



ZIMBABWE STOCK EXCHANGE LIMITED

2020 ANNUAL REPORT

Zimbabwe Stock Exchange Services

The ZSE facilitates the listing and trading of the following security types:

- Ordinary shares
- Preference shares
- Depository receipts
- Debt securities such as debentures, notes and bonds
- Exchange Traded Funds

What do we do?

- Admit companies and participants
- Provide relevant technology solutions
- Influence policies
- Train, monitor and regulate issuers and participants
- Educate the public on investments and facilitate inclusion
- Provide information and data for decision making
- Identify opportunities and proffer solutions
- Value our staff, support their development and reward their performance.



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Highlands, Harare

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LinkedIn: Zimbabwe Stock Exchange

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BOARD OF DIRECTORS

Mrs Caroline Sandura
Mr Bartholomew Mswaka
Mr Justin Bgoni
Mr Obert Ngwenya
Mr Benson Gasura
Mrs Maureen Rudo Svoa
Mr Masimba Mudzungairi
Mrs Lindiwe Tirivanhu
Mr Markus de Klerk
*Mr Kholisani Moyo
**Mr Daniel Muchemwa

Chairman
Deputy Chairman
Chief Executive Officer
Finance Director
Non Executive Member
Non Executive Member
Non Executive Member
Non Executive Member
Non Executive Member
Member
Member (Deceased)

* Mr Moyo's served as a ZSE Director and Chairman of the Business Development and ICT Committee until his resignation on 30 June 2020 after serving on the Board for 5 years.

** Mr Muchemwa served as a ZSE Director and Chairman of the Audit and Risk Committee until his untimely death on the 24th of May 2020.

SECRETARY

Mr Lyndon Tuyani Nkomo

REGISTERED OFFICE

Number 44 Ridgeway North
Highlands
Harare
Zimbabwe

AUDITORS

Grant Thornton Chartered Accountants (Zimbabwe)
Camelsa Business Park
135 Enterprise Road
Highlands
Harare

ATTORNEYS

Messrs Dube Manika and Hwacha
Legal Practitioners
Commercial Law Chambers
6th Floor Goldbridge
Eastgate Complex
Sam Nujoma Street
Harare

PRINCIPAL BANKERS

FBC Bank
Stanbic Bank Zimbabwe Limited

OUR VISION, MISSION STATEMENT AND VALUES

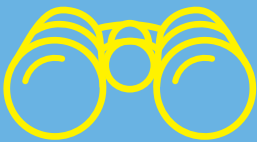
WHO WE ARE

The Zimbabwe Stock Exchange Limited ('ZSE') is a licensed securities exchange in terms of the Securities and Exchange Act (24:25). Its core mandate is to facilitate long term capital raising through listing of securities as well as offering secondary market securities trading and issuer regulation services. Dating back to 1894, the ZSE has evolved to be one of the longest established capital raising platforms in Africa.



MISSION STATEMENT

To be the best in providing long term capital and risk management solutions to businesses and Governments whilst allowing the public to enjoy diversified, safe and easy investments.



VISION

To be the preferred securities exchange in Africa



VALUES

COMMITMENT

We are committed to realising our vision and mission.

DILIGENCE

We are diligent in performing our tasks and duties.

INNOVATION

We are innovative, in developing solutions to our challenges and opportunities.

INTEGRITY

We adhere to strong moral and ethical standards.



THE ZSE'S BACKGROUND AND TRANSFORMATIONAL JOURNEY

The Zimbabwe Stock Exchange Limited ('ZSE') is a licensed securities exchange in terms of the Securities and Exchange Act (24:25) with a core mandate of facilitating long term capital raising through listing of securities as well as offering secondary market securities trading and issuer regulation services. The ZSE currently provides a listing and trading platform for Equity, Debt, Depository Receipts, Unit Trusts, Exchange Traded Funds and Real Estate Investment Trusts.

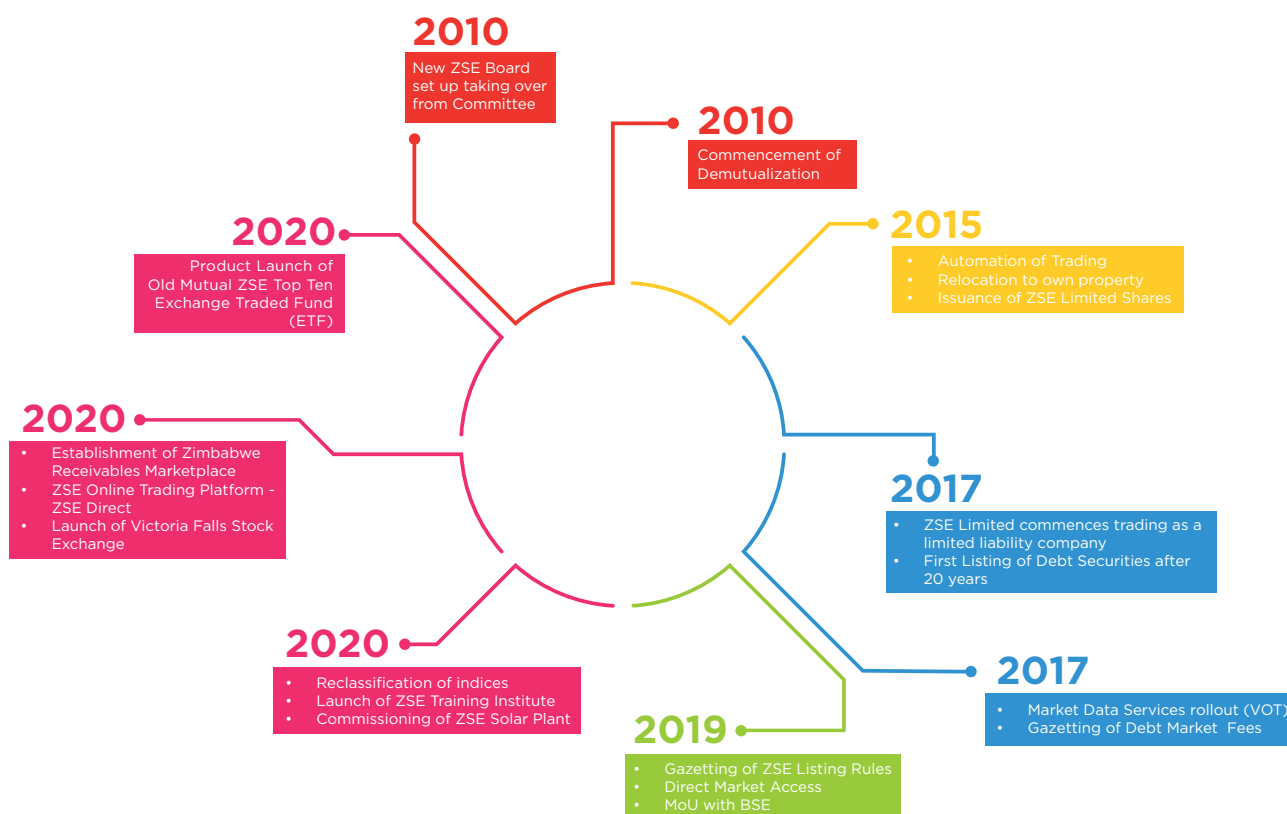
Roles of the ZSE

The ZSE;

- Facilitates raising of long term capital for companies, Government and semi-government institutions;
- Provides a regulated platform for secondary market buying and selling of securities;
- Provides information such as historical financials, securities prices and market reports; and
- Regulates stockbrokers, market makers and security issuers (listed entities).

Evolution

Dating back to 1894, the ZSE has evolved to be one of the advanced and diversified securities exchanges in Sub Saharan Africa. In recent years the exchange has taken a transformational journey with key milestones as follows:



2020 KEY DEVELOPMENTS *(continued)*

LAUNCH OF VICTORIA FALLS STOCK EXCHANGE (VFEX)

The Victoria Falls Stock Exchange (VFEX) was launched by the Minister of Finance and Economic Development, Honourable Professor Mthuli Ncube on Friday 23 October 2020.



Honourable Professor Mthuli Ncube officially opening the Victoria Falls Stock Exchange



Tour of the Victoria Falls Stock Exchange Offices



Some of the delegates that were present during the VFEX Launch



COMMISSIONING OF THE ZSE SOLAR PLANT

In a bid to move towards a cleaner, affordable and reliable source of power, the ZSE commissioned its solar plant with a power generation capacity of up to 40KVA on 17 August 2020. The solar plant was officially commissioned by the ZSE Board Chairperson, Mrs Caroline Sandura. Adopting the solar energy route is in line with the ZSE commitment to sustainable practices.



Aerial view of the ZSE 40KVA Solar plant



Inside the ZSE 40KVA Solar plant

OUR DIGITAL JOURNEY

The ZSE embarked on a digital transformation journey in 2020. The journey was focused at innovation, automation and digitalisation through in-house development, partnerships, data analytics, data mining and digital presence. The goal of the digital transformation was to align ICT with the business goals, streamline ZSE processes and creating value from data, facilitate ease of doing business and revenue creation in the process.



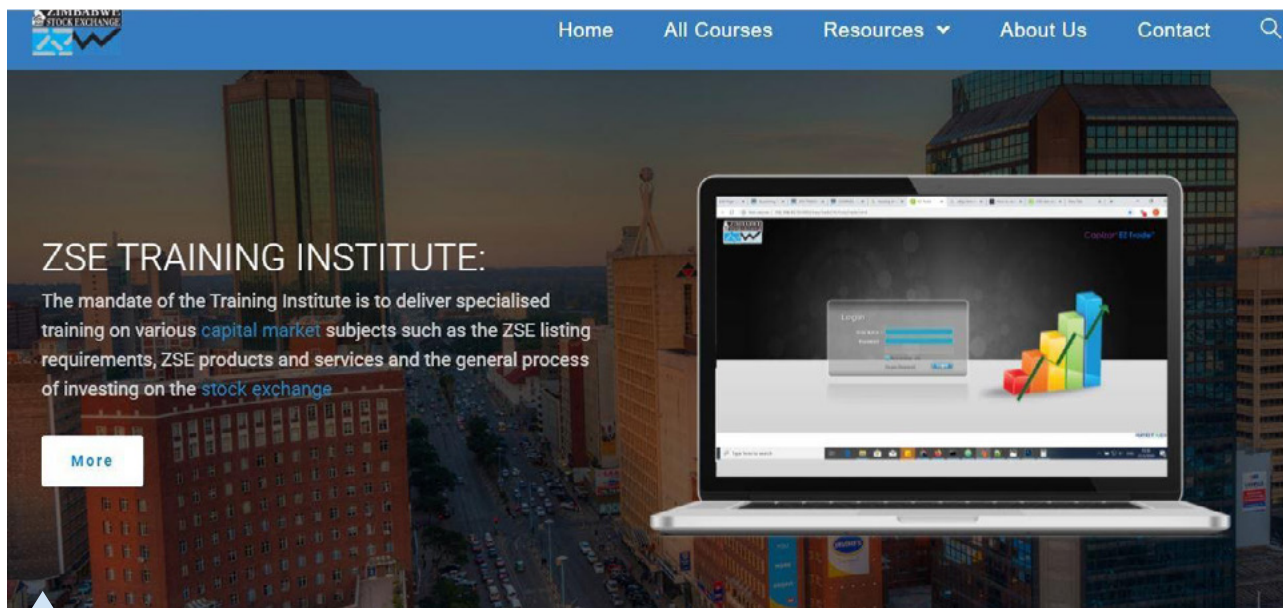
The digital transformation was initiated through the following projects.



2020 KEY DEVELOPMENTS (*continued*)

TRAINING INSTITUTE

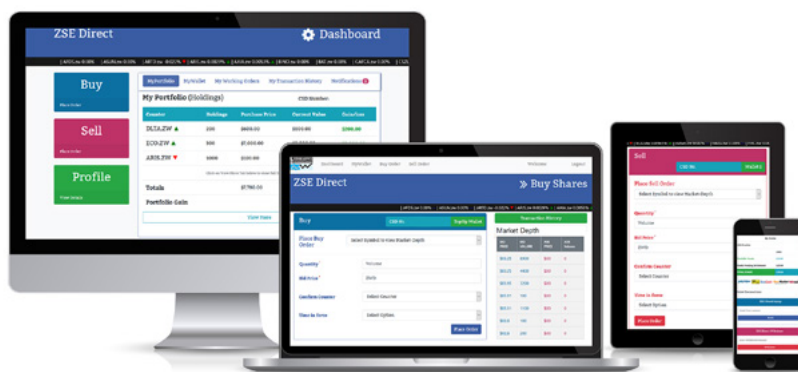
The training institute delivers specialised training on various capital markets topics. The training is delivered through online channels, customised training and seminars. The courses on offer are designed to equip participants with knowledge and skills that improve their understanding on various aspects of the capital markets.



Screenshot of the ZSE Training Institute website

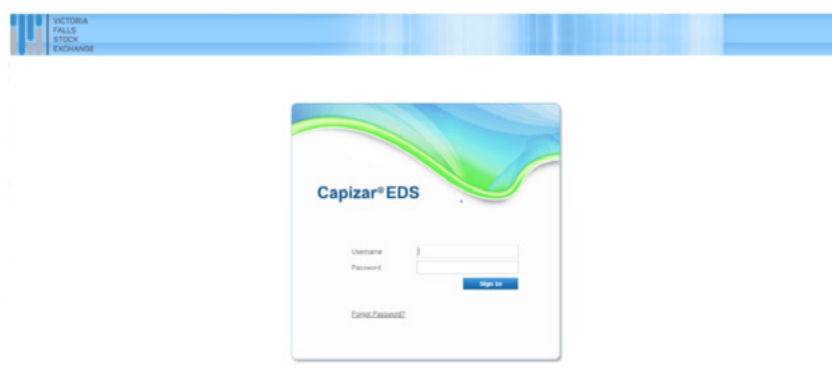
ZSE DIRECT

ZSE launched an in-house developed Web based application system called ZSE Direct in September 2020. The application is an extension of the current Automated Trading System (ATS) and it targets the retail investor. The platform provides investors with a smart way to manage their investments, view their CSD holdings and enables the investors to view their portfolio gain on loss in a simplified manner.



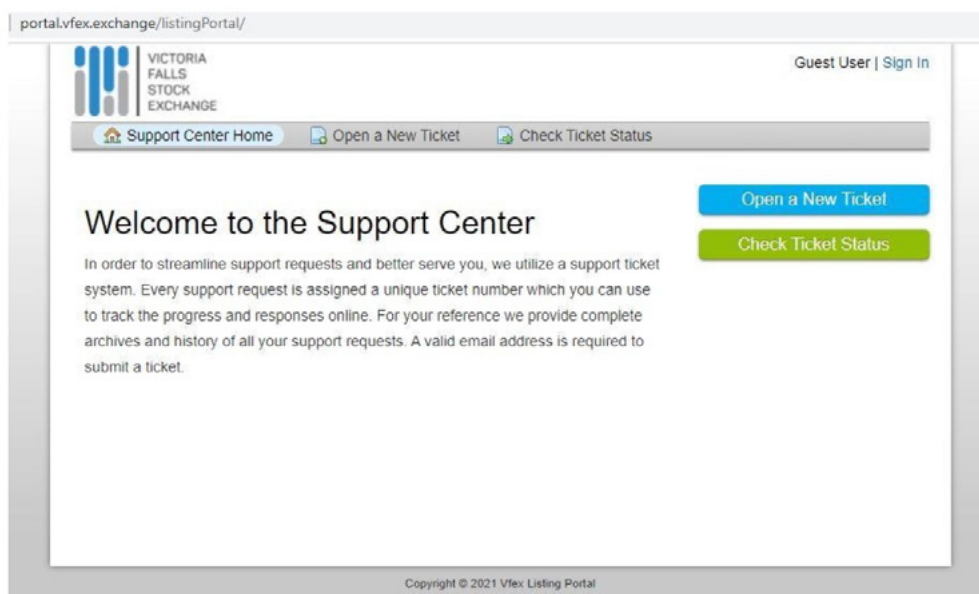
ELECTRONIC DEPOSITORY SYSTEM

In October 2020, through the Victoria Falls Stock Exchange (VFEX), an Electronic Depository System and Clearing and Settlement System (EDS and CSS) was launched to provide depository services on the VFEX platform. The main mandate of the EDS systems is to provide clearing and settlement solution for trades on the VFEX trading platform.



VFEX PORTAL

Through its subsidiary VFEX, the ZSE launched another in-house developed listing portal system. The portal is accessible on the VFEX website and allows tracking of documents and queries online. The aim of the VFEX portal is to automate the submission, approval and management of corporate actions for all VFEX listed issuers.



ZIMBABWE RECEIVABLES MARKETPLACE

Zimbabwe Receivables Marketplace (ZRM) a joint venture between ZSE and Harare Receivable Exchange was launched in September 2020. ZRM uses a system called Trade Receivable Discount System (TRDS). The TRDS provides a discount management system to Small and Medium Enterprises in Zimbabwe.

VFEX DATA CENTRE

The Victoria Falls Stock Exchange (VFEX) set up its own Data centre in October 2020. The data centre was designed and set up according to known International ICT best standards for data centres. The VFEX data centre currently provides co-location services for ZSE and acts as a Disaster Recovery Site (DRS) for ZSE servers.



GROUP STRUCTURE

Zimbabwe Stock Exchange Limited (“the Group”) operates the largest Stock Exchange in Zimbabwe. Its core mandate is to facilitate long term capital raising through listing of securities as well as offering secondary market securities trading and issuer regulation services.

During the year, Victoria Stock Exchange Limited (“VFEX”) a USD Exchange was launched and a new entity Zimbabwe Receivables Marketplace (Private) Limited (“ZRM”) an invoice discounting entity which is a joint venture with Harare Receivables Exchange was incorporated.

SUBSIDIARIES

Zimbabwe Stock Exchange Limited

100%

Victoria Falls Stock Exchange Limited

100%

ZSE Training Institute

100%

Zimbabwe Receivables Marketplace (Private) Limited

50%

ZSE STAKEHOLDER ENGAGEMENT

The ZSE engages with all key stakeholders to ensure that its business and strategy are in line with stakeholder input. Over the past year the ZSE's engagement with key stakeholders was as follows;

STAKEHOLDER	NATURE OF ENGAGEMENT	MATTERS COVERED
Shareholders	<ul style="list-style-type: none"> AGM/EGM 	<ul style="list-style-type: none"> Sustainable growth from new revenue streams
Ministry of Finance and Economic Development (MoFED)	<ul style="list-style-type: none"> National budget input Government Debt Securities Market performance State enterprises reform Taxation on REITs Fungibility of Shares Victoria Falls Stock Exchange 	<ul style="list-style-type: none"> Removal of capital gains withholding tax on sale of securities Listing and trading of Government securities Growth in turnover and market capitalization Listing of State enterprises on the ZSE Lobbying for tax incentives for REITs Relaxation of suspension of fungibility Set up of the Victoria Falls Stock Exchange(VFEX) Tax Incentives on the Victoria Falls Stock Exchange (VFEX)
Ministry of Mines and Mining Development	<ul style="list-style-type: none"> VFEX Junior mining board 	<ul style="list-style-type: none"> Funding of mining companies Comments on the junior mining board
Reserve Bank of Zimbabwe (RBZ)	<ul style="list-style-type: none"> Government Debt Securities Financial inclusion VFEX Fungibility 	<ul style="list-style-type: none"> Listing and trading of Government securities Participation in financial inclusion thematic working groups Exchange control regulations on dual listed companies
Securities and Exchange Commission of Zimbabwe (SECZ)	<ul style="list-style-type: none"> Securities and Exchange Act Market performance Investor education 	<ul style="list-style-type: none"> Amendments to the Securities and Exchange Act Growth in turnover and market capitalization Investor education initiatives
Investors	<ul style="list-style-type: none"> Due diligence New products 	<ul style="list-style-type: none"> Market developments Listings requirements Trainings and webinars
Market Participants	<ul style="list-style-type: none"> New products and services Trading Inspection 	<ul style="list-style-type: none"> Market developments Trainings
Issuers	<ul style="list-style-type: none"> Corporate actions Compliance Meetings 	<ul style="list-style-type: none"> Practice notes Training Transactions
Insurance and Pensions Commission (IPEC)	<ul style="list-style-type: none"> New products 	<ul style="list-style-type: none"> Proposal for REITs
Zimbabwe Association of Pension Funds (ZAPF)	<ul style="list-style-type: none"> New products 	<ul style="list-style-type: none"> Proposal for REITs
Chengetedzai Depository Company (CDC)	<ul style="list-style-type: none"> Trading and settlement New products 	<ul style="list-style-type: none"> System efficiencies ETFs Security lending and borrowing
African Exchanges	<ul style="list-style-type: none"> CoSSE ASEA BSE 	<ul style="list-style-type: none"> Regional integration and subcommittee meetings Statistics, meetings and quarterly magazine Collaboration and promoting cross listings Operationalisation of the MOU
Media	<ul style="list-style-type: none"> Market statistics Capital market developments 	<ul style="list-style-type: none"> Reporting of market performance Capital market development
Community	<ul style="list-style-type: none"> Responsible behaviour and governance 	<ul style="list-style-type: none"> Adherence to corporate governance and corporate social investment policy
Employees	<ul style="list-style-type: none"> Opportunities for career development and growth Training 	<ul style="list-style-type: none"> Review of organisational structure and staffing levels Training and development



SUSTAINABILITY STRATEGY

The ZSE has been committed to being a socially responsible corporate citizen and making a positive contribution. This is espoused in its Corporate Social Investment Policy and the Listings Requirements. In 2020, the ZSE adopted environmentally friendly practices including the commissioning of a solar power project and moving to electronic publication of financial statements by issuers to reduce the need for printing.



ZSE Board Members at the commissioning of the solar project

As part of making a positive contribution to the communities where we live and work, the ZSE donated infrared thermometers to the Ministry of Health and Child Care to help combat the spread of Covid-19.

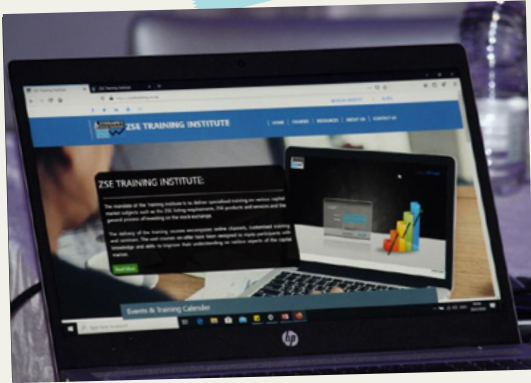
The ZSE also maintained its membership of the United Nations Sustainable Stock Exchange (SSE) initiative.

Going forward the ZSE will move to implement sustainability reporting requirements through training and review of financial reports published by listed companies.

2020
in pictures

01

LAUNCH OF THE ZSE TRAINING INSTITUTE



02

SIGNING OF THE MOU FOR THE JOINT VENTURE BETWEEN ZSE AND HARARE RECEIVABLES EXCHANGE (HRE)



The signing of MOU between Harare Receivables Exchange and ZSE for the Zimbabwe Receivables Marketplace (ZRM)

03

INVESTOR EDUCATION SESSIONS - MARCH 2020



Investor Education sessions at the University of Zimbabwe

04

LAUNCH OF THE VICTORIA FALLS STOCK EXCHANGE - 23 OCTOBER 2020



Honourable guests at the launch of the Victoria Falls Stock Exchange



Honourable Minister of Industry and Commerce Sekai Nzenza delivering her speech



ZSE Board Members and guests at the launch of the Victoria Falls Stock Exchange

05

**LAUNCH OF THE OLD MUTUAL - ZSE TOP TEN ETF -
DECEMBER 2020**



Opening remarks by ZSE Board Chairperson, Mrs Caroline Sandura



Keynote address by Minister of Finance and Economic Development, Honourable Professor Mthuli Ncube



Delivery of speeches by OMIG MD (Mrs Majorie Mayida) and Old Mutual Group CEO Mr Samuel Matsekete (right)



Old Mutual Investments Group (OMIG) Managing Director Mrs Majorie Mayida handing over the Prospectus to the Minister of Finance and Economic Development Honourable Professor Mthuli Ncube



Columbus DBB

Invest Now for a Brighter Future

Don't be left out; invest on the Victoria Falls Stock Exchange and start trading in hard currency to save for a brighter future.

Simply open an FCA (Investment) account with any one of our registered custodians and a trading account with any of our registered stockbrokers and start your investment journey on VFEX.

VFEX is open to both local & foreign investors.

Visit www.vfex.exchange for more information



VICTORIA
FALLS
STOCK
EXCHANGE

  Victoria Falls Stock Exchange  @VFEX_ZW

Phone: +263 832840630/1
Email: info@vfex.exchange

OPEN YOUR FCA (INVESTMENT) & CENTRAL SECURITIES DEPOSITORY (CSD) ACCOUNT WITH THESE CUSTODIANS:



**INFLATION
ADJUSTED
REVENUE**



\$123.4 mln
Up 6%

**OPERATING
PROFIT**

\$0.864 mln

CHAIRMAN'S STATEMENT

Mrs Caroline Sandura

INTRODUCTION

Against the backdrop of disruptions caused by the Covid-19 pandemic and other economic challenges, I am pleased to report that the ZSE made major strides in its diversification journey.

OPERATING ENVIRONMENT REVIEW

The year 2020 began on a difficult note with the spread of Covid-19 throughout the world. This led to significant business disruption as physical interactions and business travel could not be carried out as normal. Preserving life became more important over economic growth and as a result various sectors of the economy, particularly tourism, air travel and restaurant business suffered. Supply chains for all other sectors were also significantly disrupted.

According to the African Development Bank, Zimbabwe's economy suffered a real GDP decline of 10% owing to Covid-19 and the 2019/20 drought. Annual inflation averaged 621.5% albeit closing the year at 348.6%. The local currency depreciated 79% in 2020 partly contributing to the rise in inflation and cost pressure.

As a result of the Covid-19 disruption most organisations, including the ZSE had to invest in remote connectivity for employees. To ensure uninterrupted power supply the ZSE had to also invest in solar energy at its offices by investing in a 40KVA solar plant.

Between 27 June and 2 August 2020 the ZSE was under a trading suspension and this was a major dent for the year. We however appreciate the support of all stakeholders during the period.

On a positive note the Reserve Bank of Zimbabwe introduced the Foreign Exchange Auction which stabilised the exchange rate towards the end of the year.

The Foreign Exchange Auction helped to reduce inflationary

pressures and also assisted foreign investors on the ZSE to be able to convert their divestments to hard currency for repatriation.

FINANCIAL PERFORMANCE REVIEW

Revenue

Inflation adjusted revenue was 6% up (historical by 706%) to \$123.4 million (historical: \$57.4 million) from prior year of \$116.5 million. Group revenue was spurred by increased market outturn and new products launched during the year.

New products launched during the year included the Training Institute, ATS Market Access fees and data vending. Included in the Group revenues is income contribution of \$1.4 million from VFEX Limited following its commencement of trade in October 2020.

Profitability

The business achieved an operating profit of \$0.864 million (historical: \$6.8 million) compared to \$54.8 million in 2019 (historical: \$6.8 million). Operating profit was weighed down by impairment of unquoted investment. Due to cost containment measures in an inflationary environment, the Group operating expenses were down 5% to \$88.2 million from \$93.1 million in the prior year (historical: increase of 563%). Driving operating costs was incorporation and launch costs of VFEX. The increase in staff costs was due to the increase in the head count for the ICT developers set up to implement the ZSE mobile application and related ICT projects. Exchange rate movements on foreign dominated expenditure, costs of utilities, fuel, repairs and maintenance



of the premises pushed other operating costs. The Group posted total comprehensive income for the year of \$82.4 million compared to \$20.8 million in the comparative period of 31 December 2019.

STATEMENT OF FINANCIAL POSITION

The Group's total assets grew by 100% to \$211.8 million as at 31 December 2020 from \$105.8 million as at 31 December 2019. The growth was achieved through the launch of new business such as VFEX Limited a USD Exchange and incorporation of a new entity Zimbabwe Receivables Market (ZRM), an invoice discounting entity which is a joint venture with Harare Receivables Exchange.

WORKING CAPITAL

Cash flows generated from operations improved to \$25 million from an outflow position of (\$36.2 million) on account of improved working capital management (historical: cash inflow \$9.1 million). In line with the Group's growth strategy and income streams diversification, ZSE Direct mobile application was internally developed to promote retail investors participation on the equities market. The Group also established a Depository arm which will facilitate and support launch of new products. Interest bearing borrowings increased significantly from \$11,178 to \$28.5 million to support working capital and capex.

ORGANISATIONAL TRANSFORMATION

The ZSE continued on its diversification path in 2020 and managed to achieve the following:

- launch of the Victoria Falls Stock Exchange (VFEX) in October 2020. VFEX is expected to complement the ZSE by providing a hard currency trading and capital raising platform;
- launch of ZSE Direct in September 2020. ZSE Direct has managed to make investments much easier for the retail market;
- launch of the ZSE Training Institute in February 2020, provides customised capital markets training;
- launch of Zimbabwe Receivables Marketplace in August 2020, is expected to provide working capital solutions through receivables discounting;
- the launch of the Old Mutual ZSE Top 10 ETF in December 2020 which diversify the product offerings on the exchange.

HUMAN CAPITAL DEVELOPMENT

A skilled human capital base remains a critical pillar in achieving our strategy. To that end, a number of interventions were implemented to enhance the skills base.

The industrial relations climate was sound and cordial through-out the year. Staff empowering policies are at various stages of development. During the reporting period, the company put in place effective COVID-19 prevention measures in order to ensure staff safety and business continuity.

CORPORATE SOCIAL DEVELOPMENT

The ZSE played its part in terms of corporate social responsibility by donating infra-red thermometers to the

Ministry of Health and Childcare. The donation was meant to assist in combating the spread of Covid-19. The ZSE also revamped its Corporate Social Investment Policy to focus on Empowerment (Promoting the development of disadvantaged members within the community we operate in) and Community Development.

DIRECTORATE

Mrs Caroline Sandura	Chairman
Mr Barthlomoew Mswaka	Deputy Chairman
Mr Justin Bgoni	Chief Executive Officer
Mr Obert Ngwenya	Finance Director
Mr Benson Gasura	Non Executive Member
Mrs Maureen Rudo Svova	Non Executive Member
Mr Masimba Mudzungairi	Non Executive Member
Mrs Lindiwe Tirivanhu	Non Executive Member
Mr Markus de Klerk	Non Executive Member
*Mr Kholisani Moyo Member	(Retired)
**Mr Daniel Muchemwa Member	(Late)

*In line with the principles of good corporate governance that require periodic rotation of directors and board revitalisation, Mr Kholisani Moyo retired as a Director of the Board with effect from 30 June 2020 and Mr Muchemwa passed on in May 2020.

I would like to convey the Board's heartfelt appreciation to Mr Moyo and the late Mr Muchemwa for their dedication, professionalism, hard work and invaluable contribution to the Zimbabwe Stock Exchange.

OUTLOOK

With the improved agricultural season and expected positive economic growth in 2021, we anticipate a more positive business environment going forward. For the ZSE, the strategy is to focus on growing the initiatives that were launched in 2020.

Significant effort will be channelled towards growing listings on the VFEX, growing partnerships on ZSE Direct and strengthening the ZRM operations.

APPRECIATION

My sincere gratitude goes to our issuers and investors who remained resolute in 2020 despite the environmental pressure and the period during the trading suspension. I would also like to thank our shareholders, fellow Board members, management and staff for their continued support and commitment.

Our Regulator, the Securities and Exchange Commission and the Ministry of Finance have also been very supportive in our transformational journey. We hope the developmental relationship will continue, going forward.



Mrs C. Sandura
Chairman
27 July 2021



CHIEF EXECUTIVE OFFICER'S STATEMENT

Mr Justin Bgoni

INTRODUCTION

2020 marked a turning point for the Zimbabwe Stock Exchange as we began, in earnest, to implement the diversification strategy formulated in the previous year.

Given the one month trading suspension we encountered during the year, it became clear the need to develop other non-trading revenue sources for the business. To date we celebrate the launch of the Training Institute, the Victoria Falls Stock Exchange, ZSE Direct and Zimbabwe Receivables Marketplace (ZRM).

We also diversified our product offerings with the launch of the Old Mutual Exchange Traded Fund, which complements our strategy on growing retail investor participation on the ZSE.

ENVIRONMENTAL ANALYSIS

The environment was particularly challenging for the ZSE and can be summarised as follows:



ECONOMIC	REGULATORY	OTHER
<ul style="list-style-type: none">Negative economic growth in 2020Declining inflation - although inflation adjusted financials being reportedForeign currency auction - relative stability in exchangeTax incentives for VFEX	<ul style="list-style-type: none">Highlighted regulatory risk:<ul style="list-style-type: none">Fungibility suspension on Old Mutual and PPC extended for 12 months to March 2022Securities and Exchange Act amendments still to be finalisedCOVID-19 induced reporting extensions by listed companies	<ul style="list-style-type: none">COVID-19 pandemic:<ul style="list-style-type: none">Remote workingSocial distressTrade and supply chain disruptionsFarm improvements compensation agreementIncreased cyber risk



2020 OPERATIONS AND TRADING REVIEW

Inflation

The market saw annual inflation almost doubling from January to July 2020 recording an unprecedented 837.50% as at the end of July. However, as the monetary and fiscal reforms implemented took effect, there was a noticeable decline on inflation as it closed the year at 386.60%. ZSE recorded the highest returns in a single year in over a decade during the 2020 trading year. This was mostly attributed to increased demand for equities as investors continue to find refuge in the stock market against inflation risk.

The ZSE All share Index registered a significant 1,045.84% return to close the year at 2,636.34 points. The blue-chip index, the ZSE Top 10 Index recorded gains of 724.68% to close the year at 1,671.47 points.

Exchange Rate

During the year the government introduced the foreign exchange auction market system in June 2020 which resulted in improved price discovery. The official exchange rate, moved from ZWL\$25: US\$1 to around ZWL\$83: US\$1 and stabilized around the same level by year end.

Foreign investors divesting from the market were allowed to participate on the auction system and this increased hope for the market. We look forward to further increased allocation limits on portfolio investments on the auction system to boost the much needed confidence for the market.

The government implemented various regulation which created price stabilization and a gradual convergence of informal parallel and formal auction exchange rates.

Market closure

As inflation soared in June 2020 the market was closed from 26 June 2020 and was reopened on 3 August 2020. This resulted in the suspension of dual listed counters namely Old Mutual Plc, PPC Limited and Seedco International Limited. Fungibility of the shares remains suspended.

ZSE had a successful engagement with Seedco International Limited and migrated its listing to Victoria Falls Stock Exchange.

Old Mutual Plc and PPC Limited remain suspended and continuous engagement to have them transfer their listing to VFEX is still in progress.

Covid-19 Impact

The impact of Covid-19 was felt across the globe and the ZSE implemented measures in line with most industries and this included remotely working from home for most of its employees. Trading hours were reduced to comply with government health regulations to contain the Covid-19 impact.

The ZSE's resilience was on the back of increased infrastructure investment on the IT systems and upgrade of skills in the team.

Overall ZSE performance

Despite the challenges the ZSE's performance remained solid as value of trades increased by 754% compared to previous year to \$17.3 billion in 2020.

Market capitalisation grew by 968% to close the year at \$317 billion.



CHIEF EXECUTIVE OFFICER'S STATEMENT *(continued)*

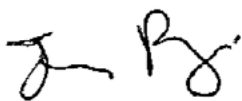
Projects review

In 2020 the ZSE embarked on a number of projects and registered significant milestones in transforming our organisation into a world class exchange. The progress report on each project is summarized below:

ZSE Training Institute Launch	<ul style="list-style-type: none">• The Training Institute was launched in February 2020• Trainers from within the organisation were employed, making the launch process much smoother
Launch of Receivables Trading Platform	<ul style="list-style-type: none">• Launched August 2020• The launch was premised on the back of acquisition of a trading system from NKU Technologies and the Joint Venture Agreement with Harare receivables Exchange
Launch of Victoria Falls Stock Exchange	<ul style="list-style-type: none">• Launched in October 2020• Support from Ministry of Finance and Economic Development, Reserve Bank of Zimbabwe Securities and Exchange Commission Of Zimbabwe and market participants made it possible to launch in record time
ZSE Direct	<ul style="list-style-type: none">• Launched August 2020• Currently improving system stability and reporting modules• Going forward, we plan to rollout ZSE Direct on banking and MNO digital platforms
ETF's	<ul style="list-style-type: none">• Old Mutual Top 10 ETF listed in January 2021• We need to work on reducing the transaction costs of ETF's
REITS	<ul style="list-style-type: none">• Regulation for REIT's published in Finance Act No.2 of 2020• Two pension funds working on listing REITs

Outlook

2021 has begun on a positive note in terms of trading performance on the ZSE but we still need to grow the VFEX and improve its liquidity. The strategy is to ensure we increase the listings on VFEX and also encourage market making on the market. We will also focus on growing ZRM in terms of adding financiers and buyers. ZRM represents the greatest potential in terms of diversifying the ZSE revenue from trading related business. We will also focus on continuing to lobby for favourable policies for the capital markets, key being the amendment of the Finance (No.2) Act of 2020 in order to remove limitations for pension funds on REITs.



Mr J. Bgoni
Chief Executive Officer
27 July 2021



STATEMENT OF CORPORATE GOVERNANCE

THE BOARD OF DIRECTORS

The Board of Directors is chaired by a non-executive director and comprises six other non-executive and two executive directors. The Board enjoys a strong mix of skills and experience which include finance, business, legal, economic and accountancy. The Board is the primary governance organ whose role is to determine overall policies, plans and strategies of the ZSE and to ensure that these are implemented ethically and professionally.

The Board meets regularly, at least four times a year, and guides corporate strategy, risk management practices, annual budgets and business plans. Special Board meetings may be convened on an ad-hoc basis when necessary, to consider issues requiring urgent attention or decision. The Company Secretary maintains an attendance register of Directors to all scheduled meetings during the year.



Mrs Caroline Sandura
Chairman and Non Executive Director



Mr Bartholomew Mswaka
Non Executive Deputy Chairman



Mrs Maureen Svova
Non-Executive Director

Caroline Sandura is a Barrister at Law of England and Wales and is a registered Legal Practitioner in Zimbabwe. She holds a Joint Honours Degree in Law and Politics from Keele University (UK). She joined the then Posts and Telecommunication Corporation until its transformation to TelOne (Private) Limited.

During this period she held several positions which include being Manager Legal and Regulatory Affairs, Manager Legal and International Affairs and Manager Legal and Public Relations. She is currently the Company Secretary and Legal Advisor for TelOne and is also responsible for the Corporate Communications portfolio.

Caroline Sandura has been and is currently a member of several Boards. Caroline was appointed to the ZSE Board in 2016.

Bartholomew Mswaka graduated in Economics in 1980 from the University of Zimbabwe. In 1981 Bart joined the staff of the Reserve Bank of Zimbabwe where he worked until 1989 when he left to join the Bank of Botswana as an expatriate manager. He left Botswana in 1996 and joined Fleming Martin Edwards (Edwards) as one of its managers. Bart left Edwards in 1999 to become the Managing Director of HSBC Securities (later to become ReNnaissance Securities).

Bart is a registered Stockbroker and is a former Chairman of the Zimbabwe Stock Exchange. He is currently the Chief Executive Officer of St Giles Medical Rehabilitation Centre. Mr Mswaka is a pension fund trustee and Chairman of Fintrust Pension Fund, Comarton Preservation Fund and the Comarton Managed Pension Funds Consortium. He also sits on the Boards of Untu Holdings Limited, CIMAS and Makera Cattle Company. Bart is the Patron for Pathway Primary School, a private school in Zengeza, Chitungwiza.

He was recently appointed Board Member and Chairman of Zimbabwe Asset Management Company (ZAMCO), a wholly owned subsidiary of the Reserve Bank of Zimbabwe.

Mrs Svova has more than 25 years' experience in finance and accountancy gained both in the profession and in industry. She is a results, detail oriented leader who is able to relate and interface easily at top executive levels having worked at senior executive level for the greater part of her working life.

She is an enthusiastic proponent of women and youth empowerment. She has previously been a director at Zimbabwe Power Company P/L, NMB Bank Limited, Destiny Electronics P/L (former Phillips Zimbabwe), Ambassador Insurance Brokers P/L and Trinidad Industries P/L.

She currently sits on the boards of the following companies: Genius Advisory Services, Zimbabwe Stock Exchange Limited, START Africa and Export Credit Guarantee Corporation.

THE BOARD OF DIRECTORS (continued)



Mr. Masimba Mudzungairi
Non-Executive Director

Masimba is the Director Audit Assurance and Advisory Services in the Ministry of Finance and Economic Development. Masimba has over 30 years' experience as an Accountant in various sectors of industry in Zimbabwe.

He holds a MSc Professional Accountancy Degree from the University of London and a BSc (Honors) Applied Accounting from Oxford Brookes University. Masimba is a member of ACCA and the Institute of Internal Auditors of Zimbabwe.



Mr Benson Gasura
Non-Executive Director

Benson is the Managing Director of FBC Securities (Private) Limited a brokerage subsidiary of a financial services group FBC Holdings.

He sits on several Board and Executive management committees within the FBC group. Ben is a registered stockbroker, former Chairman of the Stockbrokers Association of Zimbabwe, Chairman of TIB Insurance, former Chairman of the Institute of Directors Zimbabwe and a full member of the South African Institute of Financial Markets.

Benson is also a Counsellor at ZAPF and holds a Master of Science in Strategic Management and a Master's in Business Administration. Additionally he holds qualifications in Management, Risk, Banking and Business Leadership. He has been involved in financial services for over 10 years.



Mr Markus de Klerk
Non-Executive Director

Markus is a registered legal practitioner in Zimbabwe and has over 20 years' experience in commercial legal matters, corporate administration and the financial services sector in SADC.

His areas of expertise include Legal Counsel, Advisory Services, Debt and Equity Capital Financing, Structured Trade and Commodity Finance, Corporate Restructuring, Collateral Structuring and Credit Process Management, Mergers, Acquisitions and Securities.

Markus is currently the Managing Director of Imara Fiduciary (Private) Limited, a collateral and debenture trustee business. Before joining Imara he was legal counsel for Ecobank Zimbabwe whose parent company, Ecobank Transnational Incorporated, is listed in both Ghana and Nigeria. Prior to this he was Group Legal Counsel and Company Secretary for BancABC Limited, listed on both the BSE and ZSE.



THE BOARD OF DIRECTORS (continued)



Mrs Lindiwe Tirivanhu
Non-Executive Director

Lindiwe Tirivanhu is currently the Director of Debt, Recording and Settlement in the Ministry of Finance and Economic Development. As director she provides leadership and day-to-day management of the debt management functions, ensuring that these functions meet full legal requirements in each of the offices of the organisation and strives for bottom-line results. Before becoming Director in 2016, Lindiwe Tirivanhu was the Chief Accountant, a position she held for 8 years.

Lindiwe has over 35 years' experience in Government Sector finance and debt management. She holds a Masters in Business Administration and Bachelor of Commerce Accounting from Midlands State University. Lindiwe also has a Certificate in International Public Sector Accounting and Higher National Diploma in Accounting.



Mr Justin Bgoni
Chief Executive Officer

Justin is a Chartered Accountant with over 19 years of international experience in the financial and public sector. Justin holds amongst other qualifications a Bachelor of Accounting Science from the University of South Africa and a Master in Applied Finance from Victoria University of Wellington in New Zealand.

Some notable previous appointments include being a Management Consultant McKinsey Incorporated and Chief Financial Officer at New Zealand Stock Exchange.



Mr. Obert Ngwenya
Finance Director

Obert is the Finance Director of the ZSE Limited and Principal Officer of the Company's Pension Fund having joined the Company in July 2012. He is a Registered Public Accountant and a Fellow of the Association of Chartered Certified Accountants.

Prior to joining the ZSE Limited, Obert held senior financial and management accounting positions in three companies listed on the ZSE which had operations in financial services, insurance and hospitality sectors.

Obert also serves as a Director of Chengetedzai Depository Company Limited.

COMMITTEES OF THE BOARD

The Board of Directors of the Company has five (5) Board Committees which provide support to the work of the main Board namely;

1. Audit and Risk Committee
2. Listings Committee
3. Human Resources and Nominations Committee
4. Business Development and ICT Committee
5. Membership Committee

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is chaired by a Non-Executive Director and three other Non-Executive Directors. The Chief Executive Officer and Finance Director also sit on the committee as ex-officio members. The Committee meets quarterly and as and when there are urgent matters for its attention.

The Committee's brief includes reviewing the annual financial statements, financial control, the effectiveness of systems of governance, risk management and the adequacy and effectiveness of internal control systems.

The Committee formulates the organisation's investment strategy and policy and reviews the investment opportunities available to the company as well financing and capital structure of the company.

The Committee reviews the principles, policies and practices adopted in the preparation of the financial statements of the ZSE and assesses whether the financial statements of the ZSE and any formal announcement relating to the organization comply with statutory requirements. In addition, the Committee oversees the external audit process and is responsible for recommending the appointment of the external auditors as well as the remuneration of the external audit engagement. The external auditors are invited to attend the Committee's meetings.

The members of the Committee as at 31 December 2020 were:-

- Mrs M.R. Svova (Chairman)
- Mr B. Gasura
- Mr M. de Klerk
- Mrs L. Tirivanhu

LISTINGS COMMITTEE

The Listings Committee is chaired by an Independent Non-Executive Director and comprises Non-Executive Directors and external technical experts with experience in financial advisory services. The Chief Executive Officer, Executive in charge of Issuer Regulation and representatives of the Securities and Exchange Commission of Zimbabwe attend the meetings by invitation. The Listings Committee meets monthly and on an ad-hoc basis as necessary to make determinations pursuant to the ZSE Listing Requirements.

The members of the Committee as at 31 December 2020 were:-

- Mr B. Mswaka (Chairman)
- Mrs M.R. Svova
- Mr M. de Klerk
- Mr S. Shumba
- Mr R. Ndamba
- Mr M. Van Blerk

HUMAN RESOURCES AND NOMINATION COMMITTEE

The Human Resources and Nomination Committee determine the remuneration for the Executive Directors and other executive management. It also considers the composites of the Board and its committees and makes appropriate recommendations to the Board regarding the retirement, appointment and replacement of Directors. The Committee's brief includes reviewing human capital policies, performance measurement, reviewing and approval of staff remuneration and conditions of service. The members of the Committee as at 31 December 2020 were:-

- Mrs. C. Sandura (Chairman)
- Mr. B. Mswaka
- Mr. B. Gasura

BUSINESS DEVELOPMENT AND ICT COMMITTEE

The Committee's role is to assess and oversee the organisation's capacity to operate an efficient ICT infrastructure that supports business objectives and operate an efficient Business Development Unit that is assessing new business opportunities to develop income streams outside the traditional markets.

The Committee also provides oversight of ZSE's business development activities, annually review ZSE's business development performance to ensure that business development activities are aligned to the ZSE's mission and vision, strategic priorities and meet key performance metrics established for the business.

The members of the Committee as at 31 December 2020 were:-

- Mr. M. Mudzungayiri (Chairman)
- Mr. B. Gasura
- Mr. M. de Klerk

MEMBERSHIP COMMITTEE

The Committee's broad role is to regulate Membership issues; determine the fees, levies, penalties and subscriptions for ZSE Members and Non-Member Institutions.

The Committee prescribes the general conduct of the ZSE Members and also establishes members' complaints and grievance handling procedures.

The members of the Committee as at 31 December 2020 were:-

- Mr. B. Gasura (Chairman)
- Mrs. C. Sandura
- Mr. M. Mudzungairi

STATEMENT OF CORPORATE GOVERNANCE (*continued*)

COMMITTEES OF THE BOARD (*continued*)

BOARD ATTENDANCE DURING 2020

NAME	BOARD MEETINGS No. of Meetings (6)	AUDIT & RISK No. of Meetings (9)	MEMBERSHIP No. of Meetings (1)	LISTINGS COMMITTEE No. of Meetings (5)	HUMAN RESOURCES No. of Meetings (5)	BUSINESS DEV & ICT No. of Meetings (2)
C. Sandura	6		1		5	
B. Mswaka	6			5	4	
B. Gasura	5	7	1		4	1
M. de Klerk	4	7		4		2
**K. Moyo	2					
*D. Muchemwa		1				
M.R. Svova	6	9		5		
***L. Tirivanhu	2	3				
***M. Mudzungayiri	2		1			1

KEY

*The Board Member was ill and passed on in May 2020

**Member's term expired on 30 June 2020

*** Members were appointed on 21 July 2020

EXECUTIVE COMMITTEE (EXCO)

This committee is made up of ZSE senior management and its role is to implement the ZSE strategy and also oversee day to day operations of the Exchange. It recommends strategic initiatives and changes of the strategy to the Board in line with developments in the business environment.

The Committee meets on a weekly basis and its members as at 31 December 2020 were:-

- Mr. Justin Bgoni (Chairman)
- Mr. Obert Ngwenya
- Mr. Lyndon Nkomo
- Mr. Robert Mubaiwa
- Mr. Anymore Taruvinga
- Mr. Irvine Sithole

EXECUTIVE COMMITTEE (EXCO)



Mr. Justin Bgoni
Chief Executive Officer

Justin is a Chartered Accountant with over 19 years of international experience in the financial and public sector. Justin holds amongst other qualifications a Bachelor of Accounting Science from the University of South Africa and a Master in Applied Finance from Victoria University of Wellington in New Zealand.

Some notable previous appointments include being a Management Consultant McKinsey Incorporated and Chief Financial Officer at New Zealand Stock Exchange.



Mr. Obert Ngwenya
Finance Director

Obert is the Finance Director of the ZSE Limited and Principal Officer of the Company's Pension Fund having joined the Company in July 2012. He is a Registered Public Accountant and a Fellow of the Association of Chartered Certified Accountants.

Prior to joining the ZSE Limited, Obert held senior financial and management accounting positions in three companies listed on the ZSE which had operations in financial services, insurance and hospitality sectors.

Obert also serves as a Director of Chengetedzai Depository Company Limited.



Mr. Lyndon Nkomo
Company Secretary and Head of Legal, Compliance and Issuer Regulation

Lyndon holds a Bachelor of Laws (Honours) (LLB) (Hons)) degree from the University of Zimbabwe, a Master of Laws (LLM) (Communications Laws) degree from the University of the Witwatersrand, Johannesburg, South Africa and a Master of Business Administration (MBA) degree from the University of Zimbabwe.

He is a registered Legal Practitioner, Notary Public and Conveyancer. Lyndon has over two decades of legal experience in both private practice and the corporate sector. He also chairs and sits on a number of Boards including those of Not for Profit Organisations like Deaf Zimbabwe Trust and the Marketers Association of Zimbabwe.



EXECUTIVE COMMITTEE (EXCO) (continued)



Mr. Anymore Taruvinga
Head of Business Development

Anymore is a CFA Charter holder with over ten years' experience in the Zimbabwean financial services sector. He joined the ZSE in 2014 and has been instrumental in spearheading product diversification (debt, market data services and specialist securities). Before joining the ZSE, Anymore worked in various capacities in the banking and capital markets including Treasury Dealing (Afrasia Bank Zimbabwe), Group Equities Analyst (Kingdom Financial Holdings) and Investment Analyst and Trainee Equities Dealer (MMC Capital).



Mr. Robert Mubaiwa
Head of Trading

Robert holds a BSc in Applied Accounting from Oxford Brookes University, UK and is a Fellow of the Association of Chartered Certified Accountants, Registered Public Accountant and member of the Public Accountants and Auditors Board of Zimbabwe. Robert has over 15 years in Capital Markets and Insurance. Robert joined ZSE as Trading Manager in May 2008.

Robert was instrumental in the automation of the ZSE in 2015, debt market framework and the operationalization of Victoria Falls Stock Exchange in 2020. He is responsible for trading, central securities depository services and surveillance of listed securities on the VFEX and ZSE. Prior to joining ZSE he was Account Executive at Marsh Insurance Brokers Zimbabwe and Capitol Insurance Brokers. He was responsible for underwriting short term insurance business and claims management and accounting.



Mr. Irvine Sithole
Head of Information Communication and Technology

Irvine holds a MSc Information Systems Management and a BSc Information Systems (Hons) from Midlands State University. Irvine holds numerous certifications and accreditation from internationally recognised ICT institutions namely Cisco, CompTIA, EXIN Axelos, ICSI and Microsoft which includes security certifications.

Irvine was instrumental on the Automated Trading project as well as the Debt Market project. Prior to joining ZSE, Irvine worked as a Senior Systems Administrator with National Blood Service Zimbabwe as well as a consultant with Digitron Business Systems.

As part of its risk management procedures, the Zimbabwe Stock Exchange Limited has developed risk management and internal control systems whose outputs are risk mitigation activities and risk communication strategies. Risk management is carried out by the Legal and Compliance Department under policies approved by the Board of Directors.

Risks influencing the environment in which the Exchange operates are described below:

Operational Risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems.

Operational risks are those risks of non-speculative nature with no potential of showing a profit. The objective of operational risk management is therefore to mitigate the downside impact of these risks as far as possible, thereby ensuring the optimal application and protection of physical assets, while ensuring the continuity of the Exchange's business.

The Board accepts overall responsibility of day to day management of operational risk delegated to management of the ZSE.

Risk management controls are in place to lower the probability of operational risk occurring and the impact thereof.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the ZSE. The Exchange's exposure and the credit ratings of its counterparties are continuously monitored and credit exposure is controlled by counterparty limits that are reviewed and approved regularly by the Audit and Risk Committee.

Financial assets, which potentially subject the ZSE to concentrations of credit risk, consist principally of cash, and short-term trade. There is no significant concentration of credit risk with respect to cash and cash equivalents as the ZSE holds cash accounts with large financial institutions with sound financial and capital cover.

Liquidity Risk

Liquidity risk is defined as the risk that the Exchange will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Exchange might be unable to meet its payment obligations when they fall due under both normal and stress circumstances. The Exchange has developed internal processes and contingency plans for managing liquidity risk. The Exchange also maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption of cash flow. The Exchange's liquidity risk profile is disclosed in this annual report.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash inflows of financial instruments will fluctuate because of changes in market interest rates. The Exchange invests in money market instruments which are subject to changes in interest rates. Interest on floating instruments is re-priced at intervals of less than one year. Interest on fixed interest rate instruments is priced at inception of the financial instruments and is fixed until maturity. The Exchange's policy is to adopt a non-speculative approach to managing interest rate risk and to only invest in instruments that are approved by the Audit and Risk Committee of the Board of Directors. The Exchange's interest rate sensitivity is disclosed in this annual report.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates as well as the availability of foreign currency in the market. ZSE's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (given the Group's foreign obligations arising from the import bill). ZSE limits exposure to exchange rate fluctuations by either pre-paying for purchases or procuring goods from the local market. ZSE's exposure to the risk of unavailability of foreign currency relates primarily to challenges in accessing the foreign currency to settle foreign currency denominated liabilities and when available, the price at which the foreign currency will be purchased at in RTGS currency which can result in significant exchange losses.

Capital Risk

The Exchange monitors its capital on the basis of the capital adequacy as stipulated in Statutory Instrument 100 of Securities (Registration, Licensing and Corporate Governance) Rules, 2010 with the objective of ensuring that the ZSE continues as a going concern in order to provide returns to proprietary holders and benefits to other stakeholders.

Fair Value Risk

The Board of Directors are of the opinion that the carrying value of financial instruments carried at cost or amortised cost approximates fair value due to the short term nature of these investments. The fair value hierarchy of all financial instruments is disclosed in this annual report.

Legal Risk

This is the risk that a transaction or contract cannot be consummated due to a legal barrier such as regulatory prohibition on a specific counterparty and the non-enforceability of contracts and inadequate documentation. The Chief Executive Officer is responsible for addressing this risk and in conjunction with external legal counsel attends to managing this risk.

Price Risk

Price risk refers to a probable decline in the value of a security or a portfolio. The ZSE is currently exposed to equity price risk and this is managed through determination of an exit strategy.



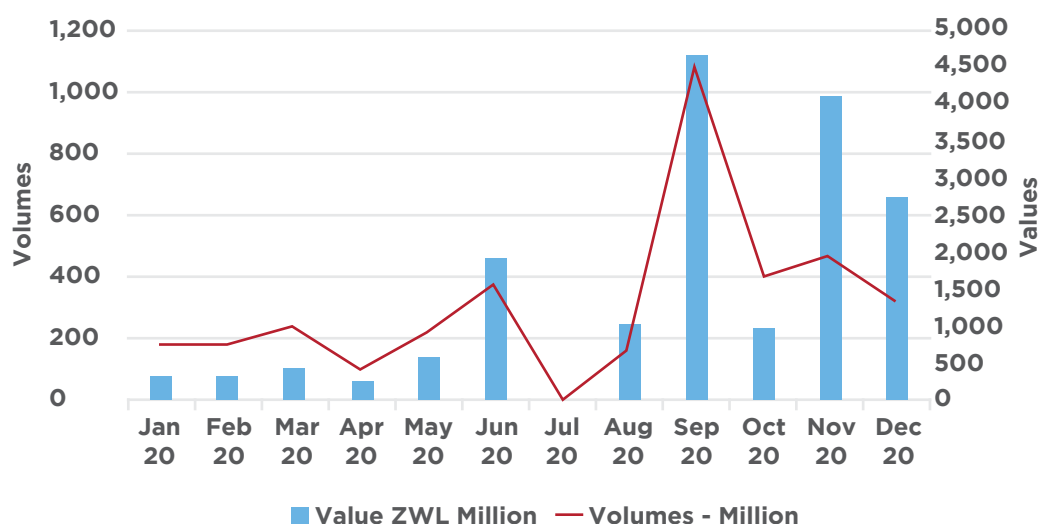
TURNOVER AND VOLUME FIGURES

As inflation soared in June 2020 the market was closed from 26 June 2020 and reopened on 3 August 2020. The closure of the market resulted in the suspension of three dual listed counters that include Old Mutual Plc, PPC Limited and Seedco International Limited. The engagements conducted by ZSE resulted in the migration of SeedCo International Limited's listing to Victoria Falls Stock Exchange. Old Mutual PLC and PPC Limited still remain suspended, however the ZSE is still in continuous engagements with the two issuers for them to transfer their listing to VFEX.

Despite these challenges, the ZSE's performance remains solid as value of trades increased by 754% compared to previous year to \$17.3 billion in 2020.

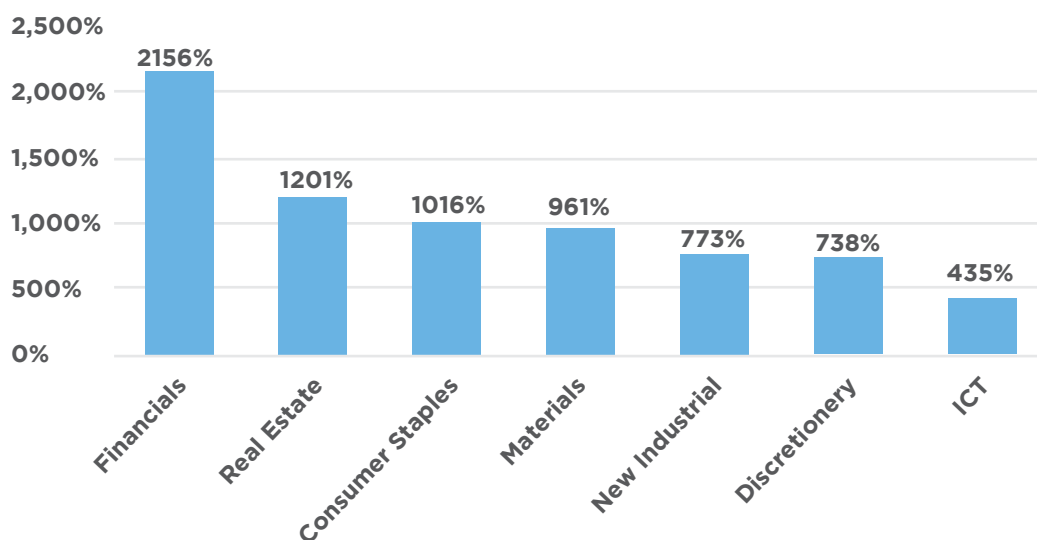
Market capitalisation grew by 968% to close the year at \$317 billion.

VALUES AND VOLUMES - 2020



VALUE OF SHARES TRADED 1 JAN 2020 - 31 DEC 2020

SECTORIAL INDEX GAIN/LOSS - 2020

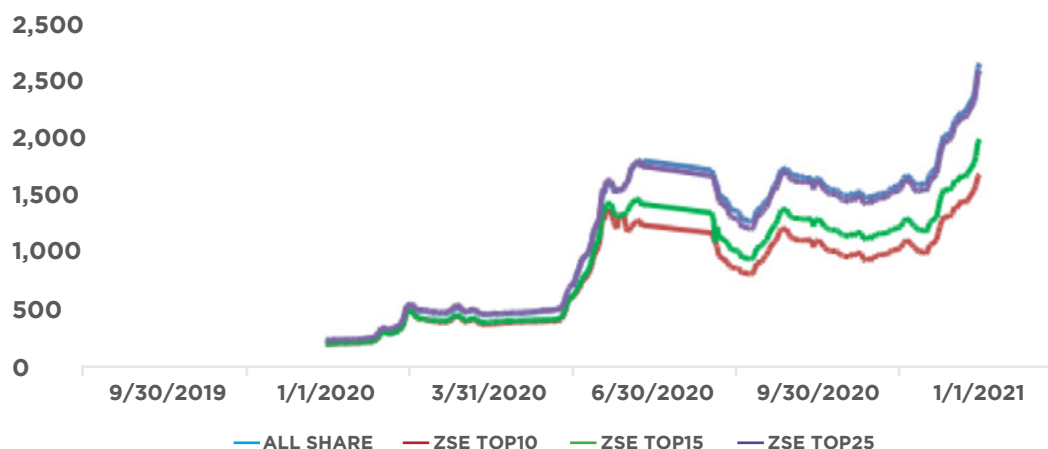


OPERATIONS REPORT *(continued)*

TURNOVER AND VOLUME FIGURES *(continued)*

VALUE OF SHARES TRADED 1 JAN 2020 - 31 DEC 2020 *(continued)*

ZSE INDEX PERFORMANCE - 2020



LISTINGS

There were no new listings in 2020. The Old Mutual ZSE Top 10 Exchange Traded Fund (ETF) was however listed on 4 January 2021.

DE-LISTINGS

Seed Co international limited delisted from the ZSE on 23 October 2020 to list on the Victoria Falls Stock Exchange. The following companies also delisted from the ZSE;

COUNTER	DATE SUSPENDED	DATE DELISTED
Falcon Gold Zimbabwe Limited	5 February 2019	10 November 2020
Zimre Properties Limited		10 November 2020
Powerspeed Electrical Limited		18 December 2020
Dawn Properties Limited		16 February 2021

SUSPENSIONS

On 28 June 2020, Government suspended trading on the ZSE for all counters and the suspension was lifted on 3 August 2020 except for the following counters:

- Old Mutual Limited
- Pretoria Portland Cement Limited
- Seed Co International Limited (SCIL delisted from ZSE on 23 October 2020 and listed on the VFEX on 26 October 2020)

RECAPITALISATION/CORPORATE ACTIONS

Name of Company:	Edgars Stores Limited
Transaction:	Renounceable Rights Issue
Record Date:	19 June 2020
Opening Date:	23 June 2020
Closing Date:	21 August 2020
Underwriter/Partners:	Annunaki Investments Pvt Limited
Amount Raised:	ZWL\$ 70 million
Subscription Price:	ZWL\$ 0.2548
Ratio - New : Existing:	5 (new) : 6 (existing)
Number of Shares Issued:	274,745,630
Percentage Subscription:	53%
Shares taken by underwriters:	47%

Role of the Zimbabwe Stock Exchange

The roles of the ZSE include:

- Facilitating raising of long term capital for companies, Government and semi Governmental institutions
- Providing a regulated platform for secondary market buying and selling of securities
- Provision of information such as historical financials, securities prices and market reports
- Regulating stockbrokers, market makers and security issuers.



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Twitter: @ZSE_ZW

LinkedIn: Zimbabwe Stock Exchange

Website: www.zse.co.zw

STATEMENT OF DIRECTOR'S RESPONSIBILITY

Responsibilities of Management and those charged with governance for the financial statements for the year ended 31 December 2020.

Responsibility

It is the Directors' responsibility to ensure that the financial statements fairly present the state of affairs of the Group. The external auditors are responsible for independently reviewing and reporting on the financial statements.

The Directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

The financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

While full compliance with International Financial Reporting Standards has been possible in previous periods, only partial compliance has been achieved for the year ended 31 December 2020. This is because for the period 1 October 2018 to 22 February 2019 it was not possible to comply with the requirements of International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange rates" thereby affecting the opening balances for the current period.

IFRS Conceptual Framework requires that in applying fair presentation of financial statements, entities should go beyond the consideration of the legal form of transactions and any other factors that could have an impact on them. IAS 21 requires an entity to apply certain parameters in determining the functional currency of an entity for use in the preparation of its financial statements. This standard also requires an entity to make certain judgements, where applicable, regarding appropriate exchange rates between currencies where exchangeability through a legal and market exchange mechanism is not achievable.

In the opinion of the Directors, the requirement to comply with Statutory Instrument (S.I) 33 of 2019 created inconsistencies with IAS 21, as well as the principles embedded in the IFRS Conceptual Framework. This has resulted in the non-compliance with IFRS that emanates from the carry over impact of the inability to comply with IAS 21 in 2019 because of the issuance of Statutory Instrument 33 of 2019, which deviates from that which would have been applied if the Group had been able to fully comply with IFRS.

The Group's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the Directors have been addressed and the Directors confirm that the system of accounting and internal control is operating in a satisfactory manner.

The Group's financial statements which are set out on pages 40 to 60 were, in accordance with their responsibilities, approved by the Board of Directors on 21 June 2021 and are signed on its behalf by:

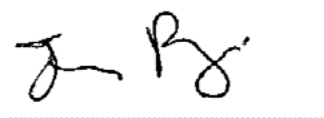


Mrs. C. Sandura
Chairman



Mr. J. Bgoni
Chief Executive Officer

These financial statements were prepared under the supervision of:



Mr. J. Bgoni
Registered Public Accountant
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

Grant Thornton

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To the members of Zimbabwe Stock Exchange Limited and its subsidiaries

Report on the Audit of the Consolidated Financial Statements

Adverse Opinion

We have audited the financial statements of Zimbabwe Stock Exchange Limited and its subsidiaries set out on pages 40 to 60, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant Group accounting policies.

In our opinion, because of the significance of the matters described in the *Basis for Adverse Opinion* section of our report, the consolidated financial statements do not present fairly, in all material respects, the financial position of Zimbabwe Stock Exchange Limited and its subsidiaries as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Adverse Opinion***Non-compliance with International Accounting Standard (IAS) 21 - The Effect of Changes in Foreign Exchange Rates***

On 1 October 2018, the Reserve Bank of Zimbabwe (RBZ) issued a Monetary Policy Statement which directed banks to separate bank accounts into Real Time Gross Settlement Foreign Currency Accounts (RTGS FCAs) and Nostro FCAs. During the prior financial year up to 22 February 2019, the Group transacted using a combination of Nostro FCA (USD) and RTGS FCA (electronic payments), including mobile money, bond notes and coins. In terms of IAS 21, these would be considered separate currencies requiring translation to the functional and presentation currency at appropriate exchange rates.

In order to comply with SI 33/2019, the RTGS transactions for period 1 January 2019 to 22 February 2019 were accounted for on the basis of a rate of 1:1 between USD and RTGS. The Group changed the functional currency on 22 February 2019 in compliance with legislation. This was not consistent with IAS 21, in which compliance would have resulted in the reassessment of the functional currency at a date earlier than 22 February 2019.

In addition, during the period 22 February 2019 to 31 December 2020, the foreign currency denominated transactions and balances were translated into ZWL using the official interbank exchange rate which is not considered an appropriate spot rate for translations as required by IAS 21. The opinion on the prior year financial statements was modified in respect of this matter and the misstatements have not been corrected in the financial statements for the year ended 31 December 2020.

Had the consolidated financial statements been prepared in accordance with the requirements of IAS 21, many elements would have been materially affected. As a result, the impact of the Group's inability to comply with IAS 21 has been determined as significant. The effects on the consolidated financial statements of the non-compliance with IAS 21 are considered material and pervasive to the financial statements, taken as a whole.

INDEPENDENT AUDITORS' REPORT (continued)

Non-compliance with International Accounting Standard (IAS) 29 – Financial Reporting in Hyperinflationary Economies

The Directors have applied the IAS 29 – Financial Reporting in Hyperinflationary Economies with effect from 1 January 2019 to 31 December 2020. However, its application was based on prior and current year's financial information which was not in compliance with IAS 21 as described above. Had the correct base numbers been used, most elements of the consolidated financial statements would have been materially different. The impact of the departure from the requirements of these standards is considered material and pervasive to the consolidated financial statements.

Emphasis of Matter

We draw attention to **Note 25** of these consolidated financial statements which describe the uncertainties relating to the possible effects of the COVID-19 pandemic on the Group's operations. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming the opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the consolidated financial statements.

Areas of focus	How our audit addressed the key audit matter
Valuation of unquoted financial assets held at fair value. <ul style="list-style-type: none">The Group holds unquoted investments which are carried at fair value through other comprehensive income (OCI) and are classified as level 3 financial instruments in the fair value hierarchy.As at 31 December 2020 the fair value of these unquoted investments amount to ZWL 11 444 501.The valuation of the Group's unquoted financial assets held at fair value was a key area of audit focus due to the significance of the amount and complexity involved in the valuation process.Valuation techniques for these underlying investments can be subjective in nature and require significant management estimates including financial forecasts, discount factors, growth rates and market multiples amongst others. The actual results could therefore differ from these estimates.	<ul style="list-style-type: none">We assessed the design and operating effectiveness of the Group's key controls supporting the identification, measurement, and oversight of valuation risk of financial assets.For the more judgemental valuations, which depend on unobservable inputs, we evaluated the assumptions, methodologies and models used by the Group.Challenged key judgements by management with reference to historical trends, our own expectations based on management's strategic plans and our industry knowledge.In addition, we reviewed the appropriateness of disclosures provided in accordance with IFRS 9: Financial Instruments.

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' responsibility for financial reporting', 'historical cost information' and 'Group statements', which we obtained prior to the date of this auditor's report, and the other reports which are expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Directors for the Financial Statements

Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the relevant statutory instruments (SI33/99 and SI62/96) and for such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT (*continued*)

Responsibilities of Directors for the Financial Statements (*continued*)

In preparing the financial statements, Directors are responsible for assessing the Group'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 Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

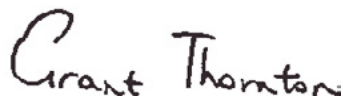
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 business activities within the Group to express an opinion on the 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 those charged with governance 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.

Report on other legal and regulatory requirements

In our opinion, except for the effects of the matters described in the *Basis of Adverse Opinion* section of our audit report, the consolidated financial statements have been properly prepared, in all material respects, in accordance with the accounting policies and comply with the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the relevant Statutory Instruments.

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



Farai Chibisa

Partner

Registered Public Auditor (PAAB No: 0547)

Grant Thornton

Chartered Accountants (Zimbabwe)

Registered Public Auditors

HARARE

7 July 2021

ZSE Training Portal

The ZSE Training portal is a user friendly, online educational platform that promotes financial education through the various investment resources available on the portal.

Services available on the portal include:

- Free Investment 101 Course
- Glossary for Capital Market Terms
- Upcoming Events and Training



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Twitter: [@ZSE_ZW](#)

LinkedIn: [Zimbabwe Stock Exchange](#)

Website: www.zse.co.zw

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
ASSETS					
Non-current assets					
Property and equipment	4	93 028 492	60 684 898	90 261 536	11 169 657
Intangible assets	5	84 843 278	7 814 987	77 490 014	186 626
Unquoted investments	6	11 072 862	17 995 838	11 072 862	4 011 720
Investment in Joint venture	8.1	1 012 248	-	904 324	-
		189 956 880	86 495 723	179 728 736	15 368 003
Current assets					
Financial assets at fair value through profit or loss	9	5 743 588	13 826 038	5 743 588	3 082 433
Trade and other receivables	10	3 612 597	3 099 075	3 612 597	690 861
Cash and cash equivalents	11	12 474 904	2 405 716	12 474 904	536 294
Income tax refundable	20	-	-	-	22 691
		21 831 089	19 330 829	21 831 089	4 332 279
Total assets		211 787 969	105 826 552	201 559 825	19 700 282
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	12	27 857	27 857	1 000	1 000
Share premium	12	1 970 570	1 970 570	70 739	70 739
Non-distributable reserve	13.1	2 173 330	2 173 330	77 981	77 981
Revaluation reserve	13.2	88 048 712	-	132 931 477	9 091 014
Mark to market reserve		8 575 593	8 575 593	10 667 573	3 606 431
Retained earnings		60 171 287	65 767 649	7 571 057	3 087 671
Total equity		160 967 349	78 514 999	151 319 827	15 934 836
Non-current liabilities					
Deferred tax liability	7	6 126 663	7 596 223	5 546 041	235 592
Current liabilities					
Trade and other payables	15	15 168 400	14 333 980	15 168 400	3 195 401
Bank overdraft	11	2 154	1 450 152	2 154	323 275
Short term borrowings	14	28 500 000	50 142	28 500 000	11 178
Income tax payable	20	1 023 403	3 881 056	1 023 403	-
Total liabilities		44 693 957	19 715 330	44 693 957	3 529 854
Total equity and liabilities		50 820 620	27 311 553	50 239 998	3 765 446
		211 787 969	105 826 552	201 559 825	19 700 282

Mrs. C. Sandura
Chairman

Mr. J. Bgoni
Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2020

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
INCOME					
Revenue	16	123 426 037	116 496 272	57 415 403	7 120 951
Fair value gain on financial instruments	9	(18 063 773)	34 434 011	8 455 660	2 672 152
Other income	17	2 087 530	3 675 857	1 549 485	371 997
Total income		107 449 794	154 606 140	67 420 548	10 165 100
EXPENDITURE					
Staff costs	18.1	40 050 262	30 336 708	25 915 940	2 482 434
Other operating costs	18.2	48 109 754	62 732 574	32 033 042	6 261 847
Depreciation and amortisation	18.3	11 502 970	6 729 263	2 588 261	497 590
Fair value loss on unquoted investment	6	6 922 976	-	-	-
Total expenses		106 585 962	99 798 545	60 537 243	9 241 871
Operating profit		863 832	54 807 595	6 883 305	923 229
Finance income	19.1	89 245	376 491	49 088	24 049
Finance costs	19.2	(1 050 448)	(3 655 909)	(196 528)	(193 927)
Share of loss from associate		(669 130)	-	(300 959)	-
Monetary loss		(1 774 687)	(35 312 896)	-	-
(Loss) / Profit before tax		(2 541 188)	16 215 281	6 434 906	753 351
Income tax (expense)/credit	20	(3 055 174)	(3 982 844)	(1 951 520)	490 243
(Loss)/profit for the year		(5 596 362)	12 232 437	4 483 386	1 243 594
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Gain on property revaluation, net of tax		88 048 712	-	123 840 463	9 091 014
Fair value adjustments on unquoted investment	6	-	8 575 593	7 061 142	3 606 431
Total comprehensive income for the year		82 452 350	20 808 030	135 384 991	13 941 039
Earnings per share					
Number of shares in issue		102 704	102 704	102 704	102 704
Basic and diluted (ZWL\$ per share)		(54.49)	119.10	43.65	12.11



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2020

INFLATION ADJUSTED

	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Non- distributable reserve ZWL	Mark to money reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2019	27 857	1 970 570	-	2 173 330	-	58 971 155	63 142 912
Dividends paid	-	-	-	-	-	(5 435 943)	(5 435 943)
Total comprehensive income for the year	-	-	-	-	8 575 593	12 232 437	20 808 030
Balance at 31 December 2019	27 857	1 970 570	-	2 173 330	8 575 593	65 767 649	78 514 999
Total comprehensive income for the year	-	-	88 048 712	-	-	(5 596 362)	82 452 350
Balance at 31 December 2020	27 857	1 970 570	88 048 712	2 173 330	8 575 593	60 171 287	160 967 349

HISTORICAL COST

	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Non- distributable reserve ZWL	Mark to money reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2019	1 000	70 739	-	77 981	-	2 039 215	2 188 935
Dividends paid	-	-	-	-	-	(195 138)	(195 138)
Total comprehensive income for the year	-	-	9 091 014	-	3 606 431	1 243 594	13 941 039
Balance at 31 December 2019	1 000	70 739	9 091 014	77 981	3 606 431	3 087 671	15 934 836
Total comprehensive income for the year	-	-	123 840 463	-	7 061 142	4 483 386	135 384 991
Balance at 31 December 2020	1 000	70 739	132 931 477	77 981	10 667 573	7 571 057	151 319 827

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/operating profit		(2 541 188)	16 215 281	6 883 305	923 229
Adjustments for:					
Depreciation and amortisation	18.3	11 502 970	6 729 263	2 588 261	497 590
Profit on disposal of property, plant and equipment	17	(851 091)	(1 967 003)	(592 875)	(199 061)
Loss from associate		669 130	-	300 959	-
Finance income	19.1	(89 245)	(376 491)	(49 088)	(24 049)
Finance costs	19.2	1 050 448	3 655 909	196 528	193 927
Monetary loss		(1 774 687)	(35 312 896)	-	-
Fair value gain on financial instruments	9	18 063 773	(34 434 011)	(8 455 660)	(2 672 152)
Allowance for credit losses	18.2	-	170 143	-	16 983
Operating profit before working capital changes		26 030 110	(45 319 805)	423 031	(1 433 411)
Changes in working capital					
Increase in trade and other receivables		(513 522)	4 848 032	(2 921 736)	(419 826)
(Decrease)/increase in trade and other payables		834 420	8 930 048	11 972 999	2 920 172
Income taxes paid	20	(307 881)	(1 287 909)	(307 881)	(65 270)
Net cash flows generated from operating activities		26 043 127	(32 829 634)	9 166 413	1 001 665
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to property and equipment	4	(18 201 700)	(10 263 690)	(13 931 341)	(815 320)
Investment in joint ventures	8	(1 681 378)	-	(1 205 283)	-
Purchase of intangible assets	5	(17 639 384)	(928 950)	(16 510 232)	(64 800)
Proceeds from disposal of financial instruments		19 164 667	65 678 091	12 702 412	4 464 465
Proceeds from disposal of property and equipment		860 815	2 004 953	604 287	207 522
Purchase of financial instruments		(29 145 990)	(13 020 816)	(6 907 907)	(2 836 161)
Interest income received		83 929	376 490	49 088	24 049
Net cash flows utilised in investing activities		(46 559 041)	43 846 078	(25 198 976)	979 755
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of loans		-	(41 785 375)	-	(1 500 000)
Short-term borrowings		28 500 000	-	28 500 000	-
Dividend paid		-	(5 435 943)	-	(195 138)
Finance costs paid		(1 050 448)	(3 655 909)	(207 706)	(199 894)
Net cash flows utilised in financing activities		27 449 552	(50 877 227)	28 292 294	(1895 032)
Net (decrease)/increase in cash and cash equivalents		6 933 638	(39 860 783)	12 259 731	86 388
Cash and cash equivalents at beginning of the year		955 564	3 527 547	213 019	126 631
Effects of inflation for opening balances of monetary items		4 583 548	37 288 800	-	-
Cash and cash equivalents at end of year	11	12 472 750	955 564	12 472 750	213 019



GROUP STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 December 2020

1. General Information

1.1. Nature of business and incorporation

The Zimbabwe Stock Exchange Limited (the "Group") was incorporated on 31 December 2014 (No. 10653/2014) and domiciled in Zimbabwe and is registered under the Companies and Other Business Entities Act (Chapter 24:31). The principal nature of business of the Group is to operate a Stock Exchange. The address of its registered office is 44 Ridgeway North, Highlands, Harare. The Companies Act and Other Business Entities Act (Chapter 24:31) provides the governance framework, capital structure and financial reporting requirements and obligations.

2. Significant Accounting Policies

2.1 Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), except for non-compliance with International Accounting Standard ("IAS") 21.

The consolidated financial statements have been prepared under the current cost basis as per the provisions of IAS 29 "Financial Reporting in Hyper-inflationary Economies". The local accounting regulatory board, Public Accountants and Auditors Board (PAAB) proclaimed all financial periods after 1 July 2019 to be reported under the hyper-inflation accounting basis. Therefore, the primary financial statements of the Group are inflation adjusted and historical numbers have been provided as supplementary information.

The Consumer Price Indices (CPIs) were obtained from the Reserve Bank of Zimbabwe website, as supplied by the Zimbabwe Central Statistical Office. The Consumer Price Indices adopted are as follows:-

YEAR ENDED	CONVERSION FACTORS	CPI INDICES
31 Decemeber 2018	27.87	88.8
31 Decemeber 2019	4.49	551.6
31 Decemeber 2020	1	2474.5

(b) Functional and presentation currency

These financial statements are presented in Zimbabwe Dollars (ZWL), which is the Group's functional and presentation currency and all values are rounded to the nearest dollar, except when otherwise indicated.

(c) New standards, interpretations and amendments not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of the issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would in terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Property, Plant and Equipment: Proceeds before intended use

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before intended use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

GROUP STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 December 2020 (*continued*)

2. Significant Accounting Policies (*continued*)

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 9 Financial Instruments - Fees in the “10%” test for derecognition of financial liabilities

As part of its 2018 - 2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

2.2 Investment in associates and joint ventures

The investment in Joint Ventures and Associate are measured using equity accounting.

2.3 Property and equipment

Recognition and measurement

All items of property and equipment are shown at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition 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 can be measured reliably. Repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred. Land is carried at cost. No depreciation is provided on land or capital work-in-progress. Depreciation commences when the asset is available for use. Depreciation on Buildings and Automated Trading System (ATS) Hardware (Computer Equipment) is calculated using the straight line basis over the estimated useful lives. Other assets are depreciated using the reducing balance method to allocate the cost over the assets' estimated useful lives. The estimated useful lives are as follows:

Buildings	50 years
Furniture, fittings and equipment	10 years
Computer equipment	3 to 5 years
Motor vehicles	4 years

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate. The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in full.

An item of Property and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of equipment are determined as the difference between the sales proceeds and the carrying amount of the asset at the date of disposal and taken into account in determining operating profit.

2.4 Revaluation policy

The directors also apply significant judgment, estimates and assumptions on carrying out the revaluation of property, plant and equipment and intangible assets in line with the policy on revaluation. The directors engage a professional valuer to perform an independent valuation.

In the current year, due to the distortions in the property market and lack of market trends, the valuers have provided a caveat around the use of the valuation.



GROUP STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 December 2020 (*continued*)

2. Significant Accounting Policies (*continued*)

2.5 Intangible assets

Intangible assets acquired separately are initially measured and recognised at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged to profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and are assessed for impairment whenever there is an indication that the intangible assets are impaired. The amortisation expense and impairment losses on intangible assets are recognised in profit or loss in the period in which they occur.

ATS Software is amortised over a period of 5 years

Intangible assets are amortised over a period of 5 years, but are tested for impairment annually. Gains or losses arising from de-recognition or disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised or disposed.

2.6 Provisions

Provisions are recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

2.7 Prepayments

Prepayments are stated at cost less amortised amounts. Prepayments are amortised to income by the straight-line method or according to performance of the underlying transaction.

2.8 Employee benefits

Employee benefits are all forms of consideration given by the Group in exchange for services rendered by employees.

Pension Obligations

The Group operates a defined contribution pension plan and it also participates in the National Social Security Authority ("NSSA") statutory defined contribution pension plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group's contributions to the pension plan are charged to the profit or loss in the period to which the contributions relate.

Other short-term benefits

Other short-term benefits provided include staff membership of various medical aid societies.

2.9 Income tax

Income tax recognised in profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes, unless the deferred tax liability arises from:

- Taxable temporary differences arising on initial recognition of Goodwill; or
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to affect current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

GROUP STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 December 2020 (*continued*)

2. Significant Accounting Policies (*continued*)

2.9 Income tax (*continued*)

Deferred tax is calculated based on the tax rates that are expected to apply to the temporary difference when the asset or liability is settled. The effect on deferred tax of any changes in tax rates is charged to profit or loss, except to the extent that it relates to items previously charged or credited directly to equity or other comprehensive income.

2.10 Revenue

The Group recognises revenue as and when it satisfies a performance obligation by transferring control of a product or service to a customer. The amount of revenue recognised is the amount the Group expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax.

Transaction levy income is based on a percentage of the value of shares traded and is recognised on the dates of the transactions.

Initial listing income is recognised in the year in which the listing company makes the floatation. Additional listing income is recognised during the year in which the issuing company makes announcement of the bonus or rights issues.

Annual listing fee is computed on the basis of the market capitalisation value of listed securities as at 30 November.

Interest income from a financial asset is recognised on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Market access fees are fees charged to members based on their brokerage commission they would have earned in the preceeding month.

Administration fees on advances are fees charged to a supplier on advancement of funds.

Commission on advances are fees charged to traders whose funds are advanced to suppliers.

Other income

Other income is recognised on the date when all risks and rewards associated with the transaction have been transferred to the buyer.

2.11 Financial Instruments

2.11.1 Classification and measurement of financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet it becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss. If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).
- After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

2.11.2 Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.



GROUP STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 December 2020 (*continued*)

2. Significant Accounting Policies (*continued*)

2.11 Financial Instruments (*continued*)

2.11.2 Financial assets (*continued*)

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are classified into the following specified categories:

- Fair value through profit and loss (FVTPL);
- Fair value through other comprehensive income (FVOCI), or
- Amortised cost (AC)

Financial assets at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not Solely Payments of Principal and Interest (SPPI); or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option

Financial assets may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance evaluated on a fair value basis, in accordance with the Group's risk management or investment strategy, and information about the Group is provided initially on that basis, or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39.

Financial instruments, recognition and measurement, permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with any resultant gain or loss recognised in profit or loss. Interest income from these financial assets is included in interest and related income using the effective interest rate method.

Financial assets at FVOCI

The Group applies the new category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset meet the solely payments of principal and interest (SPPI) test.

Gains and losses arising from changes in fair value are recognised directly in other comprehensive income in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest rate method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss.

The Group made an irrevocable election to measure unquoted investments at fair value through other comprehensive income on initial recognition.

Financial assets at amortised cost

This includes amounts due from banks, loans and other receivables, bills of exchange and debentures with fixed or determinable payments and fixed maturity debts that the Group has the positive intent and ability to hold to maturity. Investments are recorded using the effective interest method less any impairments with revenue being recognised on an effective yield basis.

The Group only measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold the financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Reclassifications

- If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and de-recognition of financial assets.

GROUP STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 December 2020 (*continued*)

2. Significant Accounting Policies (*continued*)

2.11 Financial Instruments (*continued*)

2.11.3 Financial liabilities

Financial liabilities at FVTPL

Either financial liabilities are classified as at 'FVTPL' where the financial liability is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing in the near future, or
- It is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short term profit taking, or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTPL.

Other financial liabilities

Other financial liabilities, including payables and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

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.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

2.11.4 Share capital

Ordinary shares are classified as equity.

2.12 Foreign currency transactions

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).



GROUP STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 December 2020 (*continued*)

3. Significant Judgments and Estimates

3.1 Useful lives and residual values of property, plant and equipment

The Group assesses useful lives and residual values of property and equipment each year taking into consideration past experience, technology changes and the local operating environment. The useful lives are set out in note 4.2 and no changes to those useful lives have been considered necessary during the year. Residual values will be reassessed each year and where there are any changes adjustments for depreciation will be done in future periods.

3.2 Provision for impairment of receivables

Provision for impairment of receivables is a specific provision made for trade and other receivables which is reviewed on a monthly basis. In determining the recoverability of a trade receivables the Group assesses whether there has been a significant evidence of financial difficulty or increase in credit risk from the debtor or issuer from the date the credit was granted up to the end of the reporting period.

3.3 Fair value and impairment of unquoted equities classified as available for sale

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable units.

The Group assesses if there has been a significant or prolonged decline in the fair value of the investment below its cost or there is information about significant changes in the operating environment with adverse effects in which the issuer operates in which may indicate that the carrying amount in the investment may not be recovered.

3.4 Going concern assessment

The Group assesses the appropriateness of the going concern assumption at each statement of financial position date. This involves making judgments about viability of proposed strategies to turn around the Group, as well as estimation of future cash flows. The process is therefore subjective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020

4. Property and Equipment

	Land and buildings ZWL	Automated Trading System Hardware ZWL	Equipment (including furniture and fittings) ZWL	Vehicles ZWL	Total ZWL
INFLATION ADJUSTED					
Net carrying amount at 1 January 2019	10 215 343	4 945 105	1 786 938	578 280	17 525 666
Gross carrying amount - cost/valuation	18 573 373	16 483 718	3 587 051	2 461 937	41 106 079
Accumulated depreciation	(8 358 030)	(11 538 613)	(1 800 113)	(1 883 657)	(23 580 413)
Additions	-	-	3 398 454	6 865 236	10 263 690
Revaluation	36 367 662	-	-	-	36 367 662
Disposals	-	-	(27 264)	(10 685)	(37 949)
Gross carrying amount - cost/valuation	-	-	(148 166)	(184 591)	(332 757)
Accumulated depreciation	-	-	120 902	173 906	294 808
Depreciation charge for the year	(202 719)	(1 600 472)	(850 780)	(780 200)	(3 434 171)
Net carrying amount at 31 December 2019	46 380 286	3 344 633	4 307 348	6 652 631	60 684 898
Gross carrying amount - cost/valuation	54 941 035	16 483 718	6 837 339	9 142 582	87 404 674
Accumulated depreciation	(8 560 749)	(13 139 085)	(2 529 991)	(2 489 951)	(26 719 776)
Additions	2 032 845	-	15 278 451	890 404	18 201 700
Revaluation	23 703 545	-	6 507 847	-	30 211 392
Disposals	-	-	(9 724)	-	(9 724)
Gross carrying amount - cost/valuation	-	-	(60 253)	-	(60 253)
Accumulated depreciation	-	-	50 529	-	50 529
Depreciation charge for the year	(1 268 225)	(3 344 633)	(2 449 373)	(2 489 696)	(9 551 927)
Net carrying amount at 31 December 2020	70 848 451	-	17 126 702	5 053 339	93 028 492
Gross carrying amount - cost/valuation	80 677 425	16 483 718	22 055 537	10 032 986	129 249 666
Accumulated depreciation	(9 828 974)	(16 483 718)	(4 928 835)	(4 979 647)	(36 221 174)

The land and buildings were revalued as at 31 December 2020 by an independent valuer (Amazon Real Estate Agents (Private) Limited) using the market values to determine the fair value. The market value estimated amounts for which the property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arms length transaction.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020 (continued)

4. Property and Equipment (continued)

	Land and buildings ZWL	Automated Trading System Hardware ZWL	Equipment (including furniture and fittings) ZWL	Vehicles ZWL	Total ZWL
HISTORICAL COST					
Net carrying amount at 1 January 2019	592 341	177 518	64 147	20 759	854 765
Gross carrying amount - cost/valuation	959 499	591 728	128 767	88 378	1 768 372
Accumulated depreciation	(367 158)	(414 210)	(64 620)	(67 619)	(913 607)
Additions	-	-	212 157	603 163	815 320
Revaluation	9 761 969	-	-	-	9 761 969
Disposals	-	-	(6 079)	(2 382)	(8 461)
Gross carrying amount - cost/valuation	-	-	(33 030)	(41 150)	(74 180)
Accumulated depreciation	-	-	26 951	38 768	65 719
Depreciation charge for the year	(14 990)	(118 345)	(47 984)	(72 618)	(253 937)
Net carrying amount at 31 December 2019	10 339 320	59 173	222 242	548 922	11 169 657
Gross carrying amount - cost/valuation	10 721 468	591 728	307 895	650 391	12 271 482
Accumulated depreciation	(382 148)	(532 555)	(85 653)	(101 469)	(1 101 825)
Additions	1 890 851	-	11 810 140	230 350	13 931 341
Revaluation	58 660 680	-	7 511 044	-	66 171 724
Disposals	-	-	(11 412)	-	(11 412)
Gross carrying amount - cost/valuation	-	-	(22 875)	-	(22 875)
Accumulated depreciation	-	-	11 463	-	11 463
Depreciation charge for the year	(172 561)	(59 173)	(577 488)	(190 552)	(999 774)
Net carrying amount at 31 December 2020	70 718 290	-	18 954 526	588 720	90 261 536
Gross carrying amount - cost/valuation	71 272 999	591 728	19 606 204	880 741	92 351 672
Accumulated depreciation	(554 709)	(591 728)	(651 678)	(292 021)	(2 090 136)

The land and buildings were revalued as at 31 December 2020 by an independent valuer (Amazon Real Estate Agents (Private) Limited) using the market values to determine the fair value. The market value estimated amounts for which the property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arms length transaction.

5. Intangible Assets

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Net carrying amount at 1 January	7 814 987	10 181 129	186 626	365 480
Gross carrying amount - Cost	33 026 941	32 097 991	1 217 044	1 152 245
Accumulated amortisation	(25 211 954)	(21 916 862)	(1 030 418)	(786 765)
Additions	17 639 384	928 950	16 510 232	64 800
Revaluation	61 339 950	-	62 381 643	-
Amortisation charge for the year	(1 951 043)	(3 295 092)	(1 588 487)	(243 653)
Net carrying amount at the end of the year	84 843 278	7 814 987	77 490 014	186 626
Gross carrying amount - Cost	112 006 275	33 026 941	80 108 919	1 217 044
Accumulated amortisation	(27 162 997)	(25 211 954)	(2 618 905)	(1 030 418)

Included in intangible assets is an internally developed online trading platform amounting to inflation adjusted: ZWL 4 236 149 and historical cost: ZWL 3 785 178 as at 31 December 2020 (2019: nil). The online trading platform is called ZSE Direct and is aimed to provide retail investors with a smart way to manage their ZSE investments.

The other intangible assets includes the Automated Trading System (ATS) which was revalued as at 31 December 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020 (*continued*)

6. Unquoted Investments

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Balance at the beginning of the year	17 995 838	9 420 245	4 011 720	405 289
Fair value adjustments through other comprehensive income	(6 922 976)	8 575 593	7 061 142	3 606 431
Balance at the end of the year	11 072 862	17 995 838	11 072 862	4 011 720

The Group holds 111 945 shares (13.24% interest) in Chengetedzai Depository Company (CDC) an unlisted company. The fair value of the investment has been estimated at ZWL 11 444 501.

7. Deferred Tax

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Analysis of deferred tax:				
Property and equipment	(5 622 485)	(7 543 909)	(5 041 863)	(714 174)
Leave pay provision	(504 178)	(52 314)	(504 178)	(11 661)
Assessed loss	-	-	-	490 243
	(6 126 663)	(7 596 223)	(5 546 041)	(235 592)
Deferred tax reconciliation				
Balance at beginning of the year	(7 596 223)	(1 528 788)	(235 592)	(54 880)
Recognised in statement of profit or loss	(1 701 199)	(6 067 435)	(597 545)	(180 712)
Recognised in other comprehensive income	3 170 759	-	(4 712 904)	-
Balance at the end of the year	(6 126 663)	(7 596 223)	(5 546 041)	(235 592)

8. Investment in Joint Venture and Associates

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
8.1 Investment in Zimbabwe Receivables Marketplace				
Balance at the beginning of the year	-	-	-	-
Capital contribution	1 681 378	-	1 205 283	-
Share of loss from associate	(669 130)	-	(300 959)	-
Balance at the end of the year	1 012 248	-	904 324	-

The Exchange has a 50% interest in Zimbabwe Receivables Marketplace (Private) Limited ("ZRM"), a joint venture involved in receivables discounting and trading. ZRM facilitate the reallocation of capital from institutional investors to corporates or entities looking for working capital.

9. Financial assets at fair value through profit or loss

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Opening balance	13 826 038	34 097 907	3 082 433	1 224 302
Purchase of financial instruments	29 145 990	10 972 211	6 907 907	2 445 979
Withdrawal or disinvestment	(19 164 667)	(65 678 091)	(12 702 412)	(3 260 000)
Fair value adjustments through profit or loss	(18 063 773)	34 434 011	8 455 660	2 672 152
Closing balance	5 743 588	13 826 038	5 743 588	3 082 433

Financial assets at fair value through profit or loss at year end is made up of Equities and Unit Trusts.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020 (*continued*)

10. Trade and other receivables

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Trade receivables	2 639 890	1 429 383	2 639 890	318 645
Allowance for credit losses	-	(366 711)	-	(81 749)
Net trade receivables	2 639 890	1 062 672	2 639 890	236 896
Other receivables	972 707	2 036 403	972 707	453 965
Balance at the end of the year	3 612 597	3 099 075	3 612 597	690 861

Trade and other receivables are non-interest bearing and are generally settled between 30 days and 60 days.

11. Cash and cash equivalents

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Cash and cash equivalents includes the following:				
Cash at bank	12 474 904	2 405 716	12 474 904	536 294
Bank overdraft	(2 154)	(1 450 152)	(2 154)	(323 275)
	12 472 750	955 564	12 472 750	213 019

Cash at bank earns interest at floating rates based on daily bank deposit rates.

12. Share capital and premium

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Authorised share capital				
6 000 000 ordinary shares of \$0.10 each	1 671 415	1 671 415	60 000	60 000
Issued share capital				
102 704 ordinary shares of \$0.10 each	27 857	27 857	1 000	1 000
Share premium	1 970 570	1 970 570	70 739	70 739
Balance at the end of the year	1 998 427	1 998 427	71 739	71 739

The total authorised number of ordinary shares is 6 million (2019: 6 million) with a par value of ZWL 0.01 per share. The issued shares are 102 704 (2019: 102 704) which are all fully paid up. Immediately on demutualisation the ZSE Proprietary Rights were converted to ZSE shares. The unissued shares are under the control of Directors subject to the limitations imposed by the Companies and Other Business Entities Act (Chapter 24:31) and the Articles and Memorandum of Association of the Company.

13. Reserves

13.1 Non Distributable Reserves

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Non Distributable Reserves	2 173 330	2 173 330	77 981	77 981

This arose as a result of change in functional currency from the Zimbabwe Dollar to the United States Dollar in 2009. It represents the residual equity in existence as at the date of the change over and has been designated as Non-Distributable Reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020 (*continued*)

13. Reserves (*continued*)

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
13.2 Revaluation reserve				
Opening balance	-	-	9 091 014	-
Movement during the year	88 048 712	-	123 840 463	9 091 014
Closing balance	88 048 712	-	132 931 477	9 091 014

14. Short-term borrowings

14.1 Short-term borrowings

	Balance 2020 ZWL	Balance 2019 ZWL	Balance 2020 ZWL	Balance 2019 ZWL
FBC Facility	28 500 000	-	28 500 000	-

The loan was classified as short term borrowings refers to a facility obtained from the Group's bankers FBC bank.

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
14.2 Interest on short term borrowings				
Investor Protection Fund	-	50 142	-	11 178

The short term borrowings relate to the interest payable at 8% per annum on the Investor Protection Fund.

15. Trade and other payables

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Trade creditors	1 979 995	2 280 445	1 979 995	508 368
Payroll liabilities	3 023 551	264 923	3 023 551	59 058
Accruals and other payables	10 164 854	11 788 612	10 164 854	2 627 975
	15 168 400	14 333 980	15 168 400	3 195 401

Trade and other payables are non-interest bearing and normally settled between 30 and 60 days.

16. Revenue

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
ZSE levy	47 453 222	66 377 403	34 648 537	4 057 386
Annual listing fees	58 995 780	33 674 787	13 674 560	2 058 405
Space advertising	316 890	168 312	78 000	10 288
Automated trading system market access fees	2 194 586	3 721 303	1 422 554	227 468
Corporate action and document review fees	4 412 599	2 083 810	3 337 718	127 375
Members subscription fees	4 104 513	1 518 830	1 853 189	64 900
Non-Member Institution subscription fees	2 006 672	1 967 744	495 816	120 280
Data vending	2 928 489	5 294 177	1 381 721	331 280
Operation Fees	143 803	125 451	114 071	27 940
Training services	869 483	1 564 455	409 237	95 629
	123 426 037	116 496 272	57 415 403	7 120 951



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020 (*continued*)

17. Other income

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Reversal on allowance for credit losses	328 107	-	81 260	-
Miscellaneous income	226 691	481 324	205 490	48 710
Profit on disposal of assets	851 091	1 967 003	592 875	199 061
Dividend received	681 641	1 227 530	669 860	124 226
	2 087 530	3 675 857	1 549 485	371 997

18. Operating profit

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Operating profit is stated after taking into account of the following items:				
18.1 Staff costs				
Salaries and allowances	17 060 788	24 984 658	17 833 404	2 044 479
Staff bonus	2 650 002	756 071	2 650 002	61 869
Other staff costs	11 890 632	1 675 730	142 630	137 124
Employer pension contribution	1 784 922	902 833	1 366 783	73 878
Leave pay expenses	4 050 664	300 783	1 977 121	24 613
Medical aid	2 232 746	1 429 522	1 658 808	116 977
Social security costs	270 067	204 437	205 325	16 729
Pension fund administration fees	110 441	82 674	81 867	6 765
	40 050 262	30 336 708	25 915 940	2 482 434
18.2 Other operating costs				
Computer maintenance and systems support	4 384 892	1 830 841	2 701 878	182 752
Annual General Meeting	-	93 067	-	9 290
Annual Report	514 229	131 062	490 575	13 082
ATS Escrow Fees	-	(25 403)	-	(2 536)
Audit fees	816 087	394 711	293 693	39 399
Bank charges	2 533 405	1 743 116	1 650 866	173 994
Board sitting fees	3 363 282	4 248 723	2 227 995	424 099
Brand or ZSE visibility expenses/marketing costs	2 901 411	17 107 973	1 484 306	1 707 685
Teas/cleaning and general office expenses	1 571 957	1 699 985	986 234	169 689
Consultancy and professional fees	1 037 412	2 219 052	443 985	221 502
Entertainment and gifts	1 105 801	1 496 316	1 162 708	149 359
Insurance	1 841 336	953 989	1 299 889	95 225
Investor education and promotion	170 392	-	85 196	-
Legal fees	-	1 187 117	-	118 496
Management fees - sinking fund agent	36 023	91 968	32 740	9 180
Motor vehicle - fuel & oil	838 115	364 908	465 764	36 424
Printing/stationery	908 696	1 216 159	348 299	121 394
Allowance for credit losses	-	170 143	-	16 983
Recruitment expenses	24 887	836 057	5 671	83 454
Premises costs	2 412 785	3 364 815	1 474 832	335 870
Security service	604 056	50 784	355 327	5 069
Staff training/professional development	782 566	982 273	465 878	98 049
Staff protective clothing	5 821	25 906	5 188	2 586
Staff welfare	595 402	31 948	55 147	3 189
Statutory levies	1 569 594	878 377	873 810	87 678
Subscription, membership/publications fees	469 976	1 849 547	254 297	184 618
Telephone and other communication expenses	1 459 916	499 374	1 127 152	49 847
Travelling and conferences	13 144 682	61 137	9 843 578	6 102
Motor vehicle service and other expenses	500 772	446 890	166 924	44 608
Website support services	-	354 344	-	35 372
Software licencing costs	4 516 259	18 427 395	3 731 110	1 839 388
	48 109 754	62 732 574	32 033 042	6 261 847

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020 (*continued*)

18. Operating profit (*continued*)

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
18.3 Depreciation and amortisation				
Buildings	1 268 225	202 719	172 561	14 990
Automated trading system - Hardware Equipment	3 344 633	1 600 472	59 173	118 345
Equipment (including furniture and fittings)	2 449 373	850 780	577 488	47 984
Vehicles	2 489 696	780 200	190 552	72 618
Automated trading system - Software licence	1 951 043	3 295 092	1 588 487	243 653
	11 502 970	6 729 263	2 588 261	497 590

19. Finance costs and interest income

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
19.1 Finance income				
Interest on short-term fixed deposits	2 671	257 747	1 151	16 464
Interest on staff loans and advances	86 574	118 744	47 937	7 585
	89 245	376 491	49 088	24 049
19.2 Finance costs				
Interest paid - long term borrowings	1 050 448	3 655 909	196 528	193 927

The loan is charged an interest of 8% per annum and was redeemed on 17 December 2019. The Group during the year obtained an overdraft facility capped at ZWL 1 500 000 with FBC Bank Zimbabwe Limited.

20. Income tax expense

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Current tax	1 353 975	10 050 278	1 353 975	(309 531)
Deferred tax	1 701 199	(6 067 434)	597 545	(180 712)
	3 055 174	3 982 844	1 951 520	(490 243)
Tax rate reconciliation				
Profit before tax	(2 541 188)	16 215 281	6 434 906	753 351
Income tax charge at 24.72%	(628 182)	4 170 570	1 590 709	193 988
Tax effect of:				
Non-deductible expenses	6 754 222	6 528 016	2 580 416	202 771
Non-taxable items	(3 070 866)	(6 058 758)	(2 219 605)	(858 331)
Change in tax rate	-	(656 984)	-	(28 671)
	3 055 174	3 982 844	1 951 520	(490 243)
Income tax payable/(refundable)				
Balance at beginning of year	3 881 056	1 186 121	(22 691)	42 579
Charge to profit or loss	1 353 975	3 982 844	1 353 975	-
Taxes paid	(307 881)	(1 287 909)	(307 881)	(65 270)
Effects on inflation	(3 903 747)	-	-	-
Balance at the end of the year	1 023 403	3 881 056	1 023 403	(22 691)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020 (*continued*)

21. Related party information

21.1 The Exchange has a 50% shareholding in a joint venture entity, the Zimbabwe Receivables Marketplace (Private) Limited, an invoice discounting entity. In addition the Group has a 100% interest in the VFEX.

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL

21.2 Balances with related parties

Entity	Value of transactions			
Zimbabwe Receivables Marketplace (Private) Limited (Joint Venture)	191 467	-	191 467	-
Victoria Falls Stock Exchange Limited (Subsidiary)	23 439 546	-	23 439 546	-

21.3 Key management personnel compensation

Salaries and other short term employee benefits	16 976 854	12 828 671	9 986 385	571 966
Pension contributions	1 257 858	406 101	739 916	18 106
	18 234 712	13 234 772	10 726 301	590 072

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. These include the Chief Executive Officer, Finance Director, Head of Business Development, Head of Trading, Head of ICT and Head of Compliance and Company Secretary.

22. Financial Risk Management

(a) Risk management framework

Fundamental to the business activities and growth of the Group is a strong risk management practice which is at the core of achieving the Group's Strategic Objectives. The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee is responsible for developing and monitoring the Group's risk management policies. The Audit and Risk Committee regularly reports to the Board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate limits and controls and to monitor risks and adherence to the limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to develop a disciplined and risk informed environment in which all employees have a good understanding of inherent risk specific to their departments.

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Committee is assisted in its oversight role by the Finance and Compliance Department which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

The Group is exposed to the following principal risks arising from financial instruments:

- Credit Risk;
- Liquidity risk;
- Market risk;
- Price risk; and
- Interest rate risk.

(i) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables and investment securities.

There is no significant concentration of credit risk with respect to cash and cash equivalents as the Group holds cash accounts with large financial institutions with sound financial and capital cover.

The Group limits its exposure to credit risk by ensuring its ratio of trade receivable to total revenue is kept within acceptable thresholds. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020 (*continued*)

22. Financial Risk Management (*continued*)

(a) Risk management framework (*continued*)

(i) Credit Risk (*continued*)

Cash and cash equivalents

The Group held cash and cash equivalents of ZWL 12 474 904 at 31 December 2020 (2019 : ZWL 2 405 716) which represents its maximum exposure on these assets. The cash and cash equivalents with maturity profile of less than 3 months are held with local banks with solid financial and capital cover.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities.

A maturity analysis of financial instruments as at 31 December 2020 is as follows:

Description	Up to 3 months ZWL	3 months to 1 year ZWL	1 year to 5 years ZWL	Total ZWL
Cash and cash equivalents	12 474 904	-	-	12 474 904
Trade and other receivables	3 612 597	-	-	3 612 597
Financial assets at fairvalue through profit or loss	-	5 743 588	-	5 743 588
Total Assets	16 087 501	5 743 588	-	21 831 089
Liabilities				
Interest bearing loans and borrowings	28 500 000	-	-	28 500 000
Trade and other payables	-	15 168 400	-	15 168 400
Total Liabilities	28 500 000	15 168 400	-	43 668 400
Liquidity surplus	(12 412 499)	(9 424 812)	-	(21 837 311)
Cumulative liquidity surplus	(12 412 499)	(21 837 311)	(21 837 311)	(21 837 311)

(iii) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The Group uses a range of tools such as sensitivity analysis to manage its exposure to market risk.

(iv) Price risk

Price risk is the risk of a decline in the value of a security or a portfolio.

(v) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group manages the risk by maintaining an appropriate mix of fixed and variable instruments. Interest on floating instruments is repriced at intervals of less than 1 year. Interest on fixed interest rate instruments is priced at inception of the financial instruments and is fixed until maturity. The Group's interest rate risk arises from investments in short-term placements and long-term debt obligations with floating interest rates.

(b) Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholder and benefits to other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital. No changes were made to the objectives, policies or processes during the year ended 31 December 2020. The Group monitors capital on the basis of the capital adequacy directive by the regulator, the Securities and Exchange Commission of Zimbabwe.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020 (*continued*)

23. Fair value of financial assets and liabilities

23.1 Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities. This level includes listed equity securities traded on the Zimbabwe Stock Exchange.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This level includes non-quoted equity investments.

The hierarchy requires the use of observable market data when available. The Exchange considers relevant and observable market prices in its valuations where possible.

The table below summarises the various assets and liabilities measured at fair value and the level on the fair value hierarchy.

	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL
At fair value through profit or loss 2020	-	5 743 588	-	5 743 588
At fair value through profit or loss 2019	-	3 082 433	-	3 082 433
Unquoted equities 2020 (At fairvalue through other comprehensive income)	-	-	11 072 862	11 072 862
Unquoted equities 2019 (At fairvalue through other comprehensive income)	-	-	4 011 720	4 011 720

The Group is subject to a lawsuit by a listed issuer in respect of a suspension claimed to have been unfair. A trial date has not yet been set. The Group has been advised by its legal counsel that the probability of success of the litigation is remote and accordingly no provision for any liability has been made in these financial statements.

The court case between the Group and the data portal service provider has not sufficiently progressed. The Group has been advised by legal counsel that the prospects of success of dismissal of the claim are high.

24. Retirement Benefits Plans

24.1 Zimbabwe Stock Exchange Pension Fund

Pension funds are provided for employees to a separate fund to which the Company contributes. The fund is independently administered and insured by ZB Life Assurance Limited. The company's contributions during the year amounted to ZWL 1 784 922 (2019: ZWL 1 366 783).

24.2 National Social Security Authority Scheme (NSSA)

All employees are required by law to be members of the National Social Security Scheme which is a defined contribution scheme established under the National Social Security Authority Act (1989). In accordance with regulations of the scheme employer contributions are 3,5% of basic salary per employee per month up to a maximum of ZWL 700. The Group's contributions during the year amounted to ZWL 205 325 (2019: ZWL 16 729).

25. Events after the reporting period

The Government of Zimbabwe declared another lockdown from 1 January 2021 to 28 February 2021 following the new strain of the COVID-19 virus that was much stronger than the initial resulting in slow down of business activity. The Group was designated as an "Essential Service" hence there has been minimal impact on business performance.

26. Approval of financial statements

The financial statements were approved by the Board of Directors for issue on 21 June 2021.

TOP TEN SHAREHOLDERS

TOP TEN AS OF 28 JUNE 2021					
Rank	Holder#	Account Name	Country	Shares	% of Total
1	4667636	GOVERNMENT OF ZIMBABWE	ZIMBABWE	32,865	32.00
2	50240	FBC SECURITIES (PRIVATE) LIMITED	ZIMBABWE	10,070	9.80
3	3516341	I H SECURITIES (PVT) LIMITED	ZIMBABWE	9,024	8.79
4	4718209	LEGAT, JOHN RICHARD	ZIMBABWE	3,835	3.73
5	4457234	TUNMER, MARK JOHN STEELE	ZIMBABWE	2,321	2.26
6	4096955	BETHEL EQUITIES (PRIVATE) LIMITED	WARRANT	1,817	1.77
7	4877319	GLS PHOENIX LTD	BRITISH VIRGIN ISLANDS	1,817	1.77
8	253134	IMARA EDWARDS SECURITIES	ZIMBABWE	1,817	1.77
9	4577428	INVICTUS SECURITIES ZIMBABWE (PVT) LTD	ZIMBABWE	1,817	1.77
10	3503491	M LYNTON EDWARDS STOCKBROKERS (PVT) LTD	ZIMBABWE	1,817	1.77
Number of Holders	10		Shares	67,185	
Total Number of Holders	48		% of Total	65	
Total Number of Shares	102,704				





NOTICE OF THE SEVENTH ANNUAL GENERAL MEETING OF THE ZIMBABWE STOCK EXCHANGE LIMITED

Notice is hereby given that the 7th Annual General Meeting of the Shareholders of Zimbabwe Stock Exchange Limited will now be held on 28 July 2021 at 11:00hrs instead of 13 July 2021 for the purpose of transacting the following business;

AGENDA

To consider and if deemed fit, to pass the following resolutions with or without amendments:-

1. Audited Financial Statements

To receive, consider and adopt the Group Financial Statements, the report of the Directors and Auditors for the year ended 31 December 2020.

2. Election of Directors

In terms of Clause 99.2 of the Articles of Association of the Company one third of the directors are supposed to retire from the board but being eligible for re-election. Consequently, Messrs Markus de Klerk and Benson Gasura will be retiring and both being eligible, offer themselves for re-election. The Directors will be re-elected by separate resolutions.

3. Director's Remuneration

To confirm the directors' fees for the year ended 31 December 2020.

4. Audit Fees

To approve the remuneration of auditors for the year ended 31 December 2020.

5. Appointment of Auditors

To appoint of Messrs Grant Thornton Chartered Accountants as the auditors of the Company until the conclusion of the next Annual General Meeting.

By Order of the Board

Lyndon T. Nkomo
Company Secretary
22 June 2021

NOTES

- a. A member entitled to attend and vote at the Annual General Meeting of Shareholders may appoint a proxy to attend and speak and, on poll, vote in his stead. A proxy need not to be a member of the Company. Forms of proxy must be lodged at the Registered Office of the Company not less than forty eight (48) hours before the time of holding of the meeting.
- b. The link for the virtual meeting will be sent to all the shareholders directly at least seven (7) days ahead of the scheduled date of the meeting.

PROXY FORM

For use at the 7th Annual General Meeting of the Zimbabwe Stock Exchange to be held virtually on Wednesday 28 July 2021 at 1100hrs.

I/We, the undersigned _____ of

_____ being registered holder(s) of _____ ordinary

shares, hereby appoint _____ or failing him,

_____ to act for me/us or my/our behalf as indicated below at the Annual General Meeting of the Company to be held on 28 July 2021 at 1100Hours and at any adjournment thereof.

Signature _____ Signed this _____ day of _____ 2021.

PROXY

- a. In terms of s171 of the Companies and Other Business Entities Act, Chapter 24:31 members are entitled to appoint one or more proxies to act in the alternative, to attend, vote and speak in their place at the meeting. A proxy need not be a member of the Company.
- b. In terms of Article 90 of the Company's Articles of Association instruments of the of the proxy must be lodged at the registered office of the Company at least forty eight hours before the time appointed for handling the meeting.
- c. Any alteration or correction made to this form of proxy (including the deletion of alternative) must be initialled by the signatory/signatories.

Physical Address:

Lyndon Nkomo
Company Secretary
Zimbabwe Stock Exchange Limited
44 Ridgeway North
Highlands
Harare
Email: LNkomo@zse.co.zw

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ZSE Online Investor Information

Information available on the ZSE Website for Investors includes:

- Market Data which include:
 - Market Statistics
 - Top Gainers and Losers
 - ZSE Market cap and Sector Indices
 - Market activity (Market capitalisation, turnover, foreign buys, foreign sells, trades)
- Market Commentary
- Price Sheet
- Rules and Regulations
- Details of Listed Securities
- Contact details of Stockbrokers
- Corporate announcements and Notices
- Information about the ZSE and its operations



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