensive income					
Items that will not reclassified to profit or loss					
Translation differences on subsidiary	21	(35)	(3)	-	-
Actuarial remeasurement losses	26	(1,247)	(9)	(1,247)	(9)
Deferred income tax	28	3,090	2,719	3,090	2,719
		1,808	2,707	1,843	2,710
Total comprehensive income for the year		**139,457**	**53,523**	**139,139**	**54,050**
		Cents	**Cents**	**Cents**	**Cents**
Basic and diluted earnings per share	20	0.085	0.031	0.084	0.032

The notes on pages 102 to 150 form an integral part of these annual financial statements.

Consolidated and Company statement of financial position as at 31 december 2023

		Group		Company	
	Notes	2023	2022	2023	2022
		US$'000	US$'000	US$'000	US$'000
Non-current assets					
Property, plant and equipment	12	495,083	510,345	439,527	474,627
Intangible assets	13	135	107	-	-
Investment in subsidiaries	14(a)	-	-	20,377	5,004
Investment in associates	14(b)	541	533	541	533
		495,759	510,985	460,445	480,164
Current assets					
Inventories	15	2,821	2,670	2,809	2,571
Trade and other receivables	16	64,659	65,098	64,680	64,835
Derivative financial instrument	29	-	165	-	165
Loan receivable from related party	32(iv)	-	-	5,410	32,629
Cash and cash equivalents	17	108,889	83,384	80,907	83,260
Current income tax asset	11(ii)	3,501	-	2,982	-
		179,870	151,317	156,788	183,460
TOTAL ASSETS		**675,629**	**662,302**	**617,233**	**663,624**
EQUITY AND LIABILITIES					
Equity attributable to owners					
Share capital	18	2,849	2,849	2,849	2,849
Share premium	18	60,078	60,078	60,078	60,078
Foreign currency translation reserve	21	(25)	10	-	-
Revaluation reserve	22	139,732	146,070	139,732	146,070
Retained earnings		213,126	122,545	214,547	124,319
		415,760	331,552	417,206	333,316
Non-current liabilities					
Borrowings	23	53,538	3,625	-	3,625
Customer long-term payables	24	11,808	12,851	11,505	12,851
Customer security deposits	25	15,507	3,976	15,507	3,976
Defined benefits obligation	26	3,069	2,749	3,069	2,749
Deferred income	27	19,272	18,411	19,014	18,411
Deferred income tax	28	114,198	117,196	113,434	117,222
		217,392	158,808	162,529	158,834
Current liabilities					
Borrowings	23	-	7,700	-	7,700
Customer long-term payables	24	3,638	3,486	3,600	3,486
Trade and other payables	30	38,522	156,950	33,898	156,656
Current income tax	11(ii)	317	3,806	-	3,632
		42,477	171,942	37,498	171,474
TOTAL EQUITY AND LIABILITIES		**675,629**	**662,302**	**617,233**	**663,624**

These annual financial statements were approved by the Board of Directors on **6th March 2024** and were signed on its behalf by:

Director | Director | Director

The notes on pages 102 to 150 form an integral part of these annual financial statements.

Consolidated statement of changes in equity

	Share Capital	Share Premium	Foreign Currency Translation Reserve	Revaluation Reserve	Retained Earnings	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Year ended 31 December 2022						
At start of year	2,849	60,078	13	152,408	113,054	328,402
Profit for the year	-	-	-	-	50,816	50,816
Other comprehensive income:						
Translation differences on subsidiary	-	-	(3)	-	-	(3)
Transfer of excess depreciation	-	-	-	(9,054)	9,054	-
Actuarial remeasurement losses (Note 26 (i))	-	-	-	-	(9)	(9)
Deferred income tax on excess depreciation (Note 28)	-	-	-	2,716	3	2,719
Total comprehensive income for the year	-	-	(3)	(6,338)	59,864	53,523
Transactions with owners						
Dividends declared (Note 19)	-	-	-	-	(50,373)	(50,373)
Total transactions with owners	-	-	-	-	(50,373)	(50,373)
At year end	**2,849**	**60,078**	**10**	**146,070**	**122,545**	**331,552**
Year ended 31 December 2023						
At start of year	2,849	60,078	10	146,070	122,545	331,552
Profit for the year	-	-	-	-	137,649	137,649
Other comprehensive income:						
Translation differences on subsidiary	-	-	(35)	-	-	(35)
Transfer of excess depreciation	-	-	-	(9,054)	9,054	-
Actuarial remeasurements losses (Note 26 (i))	-	-	-	-	(1,247)	(1,247)
Deferred income tax (Note 28)	-	-	-	2,716	374	3,090
Total comprehensive income for the year	-	-	(35)	(6,338)	145,830	139,457
Transactions with owners						
Dividends declared (Note 19)	-	-	-	-	(55,249)	(55,249)
Total transactions with owners	-	-	-	-	(55,249)	(55,249)
At year end	**2,849**	**60,078**	**(25)**	**139,732**	**213,126**	**415,760**

The notes on pages 102 to 150 are an integral part of these annual financial statements.

Company statement of changes in equity

	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Year ended 31 December 2022					
At start of year	2,849	60,078	152,408	114,304	329,639
Profit for the year	-	-	-	51,340	51,340
Other comprehensive income:					
Transfer of excess depreciation	-	-	(9,054)	9,054	-
Actuarial remeasurement losses (Note 26 (i))	-	-		(9)	(9)
Deferred income tax (Note 28)	-	-	2,716	3	2,719
Total comprehensive income for the year	-	-	(6,338)	60,388	54,050
Transactions with owners					
Dividends declared (Note 19)	-	-	-	(50,373)	(50,373)
Total transactions with owners	-	-	-	(50,373)	(50,373)
At year end	**2,849**	**60,078**	**146,070**	**124,319**	**333,316**
Year ended 31 December 2023					
At start of year	2,849	60,078	146,070	124,319	333,316
Profit for the year	-	-	-	137,296	137,296
Other comprehensive income:					
Transfer of excess depreciation	-	-	(9,054)	9,054	-
Actuarial remeasurements losses (Note 26 (i))	-	-	-	(1,247)	(1,247)
Deferred income tax (Note 28)	-	-	2,716	374	3,090
Total comprehensive income for the year	-	-	(6,338)	145,477	139,139
Transactions with owners					
Dividends declared (Note 19)	-	-	-	(55,249)	(55,249)
Total transactions with owners	-	-	-	(55,249)	(55,249)
	-	-			
At year end	**2,849**	**60,078**	**139,732**	**214,547**	**417,206**

The notes on pages 102 to 150 are an integral part of these annual financial statements

Consolidated and separate statement of cash flows

		Group		Company	
		2023	2022	2023	2022
	Notes	US$'000	US$'000	US$'000	US$'000
Cash flows from operating activities					
Cash generated from operations	31(a)	151,424	96,606	144,259	96,548
Interest income on overdue debtors	10	11,064	14,215	12,382	14,215
Interest income on bank deposits	10	3,673	1,680	3,540	1,680
Income tax paid	11(ii)	(83,217)	(21,562)	(83,018)	(21,528)
Benefits paid	26(i)	(716)	(707)	(716)	(707)
Interest paid on borrowings	31(b)	(1,382)	(1,768)	(1,382)	(1,768)
Net cash generated from operating activities		80,846	88,464	75,065	88,440
Cash flows from investing activities					
Purchase of property, plant and equipment	12	(45,216)	(39,366)	(26,983)	(12,799)
Purchase of intangible assets	13	(140)	(115)	-	-
Investment in subsidiaries	14(a)	-	-	-	(3,000)
Investment in associates		(12)	(168)	(11)	(168)
Loan repaid by subsidiary		-	-	29,666	-
Loan (advanced) to subsidiary	32(iv)	-	-	(15,334)	(23,424)
Net cash used in investing activities		(45,368)	(39,649)	(12,662)	(39,391)
Cash flows from financing activities					
Loan principal repayments	31(b)	(11,325)	(7,700)	(11,325)	(7,700)
Loan procured	23	53,538	-	-	-
Dividends paid	19	(55,249)	(50,373)	(55,249)	(50,373)
Net cash used in financing activities		(13,036)	(58,073)	(66,574)	(58,073)
Net increase/(decrease)		22,442	(9,258)	(4,171)	(9,024)
Movement in cash and cash equivalents					
At start of year		83,384	92,660	83,260	92,619
Net increase/(decrease)		22,442	(9,258)	(4,171)	(9,024)
Exchange differences		3,063	(18)	1,818	(335)
At year end	17	**108,889**	**83,384**	**80,907**	**83,260**

The notes on pages 102 to 150 are an integral part of these annual financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. General information

Copperbelt Energy Corporation PLC (the "Company") is incorporated in Zambia under the Zambia Companies Act as a public limited Company and listed on the LuSE. The Company and its subsidiaries (together "the Group") is involved in power generation, transmission, distribution, supply and professional football through its Club subsidiary.

The Group is domiciled in Zambia and the address of its registered office is:

Stand No. 3614
23rd Avenue, Nkana East
Kitwe
Zambia

2. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these annual financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The annual financial statements are for the Group consisting of Copperbelt Energy Corporation PLC and its subsidiaries.

a) Basis of preparation

Compliance with IFRS

The annual financial statements are prepared in accordance with IFRS and interpretations issued by the IFRS interpretations Committee (IFRS IC) applicable to entities reporting under IFRS. The annual financial statements comply with IFRS as issued by the IASB.

Historical cost convention

The annual financial statements have been prepared on historical cost basis, except where otherwise stated in the accounting policies below. The annual financial statements are presented in US Dollars (US$). Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

In accordance with the Companies Act, 2017 of Zambia, the annual financial statements for the year ended 31 December 2023 were authorised for issue by the Directors per the date indicated on the statement of financial position.

The preparation of annual financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving higher degree of judgement or complexity, or where assumptions and estimates are significant to the annual financial statements are disclosed in Note 3.

i) New and amended standards adopted by the Group

The Group has adopted the applicable new, revised or amended accounting pronouncements as issued by the International and Accounting Standards Board (IASB), which were effective for the Group from 1 January 2023.

The amendments to accounting standards below effective for the reporting period 1 January 2023 did not have any material impact on the Group's accounting policies and required no retrospective adjustments to the annual financial statements of the Group.

Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

2. Summary of significant accounting policies (continued)

i) New and amended standards adopted by the Group (continued)

Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

Amendments to IAS 12 International Tax Reform—Pillar Two Model Rules. These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

ii) New and amended standards not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Amendments to IAS 1 - Non-current liabilities with covenants. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. These amendments are applicable for annual periods beginning on or after 1 January 2024.

Amendment to IFRS 16 – Leases on sale and leaseback. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. These amendments are applicable for annual periods beginning on or after 1 January 2024.

Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a Company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. These amendments are applicable for annual periods beginning on or after 1 January 2024.

Amendments to IAS 21 Lack of Exchangeability (Amendments to IAS 21). An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. These amendments are applicable for annual periods beginning on or after 1 January 2025.

b) Principles of consolidation and equity accounting

i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group and these are accounted for at cost less accumulated impairment.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

2. Summary of significant accounting policies (continued)

b) Principles Of consolidation and equity accounting (continued)

ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

iii) Equity method (applicable to both group and company)

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

iv) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Copperbelt Energy Corporation PLC.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

c) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Copperbelt Energy Corporation PLC has appointed a strategic steering committee which assesses the financial performance and position of the Group and makes strategic decisions. The steering committee, which has been identified as being the CODM, consists of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and the Chief Commercial Officer.

2. Summary of significant accounting policies (continued)

e) Foreign currency translation

I) Functional and presentation currency

Items included in the annual financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in United States Dollars (USD) which is Copperbelt Energy Corporation PLC's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

• assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

• income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

• all resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

f) Revenue recognition

The Group is licensed to generate, transmit, distribute and supply electricity. The Group's contracts with customers exist in various forms and typically take the form of PSA and customary business practices, all of which have commercial substance and impact the Group's future cash flows.

The Group's main revenue streams are as follows:

• ***Local electricity sales:*** This primarily relates to power supply to mining companies on the Copperbelt. The unit tariffs are charged based on the customer's maximum electric demand load (capacity) and the transferred series of units of power (energy) in a given period.

• ***Regional electricity sales:*** This relates to the purchasing and selling of power between participants in the energy industry amongst the members of the SAPP.

• ***Wheeling services:*** This relates to use of the Group's transmission lines by another entity in supplying power to the entity's retail and mining consumers. Tariffs are charged per units delivered to retail and mining consumers.

The Group's promise in all the revenue streams involves the transfer of a series of units of power across the life of the arrangement with the customer. Therefore, management has determined that sale of electricity units is a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer and are therefore a single performance obligation.

2. Summary of significant accounting policies (continued)

f) Revenue recognition (continued)

The Group determines the transaction price at contract inception and considers the effects of:

• *Variable consideration*

The contractual price for power supply over the term of the contracts varies as it is subjected to price indexation based on indices obtained from the US Bureau of Labour statistics. The Group has determined that contracts with stated but changing prices for a fixed quantity of services do not qualify as variable consideration as the indexation is considered to relate to individual service periods of series performance obligations and are therefore recognised in the future periods in which they arise rather than when estimating the transaction price at contract inception.

• *Existence of significant financing components*

The Group enters into Connection Agreements (CAs) with its mining customers where substation infrastructure is acquired from the customers on deferred payment terms. The consideration is variable (contingent) as payment to the customer is conditional on meeting the contractual pre-agreed minimum demand load (capacity).

Management has determined that factors that impact the customer's ability to meet the contractual pre-agreed minimum demand load (capacity) do- not relate to the quality of power but to such factors as ore grade, underground water, country wide power deficits, copper prices, employee strikes and type of equipment used which are not substantially within the control of the Group or the customer supplying the substation infrastructure.

Therefore, in accordance with IFRS 15, management has determined that a significant financing component does not exist as a substantial amount of the consideration promised by the Group is variable and the amount or timing of that consideration varies on the basis of the occurrence or non-occurrence of a future event (pre-agreed minimum demand load) that is not substantially within the control of the Group or the customer supplying the substation infrastructure

• *Existence of significant financing components*

At the date of contract inception, the Group determines the stand-alone selling prices of the performance obligations using a combination of data on observable prices from comparable arrangements, supplemented by the cost plus a margin approach. The Group allocates the transaction price to these performance obligations on a relative stand-alone selling price.

Non-cash consideration

Under the CAs, where the agreed consideration paid by the Group is lower than the fair value of the substation infrastructure acquired at the point of transfer, the excess of fair value of the assets over the agreed price is in substance a non-cash consideration paid by the customer. The Non-cash consideration is recognised in deferred income as customer contributions and amortised over the service period. The service period is dependent on the validity of the PSA.

Timing of revenue recognition

Revenue is recognised over-time as the customer simultaneously receives and consumes the benefits provided by the Group's performance over the contract period. In measuring the progress over time, revenue is recognised based on the series of power units delivered to the customer. As at the end of the reporting period, there were no judgements exercised that significantly affect the determination of the amount and timing of revenue from contracts with customers. Other revenue streams recognised at point in time relate to the Club revenue which is insignificant to the Group.

Contract assets and liabilities

Contract assets primarily relate to the Group's right to consideration for the work completed but not billed at the reporting date on the customer contracts. Contract liabilities primarily relate to the advance consideration received from the customer for which revenue is recognised when the goods and services are provided.

g) Interest Income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income. Interest income is recognised using the effective interest method.

2. Summary of significant accounting policies (continued)

h) Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost and subsequently shown at fair value, based on valuations by external independent valuers, less accumulated depreciation. Valuations are performed with sufficient regularity to ensure that the fair value does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income and shown as revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve, all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the assets (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Right of use assets: unexpired lease term
- Buildings: 50 years
- Transmission and distribution network: 12 -50 years
- Equipment distribution network: 12 -50 years
- Motors vehicles: 5 years
- Fixtures and fittings: 5 years

Capital work in progress, which represents additions to property, plant and equipment that have not yet been brought into use, is not depreciated. Additions are transferred into the above depreciable asset classes once they are brought into use. Capital work in progress is measured at cost less impairments.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

i) Leases

The following sets out the Group's lease accounting policy for all leases with the exception of leases with low-value and short term of less than 12 months for which the Group has taken the exemption under the standard and are expensed to profit or loss as incurred.

ii) Right of use assets

The Group recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use under the contract). Right of use assets are initially recognised at cost and subsequently shown at fair value, based on valuations by external independent valuers, less accumulated depreciation. and impairment losses, and adjusted for any remeasurement of lease liabilities.

2. Summary of significant accounting policies (continued)

ii) Right of use assets (continued)

The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date (which do not form part of the lease liability value at the commencement date). Right of use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term.

The right-of-use assets are tested for impairment in accordance with IAS 36 "Impairment of Assets".

iii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of all remaining lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments where the contracts specify fixed or minimum uplifts) and variable lease payments that depend on an index or a rate. The liabilities are subsequently measured at amortised cost.

The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs. Due to the nature of the leased assets the interest rate implicit in the lease is usually not readily determinable, the Group therefore uses the incremental borrowing rate in calculating the present value of lease payments at the lease commencement date.

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

j) Intangible assets – player registration rights

The costs directly attributable to acquisition of rights of a player under legal agreements with a transferor club are capitalised as intangible assets and subsequently stated at historical cost less depreciation and impairment These costs include transfer fees and ancillary costs such agents fees, club intermediary costs, registration and other professional fees.

Costs incurred on free agent players and youth players in the academy are expensed in profit or loss as they do not meet the capitalisation preconditions of IAS 38.

The intangible assets are amortised on a straight-line basis over the rights period, corresponding to the term of the contract that the Club has signed with the player. When a player's contract is extended, any costs associated with securing the extensions are added to the residual balance (at the date of the amendment) and the revised book value is amortised over the remaining revised contract period. Amortisation is not charged when a player is classified as held for sale pursuant to IFRS 5.

Players are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are carried at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Gains and losses on player registration rights disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other income", in profit or loss.

k) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts, and include purchase cost, freight, insurance and non-claimable taxes. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

l) Financial Instruments

Financial assets and liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

2. Summary of significant accounting policies (continued)

l) Financial instruments (continued)

Classification and measurement

Financial assets

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The group reclassifies debt investments when and only when its business model for managing those assets changes. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group measures its debt instruments at amortised cost as assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income

using the effective interest rate method. The Group's financial assets are trade and other receivables and cash and cash equivalents.

i) Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

ii) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Financial liabilities

The Group's financial liabilities are classified at amortised cost. except for those derivative liabilities that are measured at fair value through profit and loss. Financial liabilities are recognised initially at fair value and inclusive of directly attributable transaction costs. The Group's financial liabilities comprises of borrowings, customer payables, trade and other payables and derivative financial instruments

i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

ii) Customer long term payables

As a result of the generic growth of the Group's customers which in turn necessitates additional power requirements, the Group enters into Connection Agreements (CAs) with its customers. The respective CAs provide for the customer to fund most of the

2. Summary of significant accounting policies (continued)

l) Financial instruments (continued)

ii) Customer long term payables (continued)

capital expenditure required in the construction of the substation infrastructure assets. The Group acquires the assets based on deferred contingent consideration as payment to the customer is conditional on meeting the pre-agreed contractual

minimum demand load (capacity). Where the customer does not meet the minimum demand load, the repayment is waived and recognised in profit or loss as other income.

Where the agreed consideration paid by the Group is lower than the cost incurred by the customer in constructing the asset at the point of transfer, the differential is accounted for as non-cash consideration paid by the customer in accordance with IFRS 15.

Per the terms of the CA, the substation infrastructure assets automatically vest in the Group with effect from the date that the Group's engineer issues a 'taking over certificate' in respect of these assets. In addition, the customer transferring the substation infrastructure warrants that the assets will vest in the Group so that the Group holds with good faith and beneficial title free from any claim, charge, lien, encumbrance, equity or third-party right and with all rights attached to the assets.

Therefore, management has determined that the arrangements are out of scope of IFRS 16, leases. As this is an outright purchase of assets based on deferred contingent consideration, the Group has adopted the financial liability model under IAS 16 as a basis for initial and subsequent measurement of the liabilities. The liabilities are initially recognised at fair value based on discounted cash flows using a current borrowing rate, with a corresponding entry to the assets. The liabilities are subsequently measured at amortised cost with remeasurement changes in the cashflows at each reporting period recognised in profit or loss.

iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

iv) Derivative financial instrument

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedging criteria, they are classified as 'held for trading' for accounting purposes. The Group has interest swap agreements to hedge against the floating portion of the interest charged on the bank borrowings.

Derivatives are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as hedges. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

The valuation techniques involve calculation of the present value of the estimated future cash flows based on observable yield curves.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Refer to Note 4(b) for further details.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

l) Financial instruments (continued)

Substantial modification

A substantial modification of the terms of an existing debt instrument or part of it is accounted for as an extinguishment of the original debt instrument and the recognition of a new debt instrument. Gains or losses arising from the modification of the terms of a debt instrument are recognised immediately in profit or loss where the modification does not result in the derecognition of the existing instrument.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. As at the reporting period, there were no assets and liabilities off-set relating to financial instruments. The legally enforceable right is not contingent on future events and is enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

m) Other current assets

Other current assets include prepayments which are amounts paid in advance during the accounting period for an underlying asset that will be consumed in a future period. When the asset is used or consumed, the prepayments are amortised, and costs are recognised in operating expenses. Prepayments are stated at their nominal values in the financial statements.

n) Share capital

Ordinary shares are classified as share capital in equity. Any premium received over and above the par value of the shares is classified as share premium in equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as deduction from the proceeds.

o) Earnings Per Share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by dividing the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares, which comprise convertible redeemable accumulative preferred stock.

p)Employee benefits

i) Pension obligations

All local employees below 60 years are registered with the statutory defined contribution pension scheme. A defined contribution scheme is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods. For the defined contribution scheme, the Group makes mandatory contributions to the NAPSA. These contributions constitute net periodic costs and are charged to the profit or loss as part of staff costs in the year to which they relate. The Group has no further obligation once the contributions have been paid.

Further, there is a defined benefit pension scheme, the assets of which are held in a separate trustee-administered fund. The pension scheme is funded by contributions to the pension scheme. The contributions by the Group are charged to the profit or loss in the period in which the contributions relate. The Group contributes 10.7% and the employees 5% of the employee's basic salary towards the scheme.

ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonuses or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

2. Summary of significant accounting policies (continued)

p)Employee benefits (continued)

iii) Post-retirement benefits

The expected costs of providing post-retirement benefits under defined benefits arrangements relating to employees' service during the period are charged to profit or loss. Any actuarial assumptions are recognized immediately in other comprehensive income. In all cases, the pension costs are assessed in accordance with the advice of independent qualified actuaries but require the exercise of significant judgments in relation to assumptions for future salary and pension increases, long term price inflation and investment returns. While management believes the assumptions used are appropriate, a change in assumptions would impact the earnings of the Group.

q) Capital grants

Capital grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Grants relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight- line basis over the expected lives of the related assets.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

r) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the annual financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3 Critical accounting estimates and judgements

The preparation of annual financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also exercises judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included together with information about the basis of calculation for each affected line item in the annual financial statements.

The estimates and assumptions that have significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

i) Impairment of property, plant and equipment

The determination of recoverable amount, being the higher of fair value less costs to sell and value in use, requires judgement on the part of management. Recoverable amounts are based on management's view of variables such as future tariffs, revenues and costs, timing and level of future capital expenditure by the Group and the most appropriate discount rate. As at year end, the recoverable amount was greater than its carrying value and no impairment was recognised.

Details of the key assumptions and inputs used are disclosed in Note 12(b).

ii) Defined benefit obligation

Details of the key assumptions and inputs used are disclosed in Note 26.

iii) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 4(b).

4 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the treasury department under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

a) Market risk

i) Foreign exchange risk exposure

Foreign exchange risk arises when recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group is exposed to foreign currency risk primarily with respect to the Zambian Kwacha. To manage foreign exchange risk, the Group holds bank balances in the relevant foreign currencies and continuously monitors markets and purchases any foreign currency required at the spot rate.

4 Financial risk management (continued)

a) Market risk (continued)

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in US Dollars is detailed in the table below.

	Group	Company
	US$'000	**US$'000**
As at 31 December 2023		
Financial assets:		
Cash and cash equivalents	3,868	3,795
Trade and other receivables	745	546
	4,613	4,341
Financial liabilities:		
Trade and other payables	(5,773)	(5,577)
Net exposure	(1,160)	(1,236)
As at 31 December 2022		
Financial assets:		
Cash and cash equivalents	10,139	10,094
Trade and other receivables	3,850	3,807
	13,989	13,901
Financial liabilities:		
Trade and other payables	(3,877)	(3,723)
Net exposure	10,112	10,178

Sensitivity

At 31 December 2023, if the Kwacha had weakened/strengthened by 20% (2022: 20%) against the US Dollar with all other variables held constant, pre-tax profit and shareholders' equity for the Group would have been as follows

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Impact on profit and equity	193	1,685	206	1,679

ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

	2023	% of total loans	2022	% of total loans
	US$'000		**US$'000**	
Group				
Variable rate borrowings	-	100%	11,325	100%
Company				
Variable rate borrowings	-	-	11,325	100%

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

4 Financial risk management (continued)

LIBOR reforms

The Group had loans that are referenced to the interbank offered rates (LIBOR). The USD LIBOR continued to be quoted for pre-existing loans until 30 June 2023, at which time the USD LIBOR quotations ceased. The group repaid all the loans referenced to LiBOR rate.

Sensitivity

As at 31 December 2023, given all the loans were repaid, with all other variables held constant, a 2 % (2022: 2%) decrease/ increase in the base interest rate would have resulted in change in post-tax profit for the year and shareholders' equity as follows:

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Impact on profit and equity	-	10	-	10

b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables.

i) Risk management

For banks and financial institutions, the Group only engages reputable well-established financial institutions. The Group's risk control unit assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the board. The compliance with credit limits by the customers is regularly monitored by line management.

ii) Security

The Group does require collateral in form of cash advance payments for power supplied to the DRC market. Refer to Note 25 for details

iii) Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- trade receivables
- Cash and cash equivalents
- Other financial assets at amortised cost

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group's historical credit loss experience does not show significantly different loss patterns for the various customer segments. Therefore, the grouping of trade receivables is not disaggregated into further risk profiles other than days past due.

The expected loss rates are based on the payment profiles or sales over a period of 48 months before 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified Copper prices, GDP and inflation to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

4 Financial risk management (continued)

b) Credit risk (continued)

iii) Impairment of financial assets (continued)

The outstanding trade receivables subjected to expected credit loss calculation are net of debtors where there is a legal right to offset.

There were no changes in the estimation techniques or significant assumptions made as at the reporting period. The amount that best represents the Group's maximum exposure to credit risk is the carrying value of its financial assets as presented in the statement of financial position.

On that basis, the loss allowance as at 31 December 2023 and 31 December 2022 was determined as follows for trade receivables:

Group	**Current**	**46 -60 days past due**	**61 - 80 days past due**	**Over 81 days past due**	**Total**
2023	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Gross carrying amount	47,341	10,592	-	25,443	83,376
Right to offset balances (Note 25)	(12,365)	(3,142)	-	-	(15,507)
	34,976	7,450	-	25,443	67,869
Loss rates	2.3%	42.3%	-	100%	
Loss allowance	(804)	(4,788)	-	(25,443)	(31,035)
Net carrying amount	34,172	2,662		-	36,834
2022					
Gross carrying amount	46,022	3,648	9,912	185,685	245,267
Right to offset balances (Note 25)	-	-	(3,976)	-	(3,976)
	46,022	3,648	5,936	185,685	241,291
Loss rate	0.82%	2.38%	15.14%	100%	
Loss allowance	(376)	(87)	(899)	(185,685)	(187,047)
Net carrying amount	45,646	3,561	5,037	-	54,244
Company					
2023					
Gross carrying amount	47,963	14,387	-	25,443	87,793
Right to offset balances (Note 25)	(12,365)	(3,142)	-	-	(15,507)
	35,598	11,245	-	25,443	72,286
Loss rate	2.3%	42.3%	-	100%	
Loss allowance	(804)	(4,758)	-	(25,443)	(31,005)
Net carrying amount	34,794	6,487	-	-	41,281
2022					
Gross carrying amount	46,022	3,648	9,912	185,655	245,237
Right to offset balances (Note 25)	-	-	(3,976)		(3,976)
	46,022	3,648	5,936	185,655	241,261
Loss rate	0.82%	2.38%	15.14%	100%	
Loss allowance	(376)	(87)	(899)	(185,655)	(187,017)
Net carrying amount	45,646	3,561	5,037	-	54,244

4 Financial risk management (continued)

b) Credit risk (continued)

iii) Impairment of financial assets (continued)

The loss allowances for December reconcile to the opening loss allowances as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
At start of year	187,047	162,950	187,017	162,920
(Reversal)/charge recognised in profit or loss	(156,012)	24,097	(156,012)	24,097
At end of year	31,035	187,047	31,005	187,017

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables are presented as net impairment losses on financial assets in profit of loss. Subsequent recoveries of amounts previously written off are credited against the same line item. During the year a Debt Settlement Agreement was signed between CEC and KCM. The implication of the Settlement Agreement on the Group was the immediate reversal in part of the previously impaired KCM receivable of USD171.6 million.

The loss allowance recognised is categorised as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Performing debtors	4,287	1,364	4,257	1,362
Non-performing debtors	26,748	185,683	26,748	185,655
	31,035	187,047	31,005	187,017

Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Other financial assets at amortised cost

Other financial assets at amortised cost relate to staff and sundry debtors and loans receivable from related parties. All of the Group's other financial assets at amortised cost are considered to have a low risk of default and the debtors have a strong capacity to meet their contractual cash flow obligations in the near term.

C) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group, in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates.

In addition, the Group's liquidity management policy involves projecting cash flows, monitoring financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

4 Financial risk management (continued)

C) Liquidity risk (continued)

i) Financing arrangements

As at the end of the reporting period, the Group had no access to undrawn borrowing facilities

ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group	Less than 1 year	Between 2 and 5 years	Over 5 years	Total contractual cashflows
	US$'000	US$'000	US$'000	US$'000
2023				
Borrowings	-	31,923	66,347	98,270
Customer long-term payables	4,313	13,158	613	18,084
Trade and other payables (excluding statutory and contract liabilities)z	45,285	-	-	45,285
	49,598	45,081	66,960	161,639
2022				
Borrowings	8,976	4,033	-	13,009
Customer long-term payables	4,627	15,039	-	19,666
Trade and other payables (excluding statutory and contract liabilities)	154,587	-	-	154,587
	168,190	19,072	-	187,262

Company	Less than 1 year	Between 2 and 5 years	Over 5 years	Total contractual cash flows
	US$'000	US$'000	US$'000	US$'000
2023				
Borrowings	-	-	-	-
Customer long-term payables	4,244	12,846	532	17,622
"Trade and other payables (excluding statutory and con-tract liabilities)"	42,359	-	-	42,359
	46,603	12,846	532	59,981
2022				
Borrowings	8,976	4,033	-	13,009
Customer long-term payables	4,627	15,039	-	19,666
Trade and other payables (excluding statutory and contract liabilities)	154,398	-	-	154,398
	168,001	19,072	-	187,073

d) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio which is calculated as net debt divided by total equity (as shown in the statement of financial position).

4 Financial risk management (continued)

d) Capital risk management (continued)

During 2023, the Group's strategy, which was unchanged from prior year, was to maintain a gearing ratio of less than 50%. As at end of the reporting period, the cash position exceeded the borrowings as disclosed in Note 31(b). Therefore, the gearing ratio was nil (2022: Nil).

Compliance with debt covenants

As at the end of the reporting period, the Group complied with all the financial debt covenants. Refer to Note 23(i) for details.

e) Fair value estimation

This note explains the judgements and estimates made in determining the fair values of the financial and non-financial assets and liabilities that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets and liabilities into the three levels prescribed under the accounting standards as below:

• ***Level 1:*** The fair value of non-financial instruments traded in active markets is based on quoted market prices at the end of the reporting period;

• ***Level 2:*** The fair value of non-financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2;

• ***Level 3:*** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Group	**Level 1 US$'000**	**Level 2 US$'000**	**Level 3 US$'000**	**Total US$'000**
2023				
Property plant and equipment	-	-	495,083	495,083
Derivative financial instrument	-	-	-	-
2022				
Property plant and equipment	-	-	510,345	510,345
Derivative financial instrument	-	165	-	165
Company				
2023				
Property plant and equipment	-	-	439,527	439,527
Derivative financial instrument	-	-	-	-
2022				
Property plant and equipment	-	-	474,627	474,627
Derivative financial instrument	-	165	-	165

Valuation techniques and inputs used

The derivative financial instruments fall within Level 2. The most significant inputs, such as interest rate movements and discount rates, into valuation model of derivative financial instruments are observable.

Level 3 fair values were derived using comparable value of similar items of land and buildings and adjusted for differences in key attributes such as property size and condition. Depreciated replacement cost approach was used for fixtures and fittings, motor vehicles, office equipment and substation infrastructure.

There were no transfers between different levels during the year.

4 Financial risk management (continued)

e) Fair value estimation (continued)

Sensitivity

The Inputs considered in the sensitivity analysis are the fluctuation of the inflation rate, the supply and demand and rental value per square meter of the land and buildings which can affect pricing and impact the value of land and buildings and equipment. The inputs considered for fixtures and fittings, motor vehicles and office equipment.is the replacement cost. A strengthening and weakening of the rental values and the inflation rates has been considered in the analysis.

As at 31 December 2023, with all other variables held constant, a 10% (2022: 10%%) decrease/increase in one of the inputs would have resulted in change in post-tax profit for the year and shareholders' equity as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Impact on profit and equity	49,508	51,034	43,953	47,463

f) Financial instruments by category

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Financial assets at amortised cost				
Trade and other receivables (excluding prepayments and VAT receivable)	55,304	64,027	61,855	63,842
Cash and cash equivalents	108,189	83,384	80,907	83,260
Loans receivable from related parties	-	-	5,410	33,163
Financial assets at FVPL				
Derivative financial instruments	-	165	-	165
	163,493	147,576	148,172	180,430
Financial liabilities at amortised cost				
Borrowings	53,538	11,325	-	11,325
Customer long-term payables	15,446	16,337	15,105	16,337
Trade and other payables (excluding statutory and contract liabilities)	45,285	154,587	42,359	154,398
Financial liabilities at FVPL				
Derivative financial instruments	-	-	-	-
	114,269	182,249	57,464	182,060

5 Segment information

i) Description of segments and principal activities

The Group's Chief Operating Decision Makers (CODMs), (consisting of the Chief Executive Officer, the Chief Financial Officer, the Chief Commercial Officer and the Chief Operating Officer), examine the Group's performance from a service perspective and has identified two reportable segments of its business as shown in the table below:

• ***Sale of electricity*** - this part of business sells electric power to customers;

• ***Wheeling services*** - this part of business charges for use of the Group's transmission lines by another entity in supplying power to the entity's retail and mining consumers.

The business activities are grouped in these segments based on the nature of their services.

The CODMs primarily uses a measure of Gross profit to assess the performance of the segments.
Interest income, finance costs and administrative expenses are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

There is no single customer of the Group making up 10% of revenue. Geographical segments are not disclosed as the cost to develop the same is excessive.

Group	**Sale of electricity**	**Wheeling service**	**Total**
2023	**US$'000**	**US$'000**	**US$'000**
Revenue	324,593	57,677	382,270
Cost of providing services	(230,389)	(13,066)	(243,455)
Gross profit	94,204	44,611	138,815
2022			
Revenue	311,736	62,704	374,440
Cost of providing services	(226,062)	(12,007)	(238,069)
Gross profit	85,674	50,697	136,371
Company			
2023			
Revenue	323,527	57,392	380,919
Cost of providing services	(232,126)	(10,930)	(243,056)
Gross profit	91,401	46,462	137,863
2022			
Revenue	311,736	62,547	374,283
Cost of providing services	(226,062)	(10,177)	(236,239)
Gross profit	85,674	52,370	138,044

5 Segment reporting (continued)

i) Description of segments and principal activities (continued)

Gross profit reconciles to operating profit before income tax as follows:

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Gross profit	138,815	136,371	137,863	138,044
Unallocated:				
Other (expenses)/income	(1,144)	(1,498)	(1,449)	(1,564)
Net impairment reversal/(losses)on financ assets	156,012	(24,097)	156,012	(24,097)
Net impairment of CWIP	(35,356)	-	(35,356)	-
Administrative expenses	(50,934)	(41,928)	(51,364)	(43,007)
Share of loss from equity investment	(4)	(8)	(4)	(8)
Finance income	14,737	16,706	15,922	16,706
Finance costs	(8,276)	(9,725)	(8,654)	(9,725)
Profit before income tax	213,850	75,821	212,970	76,349

ii) Segment assets and liabilities

The Group's assets and liabilities are not allocated to each segment as these are shared. Below shows the operating assets and liabilities as at 31 December 2023:

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Total assets	675,629	662,302	617,233	663,624
Total liabilities	259,869	330,750	200,027	330,308

6 Revenue from contracts with customers

The Group derives revenue from the transfer of services and goods overtime and at a point in time as follows:

	Group		Company	
	2023	2022	2023	2022
Recognised over time:	US$'000	US$'000	US$'000	US$'000
Local electricity sales	225,135	213,870	225,135	213,870
Regional electricity sales	99,458	97,866	98,393	97,866
Wheeling services-retail consumers	21,818	26,247	21,818	26,247
Wheeling services-mining consumers	35,573	36,326	35,573	36,300
Recognised at point in time:				
Club revenue	286	131		-
	382,270	374,440	380,919	374,283

7 Other (expenses)/income

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Discharge of payable waived (Note 24)	4,628	4,522	4,628	4,522
Amortisation of deferred income (Note 27)	2,242	2,242	2,242	2,242
Sundry income	1,441	980	1,314	913
Loss on disposal of fixed assets	17	15	17	15
Foreign exchange losses	(9,472)	(9,257)	(9,650)	(9,256)
	(1,144)	(1,498)	(1,449)	(1,564)

8 Breakdown of expenses by nature

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Cost of providing services:				
Power purchase costs	219,669	213,860	222,082	213,860
Depreciation on network assets	19,465	18,503	18,753	18,503
Power generation and related costs	2,221	3,876	2,221	3,876
Players' benefits and match day costs	2,100	1,830	-	-
	243,455	238,069	243,056	236,239
Administrative expenses:				
Employee benefits costs (Note 9)	29,860	22,931	29,314	22,423
Depreciation on other assets	5,634	5,321	5,510	5,282
Consultancy	808	1,056	729	1,056
Insurance costs	1,865	1,997	1,859	1,974
Stores and maintenance	2,863	3,073	2,813	3,071
Corporate social responsibility	689	404	2,761	2,273
Auditors' remuneration	236	218	187	200
Other miscellaneous expenses	8,979	6,928	8,191	6,728
	50,934	41,928	51,364	43,007
Total	294,389	279,997	294,420	279,246

9 Employee benefits expenses

Salaries and benefits	28,698	21,036	28,252	20,590
Retirement benefits:				
NAPSA contributions	619	654	552	592
Staff medical costs	753	568	720	568
Pension costs (Note 26)	(210)	673	(210)	673
	29,860	22,931	29,314	22,423

10 Finance income and costs

	Group		Company	
	2023	**2022**	**2023**	**2022**
Finance income:	US$'000	US$'000	US$'000	US$'000
Interest income on overdue debtors	11,064	14,215	12,382	14,215
Interest income on bank deposits	3,673	1,680	3,540	1,680
Fair value gain on interest swap	-	811	-	811
	14,737	16,706	15,922	16,706
Finance costs:				
Interest expense-overdue bills	(5,057)	(6,219)	(5,558)	(6,219)
Interests expense-borrowings	(1,382)	(1,768)	(1,382)	(1,768)
Interest expense-customer payables	(1,142)	(1,364)	(1,142)	(1,364)
Other bank charges	(695)	(374)	(572)	(374)
	(8,276)	(9,725)	(8,654)	(9,725)
Net finance income	6,461	6,981	7,268	6,981

11 Income tax expense

This note provides an analysis of the Group's income tax expense and how the tax expense is affected by non-assessable and nondeductible items.

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US $'000	**US$'000**	**US$'000**	**US$'000**
Current income tax charge	76,227	25,755	76,404	25,733
Deferred income tax (credit)/charge (Note 28)	(26)	(750)	(730)	(724)
At end of the year	76,201	25,005	75,674	25,009

i) Numerical reconciliation of income tax expense to prima facie tax payable

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Profit before income tax	213,850	75,821	212,970	76,349
Tax at 30% (2022: 30%)	64,155	22,746	63,891	22,905
Tax effects of:				
Expenses not deductible for tax purposes	12,046	2,259	11,783	2,104
	76,201	25,005	75,674	25,009

ii) Movement in current income tax on the statement of financial position:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
At start of year	3,806	(387)	3,632	(573)
Current income tax charge	76,227	25,755	76,404	25,733
Payments during the year	(83,217)	(21,562)	(83,018)	(21,528)
(Asset)/liability at end of the year	(3,184)	3,806	(2,982)	3,632

12 Property, plant and equipment

Group	Right of use assets	Buildings	Transmission and Distribution network (primary)	Equipment distribution network (secondary)	Fixtures and fittings	Motor vehicles	Capital work in progress	Total
As at 31 December 2021	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Cost or fair value	23,829	25,957	337,677	67,934	6,436	5,617	56,606	524,056
Accumulated depreciation	(657)	(1,959)	(15,726)	(7,445)	(2,288)	(1,110)	-	(29,185)
Net book value	23,172	23,998	321,951	60,489	4,148	4,507	56,606	494,871
Year ended 31 December 2022								
Opening net book value	23,172	23,998	321,951	60,489	4,148	4,507	56,606	494,871
Additions	2,223	58	7,588	3,209	3,091	(904)	24,101	39,366
Depreciation charge	(907)	(1,530)	(12,123)	(6,401)	(2,224)	(707)	-	(23,892)
Net book value	24,488	22,526	317,416	57,297	5,015	2,896	80,707	510,345
As at 31 December 2022								
Cost or fair value	26,052	26,015	345,265	71,143	9,527	4,713	80,707	563,422
Accumulated depreciation	(1,564)	(3,489)	(27,849)	(13,846)	(4,512)	(1,817)	-	(53,077)
Net book value	24,488	22,526	317,416	57,297	5,015	2,896	80,707	510,345

Included in capital work in progress are the development costs incurred towards the early construction works of Kabombo hydro power station and Riverside solar plant.

12 Property, plant and equipment (continued)

Group	Right of use assets	Buildings	Transmission and Distribution network (primary)	Equipment distribution network (secondary)	Fixtures and fittings	Motor vehicles	Capital work in progress	Total
As at 31 December 2022	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Cost or fair value	26,052	26,015	345,265	71,143	9,527	4,713	80,707	563,422
Accumulated depreciation	(1,564)	(3,489)	(27,849)	(13,846)	(4,512)	(1,817)	-	(53,077)
Net book value	24,488	22,526	317,416	57297	5,015	2,896	80,707	510,345
Year ended 31 December 2023								
Opening net book value	24,488	22,526	317,416	57,297	5,015	2,896	80,707	510,345
Transfer from Capital work progress	589	3,211	23,999	3,764	1,484	770	(33,817)	-
Additions to capital work progress	-	-	-	-	-	-	45,216	45,216
Impairment of Kabompo Hyd project	-	-	-	-	-	-	(35,356)	(35,356)
Disposals/impairment	-	-	-	-	(69)	-	-	(69)
Depreciation charge	(619)	(1,865)	(12,931)	(6,547)	(2,369)	(768)	-	(25,099)
Depreciation on disposals	-	-	-	-	46	-	-	46
Net book value	24,458	23,872	328,484	54,514	4,107	2,898	56,750	495,083
As at 31 December 2023								
Cost or fair value	26,992	28,751	369,219	74,796	10,962	5,513	56,750	572,983
Accumulated depreciation	(2,534)	(4,879)	(40,735)	(20,282)	(6,855)	(2,615)	-	(77,900)
Net book value	24,458	23,872	328,484	54,514	4,107	2,898	56,750	495,083

Included in capital work in progress are the development costs incurred towards solar power plants of 62% (2022:44%).

The register showing the details of property as required by section 30 of the Zambia Companies Act is available during the business hours at the registered office of the Group. All property, plant and equipment have been offered as security against borrowings up to the maximum of the carrying amount of the loans.

12 Property, plant and equipment (continued)

Company	Right of use assets	Buildings	Transmission and Distribution network (primary)	Equipment distribution network (secondary)	Fixtures and fittings	Motor vehicles	Capital work in progress	Total
As at 31 December 2021	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Cost or fair value	23,829	25,957	337,677	67,934	7,999	4,055	56,570	524,021
Accumulated depreciation	(657)	(1,959)	(15,726)	(7,444)	(2,291)	(1,110)	-	(29,188)
Net book value	23,172	23,998	321,951	60,490	5,708	2,945	56,570	494,833
Year ended 31 December 2022								
Opening net book value	23,172	23,998	321,951	60,490	5,708	2,945	56,570	494,833
Additions	1,906	290	7,566	2,988	1,526	660	3,594	18,530
Transfer to related party	-	-	-	-	(3)	(22)	(14,936)	(14,961)
Depreciation charge	(590)	(1,762)	(12,101)	(6,401)	(2,222)	(700)	-	(23,776)
Net book value	24,488	22,526	317,416	57,077	5,009	2,883	45,228	474,627
As at 31 December 2022								
Cost or fair value	25,735	26,247	345,244	70,922	9,521	4,693	45,228	527,590
Accumulated depreciation	(1,247)	(3,721)	(27,828)	(13,845)	(4,512)	(1,810)	-	(52,963)
Net book value	24,488	22,526	317,416	57,077	5,009	2,883	45,228	474,627

Included in capital work in progress are the development costs incurred towards the early construction works Kabombo hydro power station and Riverside solar plant.

12 Property, plant and equipment (continued)

Company	Right of use assets	Buildings	Transmission and Distribution network (primary)	Equipment distribution network (secondary)	Fixtures and fittings	Motor vehicles	Capital work in progress	Total
As at 31 December 2022	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Cost or fair value	25,735	26,247	345,244	70,922	9,521	4,693	45,228	527,590
Accumulated depreciation	(1,247)	(3,721)	(27,828)	(13,845)	(4,512)	(1,810)	-	(52,963)
Net book value	24,488	22,526	317,416	57,077	5,009	2,883	45,228	474,627
Year ended 31 December 2023								
Opening net book value	24,488	22,526	317,416	57,077	5,009	2,883	45,228	474,627
Transfer from capital work progress	351	3,000	6,671	2,939	1,303	770	(15,034)	-
Disposals	-	-	-	-	(69)	-	-	(69)
Impairment of Kabompo Hyd project	-	-	-	-	-	-	(35,356)	(35,356)
Additions to capital work in progre	-	-	-	-	-	-	26,983	26,983
Transfer to related party	(731)	(966)	(724)	(216)		-	-	(2,637)
Depreciation charge	(613)	(1,830)	(12,248)	(6,486)	(2,329)	(757)	-	(24,263)
Depreciation ion transfer to relat party	10	32	23	131	-	-	-	196
Depreciation on disposals	-	-	-	-	46	-	-	46
Net book value	23,505	22,762	311,138	53,445	3,960	2,896	21,821	439,527
As at 31 December 2023								
Cost or fair value	26,033	27,607	351,190	73,645	10,754	5,463	21,821	516,513
Accumulated depreciation	(2,528)	(4,845)	(40,052)	(20,200)	(6,794)	(2,567)	-	(76,986)
Net book value	23,505	22,762	311,138	53,445	3,960	2,896	21,821	439,527

Included in capital work in progress are the development costs for the Ganerton Substation works, DRC power transfer capacity increase and GTA rehabilitation projects.

The register showing the details of property as required by section 30 of the Zambia Companies Act is available during the business hours at the registered office of the Group. All property, plant and equipment have been offered as security against borrowings up to the maximum of the carrying amount of the loans.

12 Property, plant and equipment (continued)

The fair value of property, plant and equipment was revalued on 31 December 2020 by Sherwood Greene, an external independent valuer. If property, plant and equipment were stated on the historical cost basis, the carrying amounts would be as follows:

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Cost	443,875	410,254	403,528	389,747
Accumulated depreciation	(119,772)	(95,301)	(117,093)	(94,846)
	324,103	314,953	286,435	294,901

a) Right of use assets

Included in the net carrying amount of property, plant and equipment are right-of-use assets relating to prepaid land. In Zambia, land is held on lease from GRZ for a period of 99 years. IFRS 16 requires that for any lease, a right of use asset and lease liability be recognised unless the Group deems the lease as short-term lease or of low value.

Advance payments made in acquiring the land are added to right of use assets and amortised over the period of the lease on a straight-line basis and therefore there is no corresponding lease liability. The effect of discounting the ground rates is immaterial and these have been expensed to profit or loss as incurred. As at the end of the reporting period, and unchanged from the prior year, the Group had insignificant leasing arrangements. Therefore, the Group has taken the exemption under the standard, and these have been expensed to profit or loss as incurred. Lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

The movement in the right of use assets is a presented in the note property, plant and equipment.

b) Impairment of property, plant and equipment

Excess asset capacity is considered a common indicator of impairment in the Energy and Utilities industry.

Per accounting policy (l) under customer long term payables, the Group enters into CAs with its customers which outline the target annual minimum power capacity usage for the constructed network assets once commissioned. The inability of a customer to achieve the capacity targets prescribed in the CA indicate that the constructed network assets may be operating below the level that makes them economically viable. An assessment is undertaken to determine whether network assets constructed under CAs are impaired on an annual basis.

During the year, the Kabompo Hydro project amount of USD35.4 million was impaired. This followed management assessment that the amount was not recoverable.

Based on Infrastructure being designed in a ring network, as well as shared infrastructure to operate the network, the CGU has been identified as the total asset base.

The recoverable amount of the CGU was determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on the financial budgets approved by the Board of Directors covering a five-year period. Within the five-year period, revenue growth rates are based on past experience and expected future developments in the Company's CGUs. The weighted average growth rates used are consistent with the forecasts included in industry reports. Cash flows beyond the five-year period were valued using the estimated terminal growth rates stated below.

The following table sets out the key assumptions for those CGUs that have significant cashflow allocated to them:

	2023	2022
Budgeted margins (average)	35%	36%
Discount rate	15.3%	12%
Terminal growth rate	0%	4%

12 Property, plant and equipment (continued)

Management has determined the values assigned to each of the above key assumptions as follows:

• ***Budgeted margins:*** Based on past performance and management's expectations for the future;

• ***Discount rates:*** Reflect specific risks relating to the relevant segments and the countries in which they operate;

• ***Long-term growth rate:*** This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

The sensitivity of value in use to changes in the weighted principal assumptions is:

	Impact on head room	
	2023	**2022**
Change in assumption	$'000	$'000
Budgeted margins (-5%)	(93,224)	(91,632)
Discount rates (+2%)	(9,970)	(8,595)
Long-term growth rate (-2%)	(16,195)	(144,423)

The recoverable amount of the CGUcalculated based on value in use exceeded the carrying value of property, plant and equipment by USD 350 million (2022: USD 211 million).

13 Intangible assets - player registration rights

	Total
As at 31 December 2021	**US$'000**
Cost	144
Accumulated amortisation	(75)
Closing net book amount	69
Year ended 31 December 2022	
Opening net book amount	69
Additions	115
Disposals -Cost	(12)
Disposals -Accumulated amortisation	11
Amortisation charge	(76)
Closing net book amount	107
As at 31 December 2022	
Cost	183
Accumulated amortisation	(76)
Closing net book amount	107
Year ended 31 December 2023	
Opening net book amount	107
Additions	140
Disposals -Cost	(81)
Disposals -Accumulated amortisation	77
Amortisation charge	(76)
Exchange loss	(32)
Closing net book amount	135
As at 31 December 2023	
Cost	323
Accumulated amortisation	(188)
Closing net book amount	135

14 Interests in other entities

a. Subsidiaries

The Group's investments in subsidiaries at 31 December are set out below:

	2023 US$'000	2022 US$'000
Investment in subsidiaries at start of the year	5,004	2,004
Additions (Note 32 (iv))	15,373	3,000
Investment in subsidiaries at end of the year	20,377	5,004

The following shows the breakdown of Group's investments in subsidiaries at 31 December:

Name of subsidiary	2023 US$'000	2022 US$'000
CEC Renewables Limited	18,373	3,000
Power Dynamos Sports Limited	2	2
CEC DRC Sarl Limited	2,002	2,002
	20,377	5,004

Unless otherwise stated, the entities have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of subsidiary	Place of incorporation	Ownership interest 2023	Ownership interest 2022	Principal activities
CEC Renewables Limited	Zambia	100%	100%	Electric power generation, transmission and distribution and supply as well as football activities
CEC Kabompo Hydro Power Limited	Zambia	100%	100%	
Power Dynamos Sports Limited	Zambia	100%	100%	
CEC DRC Sarl	DRC	100%	100%	

b. Associates

The following shows the breakdown of the Group's investments in associates at 31 December:

Name of associate	2023 US$'000	2022 US$'000
CEC Innovent Garneton South Solar	261	257
Innovent CEC Garneton North Solar	280	276
	541	533

The entities have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also the entity's principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

14 Interests in other entities (continued)

b. Associates (continued)

Name of associate	Place of incorporation	Ownership interest	
		2023	2022
CEC Innovent Garneton South Solar	Zambia	49%	49%
Innovent CEC Garneton North Solar	Zambia	49%	49%

i) Summarised financial information for the associates

The information disclosed below reflects the amounts presented in the annual financial statements of the relevant associates and not the Group's share of those amounts;

	CEC-Innovent South		Innovent-CEC North	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Statement of profit or loss:				
Revenue	-	-	-	-
Loss for the year	(4)	(8)	(4)	(8)
Other comprehensive income	-	-	-	-
Total comprehensive income	(4)	(8)	(4)	(8)
Statement of financial position:				
Non-current assets	172	172	190	190
Current assets	101	99	101	99
Total assets	273	271	291	289
Capital and reserves	268	265	286	283
Current liabilities	5	6	5	6
Total equity and liabilities	273	271	291	289

ii) Reconciliation of carrying amounts:

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
At start of year	533	365	533	365
Additions	12	176	12	176
Share of loss for the year*	(4)	(8)	(4)	(8)
Share of other comprehensive income	-	-	-	-
At end of year	541	533	541	533

14 Interests in other entities (continued)

ii) Reconciliation of carrying amounts: (continued)

*Share of loss for the year is calculated as below:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Loss for the year:				
CEC-Innovent South	(4)	(8)	(4)	(8)
Innovent-CEC North	(4)	(8)	(4)	(8)
	(8)	(16)	(8)	(16)
Share of loss at 49%	(4)	(8)	(4)	(8)

The Group had no commitments and contingent liabilities in respect of associates (2022: Nil).

15 Inventories

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Fuel	871	797	871	797
Spares and consumables	1,938	1,774	1,938	1,774
Replica jerseys and other sports apparel	12	99	-	-
	2,821	2,670	2,809	2,571
Inventories recognised as an expense	1,371	2,929	1,371	2,929

16 Trade and other receivables

Trade receivables	87,376	245,267	87,793	245,237
Less: impairment allowance (Note 4(b))	(31,035)	(187,047)	(31,005)	(187,017)
	56,341	58,220	56,788	58,220
Prepayments and deposits	2,377	1,016	2,345	993
VAT receivable	623	35	480	-
Other receivables	5,318	5,827	5,067	5,622
	64,659	65,098	64,680	64,835

Due to the short-term nature of current receivables, their carrying amount are considered to be same as their fair value.

17 Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Cash at bank and in hand	96,934	83,384	68,952	83,260
Term Deposits	11,955	-	11,955	-
Cash at bank and in hand	108,889	83,384	80,907	83,260

Classifications as Cash Equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest. As at the end of the reporting period, the Group had USD12 million in term deposits (2022: Nil).

18 Share capital and share premium

	2023	2022	2023	2022
	Shares	Shares	$'000	$'000
Ordinary shares				
Authorised	20,000,000	20,000,000	7,000,000	7,000,000
Issued and fully paid	1,625,000	1,625,000	2,849	2,849
Share premium	60,078	60,078	60,078	60,078

The authorised share capital of the Group remained unchanged at 20 million ordinary shares at a par value of K0.01 each. The issued and fully paid-up share capital remained at 1,625 million ordinary shares at a par value of K0.01 each. The value of shares was converted into US dollars, at the hystorical rate of 7.02 Ngwee.

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Group in proportion to the number of and amounts paid on the shares held.

The share premium relates to the excess amounts paid by the shareholders on the issue of share capital net of pre-incorporation costs.

19 Dividends per share

On 23 August 2023, the Directors of the Group approved the payment of an interim dividend of US Cents 3.4 per ordinary share, which translates to 66.35 Ngwee (ZMW0.6635) per share, using the Bank of Zambia mid-rate applicable on the date of declaration. The dividend was paid to the shareholders registered in the share register of the Group at the close of business on Friday, 3 November 2023. The total dividend declared amounted to USD55.2 million and payment was effected on Monday, 6th November 2023 (2022: USD50.4 million).

20 Earnings Per Share

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Basic and diluted EPS	0.085	0.031	0.084	0.032

i) Reconciliations of earnings used in calculating EPS

Profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share is as follows:

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Profit attributable to equity holders	137,649	50,816	137,296	51,340

ii) Weighted Average Number of Shares used as the Denominator

	2023	2022
	#00 shares	#00 shares
Ordinary shares used in calculating basic and diluted EPS	1,625,001	1,625,001

21 Foreign currency translation reserve

This represents accumulated foreign exchange differences arising from the translation of Power Dynamos Sports Limited, a subsidiary, whose functional currency is different from the parent Company.

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
At start of year	10	13	-	-
Translation differences	(35)	(3)	-	-
At end of year	(25)	10	-	-

22 Revaluation reserve

Items of property, plant and equipment are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation. The fair value of property, plant and equipment was revalued on 31 December 2020 by Sherwood Greene an external, independent valuer. The reserves are non-distributable to the shareholders and are recognised net of deferred income tax.

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
At start of year	146,070	152,408	146,070	152,408
Transfer of excess depreciation	(9,054)	(9,054)	(9,054)	(9,054)
Deferred income tax (Note 28)	2,716	2,716	2,716	2,716
At end of the year	139,732	146,070	139,732	146,070

23 Borrowings

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Non-current portion	53,538	3,625	-	3,625
Current portion	-	7,700	-	7,700
	53,538	11,325	-	11,325

Refer to Note 31(b) for details on the movement in borrowings on the statement of financial position.

The Group, through CEC Renewables, issued a Green Bond during the year of USD53.5 million. This was the first tranche of the USD200 million bond programme registered with the SEC of Zambia and listed on the LuSE. The Bond was issued at fixed rate of 9% for 15 years and is amortized over its life, with an 18-month moratorium on principal repayments to allow for the Company to build up sufficient cashflows. The Bond is secured by interest over the existing and future project assets held by the security trustee.

The Group had a syndicated facility from DFI, led by Standard Bank. The DFI tranche comprises Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO), Deutsche Investitions - Und Entwicklungsgesellschaft Mbh (DEG), Société De Promotion Et De Participation Pour La Coopération (Proparco) and bore interest of 3 months LIBOR, plus a margin of 6.5% During the year, the effective interest was 12% (2022: 9.29%). The loan was fully repaid on 15th September 2023.

i) Compliance with loan covenants

(a) Under the terms of the Green Bond, the group is required to comply with the following financial covenants:

	Target	2023
The Debt-to-Equity Ratio shall not exceed	85:15	67:33
The Historic DSCR is equal to or exceeds 1.10:1	1.10	1.32
The Projected DSCR is equal to or exceeds 1.10:1	1.10	2.23
The LLCR is equal to or exceeds 1.10:1	1.10	1.32

The Group complied with the financial covenants of its borrowing facilities throughout the reporting period.

(b) Under the terms of the repaid syndicated facilities, the Company was required to comply with the following financial covenants. As at 31 December, 2023 the loans were fully repaid :

	Target	2023	2022
Senior interest cover ratio: (EBITDA/Interest)	>4.5	-	8.32
Current ratio: (Current assets/Current liabilities)	>1.05	-	1.07
Minimum tangible net worth:(Total equity in $'000)	>160,000	-	333,316
Solvency ratio: Equity/Total assets	>30%	-	50%
Security cover ratio: Total assets/Senior debt	>2.11	-	58.60
Senior debt service cover:(Senior debt/EBIT-DA)	<2.50	-	0.12
Debit service cover ratio: (cashflow/Senior debt service)	>1.4	-	4.70

The Company complied with the financial covenants of its borrowing facilities throughout the reporting period.

ii) Fair value

Management has determined that the fair values are not materially different from their carrying amounts as interest payable on those borrowings is close to current market rates.

24 Customer long-term payables

Group	2023 US$'000	2022 US$'000
Non-current portion	11,808	12,851
Current portion	3,638	3,486
	15,446	16,337

This section sets out an analysis of the movements in customer payables for each of the periods presented.

	KCM US$'000	MCM US$'000	NFCA US$'000	Sabwe US$'000	Total US$'000
Year ended 31 December 2022					
At start of year	14,671	1,672	3,152	-	19,495
Discharge of payable waived	(3,061)	(761)	(700)	-	(4,522)
Interest charge	1,000	122	242	-	1,364
At end of year	12,610	1,033	2,694	-	16,337
Year ended 31 December 2023					
At start of year	12,610	1,033	2,694	-	16,337
Addition during the year	-	-	-	2,595	2,595
Discharge of payable waived	(3,061)	(761)	(806)	-	(4,628)
Interest charge	860	76	206	-	1,142
At end of year	10,409	348	2,094	2,595	15,446

Company	2023 US$'000	2022 US$'000
Non-current portion	11,505	12,851
Current portion	3,600	3,486
	15,105	16,337

	KCM US$'000	MCM US$'000	NFCA US$'000	Sabwe US$'000	Total US$'000
Year ended 31 December 2022					
At start of year	14,671	1,672	3,152	-	19,495
Discharge of payable waived	(3,061)	(761)	(700)	-	(4,522)
Interest charge	1,000	122	242	-	1,364
At end of year	12,610	1,033	2,694	-	16,337
Year ended 31 December 2023					
At start of year	12,610	1,033	2,694	-	16,337
Addition during the year	-	-	-	2,254	2,254
Discharge of payable waived	(3,061)	(761)	(806)	-	(4,628)
Interest charge	860	76	206	-	1,142
At end of year	10,409	348	2,094	2,254	15,105

24 Customer long-term payables (continue)

Konkola Copper Mine (KCM)

The long-term payable relates to the outright acquisition of transmission and substation infrastructure from KCM which supports the Konkola Deep Mining Project. The Group acquired the assets based on deferred contingent consideration as payment to the customer is conditional on meeting the pre-agreed contractual minimum demand load (capacity). The long-term payable matures in 2031 and is unsecured.

During the year, the pre-agreed contractual minimum demand load (capacity) was not achieved by KCM. Accordingly, a payable to KCM for the year of USD3 million (2022: USD3 million) was waived and recognised in profit or loss per the terms of the Connection Agreement.

Mopani Copper Mine (MCM)

The long-term payable relates to the outright acquisition of the network assets from MCM which support the Mopani Synclinorium and Mindola Expansion Projects. The Group acquired the assets based on deferred contingent consideration as payment to the customer is conditional on meeting the contractual pre-agreed minimum demand load (capacity). The long-term payable matures in 2024 and is unsecured with interest of 7.7%.

During the year, the pre-agreed contractual minimum demand load (capacity) was not achieved by MCM. Accordingly, a payable to MCM for the year of USD0.8 million (2022: USD0.8 million) was waived and recognised in profit or loss per the terms of the Connection Agreement.

NFCA Africa Mining PLC (NFCA)

The long-term payable relates to the outright acquisition of the network assets primarily the transmission line and auxiliary assets which support the expansion projects of the South-East Orebody site for NFCA. The Group acquired the assets based on deferred contingent consideration as payment to the customer is conditional on meeting the contractual pre-agreed minimum demand load (capacity).

The long-term payable matures in 2026 and is unsecured with interest of 7.7%.

During the year, the pre-agreed contractual minimum demand load (capacity) was not achieved by NFCA. Accordingly, a payable to NFCA for the year of USD0.8 million (2022: USD0.7 million) was waived and recognised in profit or loss per the terms of the Connection Agreement.

Sabwe Mining PLC SARL (Sabwe)

The long-term payable relates to the outright acquisition of the network assets primarily the transmission line and substation assets which support the Lonshi mine for Sabwe. During quarter four of the year, the Group acquired the assets based on deferred contingent consideration as payment to the customer is conditional on meeting the contractual pre-agreed minimum demand load (capacity).

The long-term payable matures in 2029 and is unsecured with interest of 9.0%.

Given this is the first year of the Connection Agreement, the pre-agreed minimum demand could not be assessed. The assessment is only due after 12 months from the date of commissioning the assets.

25 Customer security deposits

For some trade receivables, in particular, those arising on customers from the DRC market, the Group obtains security in the form of cash advance payments which can be called upon if the counterparty is in default under the terms of the contract. The amounts are refundable to customers at the date of expiry of the contracts. As the contracts span over 2 years, the liabilities are recognised as non-current liabilities.

The movement in customer security deposits on the statement of financial position was as below:

Company and Group	**2023**	**2022**
	US$'000	**US$'000**
At start of year	3,976	9,994
Addition/(offset) against trade receivables	11,531	(6,018)
At end of year	15,507	3,976

26 Defined benefit obligation

Company and Group	**2023**	**2022**
	US$'000	**US$'000**
Present value of unfunded obligation	3,069	2,749

The Group awards terminal benefits to its employees upon retirement in addition to the retirement benefit received from the CEC Pension Trust Scheme. The benefits are payable depending on date of joining the Group as well as seniority.

This scheme is unfunded, and the employer only pays a benefit upon retirement of an individual qualifying for the benefit. The regulator, Pensions and Insurance Authority, does not regulate gratuity schemes such as this one. However, companies that provide an additional and separate unfunded gratuity in their annual financial statements should operate within the governing covenants and agreements with employee representative bodies. Taxation of this scheme falls under the framework and administration of this arrangement, including decisions as to whether to prefund the benefit costs, or amend the arrangement design.

The Group's accrued liability in respect of each employee is the present value of the benefits in respect of service completed to the valuation date but based on projected earnings to retirement or date of payment. The total accrued liability (or the required provision) at the valuation date is a summation of the accrued liability in respect of each employee.

i) Amounts recognised in statement of financial position

The amounts recognised in the statement of financial position and the movements in the net defined benefit obligation over the year are as follows:

	2023	**2022**
	US$'000	**US$'000**
At start of year	2,749	2,774
Current service cost	234	182
Interest cost	682	712
Foreign exchange losses/(gains)	(1,127)	(221)
Amount recognised in profit or loss	(211)	673
Actuarial remeasurements		
Change in financial assumptions	1,447	655
Experience adjustment	(200)	(646)
Amount recognised in equity	1,247	9
Benefit payments	(716)	(707)
Per statement of financial position	3,069	2,749
Present value of unfunded obligation	3,069	2,749

26 Defined benefit obligation (continued)

ii)Actuarial assumptions

The significant actuarial assumptions in the determination of the defined benefit obligation are the discount rate and the salary growth rate. The assumptions used for the valuation of the defined benefit obligation are as follows:

	2023	2022
Discount rate	26.7%	26.0%
Salary growth rate	13.1%	12.0%

iii) Risk exposure

The Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

The plan liabilities are calculated using a discount rate set with reference to Zambian government bond yields. A decrease in government bond yields will increase the plan liabilities. Moreover, there are no plan assets invested in government bonds, hence a change in government bond yield rates may have more impact on the plan if it differs from the employer's opportunity cost of benefit provision.

Changes in salaries

The plan benefits are calculated with reference to employees' salaries. An increase in salaries will increase the plan liabilities. This risk becomes higher as the expectations of short-term inflation rise increase, due to the weakened strength of the Zambian Kwacha against other currencies.

Liquidity

The plan is unfunded and therefore there is a risk that resources are not available when needed to pay the benefits that have become due.

iv) Sensitivity analysis

The sensitivity analysis is based on changes in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in at end of the reporting period.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation	
	2023	2022
Change in assumption	US$'000	US$'000
Discount rate (-1%)	223	139
Salary growth rate (+1%)	254	165

The scheme does not have any assets and therefore benefits are met as they become due.

26 Defined benefit obligation (continued)

v) Maturity analysis

The weighted average duration of the defined benefit obligation is 16 years (2022: 15 years).

The expected maturity analysis of undiscounted pension benefits is as follows:

	2023 US$'000	2022 US$'000
Within 1 year	694	672
Between 1 - 2 years	56	370
Between 2 - 5 years	1,368	755
Over 5 years	11,740	8,045
	13,858	9,842

27 Deferred income

Deferred income comprises advance payments on the indefeasible Right of Use agreements, capital grants and capital contributions from customers for the construction of network assets such as transmission lines and substation infrastructure.

Group	**2023** **US$'000**	**2022** **US$'000**
Deferred income	19,272	18,411

This section below sets out an analysis of the movements in deferred income for each of the periods presented.

Group	**Indefeasible Right of Use**	**Capital grant**	**Customer contributions**	**Total**
Year ended 31 December 2022	US$'000	US$'000	US$'000	US$'000
At start of year	4,424	5,602	10,627	20,653
Amortisation charge	(884)	(233)	(1,125)	(2,242)
At end of year	3,540	5,369	9,502	18,411
Year ended 31 December 2023				
At start of year	3,540	5,369	9,502	18,411
Addition of Lonshi	-	-	3,103	3,103
Amortisation charge	(884)	(233)	(1,125)	(2,242)
At end of year	2,656	5,136	11,480	19,272

Company	**2023** **US$'000**	**2022** **US$'000**
Deferred income	19,014	18,411

Company	**Indefeasible Right of Use**	**Capital grant**	**Customer contributions**	**Total**
Year ended 31 December 2022	US$'000	US$'000	US$'000	US$'000
At start of year	4,424	5,602	10,627	20,653
Amortisation charge	(884)	(233)	(1,125)	(2,242)
At end of year	3,540	5,369	9,502	18,411
Year ended 31 December 2023				
At start of year	3,540	5,369	9,502	18,411
Addition of Lonshi	-	-	2,845	2,845
Amortisation charge	(884)	(233)	(1,125)	(2,242)
At end of year	2,656	5,136	11,222	19,014

27 Deferred income (continued)

Indefeasible right of use (IRU)

In 2012, the Group entered into an IRU agreement for the excess capacity on its Telecoms Assets with its customer, Liquid Telecoms (Previously called CEC Liquid Telecom) for a period of 15 years for a consideration of USD 9.79 million. The consideration was paid in advance by the customer and is being amortised over 15 years. In April 2018, a new IRU was entered into for additional assets worth USD2.0 million with a tenor ending aligned to the first IRU.

Capital grants

In 2012, the Group received a capital grant of USD7.0 million from the DBSA for the construction of a 220kV double circuit transmission line between Zambia and the DRC. DBSA was acting as an agent of the COMESA, the EAC and the SADC under the TTF. The grant is being amortised over 30 years.

Customer contributions

Where a customer is not close to an existing network or the network is fully utilised and new capacity is required, the cost of extending the network may be high and would be an uneconomical investment on the part of the Group. Further, the cost of maintaining the new substation infrastructure may render the regulated tariffs as not cost reflective.

Therefore, the Group requires customers who require additional capacity to make customer contributions, which come in form of cash or property, plant and equipment. The customer contributions are accounted for as non-cash consideration and are amortised over the service period per the terms of PSA with the customer.

28 Deferred income tax

Deferred income tax is calculated using the enacted income tax rate of 30% (2022: 30%). The movement on the deferred income tax account is as follows:

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
At start of year	117,196	120,665	117,222	120,665
Charge/(credit) in profit or loss (Note 11)	(26)	(750)	(730)	(724)
Under/(over)provision	118	-	32	-
Credit in equity	(3,090)	(2,719)	(3,090)	(2,719)
At end of year	114,198	117,196	113,434	117,222

Deferred income tax assets and liabilities and deferred income tax charge/(credit) in profit or loss and equity are attributable to the following items.

Group	At start of year	Profit or loss	Equity	At end of year
	US$'000	US$'000	US$'000	US$'000
Year ended 31 December 2023				
Deferred income tax liabilities				
Property, plant and equipment	56,856	(1,379)	-	55,477
Revaluation surplus	62,602		(2,716)	59,886
Unrealised exchange losses	-	752	-	752
Other temporary differences	25	6	-	31
Loss allowance	0	910		910
Deferred income tax assets				
Tax losses carried losses				
Loss allowance	(999)	999	-	-
Unrealised exchange losses	(170)	170	-	-
Employee benefits	(1,067)	(950)	(374)	(2,391)
Other temporary differences	(51)	(416)	-	(467)
Net deferred income tax liability	117,196	92	(3,090)	114,198
Year ended 31 December 2022				
Deferred income tax liabilities				
Property, plant and equipment	56,028	828	-	56,856
Revaluation surplus	65,318	-	(2,716)	62,602
Other temporary differences	150	(125)	-	25
Deferred income tax assets				
Tax losses carried losses				
Loss allowance	-	(999)	-	(999)
Unrealised exchange losses	-	(170)	-	(170)
Employee benefits	(831)	(233)	(3)	(1,067)
Other temporary differences	-	(51)	-	(51)
Net deferred income tax liability	120,665	(750)	(2,719)	117,196

28 Deferred income tax (continued)

Company	**At start of year** **US$'000**	**Profit or Loss** **US$'000**	**Equity** **US$'000**	**At end of year** **US$'000**
Year ended 31 December 2023				
Deferred income tax liabilities				
Property, plant and equipment	56,856	(1,368)	-	55,488
Revaluation surplus	62,602	-	(2,716)	59,886
Unrealised exchange gains	-	153	-	153
Loss allowance	-	298		298
Deferred income tax assets				
Loss allowance	(999)	999	-	-
Employee benefits	(1,067)	(950)	(374)	(2,391)
Unrealised exchange losses	(170)	170	-	-
Net deferred income tax liability	117,222	(698)	(3,090)	113,434
Year ended 31 December 2022				
Deferred income tax liabilities				
Property, plant and equipment	56,028	828	-	56,856
Revaluation surplus	65,318	-	(2,716)	62,602
Unrealised exchange gains	150	(150)	-	-
Deferred income tax assets				
Loss allowance	-	(999)		(999)
Employee benefits	(831)	(233)	(3)	(1,067)
Unrealised exchange losses	-	(170)	-	(170)
Net deferred income tax liability	120,665	(724)	(2,719)	117,222

Deferred tax assets and liabilities are offset as there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax balances relate to the same taxation authority.

29 Derivative financial instrument

The Group had interest swap agreements with Citi Bank and Standard Chartered Bank to hedge against the floating portion of the interest charged on the loans obtained from commercial lenders and the DFI. The 3-month LIBOR rates were fixed at 3.242% and 3.2% on Citi Bank and Standard Chartered Bank respectively. During the year the interest swap agreement terminated on account of the prepayment of the underline loan.

	2023 US$'000	**2022** US$'000
Current portion:		
Citi Bank	-	(123)
Standard Chartered Bank	-	(42)
	-	(165)

Movement in the fair value gains on interest swap rate derivative on the statement of financial position:

	2023 US$'000	**2022** US$'000
At start of year	(165)	646
Gains on interest swap rate derivative in profit or loss	165	(811)
	-	(165)

30 Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Trade payables	19,765	149,583	26,802	149,583
Statutory liabilities	3,802	2,258	3,070	2,258
Other payables	14,951	5,004	4,026	4,815
Contract liabilities*	4	105	-	-
	38,522	156,950	33,898	156,656

*The contract liabilities relate to Broadcasting advance payments received from the Football Association of Zambia (FAZ). The Group's subsidiary, Power Dynamos Sports Limited (the 'Club') recognises revenue on a linear basis over the duration of the league as matches are played and broadcast live. Due to the short-term nature of current payables, their carrying amount are considered to be same as their fair value.

31 Cash flow information

a) Cash flows from operating activities

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Profit before income tax	213,850	75,821	212,970	76,349
Adjustments for:				
Interest income on overdue debtors (Note 10)	(11,064)	(14,215)	(12,382)	(14,215)
Interest income on bank deposits (Note 10)	(3,673)	(1,680)	(3,540)	(1,680)
Fair value gain on interest swap (Note 29)	165	(811)	165	(811)
Interest expense on borrowings (Notes 10)	1,382	1,768	1,382	1,768
Interest of late payment to suppliers	6,009		7,346	
Interest expense on customer payables (Note 10)	1,142	1,364	1,142	1,364
Amortisation of deferred income (Note 27)	(2,242)	(2,242)	(2,242)	(2,242)
Depreciation on fixed assets (Note 12)	25,099	23,892	24,263	23,776
Loss on disposal of fixed assets (Note 7)	17	15	17	15
Impairment of Kabompo Hydro project (Note 12)	35,439		35,439	-
Amortisation of intangible assets (Note 13)	76	76	-	-
Discharge of payable waived (Note 24)	(4,628)	(4,522)	(4,628)	(4,522)
Changes in employee benefits (Note 26(i))	(211)	673	(211)	673
Changes in working capital:				
Inventories	(151)	167	(238)	265
Trade and other receivables*	439	12,343	155	11,324
Trade and other payables	(110,225)	3,957	(115,379)	4,484
	151,424	96,606	144,259	96,548

*The movement in trade receivables excludes changes in security deposits netted off against debtors.

31 Cash flow information (continued)

b) Net Debt Reconciliation

This section sets out an analysis of net debt for each of the periods presented. Net debt is calculated as total borrowings less cash and cash equivalents

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Cash and cash equivalents (Note 17)	108,889	83,384	80,907	83,260
Bank loans (Note 23)	(53,538)	(11,325)	-	(11,325)
Cash surplus	55,351	72,059	80,907	71,935

Group	**Liabilities from financing activities (Bank loans)**	**Net Cash position**	**Total**
2022	**US$'000**	**US$'000**	**US$'000**
At start of year	(19,025)	92,660	73,635
Cashflow	-	(9,258)	(9,258)
Interest charged	(1,768)	-	(1,768)
Principal repayments	7,700	-	7,700
Interest paid	1,768		1,768
Foreign exchange gains	-	(18)	(18)
At end of year	(11,325)	83,384	72,059
2023			
At start of year	(11,325)	83,384	72,059
Cashflow	(53,538)	26,157	(27,381)
Interest charged	(1,382)	-	(1,382)
Principal repayments	11,325	-	11,325
Interest paid	1,382	-	1,382
Foreign exchange gains	-	(652)	(652)
At end of year	(53,538)	108,889	55,351
Company			
2022			
At start of year	(19,025)	92,619	73,594
Cashflow	-	(8,999)	(8,999)
Interest charged	(1,768)	-	(1,768)
Principal repayments	7,700	-	7,700
Interest paid	1,768		1,768
Foreign exchange gains	-	(360)	(360)
At end of year	(11,325)	83,260	71,935
2023			
At start of year	(11,325)	83,260	71,935
Cashflow	-	(1,227)	(1,227)
Interest charged	(1,382)	-	(1,382)
Principal repayments	11,325	-	11,325
Interest paid	1,382	-	1,382
Foreign exchange gains	-	(1,126)	(1,126)
At end of year	-	80,907	80,907

32 Related party transactions

The Group is listed on (LuSE) and has various shareholders. There is no ultimate controlling parent entity. There are other companies that are related to the Group through common shareholdings and common directorships. The major shareholders with over 20% ownership interest are as below:

Name	Type	Place of incorporation	Ownership interest	
			2023	2022
Marina Pte Limited	Major shareholder	Singapore	-	26.15%
ZCCM-IH PLC	Major shareholder	Zambia	31.07%	24.11%
Aurora UK AcquisitionCo Pte	Major shareholder	UK	34.64%	-

i) Subsidiaries

Interests in subsidiaries are set out in Note 14(a).

ii) Directors with Ownership Interest in the Group

This section shows the Directors who held shares in the Group as at the end of the reporting period.

	Number of shares held	
	2023	2022
Owen Silavwe - Managing Director	-	5,128,980
Munankupya Hantuba - Non-Executive Director	343,615	343,615

iii) Transactions were carried out with related parties

- ***Football Sponsorships***

The Group provides annual cash sponsorships to its wholly owned subsidiary, Power Dynamos Sports Limited. During the year, the Group incurred USD2.2 million (2022:USD1.9 million) in cash sponsorships.

- ***Dividends Payments to Shareholders of the Group***

Refer to Note 19 for details.

- ***Capital Contributions in Subsidiaries***

The Group incurs expenditure that is directly attributable to the cost of assets and services provided to the subsidiaries. The costs are recognised in investments in subsidiaries as the subsidiaries' have no contractual obligation to pay back the balance to the Group. During the year, the Group invested USD15.4 million (2022: USD3.0 million) in capital contributions.

- ***Right To Use Tangible Assets on A Non-Reciprocal Basis***

The subsidiary, Power Dynamos Sports Limited, has the right to use the stadium, bus and other assets legally owned by the Group for no consideration. The subsidiary does not perform any services or provide any goods in return for this right. Therefore, the transaction is non-reciprocal in nature. The subsidiary measures all capital contributions from the shareholder at cost. Accordingly, the right to use assets is measured at the amount of consideration paid to the Group. On this basis, the right to use the assets is recognised at nil value in the subsidiary.

- ***Shareholder loans***

Refer to Note (iv) below for details.

- ***Transfer of property, plant and equipment to subsidiary***

During the year, the Group transferred property amounting to USD2.4 million to its subsiary, CEC- Renewables Limited (2022: USD15 million).

32 Related party transactions (continue)

iv) Outstanding balances arising from transactions with related parties

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Loan receivable				
CEC Renewables Limited	-	-	4,771	32,464
DRC Sarl Limited	-	-	639	165
	-	-	5,410	32,629
Movements in shareholder loan:				
At start of year	-	-	32,629	-
Loan advanced	-	-	16,502	31,775
Interest on the Loan	-	-	1,318	854
Loan repaid	-	-	(27,943)	-
Interest paid	-	-	(1,723)	-
Loan converted to Equity	-	-	(15,373)	-
At end of year	-	-	5,410	32,629

The Group issued shareholder loans to its subsidiaries, CEC Renewables Limited and DRC Sarl of USD17.345 million and USD0.475 million respectively (2022: USD32.5 million and USD0.2 million). The movement in loan advanced to subsidiary is includes the non-cash transfer of property, plant, and equipment to related party of USD2.4 million as disclosed in Note 12.

The loan to CEC Renewable Limited carries interest of 5%, is unsecured and repayable on 31 December 2023. The loan to DRC Sarl Limited carries interest of 5%, is unsecured and repayable on demand.

v) Key management compensation

Key management includes Directors (Executive and Non-Executive) and members of senior management personnel.
The compensation paid or payable to key management for employee services is shown below:

	Group		Company	
	2023	**2023**	**2023**	**2022**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Short term employee benefits	6,073	4,933	6,073	4,933
Post-employment benefits	132	554	132	554
	6,205	5,487	6,205	5,487

vi) Directors' remuneration

Director remuneration which comprises salaries and director fees for services rendered to the Group amounted to USD0.6 million (2022: USD0.6 million).

33 Commitments

i) Capital commitments

Significant capital expenditure contracted at the end of the reporting period but not recognised as liabilities was USD13.6 million (2022: USD3.6 million).

ii) Operating commitments

Contractual obligations for future repairs and maintenance not recognised as a liability was nil (2022: Nil).

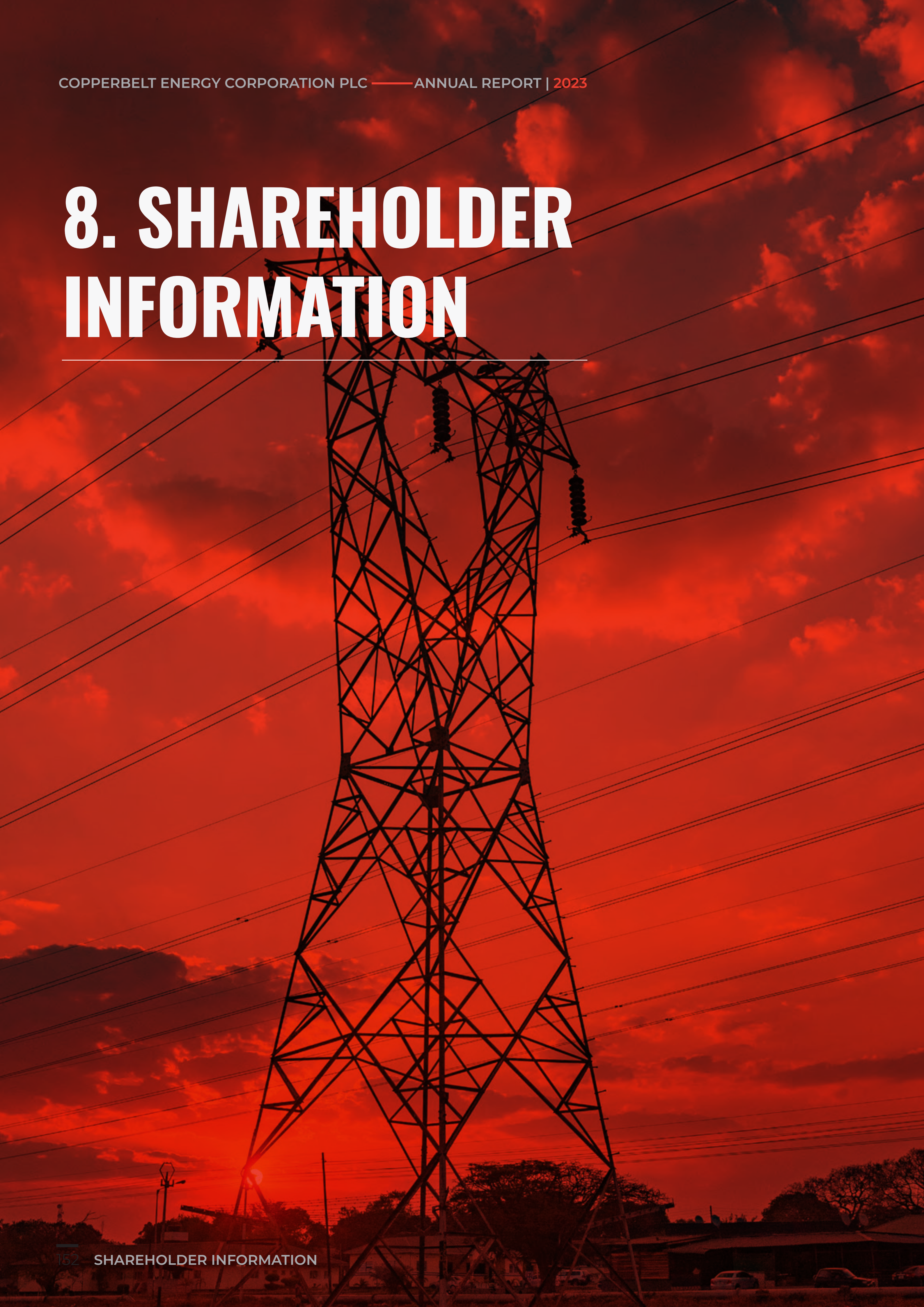
34 Contingencies

The Group is party to various legal cases whose outcome is dependent on the conclusion of the Zambian judicial process. Management makes estimates for the outcomes of these cases based on professional advice. There are some cases where, based on professional advice received, the Directors have not made any provision.

35 Events occurring after the reporting period

As at the end of the financial period and date of this report, the Directors are not aware of any item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Group, to affect substantially the operations of the Group, the results of its operations or financial position of the Group in subsequent financial years.

8. SHAREHOLDER INFORMATION



ANALYSIS OF SHAREHOLDERS AS AT 31ST DECEMBER 2023

Shareholding Range	Holding	Holders	% Change
1 - 1000	1,045,237	2,967	0.06
1001 - 5,000	6,080,033	2,256	0.37
5,001 - 10,000	4,602,354	605	0.28
10,001 - 100,000	26,295,926	882	1.62
100,001 - 1,000,000	46,039,895	173	2.83
1,000,001 - 100,000,000	257,899,389	44	15.87
>100,000,001	1,283,037,763	3	78.96
TOTALS	1,625,000,597	6,930	100.00

Description	Holding	% Change	Number of Holders
Local Individuals	106,200,276	6.54	6,646
Foreign Individuals	15,318,294	0.94	129
Local Companies	3,599,072	0.22	76
Foreign Companies	117,488	0.01	1
Significant Shareholders	1,355,287,271	83.40	5
Pension Funds	144,478,196	8.89	73
TOTALS	1,625,000,597	100.00	6,930

Rank	Shareholder Name	%
1	Aurora UK Acquisition Co Pte Ltd	34.64
2	ZCCM Investments Holdings PLC	31.07
3	Zambia Energy Corporation Ireland Limited	13.25
4	Standard Chartered Zambia Securities Services - Nominees	2.41
5	Saturnia Regina Pension Trust Fund 2.04%	2.04

SHARE TRADING STATISTICS

Value	Description	2022
4.2	SHARES TRADED AS A % OF TOTAL SHARES IN ISSUE	2022-1.87
121,675	AVERAGE DAILY VOLUME OF SHARES TRADED*	2022-121,675
5.2	AVERAGE TRADING PRICE (ZMW)	2022-3.47
3.78	OPENING PRICE (ZMW)	2022 - 2.65
7.09	**CLOSING PRICE (ZMW)**	2022-3.78
7.65	HIGHEST PRICE TRADED DURING THE YEAR (ZMW)	2022: 4.20
3.78	LOWEST PRICE TRADED DURING THE YEAR (ZMW)	2022: 2.65
11,521,254,233	MARKET CAPITALISATION (ZMW)	2022: 6,142,502,256
448,821,747	**MARKET CAPITALISATION (USD'm)**	2022 - 339,928,182
1,625,000,597	SHARES IN ISSUE	2022: 1,625,000,597
685,534,676	**NUMBER OF SHARES TRADED DURING THE YEAR**	2022: 30,175,478
4,221,291,909	VALUE OF SHARES TRADED DURING THE YEAR (ZMW)	2022:98,988,172
7,294	NUMBER OF TRADES	

NOTICE AND AGENDA

Notice and Agenda of the Twenty- Sixth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Sixth Annual General Meeting of the Members of Copperbelt Energy Corporation PLC will be held virtually through the Corpserve eAGM Platform whose link is provided under ("Notes") below and physically at CEC Ravens Country Club, on Thursday, 28th March 2024 commencing at 10:00 hours to transact the following business:

A. Call to Order

Call to order, tabling of proxies and announcement concerning quorum in attendance.

B. Resolution 1 – Adoption of Minutes of the Annual General Meeting – Thursday, 27th April 2023

To consider and adopt the Minutes of the Twenty-Fifth Annual General Meeting held on Thursday, 27th April 2023.

C. Resolution 2 - Adoption of Minutes of the Extra Ordinary General Meeting - Monday 5th June 2023

To consider and adopt the Minutes of the Extraordinary General Meeting held on Monday, 5th June 2023.

D. Resolution 3 – Adoption of Directors' Report and Financial Statements

To receive and adopt the Directors' Report and the Financial Statements for the year ended 31st December 2023 together with the Report thereon of the auditors.

E. Resolution 4 – Ratification of Dividend Payment

To ratify the dividend payment made on Monday, 6th November 2023.

F. Resolution 5 – Appointment of Auditors

To consider and adopt the recommendation for the appointment of the Auditors of the Company and to authorise the Directors to set their renumeration.

G. Resolution 6 – Appointment of Directors

To consider and adopt the recommendation of the Board for the appointment of Mr. London Mwafulilwa and Dr. Patrick Nkanza as Directors of the Company in accordance with Article 15.6 of the Articles of Association.

Mr. London Mwafulilwa and Dr. Patrick Nkanza will retire at the Annual General Meeting. The Directors recommend the appointment of Mr. Mwafulilwa and Dr. Nkanza as Directors in accordance with the Articles of Association, to hold office until the conclusion of the next Annual General Meeting of the Company at which they will retire.

H. Resolution 7 – Distribution of Electronic Copies of Annual Reports

To seek shareholder approval for the proposal to dispense with the distribution of hard copies of the annual report and supporting documents for general meetings in the future and further to authorise the distribution of only electronic copies of the annual report and supporting documents for general meetings in the future, except those hard copies to be provided on request.

I. Resolution 8 - Directors' Remuneration

To consider and approve a 5% adjustment to the remuneration of the Directors.

J. To transact such other business as may properly be transacted at an Annual General Meeting.

By order of the Board

Julia C Z Chaila (Mrs)
Company Secretary

NOTES

1. Physical Attendance

The Annual General Meeting will be held physically at the CEC Ravens Country Club Corner of Twenty Fourth Ave, Central Street, Nkana East Kitwe, Thursday, 28th March 2024. If you wish to attend the AGM physically, you are recommended to arrive at least 20 Minutes before the time appointed for holding of the AGM to allow time for registration.

2. Virtual Attendance

a. The proceedings of the AGM will be streamed live Members wishing to participate in the meeting through Zoom webinar are required to sign up in advance at https://eagm.creg.co.zw/eagm/Login.aspx.

b. The window for registration for the AGM participation virtually will open on 7th March 2024 and will automatically close at the commencement of the AGM on 28th March 2024 at 10.00hrs.

c. After registering, a Member will receive a confirmation email or SMS containing information about joining the AGM.

d. After registering, a Member will also receive their Lusaka Securities Exchange (LuSE) ID number which the Member must have on the day of the AGM in order to vote on the resolutions.

e. To fully participate in the AGM, a Member must have a reliable internet connection.

f. Queries on how to log into the AGM, registration or the voting process can be channeled to Corpserve Transfer Secretaries on mobile number +260950968435, +260 979946143, +260 211 256969/70 or by email to info@corpservezambia.com.zm/ james@corpservezambia.com.zm

3. Other AGM Details

a. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy by form of proxy or power of attorney to attend and vote in his/her/its place. Such proxy need not be a Member of the Company. The instrument appointing a proxy and, if applicable, the authority under which it is signed, must be deposited at the office of the Company Secretary at Headquarters, 23rd Avenue, Nkana East, Kitwe or alternatively, deposited at the Lusaka offices of CEC on 2nd Floor Green City, Stand 2374, Kelvin Siwale Road, Off Thabo Mbeki Road, Lusaka opposite the showgrounds or sent by email to the Company Secretary at chailaj@cec.com.zm not less than 48 hours before the time appointed for holding the meeting.

b. In accordance with Article 12.1 (2) of the Articles of Association of the Company, two Members holding between them a majority in nominal value of the issued ordinary shares of the Company present in person or by proxy will be deemed to form a quorum.

c. Members are advised that the Company has a website providing information on the AGM. Posted on the website are copies of the Notice and Agenda for the AGM, the appropriate Forms of Proxy, the Annual Report of the Company for the year ended 31st December 2023 and other relevant documents. The Company's web address is www.cecinvestor.com.

MINUTES OF THE ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF COPPERBELT ENERGY CORPORATION PLC HELD VIRTUALLY VIA ZOOM WEBNAIR ON THURSDAY, 27TH APRIL 2023 AT 10:10 HOURS

PRESENT:

Mr. London Mwafulilwa - Chairman

MEMBERS PRESENT: - As per attached Attendance Register

DIRECTORS IN ATTENDANCE:

Dr. Patrick Nkanza - Vice Chairman
Mr. Munakupya Hantuba - Director
Mr. Ronald Tamale - Director
Mr. Tisa Chama - Director
Mr. Joe M. Chisanga - Director
Mr. Derek Chime - Director
Mr. Hastings Mtine - Director
Mr. Arnold Simwaba - Director
Mr. Owen Silavwe - Managing Director

SECRETARY:

Mrs. Julia C Z Chaila - Company Secretary

Proxies

Name	
Mr. Ronald Tamale	Marina V (Singapore) Pte Ltd
Mr. Ronald Tamale	Marina IV (Singapore) Pte Ltd
Mr. Ronald Tamale	Standard Chartered Private Equity Ltd
Ms. Namwene Mkandawire	Zambian Energy Corporation (Ireland) Ltd
Mr. Situmbeko C Mubano	ZCCM Investments Holdings PLC
Mr. Richard Musakanya	Saturnia Regina Pension Trust Fund
Mr. Mumba Musunga	Public Service Pension Trust Fund
Mr. Mumba Musunga	Stanbic Bank Pension Trust Scheme
Mr. Mumba Musunga	Zambia Sugar Pension Trust
Mr. Mumba Musunga	ZANACO PLC DC - Pension Scheme
Mr. Mumba Musunga	ABSA Bank Zambia Ltd
Mr. Mumba Musunga	Standard Chartered Bank PTF
Mr. Mumba Musunga	Zambia Breweries PLC Pension Trust Scheme
Mr. Mumba Musunga	CEC Pension Trust Scheme
Mr. Mumba Musunga	Airtel Zambia Staff Pension Fund
Mr. Mumba Musunga	ZRA Pension Trust Fund
Mr. Mumba Musunga	Chilanga Cement Pension Trust Scheme
Mr. Mumba Musunga	Buyantanshi Pension Trust Scheme
Mr. Mumba Musunga	Lubambe Copper Mines Pension Trust Scheme
Mr. Mumba Musunga	Sandvik Mining Pension Trust Fund
Mr. Mumba Musunga	Konkola Minerals Resources Pension Trust Fund

Name	
Mr. Mumba Musunga	Game Stores Pension Trust Fund
Mr. Mumba Musunga	Professional Pension Trust Fund
Mr. Mumba Musunga	Health Sector Grant Pension
Mr. Mumba Musunga	SCZ International Ltd Pension Fund
Mr. Mumba Musunga	National Breweries Pension Trust Fund
Mr. Mumba Musunga	Deloitte and Touche Pension Trust Fund
Mr. Mumba Musunga	ECOBANK Zambia Ltd
Mr. Mumba Musunga	National Institute for Scientific and Pension Trust
Mr. Mumba Musunga	Octagon Umbrella Trust Fund
Mr. Mumba Musunga	KCM Pension Trust Fund
Mr. Mumba Musunga	Sanlan Life Insurance
Mr. Mumba Musunga	Golden Sunset Pension Trust Scheme
Mr. Mumba Musunga	Access Bank Zambia Limited
Mr. Lewis Mosho Junior	Stock Brokers Zambia Limited
Ms. Fred Simusiku	Local Authority Superannuation Fund
Ms. Inuntu Begnouga	Barclays Bank Zambia Staff Pension Fund
Ms. Inuntu Begnouga	PICZ Pension Trust Scheme
Ms. Inuntu Begnouga	Zambia National Building Society
Ms. Inuntu Begnouga	FQM Pension Trust Scheme
Ms. Inuntu Begnouga	Madison Insurance Trust Pension Fund
Ms. Inuntu Begnouga	Finance Bank Trust Pension Fund
Ms. Inuntu Begnouga	Africa 53 Pension Fund
Ms. Inuntu Begnouga	CEC Pension Trust Scheme
Ms. Inuntu Begnouga	Multi Choice Pension Trust Scheme
Ms. Inuntu Begnouga	Toyota Zambia - Pension Fund
Ms. Inuntu Begnouga	Rail Systems of Zambia - Pension Fund
Ms. Inuntu Begnouga	HSEGAIPS - Pension Fund
Ms. Inuntu Begnouga	Examination Council of Zambia - Pension Fund
Ms. Inuntu Begnooga	BOZ DEF COM Pension Scheme
Ms. Inuntu Begnouga	Professional Pension Trust Wealth Fund Wealth Guard
Ms. Inuntu Begnouga	Buyantanshi Pension Trust Scheme
Ms. Inuntu Begnouga	Lusaka Trust Pension Fund
Ms. Inuntu Begnouga	Lunsemfwa Hydro Power Pension Trust
Ms. Inuntu Begnouga	Motor Mart Group Zambia
Ms. Inuntu Begnouga	Zambia Episcopal Conference (ZEC)
Mr. Mintu Chitebe	Stanbic Bank Zambia Nominees Ltd
Mr. Lodwel Lunda	Zanaco DB Staff - Pension Fund
Mr. Sampa Mashambe	Zambia State Insurance Pension Trust Fund
Mr. Nathan Siamya/ChisengaChimya	Lusaka Trust Hospital Pension Fund
Mr. Nathan Siamya/ChisengaChimya	Toyota Zambia - Pension Fund
Mr. Nathan Siamya/ChisengaChimya	Final Salary - Pension Fund
Mr. Nathan Siamya/ChisengaChimya	Money Purchase - Pension Fund
Mr. Nathan Siamya/ChisengaChimya	African Banking Corporation Pension Fund
Mr. Nathan Siamya/ChisengaChimya	ZEC - Pension Fund
Mr. Nathan Siamya/ChisengaChimya	Zambia National Broadcast Services Pension Fund
Mr. Nathan Siamya/ChisengaChimya	Buyantanshi Pension Trust Scheme
Mr. Nathan Siamya/Chisenfa Chimya	HSEGAIPS - Pension Fund
Mr. Nathan Siamya/Chisenfa Chimya	Lunsemfwa Hydro Power Pension Trust
Mr. Nathan Siamya/Chisenfa Chimya	Bank of Zambia - Pension Fund
Chibanga Nyangu	Kwacha Pension Trust Fund

Name	
Mr. Ignitius Mwape	ICM Equities Ltd Pension Fund
Ms. Rose M Mwanapabo	Mukuba Pension Trust Defined Trust Scheme

1.0 Call to Order

The Chairman, Mr. London Mwafulilwa, called the meeting to order at 10:10 hours and welcomed all present to the 25th Annual General Meeting (AGM) of Copperbelt Energy Corporation PLC ("CEC"). In his introductory remarks the Chairman said another year had ended and that he was pleased to be the bearer of great news regarding developments attained by the Company, in the year 2022. He said much had been realised particularly in the optimism about the future of the business that the Board of Directors and Management shared and carried, which had informed the decisions taken in the year and the results being reported. He told the Members that the 25 years of CEC celebrated in November 2022 had made him even more elated in sharing his report.

The Chairman told the Members that 2022 was a good year that saw CEC record a profitability of USD50.8 million. This was comparable to the prior year's profit despite a doubling of provision for impairment losses at USD24.1 million (2021: USD12.6 million) an indication of general improvement in the financial and operational performance in the year.

The Chairman further reported that from a shareholder returns perspective, the Company had paid the largest single dividend yet of USD50.4 million, a testament to its policy to return not less than half of the Company's profitability to its shareholders for having entrusted the Board of Directors and Management the responsibility to create value for them.

The Chairman said that 2022 came with significant strides towards decarbonizing the Company's operations therefore capturing over four times the level of carbon compared to the previous year. The planting of 240,000 trees at the various tree planting sites together with circular economic initiatives lead to the capturing of 1,200 tonnes of carbon. He explained that developing one of its solar power resources had enabled the Company to grow its assets and reduce its carbon footprint simultaneously.

He reported that CEC was a regional frontrunner with a CAPEX investment of USD22.0 million in developing a 33MW capacity Solar PV plant commissioned in February 2023 with intention to bring online more than 200MW in renewables and drive towards net zero attainment by 2027.

Mr Mwafulilwa thanked the devotion of the Board, Management and entire CEC staff for successfully working together in building and maintaining a vibrant and healthy Company that continually created value long into the future.

2.0 Introduction of the Board of Directors

The Chairman took the opportunity to introduce the members of the Board of Directors present at the AGM who were Dr. Patrick Nkanza, the Vice Chairman of the Board, Mr. Munakupya Hantuba, Mr. Ronald Tamale, Mr. Joe Mwansa Chisanga, Mr. Derek Chime, Mr. Tisa Chama, Mr. Hastings Mtine; Mr. Arnold Simwaba and Mr. Owen Silavwe, the Managing Director. The Chairman further introduced the Chief Financial Officer, Mr. Mutale Mukuka and the Company Secretary, Mrs. Julia Chaila.

3.0 Auditors in Attendance

The Chairman informed the meeting that Messrs PricewaterhouseCoopers, the Auditors of the Company represented by Mr. Andrew Chibuye, were also in attendance.

4.0 Proxies

Mrs. Julia Chaila, the Company Secretary, reported that the Company had received a number of proxies. She said the principal shareholders of the Company Standard Chartered Private Equity, Marina V (Singapore) Pte Ltd and Marina IV (Singapore) Pte Ltd, had each appointed Mr. Ronald Tamale as their representative at the AGM. She further reported that ZCCM Investments Holdings PLC had appointed Mr. Situmbeko C Mubano as its representative at the AGM, while Zambian Energy Corporation (Ireland) Ltd had appointed Ms. Namwene Mkandawire as its representative. The Company Secretary told the Members that she would not read out the remainder of the proxies that had been received, and that all proxies received would be recorded in the Minutes for the AGM, as was the requirement.

5.0 Quorum

The presence of quorum was confirmed by the Company Secretary pursuant to Article 13.1.2 of the Articles of Association ("the Articles") of the Company. She said as the Notice and Agenda of the AGM had been circulated to the Members within the period prescribed by the Articles, with the permission of the Members she proposed that the Notice and Agenda be taken as read.

6.0 Voting Process

The Chairman briefed Members on the voting procedures. He explained that the vote on all resolutions tabled at the AGM would be taken by poll and conducted through electronic voting. The Chairman said Resolution 1 to Resolution 5 would be passed as Ordinary Resolutions upon a simple majority representing 50% of the voting rights attached to the shares and entitled to vote, present in person or by proxy at the AGM. He further said that Resolution 6 would be passed as a Special Resolution that required a 75% or more of the votes representing the nominal value of the shares represented at the meeting present in person or by proxy. He told the Members that each resolution would be adopted separately upon proposal to the Members.

7.0 Adoption of the AGM Minutes held on Wednesday, 27th April 2022

The Chairman said the First Resolution on the Agenda was to approve the Minutes of the AGM that was held on Wednesday, 27th April 2022.The resolution was put to the consideration of the Members.

Ordinary Resolution 1

Upon a motion being proposed by Ms. Rose Mutale and seconded by Mr. Muyunda Sundano, it was RESOLVED THAT the Minutes of the meeting held on Wednesday, 27th April 2022 be confirmed as a true and correct record of the proceedings of the meeting. The voting process on Resolution 1 then proceeded.

8.0 Adoption of Directors' Report and Financial Statements for the Year-ended 31st December 2022

The Chairman said the Second Resolution on the Agenda was to receive the Directors' Report and the Financial Statements for the year ended 31st December 2022 together with the Report of the Auditors of the Company.

The Chairman invited Mr. Owen Silavwe, the Managing Director to give a presentation on the Company's operational performance during 2022, which was followed by a presentation by the Chief Financial Officer, Mr. Mutale Mukuka, who provided key highlights on the 2022 Financial Statements. The Chairman subsequently invited Auditors, PricewaterhouseCoopers through their representative Mr. Andrew Chibuye to present the Auditors' Report.

Thereafter, the Directors' Report and Financial Statements for the year ended 31st December 2022 and the Auditors' Report thereon were tabled for consideration by the Members.

Ordinary Resolution 2

Upon a motion being proposed by Ms. Linda Malala Mwanza and seconded by Mr. Nyandu Nyambe, it was RESOLVED THAT the Directors' Report and Financial Statements for the year ended 31st December 2022 together with the report of the Auditors be and are hereby approved.

The voting process on Resolution 2 then proceeded.

9.0 Ratification of Dividend Payment made on 31st October 2022

The Chairman said the Third Resolution on the Agenda was the ratification of the dividend payment made on 31st October 2022.

Ordinary Resolution 3

Upon a proposal by Ms. Rose Mwankabo and seconded by Mr. Andrew Kapula, it was RESOLVED THAT the dividend paid to the members on 31st October 2022 be and is hereby ratified.

The voting process on Resolution 3 then proceeded.

10.0 Appointment of Auditors and Remuneration of the Auditors

The Chairman said the Fourth Resolution on the Agenda related to the appointment and remuneration of the Auditors of the Company and the setting of their remuneration.

The Chairman invited Mr. Joe Mwansa Chisanga, Chairman of the Audit Committee to make the proposal for the appointment and remuneration of the Auditors.

Mr. Chisanga proceeded to propose that Messrs PricewaterhouseCoopers be appointed as Auditors of the Company to hold office until the next AGM of the Company and, further, that the Directors be authorised to set their remuneration.

The resolution was put to the consideration of the Members.

Ordinary Resolution 4

Upon a proposal by Mr. Joe Mwansa Chisanga and seconded by Mr. Boyd Tembo, it was RESOLVED THAT PricewaterhouseCoopers be appointed as auditors of the Company to hold office until the next AGM of the Company and that the Directors be authorised to set their remuneration.

The voting process on Resolution 4 then proceeded.

11.0 Appointment of Directors

Mr. Mwafulilwa handed over the chairmanship of the meeting to Mr. Joe Mwansa Chisanga at 12:30 hours to attend to the adoption of Resolution 5.

Mr. Chisanga informed the meeting that Mr. London Mwafulilwa and Dr. Patrick Nkanza, Directors of the Company, who were appointed as Directors at the last AGM would retire at the that meeting in accordance with Article 15.6 of the Articles. He said following the retirement, the Directors recommended the re-appointment of Mr. London Mwafulilwa and Dr. Patrick Nkanza as Directors on the Board to hold office until the next AGM, at which they would retire.

The resolution was put to the consideration of the Members.

Ordinary Resolution 5

Upon a proposal by Mr. Joe Mwansa Chisanga and seconded by Mr. Angel Chisenga, it was RESOLVED THAT in accordance with Article 15.6 of the Articles, Mr. London Mwafulilwa and Dr. Patrick Nkanza be and are hereby appointed as Directors of the Company to hold office until the conclusion of the next AGM of the Company at which they would retire.

The voting process on Resolution 5 then proceeded.

The chairmanship of the meeting reverted to Mr. Mwafulilwa at 12.40 hours.

12.0 Ratification of the Amendment of Articles of Association

Special Resolution

The Chairman said the Sixth Resolution on the Agenda was the ratification of the amendment of Article 3.4 of the Articles (Special Shareholder Rights). He said the Resolution would be taken by Special Resolution.

The resolution was put to the consideration of the Members.

Upon a proposal by Mr. Peter Kazwala and seconded by Mr. Osmond Mwelwa, it was proposed that of the amendment of Article 3.4 of the Articles of Association be approved.

The resolution however was not carried as it did not receive the 75% vote of the Members present in person or by proxy at the meeting, required to pass a Special Resolution.

13.0 Announcement of Poll Results

The Chairman announced the results of the Poll on each resolution set out in the Notice of the AGM as follows:

No	Resolution	Shares for	%	Shares against	%	Shares abstained	%
1.	Minutes of the Annual General Meeting of 27th April 2022	1,365,577,597	99.95	0	0.00	684,934	0.05
2.	Directors' Report and Financial Statements for the year ended 31st December 2022	1,366,402,660	100	0	0.00	8,015	0.00
3.	Ratification of dividend payment made on 31st October 2022	1,348,706,312	99.93	*	0.00	3	0.07
4.	Appointment of Auditors	1,349,342,731	99.95	4	0.00	3	0.05
5.	Appointment of Directors	1,348,345,781	99.87	33,000	0.00	1,671,890	0.12
6.	Rectification of the Amendment of Articles 3.4 of the Articles of Association.	878,974,895	65.11	2,252,316	0.17	468,707,970	34.72

The Chairman informed the Members that Resolutions 1 and 5 were passed as Ordinary Resolutions. He said the vote on Resolution 6 did not pass by the required majority stipulated for passing a Special Resolution.

14.0 Closure

There being no other business, the Chairman thanked Management and everyone involved in the preparations, for a successful AGM. He further thanked the Members for attending the meeting and for participating in the discussions. The Chairman declared the meeting closed at 13:27 hours.

Signed:................................ **Date:**................................

CHAIRPERSON

Signed:................................ **Date:**................................

SECRETARY

27TH APRIL 2023 AGM ATTENDANCE REGISTER

1) PROXIES

NAME	PROXY
ZCCM-IH	SITUMBEKO C MUBANO
MARINA IV (SINGAPORE) PTE LTD	RONALD TAMALE
ZAMBIA ENERGY CORPORATION (IRELAND) LIMITED ZECI	NAMWENE MKANDAWIRE
STANDARD CHARTERED PRIVATE EQUITY LIMITED	RONALD TAMALE
MARINA V (SINGAPORE) PTE LTD	RONALD TAMALE
SATURNIA REGNA PENSION TRUST FUND	MUMBA MUSUNGA
NATIONAL PENSION SCHEME AUTHORITY	RICHARD MUSAKANYA
PUBLIC SERVICE PENSIONS FUND BOARD	MUMBA MUSUNGA
LOCAL AUTHORITY SUPERANNUATION	FRED SIBUSIKU
STANBIC NOMINEES-MPILE LOCAL EQUITY FUND	MINTU CHITEBE
STANBIC BANK PENSION TRUST FUND	MUMBA MUSUNGA
BARCLAYS BANK ZAMBIA STAFF PENSION FUND-PPMZ	INUTU BEGNOUGA
ZAMBIA SUGAR PENSION TRUST SCHEME	MUMBA MUSUNGA
MADISON PENSION TRUST FUND	INUTU BEGNOUGA
PICZ PENSION TRUST-MONEY PURCHASE	INUTU BEGNOUGA
ZANACO PLC DC PENSION SCHEME	MUMBA MUSUNGA
ABSA BANK ZAMBIA PLC STAFF PENSION FUND	MUMBA MUSUNGA
STANDARD CHARTERED BANK PENSION TRUST FUND	MUMBA MUSUNGA
MUKUBA PENSION TRUST DEFINED BENEFIT SCHEME	ROSE M MWANAPABO
ZAMBIA NATIONAL BUILDING SOCIETY	INUTU BEGNOUGA
ZAMBIAN BREWERIES PLC PENSION TRUST SCHEME	MUMBA MUSUNGA
CEC PENSION TRUST SCHEME	MUMBA MUSUNGA
AIRTEL ZAMBIA STAFF PENSION FUND	MUMBA MUSUNGA
CHILANGA CEMENT PENSION TRUST SCHEME	MUMBA MUSUNGA
FQM ZAMBIA STAFF PENSION SCHEME	INUTU BEGNOUGA
ZAMBIA REVENUE AUTHORITY PENSION TRUST SCHEME	INUTU BEGNOUGA
BUYANTANSHI PENSION TRUST FUND	MUMBA MUSUNGA
LUBAMBE COPPER MINES PENSION TRUST SCHEME	MUMBA MUSUNGA
FINANCE BANK	INUTU BEGNOUGA
AFRICA 53	INUTU BEGNOUGA
SANDVIK MINING PENSION SCHEME	MUMBA MUSUNGA
CEC PESION TRUST SCHEME	INUTU BEGNOUGA
BUYANTANSHI PENSION SCHEME	INUTU BEGNOUGA
MULTICHOICE PENSION SCHEME	INUTU BEGNOUGA
GOLDEN SUNSET PENSION FUND	MUMBA MUSUNGA
TOYOTA ZAMBIA	INUTU BEGNOUGA
RAIL SYSTEMS OF ZAMBIA	INUTU BEGNOUGA

ATTENDEE REGISTER CONT.

KONKOLA MINERAL RESOURCES PTS	MUMBA MUSUNGA
GAME STORES PENSION TRUST SCHEME	MUMBA MUSUNGA
WORKCOM PENSION TRUST SCHEME	MUMBA MUSUNGA
HSEGAIPS-PPMZ	INUTU BEGNOUGA
EXAMINATIONS COUNCIL OF ZAMBIA	INUTU BEGNOUGA
PROFESSIONAL PENSION TRUST WEALTH FUND-WEALTH GUARD	INUTU BEGNOUGA
BOZ DEF CONT PENSION SCHEME	INUTU BEGNOUGA
PROFESSIONAL PENSION TRUST FUND-WEALTH GUARD-CITI PENSION	INUTU BEGNOUGA
HEALTH SECTOR GRANT AIDED INSTITUTIONS PENSION SCHEME	MUMBA MUSUNGA
SCZ INTERNATIONAL LTD PENSION TRUST	MUMBA MUSUNGA
ZAMBEZI RIVER AUTHORITY	INUTU BEGNOUGA
NATIONAL BREWERIES PENSION TRUST SCHEME	MUMBA MUSUNGA
DELOITTE AND TOUCH PENSION TRUST SCHEME	MUMBA MUSUNGA
ECOBANK ZAMBIA LIMITED PENSION TRUST SCHEME	MUMBA MUSUNGA
ZANACO DB STAFF PENSION SCHEME	LODWELL LUNDA
ZAMBIA STATE INSURANCE PENSION TRUST FUND	SAMPA MASHAMBE
NATIONAL INSTITUTE FOR SCIENTIFIC AND INDUSTRIAL RESARCH	MUMBA MUSUNGA
LUSAKA TRUST PENSION SCHEME	INUTU BEGNOUGA
LUNSEMFWA HYDRO POWER PENSION SCHEME	INUTU BEGNOUGA
ACCESS BANK ZAMBIA LIMITED PENSION SCHEME	MUMBA MUSUNGA
STOCKBROKERS ZAMBIA LTD.	MR LEWIS MOSHO
KCM PENSION TRUST SCHEME	MUMBA MUSUNGA
BUYANTANSHI PENSION TRUST FUND	INUTU BEGNOUGA
OCTAGON UMBRELLA TRUST FUND	MUMBA MUSUNGA
FINAL SALARY	INUTU BEGNOUGA
STANBIC BANK ZAMBIA NOMINEES	MINTU CHITEBE
ICM EQUITIES LIMITED	IGNATIUS MWAPE
SANLAM LIFE INSURANCE (Z) LTD	MUMBA MUSUNGA
ZAMBIA EPISCOPAL CONFERENCE (ZEC)	INUTU BEGNOUGA
MOTOR MART GROUP ZAMBIA	INUTU BEGNOUGA

2) ATTENDEES - SHAREHOLDERS

NAME	PROXY
ANADKAT HITESH NATWARLAL AND ANADKAT MEETA	
JOE CHIYASSA	
JULIA CHRISTINE ZULU CHAILA	
KAMUKWAMBA CHAMA	
FELISTUS KANGWA	
AARON BOTHA	
GIDEON MWANZA	
FREMMY SIKAZWE KANDEKE	
MUHAU PUMULO	
BOYD TEMBO	
ANDREW KAPULA	
MUNAKUPYA HANTUBA	
JAIN PREM and SUMAN JAIN	
TITUS CHONGO MWANDEMENA	
CHOOLWE NALUBAMBA	
GERTRUDE LUKONDE NKHOMA	
MWANGALA SUBULWA IGNATIUS	
MESELE MANGO SEYUBA	
JOHN MTONGA	
JOHN SILWEYA	
GEORGE CHILUFYA KANG'OMBE	
KAPADIA RAJ DILIP	
NANCY KAINGU	
NONDE DAVID	
CHRISTOPHER NTHALA	
KAPOMA ALAN CHAMBESHI	
LUSEMUNA BWALYA CHILONGOSHI	
MAINZA MWIINGA	
CHANCE MUGALA	
SILVESTER HANGUWA HIBAJENE	
DIXON CHAPONDA TEMBO	
CHAPA GIFT MUSHINGE	
SEKELI MABOSHE	
PRECIOUS MUSONDA CHISENGA	
CHILELA JACQUELINE	
ISAAC MACHANDA	
KAZWALA PETER MBALA	
BRIAN DAKA	

ATTENDEES - SHAREHOLDERS *CONT*

VICTORIA CHAMA	
RHODA MUMBA	
JOSEPH WAPABETI	
PASCAL CHANDA	
MUSONDA KASAKULA	
NATASHA MULENGA	
VINCENT NYIRENDA	
GILBERT SIMAKOLOYI	
GEORGE SILUTONGWE	
CHISHIMBA LAMBA	
LUNAMBA SEVERINO	
PEGGY SICHONE	
GREGORY PATRICK MWALE	
MULENGA MUKOKWA NSOFWA	
INSURANCE BROKERS ASSOCIATION	
THOMAS MKANDAWIRE C	
LOISA MBATHA	
CHINKOYO SEBASTIAN	
PETER KUNDA	
IREEN MACHILIKA PHIRI	
SOCHA MASELA	
ERIC HANZIBA	
BRIDGET MWAKA	
MWEENE CHIBBONTA	
KAFWETA ALEX	
CHONGO REUBEN CHILESHE	
THERESA PANSOMBA KAPOTWE	
KUMISUKU MOFYA	
WINZA SIWALE	
MARTIN SIMPEMBA	
DORCAS PHIRI	
SHADRICK KATAWA	
JOSHUA FUMPA	
BENSON SIMUKONDE	
NICHOLAS MUSONDA	
CHIWILA MULENGA	
MUSA PHIRI	
MWILA CHANSA	
EMMANUEL TONGA	

ATTENDEES - SHAREHOLDERS *CONT*

MUNGO FERGUS LENGWE	
ASHERY CHISAKA	
MUSONDA PRECIOUS	
MARVIS MUYAMWA	
EUGENE MPOLOKOSO	
KATEBE MUSIALIKE	
KAPAMBWE ANESU MUNYORO	
ELISHAH SHAKAMI	
CATHERINE O MUNTHALI BANDA	
ABRAHAM MWANZA	
KIBALABALA KIBALABALA	
CLIVE MASAKAMIKA TINDI	
SYDNEY MULANDWA	
GLADYS M CHIHILI	
MEBBIAS CHIYANGI	
ANGEL CHISENGA	
MATHIAS MWANZA	
PROGRESS CHISANGA	
KASOFU CHIKASHI	
CHENGA S CHISHA	
ELEANOR NSHAMBA MZUMIRA	
JONTALA MASEKO	
SUSAN BWALYA	
BERNADETTE MARIGERITA MUMBA	
NGANDU LAMECK	
LUCIAN BESA	
MUTANDA NYANDA	
EILEEN MULEYA CHIKANTA	
HAMWEENE DAISY BUUMBA	
KAPANJI KUTEMBA KAINA	
HAPPY PEYALA	
SILWIZYA DORA NGOSA MULENGA	
CHISEBWE FUMBESHI AND NKHONDE CATHERINE NYANKATA	
MULENGA CHEWE	
MILLINGTON MAMBWE	
KANYANTA KAPAMBWE	
ALEXANDER NYIRENDA	
ZYATUBA DAVID NYIRENDA	
MUYUNDA SUNDANO	
PALIJALA ZULU	
LIYUNGU MUYUNDA JOYCE	

ATTENDEES - SHAREHOLDERS *CONT*

SIMON BOTA	
CHANKA WALTER KAWAMA	
GEORGE PANDE	
CHISANGA KASONGO MEVIS	
LUCHEMBE IGNATTIUS NKANDU	
OSMOND C MWELWA	
VANESSA KASONGO	
COLLINS AKAKULUBELWA	
TUMA KASOLE TUMA	
NKONDE MUMBI	
MUTABUKILANGOMBE CHITOSHI MUMBI	
GRIVEN KANGWA	
AGNES MUMBA NKWANGA	
HUMPHREY SIKOMBE	
PUMULO MAIMBOLA	
AMOS CHIPAILA	
SIANSAKA PRUDENCE	
REGINA MAINZA	
EMMANUEL NSWANA	
ANDREA MWELWA NYIRENDA	
LINDA KANYEMBA MALALA MWANZA	
KABWE SERENJE	
IREEN SIMFUKWE	
DEOPHISTER BWALYA	
JOSEPH PHIRI	
SAVIOUR SIMWANZA	
CHARITY N BWEUPE	
FLORENCE KOLALA	
SITHOKOZILE KOLALA	
JOYCE CHISELA	
MUSHALA WAMULUME	
ADRIES ANERLL JOHN	
BARBARA CHANDA M'ULE	
BBENKELE HAACHITWE	
GIFT PHIRI	
KONDWANI GILBERT NYIRENDA	
STELLA GOMA	
KWITAKA MALUZI	
BRIGHTON SIKALANGWE	
BETTY SAMPA	
CHIBUBI KAULU	

ATTENDEES - SHAREHOLDERS *CONT*

MWANSA NAMUKULWA	
ROBERT HAZWINEYI MAYONDE	
BERNARD SHAWA	
MALIJANI BILLY KUNDA	
GEOFFREY MWANZA	
BRIAN BARNABAS MMEMBE	
MULENGA KANSAMBA	
VIKWATO KAMANGA	
SIANANGAMA LWEENDO	
VANESA MATANDA	
LABSON KOLOKO	
DENNIS MHANGO	
JOSHUA SIMWAWA	
MASOZI PHIRI	
EDWARD GOMA	
CHRISTOPHER MUZUNDU	
GEORGE CHILUFYA	
CHITANGALA CHINTU NKATYA	
KANGWA MULENGA	
BRIAN SIPULA	
BOYD BANDA	
WANE BANDA	
LEWIS CHISENGELE	
FELISTUS MUSARA CHISANGA	
MWANANGOMBE SILUKENA	
RABBISON MILANZI	
NAMUBEBO MWANGANA AKOMBAETWA	
ANDREW MULENGA	
ANDREW CHITUNGU FEKA	
NGAMBO FLORA KABALATA	
DOUGLAS LOUABO BUKURU	
MWIINGA MAINGA	
JUSTINA SIMUCHIMBA	
ISAIAH KONDWANI TONGA AND CHOMBA KABWE	
LAWRENCE KAMBA	
CHILUBA MWANZA	
SYLVESTER MUGALA	
FRAZIER MATOLA ZIMBA	
BRAVE CHISALA	
NATHAN CHIBESA	
MUKANA CHOMBA	

ATTENDEES - SHAREHOLDERS *CONT*

CHIWALA MANDALA	
MICHAEL MWANSA CHANDA	
LISTER MILIMO	
TISA LUNGU	
BRIGHTON ZULU	
MAMBWE STEPHEN MBAO	
MIRRIAM NAMPASA	
KALALUKA KAPUNGU	
CHANGU CHITEME CHAMBWA	
VINCENT MBEWE IN TRUST OF YAMIKANI AGATHA MBEWE	
CAROLINE MWIINGA SINKAMBA	
MWENYA SEIKO	
WAKUNGUMA SIKOTAKOTA	
EVANS MUYENGA	
ABIA CHITUNDU	
BUPE MWANSA	
SAMUEL MUSUKUMA	
MARTIN SIMFUKWE	
SHADRECK SINYANGWE	
RICHARD MUTEBA	
NKULAGA KANJELA	
AARON MACHALIWA	
BUCHIZYA NYIRENDA	
JOY NANYINZA	
PETER MAKWAKWA	
MANDA PHIRI	
AUBREY MUSONDA CHISENGA	
MALACHI SAMUNGOLE	
CATHERINE MUCHELENJE	
PARTON CHULU	

ATTENDEES - NON SHAREHOLDERS

NAME	REPRESENTING
MATIMBA CHAAMBWA	AFRICAN LIFE FINANCIAL SERVICES ZAMBIA LTD
AGNESS KALUNGA	AIRTEL ZAMBIA PLC
MARK CHISANGA	ANTIOCH CONSTRUCTION AND MAINTENANCE
HASTINGS MUCHANGA	CCS COMSERVICE ZAMBIA LIMITED
MISOZI MALEMA	CITIBANK ZAMBIA LIMITED
KAFULA CHIMFWEMBE	
SARAH MISALA	COPPERBELT ENERGY CORPORATION PLC
MARTIN KASEMUKA	COPPERBELT ENERGY CORPORATION PLC
SIMON MVULA	COPPERBELT ENERGY CORPORATION PLC
GREGORY MALUNGO	COPPERBELT ENERGY CORPORATION PLC
DEREK CHIME	COPPERBELT ENERGY CORPORATION PLC
LIZZIE MUWOWO	COPPERBELT ENERGY CORPORATION PLC
VERONA MWILA NKOLOLA	COPPERBELT ENERGY CORPORATION PLC
MWANSA KAPAYA	COPPERBELT ENERGY CORPORATION PLC
DICKSON CHIPUMBU	COPPERBELT ENERGY CORPORATION PLC
MWENYA NALUSENGA	COPPERBELT ENERGY CORPORATION PLC
RAPHAEL MASEKO	COPPERBELT ENERGY CORPORATION PLC
LAZAROUS MUSITINI	COPPERBELT ENERGY CORPORATION PLC
JIMMY SAKALA	COPPERBELT ENERGY CORPORATION PLC
PAMELA SINGALA	COPPERBELT ENERGY CORPORATION PLC
TISA R CHAMA	COPPERBELT ENERGY CORPORATION PLC
BENNY SIMUKOKO	COPPERBELT ENERGY CORPORATION PLC
GOODSON SIAME	COPPERBELT ENERGY CORPORATION PLC
GILBERT BANDA	COPPERBELT ENERGY CORPORATION PLC
SETFREE NHAPI	CORPSERVE ZAMBIA
JAMES NDHLOVU	CORPSERVE ZAMBIA
NAMUKOLO MUSONDA	CORPSERVE ZAMBIA
JOSEPH PHIRI	CORPSERVE ZAMBIA
STANLEY SAKUBITA	ECONOMICS ASSOCIATION OF ZAMBIA
ELIZABETH MONGA	FINANCIAL INSIGHT ZAMBIA
ZAINABU BANZA NGOMBE	HEAPRI ENTERPRISE LIMITED
KELLY MUKOSA	INKTECH ENGINEERING
IREEN MALAMBO	MADISON FINANCIAL SERVICES PLC
MAHONGO CHILEMBO	PANGAEA SECURITIES LTD
ANDREW CHIBUYE	PRICEWATERHOUSECOOPERS (PWC)
FRANCIS KAFWEMBE	SECURITIES AND EXCHANGE COMMISSION ZAMBIA
LUCY NAMUCHIMBA	SECURITIES AND EXCHANGE COMMISSION ZAMBIA
SUMEET JAIN	JAIN PREM and SUMAN JAIN
NAMAKUKA SICHONE	STOCKBROKERS ZAMBIA LIMITED

ATTENDEES - NON SHAREHOLDERS *CONT*

NATASHA NELSON	STOCKBROKERS ZAMBIA LIMITED
BONIFACE MWAMBA	STOCKBROKERS ZAMBIA LIMITED
JACK KANYANGA	STOCKBROKERS ZAMBIA LIMITED
KENNEDY MUPESENI	TIMES OF ZAMBIA
MARK LUCHEMBE	UNITED METRO ENERGY LTD
CHEMBE MBALE	YAR FM RADIO
MUBANGA MUNDASHI	ZCCM INVESTMENTS HOLDINGS
MUKUKA MAPEMBA	ZCCM INVESTMENTS HOLDINGS

MINUTES OF THE EXTRAORDINARY GENERAL MEETING(EGM) OF THE MEMBERS OF COPPERBELT ENERGY CORPORATION PLC CONDUCTED VIRTUALLY VIA ZOOM WEBINAR ON MONDAY 5TH JUNE, 2023 AT 10:06 HOURS

PRESENT:

Mr. London Mwafulilwa - Chairman

MEMBERS PRESENT: - As per attached Attendance Register

DIRECTORS IN ATTENDANCE:

Dr. Patrick Nkanza	-	Vice Chairman
Mr. Munakupya Hantuba	-	Director
Mr. Ronald Tamale	-	Director
Mr. Tisa Chama	-	Director
Mr. Siyanga Malumo	-	Director
Mr. Joe M. Chisanga	-	Director
Mr. Derek Chime	-	Director
Mr. Hastings Mtine	-	Director
Mr. Arnold Simwaba	-	Director
Mr. Owen Silavwe	-	Managing Director

SECRETARY:

Mrs. Julia C Z Chaila - Company Secretary

APOLOGIES

There were no apologies.

DECLARATION OF INTEREST

There were no declarations of Interest.

Proxies

Name	
Mr. Ronald Tamale	Marina V (Singapore) Pte Ltd
Mr. Ronald Tamale	Marina IV (Singapore) Pte Ltd
Mr. Ronald Tamale	Standard Chartered Private Equity Ltd
Ms. Namwene Mkandawire	Zambian Energy Corporation (Ireland) Ltd
Mr. Bryson Kacha	ZCCM Investments Holdings PLC
Mr Kebby Kaumbi	National Pension Scheme Authority
Mr Mumba Musunga	Saturnia Regna Trust Fund
Mr Moses Simbeye	Workers Compensation Fund Control Board
Mr Mumba Musunga	CEC Pension Trust Scheme
Mr Mumba Musunga	Airtel Zambia Staff Pension Fund
Mr Mumba Musunga	Chilanga Cement Pension Trust Scheme
Mr Mumba Musunga	Buyantanshi Pension Trust Scheme
Mr Mumba Musunga	Lubambe Copper Mines Pension Trust Scheme
Mr Mumba Musunga	Sandvik Mining Pension Trust Fund
Mr Mumba Musunga	Health Sector Grant Pension
Mr Mumba Musunga	SCZ International Ltd Pension Fund
Mr Mumba Musunga	National Breweries Pension Trust Fund
Mr Mumba Musunga	Deloitte and Touche Pension Trust Fund
Mr Mumba Musunga	ECOBANK Zambia Ltd
Mr Mumba Musunga	KCM Pension Trust Fund
Mr Mumba Musunga	Golden Sunset Pension Trust Scheme
Mr Mumba Musunga	ABSA Bank Zambia Limited
Ms Inuntu Begnouga	ZRA Pension Trust Fund
Ms Inuntu Begnouga	Barclays Bank Zambia Staff Pension Fund
Ms Inuntu Begnouga	PICZ Pension Trust Scheme
Ms Inuntu Begnouga	FQM Pension Trust Scheme
Ms Inuntu Begnouga	Madison Insurance Trust Pension Fund
Ms Inuntu Begnouga	Finance Bank Trust Pension Fund
Ms Inuntu Begnouga	Africa 53
Ms Inuntu Begnouga	CEC Pension Trust Scheme
Ms Inuntu Begnouga	Buyantanshi Pension Trust Scheme
Ms Inuntu Begnouga	Multi Choice Pension Trust Scheme
Ms Inuntu Begnouga	Toyota Zambia
Ms Inuntu Begnouga	Final Salary
Ms Inuntu Begnouga	HSEGAIPS
Ms Inuntu Begnouga	Workcom Trust Pension Trust Fund PPMZ
Ms Inuntu Begnouga	Examination Council of Zambia
Ms Inuntu Begnooga	BOZ DEF COM Pension Scheme
Ms Inuntu Begnouga	Professional Pension Trust Wealth Fund Wealth Guard
Ms Inuntu Begnouga	Lusaka Trust Pension Fund
Ms Inuntu Begnouga	Lunsemfwa Hydro Power Pension Trust
Ms Inuntu Begnouga	Motor Mart Group Zambia
Ms Inuntu Begnouga	Zambia Episcopal Conference (ZEC)
Mrs Lunda Musonda Chola	Zanaco DB Staff Pension
Mr Harvey Hamanyati	Zambia State Insurance Pension Trust Fund

1.0 Call to Order

The Chairman, Mr. London Mwafulilwa, called the meeting to order at 10:10 hours and welcomed all present to the EGM of Copperbelt Energy Corporation PLC ("CEC"). He said the meeting had been called to consider a specific agenda item requiring the passing of Special Resolution to ratify the amendment of Article 3.4 of the Articles (Special Share Rights).

2.0 Introduction of the Board of Directors

The Chairman subsequently introduced the members of the Board of Directors present at the meeting Dr. Patrick Nkanza, the Vice Chairman of the Board, Mr. Munakupya Hantuba, Mr. Ronald Tamale, Mr. Joe Mwansa Chisanga, Mr. Derek Chime, Mr .Tisa Chama, Mr. Siyanga Malumo, Mr. Hastings Mtine, Mr. Arnold Simwaba and Mr. Owen Silavwe, the Managing Director. Also introduced were the Chief Financial Officer, Mr. Mutale Mukuka and the Company Secretary, Mrs. Julia Chaila.

3.0 Auditors in Attendance

The Chairman informed the meeting that Messrs PricewaterhouseCoopers, the Company Auditors, were represented by Mr. Andrew Chibuye.

4.0 Proxies

Mrs. Julia Chaila, the Company Secretary, informed the meeting that the Company had received a number of proxies. She reported that the principal shareholders of the Company, Standard Chartered Private Equity, Marina V and Marina IV (Singapore) Pte Ltd, had each appointed Mr. Ronald Tamale as their representative at the EGM. She told the Members that Mr Bryson Kacha, had been appointed as representative for ZCCM Investments Holdings PLC, while Zambian Energy Corporation (Ireland) Ltd had appointed Ms Namwene Mkandawire. The Company Secretary informed the meeting that she would not read out the remainder of the proxies that had been received, which would be recorded in the Minutes for the AGM, as was the requirement.

5.0 Quorum

The Company Secretary informed the meeting that the quorum required for the EGM was two Members holding between them a majority in nominal value of the issued ordinary shares of the Company, present in the meeting in person or by proxy. She told the meeting that as there were more than two shareholders with a majority in the nominal value of the issued ordinary shares of the Company, the necessary quorum had been achieved.

She went on to say that the Notice convening the meeting and the Agenda had been in the shareholders hands within the period stipulated by the Articles and, therefore, with the consent of the members, she would take the Notice and Agenda as read.

6.0 Voting Process

The Chairman informed the Members that the vote on the special resolutions tabled at the EGM would be taken by Poll and would be passed by a Special Resolution of 75% or more of the votes representing the nominal value of the shares represented at the EGM present in person or proxy.

7.0 Special Resolution – Ratification of the Amendment of Article 3.4 of the Articles of Association

The Chairman said that the Special Resolution on the Agenda for the EGM was to seek Members ratification of the amendment of article 3.4 of the Articles (Special Share Rights) and to further authourise the Directors to do all deeds, acts and things as may be necessary to give effect to the resolution.

He informed the meeting that the Notice for the EGM contained an Explanatory Statement to the Special Resolution to be taken by the Members. The Chairman said Explanatory Statement would be taken as read.

Resolution 1

The voting process on Resolution 1 then proceeded.

8.0 Announcement of Poll Results

Following the vote on the resolution, the Chairman announced the poll results as follows: For:1,356,946,063 , Against: 8,382, Abstain: 2,015.

After the announcement, the Chairman informed the meeting that he was pleased to report the Special Resolution set out in the Notice had been passed by 100% in favour.

9.0 Closure

The Chairman thanked everyone for attending the EGM and closed the meeting at 10:30 hours.

Signed: ……………………………… Date: ………………………………

CHAIRMAN

Signed: ……………………………………… Date: ………………………………

SECRETARY

05TH JUNE 2023 EGM ATTENDEE REGISTER

1) PROXIES

NAME	PROXY
ZCCM-IH	BRYSON KACHA
MARINA IV (SINGAPORE) PTE LTD	RONALD TAMALE
ZAMBIA ENERGY CORPORATION (IRELAND) LIMITED ZECI	NAMWENE MKANDAWIRE
STANDARD CHARTERED PRIVATE EQUITY LIMITED	RONALD TAMALE
MARINA V (SINGAPORE) PTE LTD	RONALD TAMALE
SATURNIA REGNA PENSION TRUST FUND	MUMBA MUSUNGA
WORKERS' COMPENSATION FUND CONTROL BOARD	MOSES SIMBEYE
BARCLAYS BANK ZAMBIA STAFF PENSION FUND-PPMZ	INUTU UMOU BEGNOUGA
MADISON PENSION TRUST FUND	INUTU UMOU BEGNOUGA
ABSA BANK ZAMBIA PLC STAFF PENSION FUND	MUMBA MUSUNGA
PICZ PENSION TRUST-MONEY PURCHASE	INUTU UMOU BEGNOUGA
FQM ZAMBIA STAFF PENSION SCHEME	INUTU UMOU BEGNOUGA
CEC PENSION TRUST SCHEME	MUMBA MUSUNGA
AIRTEL ZAMBIA STAFF PENSION FUND	MUMBA MUSUNGA
CHILANGA CEMENT PENSION TRUST SCHEME	MUMBA MUSUNGA
ZAMBIA REVENUE AUTHORITY PENSION TRUST SCHEME	INUTU UMOU BEGNOUGA
BUYANTANSHI PENSION TRUST FUND	INUTU UMOU BEGNOUGA
LUBAMBE COPPER MINES PENSION TRUST SCHEME	MUMBA MUSUNGA
FINANCE BANK	INUTU UMOU BEGNOUGA
AFRICA 53	INUTU UMOU BEGNOUGA
SANDVIK MINING PENSION SCHEME	MUMBA MUSUNGA
MULTICHOICE PENSION SCHEME	INUTU UMOU BEGNOUGA
GOLDEN SUNSET PENSION FUND	MUMBA MUSUNGA
TOYOTA ZAMBIA	INUTU UMOU BEGNOUGA
HSEGAIPS-PPMZ	INUTU UMOU BEGNOUGA
WORKCOM TRUST PENSION SCHEME PPMZ	INUTU UMOU BEGNOUGA
EXAMINATIONS COUNCIL OF ZAMBIA	INUTU UMOU BEGNOUGA
PROFESSIONAL PENSION TRUST WEALTH FUND-WEALTH GUARD	INUTU UMOU BEGNOUGA
BOZ DC PENSION SCHEME	INUTU UMOU BEGNOUGA
PROFESSIONAL PENSION TRUST FUND-WEALTH GUARD-CITI PENSION	INUTU UMOU BEGNOUGA
HEALTH SECTOR GRANT AIDED INSTITUTIONS PENSION SCHEME	MUMBA MUSUNGA
SCZ INTERNATIONAL LTD PENSION TRUST	MUMBA MUSUNGA
NATIONAL BREWERIES PENSION TRUST SCHEME	MUMBA MUSUNGA
DELOITTE AND TOUCH PENSION TRUST SCHEMD	MUMBA MUSUNGA
ECOBANK ZAMBIA LIMITED PENSION TRUST SCHEME	MUMBA MUSUNGA

ATTENDEE REGISTER CONT.

ZANACO DB STAFF PENSION SCHEME	MRS KUNDA MUSONDA CHOLA
ZAMBIA STATE INSURANCE PENSION TRUST FUND	HARVEY HAMANYATI
LUSAKA TRUST PENSION SCHEME	INUTU UMOU BEGNOUGA
LUNSEMFWA HYDRO POWER PENSION SCHEME	INUTU UMOU BEGNOUGA
KCM PENSION TRUST SCHEME	MUMBA MUSUNGA
BUYANTANSHI PENSION TRUST FUND	MUMBA MUSUNGA
OCTAGON UMBRELLA TRUST FUND	MUMBA MUSUNGA
FINAL SALARY	INUTU UMOU BEGNOUGA
ZAMBIA EPISCOPAL CONFERENCE (ZEC)	INUTU UMOU BEGNOUGA
MOTOR MART GROUP ZAMBIA	INUTU UMOU BEGNOUGA

2) ATTENDEES - SHAREHOLDERS

NAME	PROXY
JOE CHIYASSA	
JULIA CHRISTINE ZULU CHAILA	
GEORGE C MUTONO	
AARON BOTHA	
KENNY CHISANGA CHILAO	
CHRISTOPHER NTHALA	
KAPOMA ALAN CHAMBESHI	
MUVWIMI SIMWATACHELA	
CHANCE MUGALA	
PRECIOUS S CHISENGA	
SHIKOKI RICHARD MWAMBA	
GABRIEL KASONGO WALUSAMBO	
BRIAN DAKA	
VICTORIA CHAMA	
CHARLENE S L MILNER	
PASCAL CHANDA	
VINCENT NYIRENDA	
GILBERT SIMAKOLOYI	
CHISHIMBA LAMBA	
EVARISTO NGOWANI	
LUNAMBA SEVERINO	
MULENGA MUKOKWA NSOFWA	
ROY MWANSA	
CHINKOYO SEBASTIAN	
JOSHUA MUTANUKA	
IREEN MACHILIKA PHIRI	
BARRY MUTAPA	

ATTENDEES - SHAREHOLDERS CONT

EVELYN KAPUKA	
REUBEN CHILESHE CHONGO	
VERONICA KASONGO MUMBA	
DORCAS PHIRI	
MBUMWAE SILUMESI	
ELEANOR NSHAMBA MZUMIRA	
EMMANUEL TONGA	
MUNGO FERGUS LENGWE	
CHISULO SAKALA	
MUSONDA PRECIOUS	
KAPAMBWE ANESU MUNYORO	
LISTER KABWE	
WEZZY MAPALA	
DAISY SIKAZWE KOPOLO	
CLIVE MASAKAMIKA TINDI	
ELIAS MWALE	
NYAMBE LUFWENDO	
GLADYS M CHIHILI	
VICTOR CHUNGU	
CHILESHE BWALYA and BANDA DORICA	
MPAZI TILEKE NAMFUKWE	
MPAZI TWANDI	
LAMECK NGANDU	
HELLEN NYAKAKUNDA LOLOJI	
KOMESA KALELE	
TEZA SIMEMBA	
SALOME N CHEMBO	
MWANULUKA YETAMBUYU	
CHANKA WALTER KAWAMA	
MEVIS KASONGO CHISANGA	
MODESTER MALAMBO CHILAWO	
OSMOND C MWELWA	
HANIEL MUZUNDI HANZIBA	
AGNES MUMBA NKWANGA	
EMMANUEL NSWANA	
COLLINS MWAPE	
KABWE SERENJE	
JOSHUA AMATENDE	
ERNEST KAKOMA	

ATTENDEES - SHAREHOLDERS CONT

JUDITH SEKELETI	
TOBIAS KAONGA	
NSELUKA CHITI	
KONOSO KONOSO	
KWITAKA MALUZI	
KASONGO MWAPE	
BBENKELE HAACHITWE	
BRIGHTON SIKALANGWE	
CHIPO BESA	
DONALD KUNDA MUMBA	
MOSES KATONGO	
ROBERT HAZWINEYI MAYONDE	
MULENGA KANSAMBA	
BERNARD SHAWA	
RACHEAL NAKASUNDA	
CLARENCE MUSONDA CHILUFYA	
NAOMIE MUTAMBO SILAVWE	
GEOFFREY MWANZA	
DENNIS MHANGO	
DAVID LEYO	
DEXTER KAMPENGELE	
NKHOSI KONDWELANI	
HENRY MUGALA	
ANGEL MANIMANI	
TASILA EDITH LUWE	
WANE BANDA	
MISOZI ANGELA MASOTOMELA	
RABBISON MILANZI	
LIKE LIBAKENI	
TEDDY MAFULEKA	
KAUSENI FAITH LAMBA	
ANDREW MULENGA	
MONICA TEMBO	
MWIZA HAAMBOKOMA	
NKHONDE PHIRI	
LYDIA CHILANDA	
KUMBUTSO LUNGU	
WANJI MALUBA	
FRAZIER MATOLA ZIMBA	

ATTENDEES - SHAREHOLDERS CONT

CHIWALA MANDALA	
CHOKWADI KAUNDA	
CLEVER HANKOMONE	
ZIBANI BANDA	
OPHREA MUCHISO	
MICHAEL INGOMBE SISHAU	
CHILALA CHIZYUKA	
JOSEPH DUMISANI MWANZA	
CHANGU CHITEME CHAMBWA	
VICENT MBEWE IN TRUST OF YAMIKANI AGATHA MBEWE	
CONSTANCE BANDA	
LUBUNDA CHILESHE	
SHADRECK KATONGO	
MAKESA KALIFUNGWA	
EVANS MUYENGA	
SOKA TEMBO	
MARTIN SIMFUKWE	
MIRRIAM LUWE	
JACQUELINE CHAMA KAEMBA	
PATRICK MUGABENI	
BUCHIZYA NYIRENDA	
SAMUEL MUBANGA	
BWALE CHEMBE	

3) ATTENDEES - NON SHAREHOLDERS

NAME	REPRESENTING
EMMANUEL BANDA	ALTUS CAPITAL LIMITED
HASTINGS MUCHANGA	CCS COMSERVICE ZAMBIA LIMITED
ANGEL CHISENGA	COPPERBELT ENERGY CORPORATION PLC
GEOFFREY BANDA	COPPERBELT ENERGY CORPORATION PLC
JIMMY SAKALA	COPPERBELT ENERGY CORPORATION PLC
LAZAROUS MUSITINI	COPPERBELT ENERGY CORPORATION PLC
DEREK CHIME	COPPERBELT ENERGY CORPORATION PLC
MWENYA NALUSENGA	COPPERBELT ENERGY CORPORATION PLC
PAMELA SINGALA	COPPERBELT ENERGY CORPORATION PLC
RAPHAEL MASEKO	COPPERBELT ENERGY CORPORATION PLC
VERONA MWILA NKOLOLA	COPPERBELT ENERGY CORPORATION PLC
SETFREE NHAPI	CORPSERVE ZAMBIA
JAMES NDHLOVU	CORPSERVE ZAMBIA
NAMUKOLO MUSONDA	CORPSERVE ZAMBIA
JOSEPH PHIRI	CORPSERVE ZAMBIA
NENANI SICHONE	PANGAEA SECURITIES
NATASHA NAKAWALA	PRUDENTIAL PENSIONS MANAGEMENT ZAMBIA LIMITED
DEXTER MULELE	SAVE THE CHILDREN
FRANCIS KAFWEMBE	SECURITIES AND EXCHANGE COMMISSION ZAMBIA
PITNEY CHIPENGE	SECURITIES AND EXCHANGE COMMISSION ZAMBIA
NATASHA NELSON	STOCKBROKERS ZAMBIA
TRUST MWAISAKA	STOCKBROKERS ZAMBIA LTD

FORM OF PROXY
FORM 1

I ……………………………………………………………of………………………………………………… being a Member of the above named Company, hereby appoint ……………………………………… of ………………………………………………………………… or, in his/her absence ……………………………………………… of ………………………………………………………… as my proxy to vote for me on my behalf at the Twenty-Sixth Annual General Meeting of the Company to be held on Thursday 28th March 2024 and at any adjournment thereof:

			For	Against
Resolution	1	Minutes of the Annual General Meeting of 27th April 2023	☐	☐
Resolution	2	Minutes of the Extra ordinary General Meeting of 5th June 2023	☐	☐
Resolution	3	Directors Report and Financial Statements For the year ended 31st December 2023	☐	☐
Resolution	4	Ratification of Dividend Payment made on 6th November 2023	☐	☐
Resolution	5	Appointment of Auditors	☐	☐
Resolution	6	Appointment of Directors	☐	☐
Resolution	7	Distribution of electronic copies of the Annual Report	☐	☐
Resolution	8	Directors' Remuneration	☐	☐

Unless otherwise advised the proxy will vote as he/she thinks fit.

Signed:………………………………………………………

Date:……………………………………………………………

FORM OF PROXY

FORM 2 (CORPORATE REPRESENTATIVE)

We..(name of Corporate Body) of..

....being a Member of Copperbelt Energy Corporation PLC, hereby appoint .... of

....or in his/her absence .... of .... to act as

our representative and proxy to vote on behalf of ....(name of Corporate Body) at the Twenty-

Sixth Annual General Meeting of the Company to be held on Thursday 28th March 2024 and at any adjournment thereof:

			For	Against
Resolution	1	Minutes of the Annual General Meeting of 27th April 2023	☐	☐
Resolution	2	Minutes of the Extra ordinary General Meeting of 5th June 2023	☐	☐
Resolution	3	Directors Report and Financial Statements For the year ended 31st December 2023	☐	☐
Resolution	4	Ratification of Dividend Payment made on 6th November 2023	☐	☐
Resolution	5	Appointment of Auditors	☐	☐
Resolution	6	Appointment of Directors	☐	☐
Resolution	7	Distribution of electronic copies of the Annual Report	☐	☐
Resolution	8	Directors' Remuneration	☐	☐

Signed: ....

(Authorised Signatory)

Date: ....

CORPORATE DIRECTORY

Copperbelt Energy Corporation PLC
(Incorporated in the Republic of Zambia)
Registration number: 119970039070
Share code: CEC.zm
Listed: 2008
Securities exchange: LuSE
Sector: Energy

Registered Office
Stand 3614,
23rd Avenue
Nkana East
Kitwe

Corporate Office
2nd Floor Green City
Stand 2374 Kelvin Siwale Road
Off Thabo Mbeki Road
Lusaka

Postal Address
P O Box 20819, Kitwe
Postnet 145, P/Bag E835, Kabulonga, Lusaka

Contact Information
Telephone: +260 212 244 556 / +260 212 244 956
Fax: +260 212 244 040 / +260 211 261 640
Website: www.cecinvestor.com
Email: info@cec.com.zm
Facebook: www.facebook.com/cecinvestor
Twitter: www.twitter.com/cecinvestor
LinkedIN: https://linkd.in/1PRD9Qi

Corporate Communication and Investor Relations
Laura Mushaukwa Hamusute
E-mail: mushaukwalm@cec.com.zm

Precious M. Chisenga
E-mail: musondap@cec.com.zm

Company Secretary
Julia C. Z. Chaila
E-mail: chailaj@cec.com.zm

Transfer Secretary
Corpserve Transfer Agents
6 Mwaleshi Road
Olympia Park
Lusaka
E-mail: info@corpservezambia.com.zm
Telephone: +260 211 252 6969/211 256 970/+260 950 968 435
Postal address: P O Box 37522, Lusaka

Sponsoring Broker
Stockbrokers Zambia Limited
32 Lubu Road
Long Acres
Lusaka
E-mail: info@sbz.com.zm
Telephone: +260 211 232 456
Postal Address: P O Box 38956

Auditors
PwC
Stand No. 2374
Thabo Mbeki Road
P O Box 30942
Lusaka
Tel: +260 211 334 000

Bankers

Access Bank Zambia PLC
Plot 632 Cairo Road, Northend
Lusaka
Telephone: +260 211 227 941

Absa Bank Zambia PLC
Kitwe City Square
Kitwe
Telephone: +260 212 232 057

Citibank Zambia Limited
Stand 4646
Addis Ababa Drive Roundabout
Lusaka
Telephone: +260 211 444 492 / 211 444 493

Stanbic Bank Zambia Limited
Head Office
Addis Ababa Drive
Lusaka
Phone: +260 211 370 000

Standard Chartered Bank (Z) PLC
Standard Chartered House
Cairo Road
Lusaka
Telephone: +260 212 224 318

United Bank for Africa Zambia Limited
Stand 22768, Thabo Mbeki Road
Lusaka
Telephone: +260 212 225 305

First National Bank
Head Office
Plot No. 22768
Building 3 Acacia Park
Corner of Great East and Thabo Mbeki roads
P O Box 36187
Lusaka
Telephone: +260 211 366 800

COPPERBELT
energy

Copperbelt Energy Corporation PLC

Annual Report and Financial Statements for
the year eneded 31st December 2023

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