

AUDITED RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2018

A FRESH LEASE OF LIFE AS THE COMPANY RETURN TO PROFITABILITY WITH PAT GROWING BY 130% YEAR-ON-YEAR.

*This Earnings Press Release should be read in conjunction with the Audited Financial Statements for the period ended December 31, 2018. The Earnings Press Release and the Audited Financial Statements for the period ended December 31, 2018 are available on our website at <https://chamsplc.com/investor-relations/>. This analysis is dated **March 25, 2019**. Unless otherwise indicated, all amounts are expressed in Nigerian Naira, and have been primarily derived from the Group's Financial Statements, prepared in accordance with the International Financial Reporting Standards ("IFRS"). The accounting policies used in the preparation of these financial statements are consistent with those used in the Group's Audited Financial Statements for the period ended 31 December 2018. Additional information relating to the Group is available on the Group's website. <http://www.chamsplc.com/>*

HIGHLIGHTS OF THE RESULT:

Income Statement:

- Revenue: ₦3.01bn, compared to ₦1.96bn in FY 2017 (54% YoY growth).
- Gross Profit: ₦0.786bn, compared to ₦0.743bn in FY 2017 (6% YoY growth).
- Operating Profit: ₦0.313bn, compared to an operating loss of ₦1.23bn in FY 2017 (125% YoY growth).
- Profit Before Tax: ₦0.302bn, compared to a loss before tax of ₦1.24bn in FY 2017 (124% YoY growth).
- Profit After Tax: ₦0.380bn representing a 130% YoY growth compared to a loss after tax of ₦1.27bn in FY 2017.
- Earnings Per Share: 7Kobo

Balance Sheet:

- Total Assets: ₦5.25bn, compared to ₦4.77bn as at FY 2017 (10% YTD growth)
- Total Liabilities: ₦3.60bn, compared to ₦4.20bn as at FY 2017 (14% YTD decline)
- Total Equity: ₦1.65bn, increased by an impressive 187% YTD from ₦0.577bn in FY 17

FY 2018 (ITEMS OF NOTE)

A year-on-year comparison reveals some interesting points of notes:

- Profit Margin: Net Profit margin increased to 13% YoY, on the back of the 54% growth in revenue year-on-year as well as the 130% increase witnessed in Profit After Tax.



Chams Plc

- Finance Expenses: This declined by 34% year-on-year and consist of interest expenses paid on loans and overdraft which reduced by 33% within the year under consideration as a result of repayment of the overdraft facility.
- Revenue: This grew 54% as against that of the prior year as a result of increased income from Identity management services, sales and maintenance of BVN services, supply of cards, sales of the Access control as well as income from switching service.
- Other Operating Income: This saw a massive increase largely due to amount recovered from impaired receivables, and rental income.
- Cost of Sales: During the year under review, this increased by 84% year-on-year. The increase was spurred by the corresponding increase in turnover, cost incurred on data cards equipment, cost of BVN equipment, as well as cost incurred to supply cards.

Financial Ratios	FY 2018	FY 2017
Profit Margin	13%	-65%
Return on Avg Equity	34%	-105%
Return on Avg Asset	8%	-23%
NAPS (Kobo)	0.35	0.12
EPS(Kobo)	0.07	-0.27
PE Ratio	2.77	-0.75

Lagos Nigeria – 25 March, 2019: Chams Plc, (**NSE:** CHAMS, **Bloomberg:** CHAMS: NL, **Financial Times:**

CHAMS: LAG) announced its Audited Financial Statements for the period ended December 31, 2018. Within the period under review, the Group boasted an improved performance as it recorded massive growth along major metrics.

Mr. Femi, Williams the Group Managing Director of Chams Plc, had this to say about the result; “This result is a testament to the group’s dedication to revamping the fortune of the company, coming from a loss position to record this impressive performance is the first step in our arsenal of strategies lined up for deployment this year. As can be seen from the result we recorded a growth of 54% in Revenue Year-on-Year, while we grew Profit before Tax by 124%. I would like to assure all our investors and shareholders that we would not rest on our oars as we would keep firing from all cylinders in order to maintain and surpass this performance by the end of the fiscal year 2019”.

He further stated that; “This performance was the result of the group’s doggedness and the pragmatic approach we have adopted in tackling the array of issues that have plagued us and our industry for a long time now. This result is the first of many of its kind, and the group is committed to delivering optimum values to its stakeholders.”

EDITOR'S COMMENT

Chams Plc (Chams) is a Nigeria-based identity management and transaction systems provider. The Principal activities of the company and its subsidiaries include identity management, payment collections and transactional systems. The company operates through three (3) core segments: Payments, Collections and Transactional systems, ICT Training & Identity Management and Solutions.

The company's identity management activities include Biometrics identification with applications in the financial sector, Pharmaceutical sector, Agent network, e-Commerce for corporate and other public fields. Its payments activities cover; Collections and Transactional systems segment, these services are provided through its subsidiary companies such as ChamsAccess Limited, ChamsSwitch Limited, Cardcentre, ChamsMobile Limited and Paymaster Limited.

More information can be found at: <http://www.chamsplc.com>

CAUTION REGARDING FORWARD LOOKING STATEMENTS

From time to time, the Group makes written and/or oral forward-looking statements, including in this press release and in other communications. In addition, representatives of the Group may make forward-looking statements orally to analysts, investors, the media and others. All such statements are intended to be forward looking statements. Forward looking statements include, but are not limited to, statements regarding the Group's objectives and strategies to achieve them, and the Group's anticipated financial performance. Forward looking statements are typically identified by words such as "will", "should", "believe", "expect", "anticipate", "intend", "estimate", "may" and "could".

Any forward-looking statements contained in this presentation represent the views of management only as of the date hereof and are presented for the purpose of assisting the Group's investors and analysts in understanding the Group's financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented and may not be appropriate for other purposes. The Group does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe such restrictions.

FEMI WILLIAMS, GMD



<i>In thousands of Nigerian Naira</i>	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	Group		Company	
Assets				
Non-Current Assets				
Property, plant and equipment	2,663,076	2,809,867	1,994,062	2,117,728
Investment project	460	460	460	460
Intangible Assets	722,840	120,986	-	-
Investment in subsidiaries	-	-	2,453,826	2,453,826
Investment in equity at FVTOCI	100,000	100,000	100,000	100,000
Deposit for investments	13,249	-	-	-
Loan receivables	-	-	49,810	192,747
Current Assets				
Inventories	247,780	469,538	67,648	86,992
Trade and other receivables	1,396,055	1,086,988	510,446	760,158
Cash and cash equivalents	111,523	184,294	29,707	123,111
Total assets	5,254,983	4,772,133	5,205,959	5,835,022
Liabilities				
Current Liabilities				
Trade and other payables	3,132,934	3,593,429	1,246,204	2,094,768
Corporate Tax Liability	315,833	464,445	231,856	398,151
Borrowings (short term)	111,402	74,876	-	-
Non-current liabilities				
Loans and Borrowings	41,572	62,359	-	-
Deferred tax Liability	-	-	-	-
Total liabilities	3,601,741	4,195,109	1,478,060	2,492,919
Equity				
Ordinary share capital	2,348,030	2,348,030	2,348,030	2,348,030
Share premium	35,008	5,458,750	35,008	5,458,750
Revaluation reserves	1,482,164	959,065	959,065	959,065
Retained earnings	(1,921,242)	(7,683,783)	385,796	(5,423,742)
Capital Reserve	145,522	145,522	-	-
	2,089,482	1,227,584	3,727,899	3,342,102
Non-controlling interest	(436,242)	(650,560)	-	-
Total equity	1,653,241	577,024	3,727,899	3,342,102
Net equity and liabilities	5,254,983	4,772,133	5,205,959	5,835,022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018.

In thousands of Nigerian Naira	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	Group		Company	
Revenue	3,012,513	1,956,517	584,392	608,314
Cost of Sales	(2,226,979)	(1,213,524)	(346,230)	(238,887)
Gross Profit	785,534	742,993	238,162	369,427
Other Operating income	838,978	129,516	845,018	127,248
Administrative Expenses	(1,311,429)	(2,102,427)	(817,142)	(2,217,281)
Operating Profit/(Loss)	313,083	(1,229,918)	266,038	(1,720,606)
Finance Income	4,270	14,813	3,402	9,284
Finance Cost	(15,739)	(23,815)	-	(5,327)
Finance cost – net	(11,469)	(9,002)	3,402	3,957
Profit/(loss) before taxation	301,614	(1,238,920)	269,440	(1,716,649)
Tax Expenses	78,534	(30,297)	116,356	(17,471)
Profit/(Loss) for the period	380,148	(1,269,217)	385,796	(1,734,120)
Other comprehensive income Items that may be reclassified to profit or loss	-	-	-	- - -
Gain on revaluation of intangible assets	571,069	-	-	-
Item that may be reclassified to profit or loss	-	-	- -	-
Total Comprehensive income for the period	951,217	(1,269,217)	385,796	(1,734,120)
Profit/(Loss) Attributable to:				
Owners of the parent	338,799	(1,254,664)	385,796	(1,734,120)
Non-controlling interest	41,349	(14,553)	-	-
Income/(Loss) after Taxation	380,148	(1,269,217)	385,796	(1,734,120)
Total Comprehensive Income/(loss) attributable to:				
Owners of Parents	855,349	(14,553)	385,796	(1,734,120)
Non-Controlling interest	95,868	(1,254,664)	-	-
Total Comprehensive Income/(loss)	951,217	(1,269,217)	385,796	(1,734,120)
Basic Earnings Per Share (kobo)	7 Kobo	(27) Kobo	8 Kobo	(37) Kobo
Diluted Earnings Per Share (kobo)	7 Kobo	(27) Kobo	8 Kobo	(37) Kobo