

RNS Half-year/Interim Report

Interim Results

EDENVILLE ENERGY PLC

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EDENVILLE ENERGY PLC

("Edenville", "Company" or the "Group")

Interim Results for the six months to 30 June 2022

Edenville Energy Plc (AIM: EDL) announces its unaudited interim results for the six months ended 30 June 2022.

CEO's report

Operational overview

The six month period to 30 June 2022 was one of transition for the Company and prior to the significant management and operational changes that took place post period end, as further detailed below.

On 3 February 2022 the Company's subsidiary Edenville International (Tanzania) Limited ("EITL") entered into a contract with Nextgen Coalmine Limited ("Nextgen") for the operation of the Company's Rukwa Coal Project ("Rukwa" or the "Project") in Tanzania. The agreement with Nextgen was subsequently terminated on 31 May 2022 following a lack of progress by Nextgen, allowing the Company to resume full control of the Project site and seek alternative arrangements for the operation of Rukwa in light of the macro changes that made the economics of the Project significantly more attractive.

Following a period of consultation with several key shareholders, a number of significant changes took place post period end. CEO Alistair Muir, Non-executive Chairman Jeff Malaihollo and Non-executive director Franco Caselli all resigned from the board and were replaced by Noel Lyons as CEO, Paul Ryan as Executive Director and Andre Hope as a Non-executive Director. Nick von Schirnding assumed the role of Non-Executive Chairman. In addition, there were several personnel changes within the Tanzania based team, leading to a more coordinated and dedicated team fully focused on stabilising output and striving to grow the monthly output.

Following their appointment, the newly appointed executive team signed an initial 12-month agreement (the "Agreement") with Brahma Energies Limited ("Brahma") on 16 August 2022, commencing immediately, to secure production and sales of a minimum of 4,000 tonnes of washed coal per month at the Company's Rukwa Project, with the potential to increase to a minimum 6,000 tonnes thereafter. Brahma are a local mine operator and commercial and logistics specialist having up to 70 transport vehicles on the roads of Tanzania. Their team is experienced in all aspects of operations, mine management and coal commercial sales. One of the significant attractions of Brahma to Edenville was an offtake which will enable Edenville to sell any of its washed coal produced to parties introduced by Brahma, as required.

Since the signing of the Agreement, Brahma have assumed full day-to-day operational management and control of the Rukwa mine, including covering all operational costs, with ultimate oversight continuing to be provided by Edenville. Given local demand, sales are currently expected to take place to customers in Tanzania and adjoining

neighboring countries.

The revenue share arrangements under the Agreement give Edenville US\$10 per tonne of washed coal sold at a minimum price of US\$35 per tonne, plus 60% of any sales revenue above US\$35 per tonne of washed coal. The global thermal coal price has reached new highs since entering into the Agreement and the Company is witnessing a knock-on positive effect on the domestic thermal coal price in Tanzania. The previously reported 'at gate' sales price range of US\$35-50 per tonne for washed coal from Rukwa therefore appears robust. Once consistent production is established and Rukwa becomes a reliable source of coal for its clients, the Company anticipates its position in offtake negotiations is likely to be strengthened further.

Following extensive servicing and repairs on the main machinery and wash plant at the Rukwa site, and the purchase of two additional trucks, final works are expected to be completed shortly, with production recommencing sufficient to achieve up to 4000 tonnes by the end of October 2022. The targeted production and sales increase to 6,000 tonnes per month of washed coal is expected to take place after the rainy season ends in March/April 2023.

Edenville will continue to manage the Rukwa project and fund its corporate operational costs from its existing cash resources. Edenville, at its sole discretion, can also deploy additional capital to expedite production ramp up; any such capital deployed is to be repaid to Edenville before any profit share is paid.

Edenville and Brahma continue to work closely to ensure maximum efficiency and whilst Brahma have only been on site for a limited time, we are encouraged by their performance. We look forward to reporting on production levels and offtake contracts in due course.

Financial results

For the six month period ended 30 June 2022 the Company had revenue of £56,146 (H1 2021: £27,752).

The Group made a total comprehensive loss for the period of £196,429 (H1 2021 loss of £513,497), which included a gain of £624,211 arising from the translation of the Tanzanian subsidiary accounts from US Dollars to Sterling.

The net assets at 30 June 2022 amounted to £6,926,616 (30 June 2021 £7,842,563). In addition, post period end, the Company reached agreement for certain costs, amounting to £180,000, to be recouped following an earlier aborted acquisition process, which will strengthen the Group's working capital position pending revenue from coal sales in the coming months.

Noel Lyons

Chief Executive Officer

29 September 2022

For further information please contact:

Edenville Energy Plc

Nick Von Schirnding - Chairman
Noel Lyons - CEO

Via IFC Advisory

Strand Hanson Limited

(Financial and Nominated Adviser)
James Harris
Rory Murphy

+44 (0) 20 7409 3494

Tavira Securities Limited

(Broker)
Oliver Stansfield
Jonathan Evans

+44 (0) 20 7100 5100

IFC Advisory Limited

(Financial PR and IR)
Tim Metcalfe
Florence Chandler

+44 (0) 20 3934 6630

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June 22 Unaudited	Six months ended 30 June 21 Unaudited As restated	Year ended 31 Dec 21 Audited
	Note	£	£	£
Revenue		56,146	27,752	105,228
Cost of sales		(452,484)	(280,320)	(684,848)
Gross loss		(396,338)	(252,568)	(579,620)
Administrative expenses		(423,627)	(332,209)	(875,564)
Share based payments		-	-	-
Group operating loss		(819,965)	(584,777)	(1,455,184)
Finance income		-	12	701
Finance costs		(675)	(2589)	(5,842)
Loss on operations before taxation		(820,640)	(587,354)	(1,460,325)
Taxation		-	-	(526)
Loss for the period after taxation		(820,640)	(587,354)	(1,460,851)
Other comprehensive income/(loss):				
Gain on translation of overseas subsidiary		624,211	73,857	87,013
Total comprehensive loss for the period		(196,429)	(513,497)	(1,373,838)
Attributable to:				
Equity holders of the Company		(195,155)	(512,683)	(1,371,573)
Non-controlling interest		(1,274)	(814)	(2,265)
		(196,429)	(513,497)	(1,373,838)
Loss per share				
- basic and diluted (pence)	2	(3.79)	(4.43)	(8.04)

The income for the period arises from the Group's continuing operations.

CONSOLIDATED statement of financial position

as at 30 June 2022

		As at 30 June 22 Unaudited	As at 30 June 21 Unaudited	As at 31 Dec 21 Audited
	Note	£	£	£
Non-current assets				
Property, plant and equipment	4	5,906,709	5,466,165	5,451,921
Intangible assets	5	349,607	307,080	315,002
		6,256,316	5,773,245	5,766,923
Current assets				
Inventories		180,124	248,864	142,721
Trade and other receivables		353,457	429,672	415,479
Cash and cash equivalents		477,438	1,873,072	1,229,801

		1,011,019	2,551,608	1,788,001
Current liabilities				
Trade and other payables		(308,174)	(419,825)	(389,264)
Borrowings		(5,206)	(16,094)	(18,258)
		<u>(313,380)</u>	<u>(435,919)</u>	<u>(407,522)</u>
Current assets less current liabilities		697,639	2,115,689	1,380,479
		<u>6,953,955</u>	<u>7,888,934</u>	<u>7,147,402</u>
Total assets less current liabilities				
Non - current liabilities				
Borrowings		-	(23,517)	-
Environmental rehabilitation liability		(27,339)	(22,854)	(24,632)
		<u>6,926,616</u>	<u>7,842,563</u>	<u>7,122,770</u>
Capital and reserves				
Called-up share capital	6	4,176,601	4,176,601	4,176,601
Share premium account		22,254,317	22,373,442	22,254,317
Share based payment reserve		346,774	341,522	453,614
Foreign currency translation reserve		1,205,354	420,273	581,143
Retained earnings		(21,038,103)	(19,453,531)	(20,325,577)
		<u>6,944,943</u>	<u>7,858,307</u>	<u>7,140,098</u>
Issued capital and reserves attributable to owners of the parent company				
Non-controlling interest		(18,327)	(15,744)	(17,328)
		<u>6,926,616</u>	<u>7,842,563</u>	<u>7,122,770</u>
Total equity				

CONSOLIDATED statement of changes in equity

	-----Equity Interests-----							
	Share Capital	Share Premium	Retained Earnings Account	Share Option Reserve	Foreign Currency Translation Reserve	Total	Non-controlling interest	Total
	£	£	£	£	£	£	£	£
At 1 January 2022	4,176,601	22,254,317	(20,325,577)	453,614	581,143	7,140,098	(17,328)	7,122,770
Comprehensive Income for the year								
Foreign currency translation	-	-	-	-	624,211	624,211	-	624,211
Loss for the year	-	-	(819,366)	-	-	(819,366)	(1,274)	(820,640)
Total comprehensive income for the year	-	-	(819,366)	-	624,211	(195,155)	(1,274)	(196,274)
Transactions with owners								
Lapsed share options	-	-	106,840	(106,840)	-	-	-	-
Total	-	-	106,840	(106,840)	-	-	-	-

transactions with owners								
Non-controlling interest share of goodwill	-	-	-	-	-	-	275	275
At 30 June 2022	4,176,601	22,254,317	(21,038,103)	346,774	1,205,354	6,944,943	(18,327)	6,926,616

	-----Equity Interests-----							
	Share Capital	Share Premium	Retained Earnings Account	Share Option Reserve	Foreign Currency Translation Reserve	Total	Non-controlling interest	Total
	£	£	£	£	£	£	£	£
At 1 January 2021	4,041,601	19,390,849	(18,866,991)	301,174	494,130	5,360,763	(14,902)	5,345,861
Comprehensive Income for the year								
Foreign currency translation	-	-	-	-	(73,857)	(73,857)	(28)	(73,885)
Loss for the year	-	-	(586,540)	-	-	(586,540)	(814)	(587,354)
Total comprehensive income for the year	-	-	(586,540)	-	(73,857)	(660,397)	(842)	(661,239)
Transactions with owners								
Issued share capital	135,000	3,240,000	-	-	-	3,375,000	-	3,375,000
Share issue costs	-	(217,059)	-	-	-	(217,059)	-	(217,059)
Share based payment	-	(40,348)	-	40,348	-	-	-	-
Total transactions with owners	135,000	2,982,593	-	40,348	-	3,157,941	-	3,157,941
At 30 June 2021	4,176,601	22,373,442	(19,453,531)	341,522	420,273	7,858,307	(15,744)	7,842,563

	-----Equity Interests-----							
	Share Capital	Share Premium	Retained Earnings Account	Share Option Reserve	Foreign Currency Translation Reserve	Total	Non- controlling interest	T
	£	£	£	£	£	£	£	
At 1 January 2021	4,041,601	19,390,849	(18,866,991)	301,174	494,130	5,360,763	(14,902)	5,345,
Comprehensive Income for the year								
Foreign currency translation	-	-	-	-	87,013	87,013	-	87,
Loss for the year	-	-	(1,458,586)	-	-	(1,458,586)	(2,265)	(1,460,8
Total comprehensive income for the year	-	-	(1,458,586)	-	87,013	(1,371,573)	(2,265)	(1,373,8
Transactions with owners								
Issue of share capital	135,000	3,240,000	-	-	-	3,375,000	-	3,375,
Share issue costs	-	(224,092)	-	-	-	(224,092)	-	(224,0
Share options/warrants charge	-	(152,440)		152,440		-		
Total transactions with owners	135,000	2,863,468	-	152,440	-	3,150,908	-	3,150,
Non- controlling interest share of goodwill	-	-	-	-	-	-	(161)	(1
At 31 December 2021	4,176,601	22,254,317	(20,325,577)	453,614	581,143	7,140,098	(17,328)	7,122,

CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June 22 Unaudited £	Six months ended 30 June 21 Unaudited £	Year ended 31 Dec 21 Audited £
Cash flows from operating activities			
Operating loss	(819,965)	(584,777)	(1,455,184)
Depreciation	144,039	113,420	264,677
Movement in inventories	(20,310)	-	17,799
Movement in trade and other receivables	185,761	(169,082)	(116,768)
Movement in trade and other payables	(112,135)	(222,450)	(286,968)
Loss on foreign exchange	(115,391)	(4,597)	(2,687)
Net cash used in operating activities	(738,001)	(867,486)	(1,579,131)

Cash flows from investing activities

Finance income	48	12	701

Net cash used in investing activities	48	12	701
Cash flows from financing activities			
Repayment of convertible loan notes	-	(432,226)	(120,000)
Repayment of lease liabilities	(14,078)	(8,267)	(30,214)
Lease interest	(723)	(2,589)	(3,451)
Proceeds on issue of ordinary shares	-	3,375,000	3,375,000
Share issue costs	-	(217,059)	(224,092)
Net cash generated from financing activities	(14,801)	2,714,859	2,997,243
Net decrease in cash and cash equivalents	(752,754)	1,847,385	1,204,111
Cash and cash equivalents at beginning of year	1,229,801	25,690	25,690
Exchange losses on cash and cash equivalents	391	(3)	-
Cash and cash equivalents at end of year	477,438	1,873,072	1,229,801

NOTES TO THE INTERIM REPORT

1. Financial information and basis of preparation

The interim financial statements of Edenville Energy Plc are unaudited consolidated financial statements for the six months ended 30 June 2022 which have been prepared in accordance with UK adopted international accounting standards. They include unaudited comparatives for the six months ended 30 June 2021 together with audited comparatives for the year ended 31 December 2021.

The interim financial statements do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2021 have been reported on by the company's auditors and have been filed with the Registrar of Companies. The report of the auditors contained an Emphasis of matter paragraph on going concern, the recoverability of VAT in Tanzania and on the recoverability of inventory. Aside from the Emphasis of matter paragraphs referred to above, the auditor's report did not contain any statement under section 498 of the Companies Act 2006.

The interim consolidated financial statements for the six months ended 30 June 2022 have been prepared on the basis of accounting policies expected to be adopted for the year ended 31 December 2022. These are anticipated to be consistent with those set out in the Group's latest financial statements for the year ended 31 December 2021. These accounting policies are drawn up in accordance with adopted International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

2. Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

	30 June 22	30 June 21	31 December 21
	£	£	£
Loss after taxation	(820,640)	(587,354)	(1,460,851)
Weighted average number of shares in the period	21,645,575	13,270,575	18,144,205
Basic and diluted loss per share (pence)	(3.79)	(4.43)	(8.04)

Net book value					
As at 30 June 2021	5,000,470	397,999	307	67,389	5,466,165
	_____	_____	_____	_____	_____

4. Property, plant and equipment (continued)

	Coal Production assets	Plant & machinery	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
As at 1 January 2021	5,164,392	1,186,781	7,153	191,390	6,549,716
Foreign exchange adjustment	65,902	15,050	38	2,230	83,220
	_____	_____	_____	_____	_____
At 31 December 2021	5,230,294	1,201,831	7,191	193,620	6,632,936
	_____	_____	_____	_____	_____
Accumulated depreciation					
As at 1 January 2021	106,215	678,472	6,958	113,494	905,139
Depletion/Charge for the year	6,464	238,444	49	19,720	264,677
Foreign exchange adjustment	1,347	8,568	38	1,246	11,199
	_____	_____	_____	_____	_____
At 31 December 2021	114,026	925,484	7,045	134,460	1,181,015
	_____	_____	_____	_____	_____
Net book value					
As at 31 December 2021	5,116,268	276,347	146	59,160	5,451,921
	_____	_____	_____	_____	_____

5. Intangible assets

	Mining Licences	Total
	£	£
Cost or valuation		
As at 1 January 2022	1,489,604	1,489,604
Foreign exchange adjustment	163,644	163,644
	_____	_____
At 30 June 2022	1,653,248	1,653,248
	_____	_____
Accumulated amortisation and impairment		
As at 1 January 2022	1,174,602	1,174,602
Foreign exchange adjustment	129,039	129,039
	_____	_____
At 30 June 2022	1,303,641	1,303,641
	_____	_____
Net book value		
As at 30 June 2022	349,607	349,607
	_____	_____

5. Intangible assets (continued)

	Mining Licences £	Total £
Cost or valuation		
As at 1 January 2021	1,470,833	1,470,833
Foreign exchange adjustment	(17,185)	(17,185)
	<hr/>	<hr/>
At 30 June 2021	1,453,648	1,453,648
	<hr/>	<hr/>
Accumulated amortisation and impairment		
As at 1 January 2021	1,159,801	1,159,801
Foreign exchange adjustment	(13,233)	(13,233)
	<hr/>	<hr/>
At 30 June 2021	1,146,568	1,146,568
	<hr/>	<hr/>
Net book value		
As at 30 June 2021	307,080	307,080
	<hr/>	<hr/>

	Mining Licences £	Total £
Cost or valuation		
As at 1 January 2021	1,470,833	1,470,833
Foreign exchange adjustment	18,771	18,771
	<hr/>	<hr/>
At 31 December 2021	1,489,604	1,489,604
	<hr/>	<hr/>
Accumulated amortisation and impairment		
As at 1 January 2021	1,159,801	1,159,801
Foreign exchange adjustment	14,801	14,801
	<hr/>	<hr/>
At 31 December 2021	1,174,602	1,174,602
	<hr/>	<hr/>
Net book value		
As at 31 December 2021	315,002	315,002
	<hr/>	<hr/>

6. Share capital

	No Ordinary shares of 1p each	No Ordinary shares of 0.02p each	£ Ordinary shares of 0.02p/1p each	No Deferred shares of 0.001p each	£ Deferred shares of 0.001p each	£ Total share capital
Issued and fully paid						
At 1 January	-	8,145,575,094	1,629,116	241,248,512,346	2,412,485	4,041,601

2021

On 5 January the company consolidated and then subdivided the brought forward shares*	8,145,575	(8,145,575,094)	(1,547,659)	154,765,925,000	1,547,659	-
On 21 January the company issued 3,600,000 1p shares at 0.25p	3,600,000	-	36,000	-	-	36,000
On 26 May the company issued 9,900,000 1p shares at 0.25p	9,900,000	-	99,000	-	-	99,000
As at 30 June 2021,31 December 2021 and 30 June 2022	21,645,575	-	216,457	396,014,437,346	3,960,144	4,176,601

*On 5 January 2021 the Company reduced the number of issued ordinary shares of £0.0002 each in the Company by a multiple of 1,000 (the "Consolidation"), Following the Consolidation the Company sub-divided each consolidated ordinary share of £0.20 each in the capital of the Company, into 1 ordinary share of £0.01 each in the capital of the Company and 19,000 new deferred shares of £0.00001 each in the capital of the Company.

7. Distribution of interim report to shareholders

The interim report will be available for inspection by the public at the registered office of the company during normal business hours on any weekday and from the Company's website <http://www.edenville-energy.com/>. Further copies are available on request.



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