INNSCOR
Africa Limited

VFEX Listing Circular

INNSCOR Africa Limited

Our passion for **value creation**

(Innscor Africa Limited, incorporated in Zimbabwe in 1994 under Company Registration Number 3867/94)

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

CIRCULAR TO SHAREHOLDERS

Relating to and seeking approvals for:

The Termination of Innscor Africa Limited's listing from the Zimbabwe Stock Exchange and the Subsequent Listing by Introduction of Innscor Africa Limited on the Victoria Falls Stock Exchange ("The Proposed Transaction")

and incorporating

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Notice of an Extraordinary General Meeting of the members of Innscor Africa Limited ("Innscor"), to be held physically at the Royal Harare Golf Club situated at 5th Street Extension, Harare, Zimbabwe and virtually by electronic means, on Wednesday, 15 February 2023, at 1000 hours. The notice was published on Wednesday, 25 January 2023 in accordance with the Listings Requirements of the Zimbabwe Stock Exchange ("ZSE") and the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe, as set out at the end of this Document. Shareholders are asked to complete and return the attached form of proxy in accordance with the instructions printed thereon, as soon as possible, but not later than 1600 hours, on Monday, 13 February 2023. Electronic copies can be downloaded from https://www.innscorafrica.com/.

Financial Advisors	Sponsoring Brokers	Legal Advisors	Transfer Secretaries
IH Advisory	IH Securities	Kantor Immerman	Corpserve

This Circular is neither a prospectus nor an invitation to the public to subscribe for shares in the Company but is issued in compliance with the Listings Requirements of the ZSE, for the purpose of giving information to the public regarding the Proposed Transaction as more fully set out in this Circular. The Circular is only available in English. Additional copies of this Circular may be obtained from the Company Secretary at 1 Ranelagh Road, Highlands, Harare or IH Securities Private Limited situated at Block 3, Tunsgate Business Park, 30 Tunsgate Road, Mount Pleasant, Harare. Electronic copies can be accessed online via the Company's website: www.innscorafrica.com.

If you are in any doubt as to the action you should take, you should immediately seek advice from your stockbroker, bank manager, legal practitioner, accountant, or other professional advisors. If you no longer hold any shares in Innscor, you should send this Circular, as soon as possible, to the stockbroker, bank or other agents through whom the sale of your shareholding in Innscor was executed, for onward delivery to the purchaser or transferee of your shares.

All the Directors of Innscor, whose names are given in paragraph 3.2 of the Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement in the Circular false or misleading, and that they have made all reasonable enquiries to ascertain such material facts and that this Circular contains all information required by law.

The Directors confirm that the Circular particulars include all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) that investors and their professional advisors would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which the Listing particulars relate.

The Company's lead financial advisors, sponsoring broker, legal advisors and transfer secretaries have consented in writing to act in the capacity stated and to their names being stated in the Circular and have not withdrawn their consents prior to the publication of this Circular.

Date of issue of this document: Wednesday, 25 January 2023

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CORPORATE INFORMATION

The information below is given in compliance with the requirements of the Zimbabwe Stock Exchange.

Registered Office
Edward Building
1st Street/Nelson Mandela Avenue, Harare

Company Secretary & Physical Address
A.D. Lorimer
1 Ranelagh Road
Highlands, Harare

Innscor derives professional services from the following:

Financial Advisors
Inter-Horizon Advisory (Private) Limited
Block 3, Tunsgate Business Park
30 Tunsgate Road, Mount Pleasant, Harare

Sponsoring Broker
Inter-Horizon Securities (Private) Limited
Block 3, Tunsgate Business Park
30 Tunsgate Road, Mount Pleasant, Harare

Legal Advisors
Kantor and Immerman
Dube, Manikai and Hwacha
Gill, Godlonton & Gerrans

Independent Auditors & Reporting Accountants
BDO Zimbabwe Chartered Accountants
Kudenga House, 3 Baines Avenue, Harare

Transfer Secretaries
Corpserve Registrars (Private) Limited
2nd Floor ZB Centre
Corner 1st & Kwame Nkrumah Avenue
Harare

Principal Bankers

AFC
Hurudza House
14-16 Nelson Mandela Avenue
Harare

Banc ABC
1 Endeavour Crescent
Mount Pleasant Business Park
Mount Pleasant, Harare

CABS
Northern Close
Northridge Park
Highlands, Harare

CBZ Bank
5 Campbell Road
Pomona
Borrowdale, Harare

Ecobank Zimbabwe
Block A, Sam Levy's Office Park
2 Piers Road
Borrowdale, Harare

FBC Bank Zimbabwe
6th Floor, FBC Centre
45 Nelson Mandela Avenue,
Harare

First Capital Bank Zimbabwe
Barclay House, Corner First Street &
Jason Moyo Avenue, Harare

Nedbank Zimbabwe
14th Floor, Old Mutual Centre
Corner 3rd Street & Jason Moyo Avenue
Harare

NMB Bank Limited
19207 Liberation Legacy Way
Borrowdale, Harare

POSB
6th Floor, Causeway Building
Corner 3rd Street and
Central Avenue, Harare

Stanbic Bank Zimbabwe
59 Samora Machel Avenue,
Harare

Steward Bank
Livingstone House
79 Livingstone Avenue, Harare

Standard Chartered Bank Zimbabwe
2nd Floor, Mutual Centre,
Harare

FORWARD-LOOKING STATEMENTS

This Circular includes forward-looking statements regarding Innscor. Forward-looking statements are those other than statements of historical facts included in this Circular. They include, without limitation, those regarding Innscor's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Innscor's products and services). Any statements preceded by, followed by, or including the words "believes", "expects", "aims", "estimates", "anticipates", "may", "will", "should", "could", "intends", "plans", "seeks", or similar expressions, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause Innscor's actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are inherently based on numerous assumptions regarding Innscor's present and future business strategies and the environment in which Innscor will operate in the future. These forward-looking statements speak only as at the date of this Circular. The Directors of Innscor expressly disclaim any obligation or undertaking to disseminate, after the distribution of this Document, any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions, or circumstances on which any such forward-looking statement is based unless legally required to do so.

INTERPRETATION AND DEFINITIONS

In this document, unless otherwise stated or the context otherwise requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and vice versa and words importing natural persons shall include juristic persons, whether corporate or incorporate and vice versa.

"Board" or "the Directors"	The Board of Directors of Innscor;
"Broker"	Any person or company registered as a member with the ZSE and authorised to buy and sell shares and other securities on behalf of customers;
"CBD"	Central Business District;
"Circular" or "the Document"	This document dated Wednesday, 25 January 2023, including the appendices hereto, addressed to Innscor Shareholders which sets out the terms and conditions of the Proposed Transaction;
"Companies Act"	The Companies and Other Business Entities Act (Chapter 24:31);
"Conditions Precedent" or "Delisting Conditions Precedent"	The Conditions Precedent to which the delisting and the listing by introduction is subject as set out in paragraph 1.2;
"EGM"	Extraordinary General Meeting of Innscor Shareholders convened in terms of the Companies Act, at which Innscor Shareholders will vote on the Proposed Transaction, to be held at 1000 hours on Wednesday, 15 February 2023, physically at the Royal Harare Golf Club situated at 5th Street Extension, Harare, Zimbabwe, and virtually by electronic means via the link, "https://escrowagm.com/eagmZim/Login.aspx";
"Exchange Control Regulations"	The Exchange Control Regulations promulgated under the Exchange Control Act [Chapter 22:05], including and without limitation, the Exchange Control Regulations, Statutory Instrument 109 of 1996, as amended;
"Form of Proxy"	The Form of Proxy accompanying this Circular;
"IAS"	International Accounting Standards;
"IFRS"	International Financial Reporting Standards;
"IH Advisory"	IH Advisory (Private) Limited, a licenced securities investment advisor with the Securities and Exchange Commission of Zimbabwe, and the financial advisors to the Proposed Transaction;
"Innscor Africa Limited", "Innscor", "the Company", or "the Group"	Innscor Africa Limited, a Public Company incorporated in Zimbabwe in 1994 under Company Registration Number 3867/94 and listed on the ZSE;
"Listing by introduction"	Listing by introduction is a way of listing, on an exchange, shares which would already be in issue on an existing exchange. No marketing arrangement is required as the shares for which listing is sought are already widely held;
"Legal Advisors"	Kantor and Immerman, the legal advisors to the Proposed Transaction;
"MBA"	Master of Business Administration degree;

INTERPRETATION AND DEFINITIONS (continued)

"Notice"	The notice of the Extraordinary General Meeting, which was published in terms of the Companies Act on Wednesday, 25 January 2023, advising Innscor Shareholders of the Proposed Transaction and which forms part of this Circular;
"OECD"	Organisation for Economic Co-operation and Development;
"Proposed Transaction"	The delisting of Innscor Shares from the Zimbabwe Stock Exchange and the simultaneous admission of the Company's shares on the Victoria Falls Stock Exchange;
"RBZ"	Reserve Bank of Zimbabwe;
"Record Date"	Friday, 10 February 2023, the date for Shareholders to be recorded in the Register eligible to vote at the EGM, scheduled at 1600 hours;
"Register"	The register of Shareholders of the Company maintained by the Transfer Secretaries, and the sub-register of nominee Shareholders maintained by each Broker;
"Registrar"	The Registrar of Companies appointed in terms of the Companies and Other Business Entities Act;
"Reporting Accountants"	Refers to BDO Zimbabwe Chartered Accountants who are the reporting accountants to the Company;
"Resolutions"	A proposal submitted to Shareholders for a vote at the Company's annual meeting or extra-ordinary meeting of members;
"Shareholder(s)"	The holder(s) of ordinary shares of Innscor;
"Shares" or "Security"	The issued and/or authorized share capital of Innscor;
"SI"	Statutory Instrument;
"Sponsoring Broker"	IH Securities (Private) Limited, the sponsoring broker for the Proposed Transaction and a member of the Zimbabwe Stock Exchange;
"Transfer Secretaries"	Corpserve Registrars (Private) Limited who provide share transfer secretarial services to Innscor;
"USD" or "US$"	United States Dollars: the legal tender of the United States of America in which certain monetary amounts in this Circular are expressed;
"VFEX"	Victoria Falls Stock Exchange, a subsidiary of the Zimbabwe Stock Exchange ("ZSE");
"VFEX listing requirements"	The listing requirements of the VFEX;
"Zimbabwe"	The Republic of Zimbabwe;
"ZSE"	The Zimbabwe Stock Exchange, a stock exchange that is established in terms of the Securities and Exchange Act of 2004 (Chapter 24:25) and regulates the conduct of companies whose shares are listed on the Official List and traded on the Zimbabwe Stock Exchange;
"ZSE listing requirements"	The Listings Requirements of the ZSE, embodied in SI 134 of 2019;
"ZWL" or "ZW$"	The Zimbabwean Dollar; legal tender in Zimbabwe;

SALIENT FEATURES OF THE PROPOSED TRANSACTION

Overview of the Proposed Transaction

At the Board meeting held on Friday, 9 December 2022, the Board of Directors of Innscor considered the termination of Innscor's ZSE Listing and simultaneous listing of the Company's shares on the VFEX by way of Introduction.

Benefits of the Proposed Transaction

The benefits of the Proposed Transaction include, but are not limited to, the following:

- Revenue retention on incremental exports;
- Enhancement of regional prospects and potential mergers and acquisitions with own equity;
- Raising of additional capital in foreign currency;
- Dividends payments in US$;
- Improved pathway to access US$ banking and treasury facilities;
- Improved options for capital planning; and
- Lower trading costs on the VFEX of 2.12%, versus 4.63% on the ZSE.

In the event that the Proposed Transaction does not take place, then Innscor will remain listed on the ZSE, and the benefits previously outlined above will not be available to the Company or its Shareholders.

Timetable for the Proposed Transaction

Important Dates	
Innscor EGM Notice and Circular published	Wednesday, 25 January 2023
Record Date, Innscor share register closed (at 1600 hours)	Friday, 10 February 2023
Last day of lodging Proxy Forms (at 1600 hours)	Monday, 13 February 2023
EGM (at 1000 hours)	Wednesday, 15 February 2023
Publication of Results of Innscor EGM	Thursday, 16 February 2023
Last day of trading Innscor Shares on the ZSE	Friday, 17 February 2023
Termination of Innscor ZSE Listing	Thursday, 23 February 2023
Transfer of Innscor share register from the ZSE to the VFEX	Thursday, 23 February 2023
Estimated Completion of Innscor's VFEX Listing	Friday, 24 February 2023

The above dates may be subject to change, and any such change will be published to Shareholders. All times indicated above and elsewhere in the Circular are Zimbabwean local times.

Queries

If you have any questions about this Document, please contact your stockbroker, accountant, banker, legal practitioner, or other professional advisors. Alternatively, please contact IH Advisory or IH Securities (whose details are given below):

IH Advisory (Private) Limited
Block 3
Tunsgate Business Park
30 Tunsgate Road
Mount Pleasant
Harare
Zimbabwe
Email: advisory@ih-group.com
Tel: +263 (0) 242 745119/745139/745937

IH Securities (Private) Limited
Block 3
Tunsgate Business Park
30 Tunsgate Road
Mount Pleasant
Harare
Zimbabwe
Email: trading@ihsecurities.com
Tel: +263 (0) 242 2796477/86

SALIENT FEATURES OF THE PROPOSED TRANSACTION (continued)

Actions to be taken by Innscor Shareholders

- Read this Document in its entirety, and if you are in any doubt as to the action you should take, you should immediately seek advice from an independent stockbroker, bank manager, legal practitioner, accountant, or any other professional advisor of your choice;
- Attend and vote at the EGM to be held on Wednesday, 15 February 2023, at 1000 hours at Royal Harare Gold Club, or virtually by electronic means via the link, "https://escrowagm.com/eagmZim/Login.aspx";
- Shareholders who are unable to attend the EGM but who wish to be represented thereat should complete and sign the Proxy Form included with this Document and ensure it is lodged at the physical offices of Innscor situated at 1 Ranelagh Road, Highlands, Harare, so that it is received by the Transfer Secretaries by no later than 1600 hours, on Monday, 13 February 2023;
- Proxy forms will be accepted at the discretion of the Chairman up to 1 (one) hour before the commencement of the EGM. Shareholders may attend the meeting virtually, notwithstanding the completion and return of a Proxy form; and
- A director or officer of the Company cannot be appointed as a proxy for a shareholder.

Conditions Precedent

Several cautionary announcements have been issued to the Shareholders of Innscor informing them of the Company's intention to delist from the ZSE and listing on the VFEX by way of introduction. The ZSE has granted authority to delist Innscor's shares from the ZSE subject to the conditions listed below:

- Innscor Board approval of the listing by the introduction of the Company's ordinary shares on the VFEX;
- The passing by Shareholders of Innscor of the resolutions, by the requisite majority, at an EGM to be held on Wednesday, 15 February 2023, in terms of the Notice of the EGM published in the national press dated Wednesday, 25 January 2023; and
- Obtaining all such necessary regulatory approvals as may be required, including exchange control by the RBZ and issuing a letter of good standing by the ZSE to Innscor.

Documents Available for Inspection

Shareholders may inspect this Circular and the documents available as listed below between 0800 hours and 1600 hours from Monday, 30 January 2023 to Friday, 10 February 2023, at the Sponsoring Brokers' physical offices, or the Company's registered office at the addresses set out in the "Corporate Information" section of this Document:

- The Memorandum of Association of the Company;
- Innscor Board Approval of the Proposed Transaction;
- The expert-written consent letters;
- The Innscor Audited Financial Statements and Notes to the Financial Statements for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022;
- The ZSE approval for the delisting of Innscor from the ZSE; and
- The VFEX approval for the listing of Innscor onto the VFEX.

INNSCOR Africa Limited

Our passion for **value creation**

(Innscor Africa Limited, incorporated in Zimbabwe in 1994 under Company Registration Number 3867/94)

Address: 1 Ranelagh Road, Highlands, Harare, Zimbabwe
Directors: Addington Chinake (Chairman), Michael Fowler, Godfrey Gwainda, Zinona Koudounaris, Julian Schonken, Duduzile Shinya, Thembinkosi Sibanda.

CHAIRMAN'S STATEMENT

Dear Shareholder,

Innscor Africa Limited ("Innscor" or "The Group") is a diversified manufacturing Group spanning the Milling, Baking, Protein, FMCG and Other Light Manufacturing Segments. The Company reverse-listed on the ZSE in 1998, and despite the turbulent economic environment that ensued, Innscor has sought to expand and diversify its interests across the manufacturing spectrum, having concluded a US$ 70 million capital expenditure drive in FY2022, with a further US$ 56 million planned in the current financial year. The Group remains focused on continual investment to enhance its manufacturing capabilities, extend product ranges, venture into new complementary categories, and ensure the latest technologies are employed to remain a world-class manufacturing Group.

Consequently, the Board deems it appropriate to consider the delisting of Innscor from the ZSE and to support the Group's subsequent listing on the VFEX to enhance access to international capital markets. The Board is of the view that this strategy enhances shareholder value.

I am writing to you as Non-Executive, Independent Chairman of Innscor Africa Limited, duly authorised by the Board, to support the de-listing of Innscor Africa Limited's shares from the ZSE and the subsequent listing of the Company on the Victoria Falls Stock Exchange ("VFEX").

Innscor Africa Limited's Board believes migrating the Company's listing to the Victoria Falls Stock Exchange ("VFEX") will benefit existing and future Shareholders. In summary, the benefits of this move, in our opinion, are as follows:

- To boost Innscor Africa's regional profile and commercial standing, which will, in time, improve the Group's regional expansion prospects.
- The Government's increase in the retention ratio for exporters listed on the VFEX to 100% will enhance Innscor Africa's ability to settle its foreign currency liabilities and preserve value in an inflationary environment.
- Listing on the VFEX facilitates raising USD capital, which enhances the potential for Innscor Africa Limited to grow organically and inorganically.
- The dispensation for foreign investors to repatriate proceeds from the disposal of shares is attractive to both existing and future investors.
- The VFEX provides favourable tax incentives for investors enabling the optimisation of returns. These include zero capital gains tax on VFEX resident and non-resident investors and a 5% dividend withholding tax for foreign investors.
- The VFEX provides a third-party de-facto USD valuation of Innscor Africa Limited and reduces potential valuation volatility.
- Trading on the VFEX results in lower trading costs; in aggregate, these amount to 2.12% compared to 4.63% on the Zimbabwean Stock Exchange.

For the above reasons, the Board has recommended that Innscor Africa Limited transfer its listing from the ZSE to the VFEX.
Therefore, the Board of Directors recommends that Innscor migrates its listing from the ZSE to the VFEX to capture the benefits mentioned above.

A.B.C Chinake
Non-Executive, Independent Chairman of the Board of Directors
25 January 2023

DETAILS OF THE PROPOSED TRANSACTION

1. OVERVIEW OF THE PROPOSED TRANSACTION

1.1. The Proposed Delisting of Innscor from the ZSE

At the Board meeting held on Friday, 9 December 2022, the Board of Directors of Innscor considered the termination of Innscor's ZSE Listing and subsequent listing of the Company's shares on the VFEX by way of introduction. The Board passed a resolution relating to the above.

Benefits of listing on the VFEX

1.1.1. Better Access to USD Capital

In future, Innscor will assume a greater ability to raise equity capital in foreign currency to support the Group's capital expenditure, working capital requirements and regional expansion requirements. The VFEX's potential to become a regional exchange enhances Innscor's opportunity to draw in a wider investor pool.

Furthermore, a VFEX listing requires USD financial reporting, which contributes to a lower risk perception of Innscor and an enhanced understanding of the Company's financial position. This will provide the Company with increased leverage to access other forms of finance at favourable terms.

1.1.2. Lower Trading Costs and Increased Liquidity

The VFEX's trading costs of 2.12% are lower than 4.63% on the ZSE, allowing Shareholders to retain more of their capital and potentially stimulating the liquidity of Innscor shares.

1.1.3. Offshore Settlement, Which Allows for Efficient Dividend Repatriation

Foreign Shareholders on the VFEX can repatriate their dividends freely in foreign currency and can settle their proceeds from share disposal offshore.

1.1.4. Tax Incentives for Innscor Shareholders

The VFEX offers tax incentives for Shareholders which include a 5% withholding tax on dividends for foreign investors compared to a withholding tax of 10% for non-resident Shareholders on the ZSE. Additionally, while capital gains at a rate of 40% apply on the ZSE, on the VFEX, no capital gains tax on share disposal is charged, thus providing optimised earnings for Innscor Shareholders on the VFEX compared to the ZSE.

1.1.5. Enhanced Regional Profile of Innscor

The Company's migration from the ZSE to the VFEX potentially improves the Company's regional profile and commercial standing, creating pathways to the Group's local and regional prospects.

1.1.6. Reduced Valuation Volatility Caused by Currency Translation

The provision of a de facto third-party USD valuation of the Company enables Innscor's existing Shareholders to realise the true value of their holdings and provide a more accurate benchmark of the stock's performance while mitigating valuation volatility.

1.1.7. More Proficient Financial Reporting for Innscor's Consolidated Financial Statements

Entities listed on the VFEX are required to report in USD, resulting in more effective reporting as a the true value of the business would be conveyed through the financial statements, thus providing Shareholders with an enhanced capacity for decision making.

1.2. Conditions to the Proposed Transaction

The implementation of the Proposed Transaction is conditional upon the following:

- Innscor Board approval of the Proposed Transaction;
- The passing by Shareholders of Innscor of the Resolutions, by the requisite majority, at an EGM to be held on Wednesday, 15 February 2023, in terms of the Notice of the EGM published in the national press dated Wednesday, 25 January 2023;
- A letter of good standing from the ZSE; and
- Obtaining all such other necessary regulatory approvals as may be required.

DETAILS OF THE PROPOSED TRANSACTION (continued)

1. OVERVIEW OF THE PROPOSED TRANSACTION (continued)

1.3 Estimated Transaction Fees and Related Expenses

Expense	Fee USD
Advisory Fees	23,000
Sponsoring Broker Fees	2,000
Legal Fees	12,750
Transfer Secretaries' Fees	8,000
Printing & Distribution	3,000
ZSE & VFEX Application & Document Review	6,950
Total	**55,700**

2. OVERVIEW OF INNSCOR AFRICA LIMITED

2.1. Profile of Innscor Africa Limited

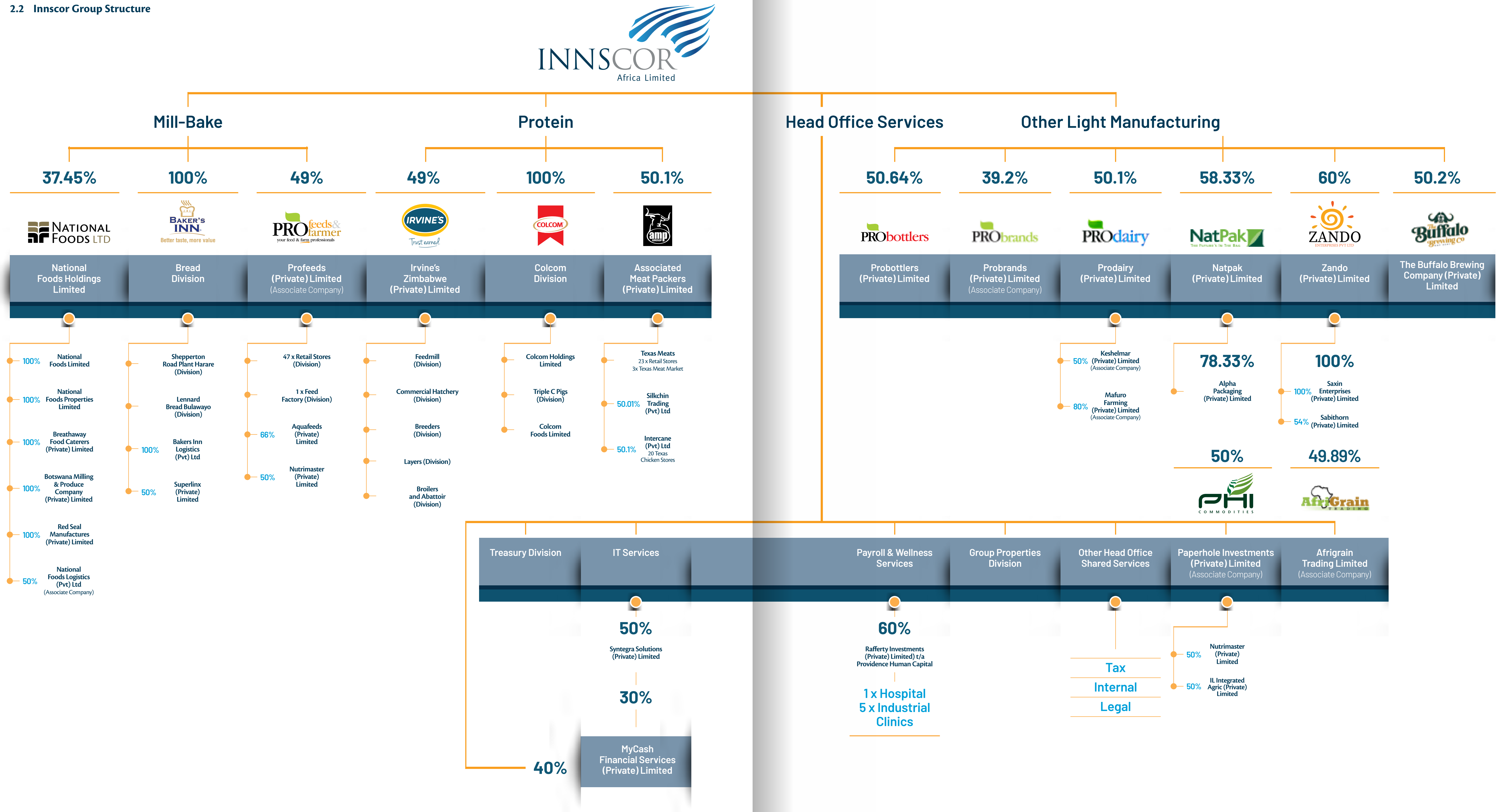
Innscor is a manufacturer of consumer staple and durable goods for the mass market through a managed, and where strategically appropriate, integrated portfolio of businesses. The Group commands leading market shares across a range of its categories and, over the years, has grown organically through acquisition and by venturing into new categories.

The structure of the Group and the effective shareholding in the main operating subsidiaries and associates is illustrated on the following page.

DETAILS OF THE PROPOSED TRANSACTION (continued)

2. OVERVIEW OF INNSCOR AFRICA LIMITED (continued)

2.2 Innscor Group Structure



DETAILS OF THE PROPOSED TRANSACTION (continued)

2. OVERVIEW OF INNSCOR AFRICA LIMITED (continued)

2.3 Operations

The Group's operations comprise three core operating segments, namely Mill-Bake, Protein and Other Light Manufacturing. The below information provides a summarized account of the core business units across the Innscor Africa Group by segment.

2.3.1 Mill-Bake

The segment reports the Group's Bakery Division, and interests in Superlinx Logistics (Private), Limited, the Group's interests in National Foods Holdings Limited, and the Group's non-controlling interests in Profeeds (Private) Limited.

2.3.1.1 The Bakery Division

The Baker's Inn brand was established in 1989 with the opening of a retail shop on First Street in Harare, supplied by a bakery operation by the Name of Andrew Foods. Over the last 34 years, the brand has reached iconic status in Zimbabwe, underpinned by state-of-the-art bakery operations in Harare and Bulawayo and a distribution reach unmatched in the market. The business has recently invested US$ 22 million in a new bakery operation in Bulawayo, complimented by a fully automated Harare-based bakery set to come online in early 2023.

The business has a controlling interest in Superlinx Logistics (Pty) Ltd, which is exclusively responsible for the sale and distribution of Baker's Inn bread countrywide; the business operates one of the largest distribution fleets in the country.

2.3.1.2 National Foods

National Foods Holdings Limited, listed on the Victoria Falls Stock Exchange, is Zimbabwe's largest food manufacturer, producing a wide range of basic fast-moving consumer and animal feed products. In addition to maize and flour milling, the company produces a wide range of food products, including but not limited to stock feed, rice, breakfast cereals, pasta, snacks and biscuits. The origins of the company date back to 1920, and since then, a wide range of iconic Zimbabwean brands have been developed, such as Gloria, Red Seal, Mahatma, and more recently, Iris, King and Allegros.

National Foods has manufacturing sites in Harare and Bulawayo, from which it distributes its products throughout Zimbabwe.
Innscor acquired a shareholding in National Foods in 2003 and today holds a 37.45% share, with Tiger Brands holding another 37.45%, with the balance held by several other shareholders.

2.3.1.3 Profeeds

Profeeds was established in 2007 as a stock feed manufacturing business; the business initially focused on poultry feed for broilers and layers but has expanded its category offerings to include cattle, horse, pig, goat, rabbit, dog and aquatic feeds. The business established a retail network in 2010, which has grown to exceed 50 stores countrywide, with the majority having received significant investment focused on upgrades and refurbishments. The retail network predominantly serves as a route to market for the stock feed business but has also expanded its offerings to include day-old chicks and other livestock, as well as farming inputs aimed at small to medium-scale farming operations.

Innscor Africa Limited acquired a non-controlling interest in Profeeds in 2015.

2.3.2 Protein

This segment reports the Group's Colcom Division and its interests in Irvine's Zimbabwe (Private) Limited and the Associated Meat Packers (Private) Limited ("AMP Group").

2.3.2.1 Colcom

Colcom Foods is a long-established household brand name in Zimbabwe, dating back to 1943. Innscor Africa Limited acquired a shareholding in Colcom in 2004.

In recent years, Colcom Foods has invested significantly in upgrading and refurbishing its existing factory equipment, refrigeration, and related utilities. Its operations are headquartered in Harare at Coventry Road; they include an abattoir, deboning facility, a well-equipped processing factory for 160 lines of fresh and processed products, and the Colcom pie factory.

Colcom is a vertically integrated enterprise through the "Triple C Pigs" operation. The pigs supplied to Colcom by Triple C Pigs have achieved notable results in quality, output and feed conversion. Triple C Pigs also has an on-site stockfeed mill and mixing facility.

DETAILS OF THE PROPOSED TRANSACTION (continued)

2. OVERVIEW OF INNSCOR AFRICA LIMITED (continued)

2.3 Operations (continued)

2.3.2 Protein (continued)

2.3.2.2 Irvine's Zimbabwe ("Irvine's")

Irvine's have been producing chicken in Southern Africa since the 1950's. Today Irvine's Zimbabwe is the Country's largest poultry producer, with its operations encompassing day-old chick production, frozen poultry, table eggs and stock feed manufacturing. The business continues to invest heavily in rearing sites, hatcheries and processing facilities to support the Country's growing demand for poultry products. Innscor Africa Limited acquired a share in Irvine's Zimbabwe in 2009.

2.3.2.3 AMP Group

The AMP Group, founded in 2003, comprises 47 "Texas" retail outlets countrywide, factory operations, and an abattoir. AMP produces a wide range of de-boned, cut meats and carcasses, and the business consistently ensures the best quality protein products reach the Zimbabwean consumer.

2.3.3 Other Light Manufacturing

The main operations in this reporting segment are the Group's controlling interests in Prodairy (Private) Limited, Probottlers (Private) Limited, Natpak (Private) Limited, and non-controlling interests in Probrands (Private) Limited.

2.3.3.1 Prodairy

Prodairy was established in 2018 following its demerger from Probrands. In April 2018. Prodairy diversified its product offering by bottling the popular 'Revive' dairy juice blends, along with Long Life Milk, Cultured Milk, Dairy Blend, Maheu, Butter and Cream. The business has experienced exciting growth in recent years, underpinned by investment to increase manufacturing capacities and extension of its product categories supported further by innovative packaging and product format investment initiatives focussed on catering for specific consumer segments.

Prodairy has been vertically integrated through the "Mafuro Farming" operation, which operates dairies in Mashonaland East and the Midlands provinces.

2.3.3.2 Probottlers

Probottlers was launched in 2013 and initially focused on developing its popular "Bally House" cordial range. The business has extended its product offering to include carbonated soft drinks, including brands such as "Fizzi" and "St Clairs".

2.3.3.3 Probrands

The company was started in 2007 with an initial focus on down packing and grocery products. Probrands has subsequently diversified its operations to include a strong manufacturing drive; coupled with its down-packed and trading focus, the business is a local manufacturer of candles, detergents, condiments, and peanut butter, to name a few. Innscor acquired a non-controlling stake in Probrands in 2016.

2.3.3.4 Natpak

Natpak was started in Bulawayo in 1981, primarily to meet the growing packaging demands of its then-parent company, National Foods Limited. In 2010, National Foods Holdings Limited divested Natpak, enabling the business to become a fully-fledged packaging company focused on poly-woven sacks, flexibles, rigids and corrugated. Innscor Africa Limited became the major shareholder.

DETAILS OF THE PROPOSED TRANSACTION (continued)

3. CORPORATE GOVERNANCE

3.1. Introduction

Critical to Innscor's corporate governance values is the need to ensure that Innscor observes principles and ethical practices benchmarked on international best practices. Innscor continues to monitor and align its codes of corporate practices and conduct with local and international corporate governance codes, such as the National Code of Corporate Governance in Zimbabwe (ZIMCODE) which the Board has adopted as the primary code of Corporate Governance for the Innscor Group. Innscor continues to explore aligning its practices with the OECD Principles of Corporate Governance.

Innscor's management philosophy is anchored on the need to conduct the affairs of the Company with transparency, integrity, accountability and in accordance with generally accepted corporate practices in the interests of its stakeholders and Shareholders This enables its Shareholders and stakeholders to derive assurance that, in sustaining and adding value to Innscor's financial, natural, intellectual, manufactured, relational and human capital investment, the Company is being managed ethically, according to prudently determined parameters and in compliance with best international practices.

3.2. Board of Directors

The Group continues to align the Board composition with COBE and the ZSE Listing Requirements and with governance policy and international best practices of corporate governance. At the commencement of FY2022, the Board of Directors consisted of 2 Executive Directors, 3 Independent Non-executive Directors and 2 Non-Independent Non-Executive Directors, a composition and number aligned to the requirements of COBE that a public company should have a minimum of 7 Directors.

The Chairman and Non-Executive Directors bring significant experience and intuition to guide an active and ambitious executive management team. The Board meets quarterly to monitor the performance of the Group and its management and to deliberate on the strategic direction of its operations.

The full names, addresses, positions, and brief profiles of the Innscor Directors are set out below:

Full Name	Address	Position
A.B.C. Chinake	47 Basset Crescent, New Alexandra Park, Harare	Independent Non-Executive Chairman
J.P. Schonken	1 Ranelagh Road, Highlands, Harare	Chief Executive Officer
G. Gwainda	1 Ranelagh Road, Highlands, Harare	Group Financial Director
M.J. Fowler	121 Borrowdale Road, Gunhill, Harare	Non-Executive Director
Z. Koudounaris	1 Ranelagh Road, Highlands, Harare	Non-Executive Director
T.N. Sibanda	1st Floor, Eagle House, Bulawayo CBD	Independent Non-Executive Director
D.K. Shinya	1st Floor, ZB Life Towers, Harare CBD	Independent Non-Executive Director

Addington Chinake (Independent Non-Executive Chairman)

Addington is a legal practitioner by profession, with more than twenty-nine years of experience in legal services in Zimbabwe. He has extensive experience in all manner of legal practice in Zimbabwe. Over the past twenty years, his area of specialisation has been corporate and commercial law including mining law, competition law, mergers and acquisitions, Leveraged Buy Outs (LBO's) and capital raising. Addington has been involved in a number of significant Foreign Direct Investment ("FDI") transactions and a number of other multi-million-dollar acquisitions and disposals by foreign companies of equity on Zimbabwe Stock Exchange listed entities, financial institutions and major Greenfield mining projects. He continues to act for and/ or advise a number of Fortune 100 public companies with investments in Zimbabwe and the Region and remains a Top Ranked Commercial Lawyer in Zimbabwe by Chambers and Partners. Addington has sat on the boards of a other publicly listed companies and is the current Chairman of Simbisa Brands Limited. He is a member of the Innscor Group's Remuneration and Nominations Committees.

Julian Schonken (Group Chief Executive Officer)

Julian, who is Zimbabwean, completed his tertiary education at Rhodes University in South Africa, where he attained a Bachelor of Commerce degree. In 1999 and shortly after completing his articles of clerkship and qualifying as a Chartered Accountant (Zimbabwe) with Deloitte, Julian joined Innscor and has held a number of financial and managerial positions during his 23 years with the Group. In October 2007, Julian was appointed to the main Board of Innscor as Group Financial Director; in January 2015 Julian accepted appointment as Executive Director for the Light Manufacturing Division of Innscor and in September 2016, was appointed as Group Chief Executive Officer. Julian currently chairs the Group's Executive Committee and is a member of its Finance and Investment Committee; he also sits on the boards and committees of a number of Innscor's operating business units.

DETAILS OF THE PROPOSED TRANSACTION (continued)

3. CORPORATE GOVERNANCE (continued)

3.2. Board of Directors (continued)

Godfrey Gwainda (Group Financial Director)

Godfrey is a Chartered Accountant with over twenty years of experience in accounting and finance. Godfrey completed his articles of clerkship with KPMG and qualified as a Chartered Accountant (Zimbabwe) in 2000. In September 2001 he joined Innscor and has held a number of financial and managerial positions. In January 2015, Godfrey was appointed to the main Board of Innscor as Group Financial Director. Godfrey is a member of the Group's Executive Committee and chairs the Finance and Investment Committee. He also sits on the board of National Foods Holdings Limited. Godfrey holds an MBA from Henley Business School of the University of Reading.

Michael Fowler (Non-Executive Director)

Michael is a founder shareholder of Innscor and has held a number of managerial positions within the Group including a period during which he served as the Group Chief Executive Officer. Michael was a key driver behind the Group's investment into its now unbundled crocodile ranching and gold mining operations (Padenga Holdings Limited) where he has remained as an executive director since its unbundling and separate listing on the ZSE in 2010. Michael is a member of the Group's Remuneration, Nominations and Audit Committees.

Zinona ("Zed") Koudounaris (Non-Executive Director)

Zed completed his tertiary education at Rhodes University in South Africa where he attained a Bachelor of Commerce degree, majoring in Business and Computer Sciences. Zed is a founder shareholder of the Group and was the driving force behind the initial creation and success of the Group. Zed has held a number of positions within the Group including Chief Executive Officer upon the Group's listing in 1998. Zed remains highly active in pursuing strategic growth opportunities for the Group and providing guidance to its management team. Zed sits on the boards of Simbisa Brands Limited and Axia Corporation Limited.

Thembinkosi Sibanda (Independent Non-Executive Director)

Themba, is a Chartered Accountant by profession, with over thirty-eight years post- qualifying experience. He has continued to practice with the firm Schmulian and Sibanda Chartered Accountants (Zimbabwe) in Bulawayo. Over the past thirty-three years, he has served on the boards of several blue-chip companies on the Zimbabwe Stock Exchange ranging from banking, beverages, pipes, tyres and building material manufacturers, and he currently sits on the boards of several listed entities in Zimbabwe, including Edgars Stores Zimbabwe Limited, Padenga Holdings Limited, Axia Corporation Limited and PPC Zimbabwe Limited. He is currently the Chairman of the Group's Audit and Risk Committee and is also a member of the Remuneration and Nominations Committees.

Duduzile Shinya (Independent Non-Executive Director)

Dudu is a Fellow Chartered Accountant of Zimbabwe, FCA(Z) and holds a Bachelors' degree in Accounting Science Honours degree with the University of South Africa (UNISA) as well as a Masters' in Business Leadership from the UNISA Graduate School of Business Leadership.

Dudu has experience of accounting and financial leadership spanning over twenty years, including eleven years at PricewaterhouseCoopers (PwC), where she commenced her accountancy career. Dudu is the Zimbabwe Investment and Development Agency (ZIDA) Chief Financial Officer. Previously she worked with the Takura Capital Group overseeing the finance roles at Medical Investments Limited (flagship brand, The Avenues Clinic), as well as Amalgamated Brands, the investment holding company for Cairns Holdings, Lobels' Bread, Cailogistics and Cailo Marketing Services. Prior to Takura Capital Group, she was the Finance Director at Schweppes Holdings Africa Limited. Dudu is a past-President of the Institute of Chartered Accountants of Zimbabwe (ICAZ). She has served over six years as a Council member of ICAZ and in the Committee of ICAZ, such as the Audit and Finance Committee, Pathways Committee, We CAN Committee as well as on the Accounting Practices Committee. Dudu currently sits on the Zimbabwe International Trade Fair Board as well as the Hippo Valley Estates Limited Board. She is a member of the Public Accountants' and Auditors' Board (PAAB) Accounting Standards Committee. She has previously served on the Boards of CBZ Bank, Old Mutual, Schweppes Zimbabwe Limited and ZINWA as an Independent Non-Executive Director, as well as a previous member of the Strategy Committee of the International Federation of Women Accountants.

DETAILS OF THE PROPOSED TRANSACTION (continued)

3. CORPORATE GOVERNANCE (continued)

3.3. Directors' Interests

The principles of observing sound ethical practices, values and conduct are ultimately the Board and Management's responsibility. Declarations of interest and any conflict arising in carrying out the effective roles and responsibilities are a requirement of all Innscor Directors and Management. Such declarations are included in the business of all Board meetings held during the year by the Company.

At 30 June 2022, the Directors held, directly and indirectly, the following number of shares:

	30 June 2022 # of shares	30 June 2021 # of shares
Z. Koudounaris	114,817,346	114,517,346
M.J. Fowler	109,179,327	108,566,827
J.P. Schonken	5,176,487	4,151,487
G. Gwainda	1,683,859	991,759
A.B.C. Chinake	1,329,645	957,545
T.N. Sibanda	950,000	650,000
D.K. Shinya	11,900	2,200
	233,148,564	**229,837,164**

3.4. Audit and Risk Committee

The Audit & Risk Committee assists the Board in the fulfilment of its duties. The Audit & Risk Committee deals, inter alia, with compliance, internal control and risk management. The Committee comprises two independent, Non-Executive Directors and one Non-Independent, Non-Executive Director. An Independent Non-Executive Director chairs the Committee. The Committee meets at least three times a year with the Group's external and internal auditors to consider compliance with financial reporting requirements, monitor the appropriateness of accounting policies and the effectiveness of the systems of internal control and consider the findings of the internal and external auditors. Both the internal and external auditors have unrestricted access to the Audit & Risk Committee to ensure independence and the objectivity of their findings and scope of their work.

3.5. Remuneration Committee

The Remuneration Committee comprises an independent, Non-Executive Chairman, an Independent Non-Executive Director and a Non-Independent, Non- Executive Director who determines, on behalf of the Board and the Shareholders the individual remuneration packages for the Executive Directors and other executive management. The Group's Remuneration policy is to provide packages that attract, retain and motivate high-quality individuals who contribute to each business's sustainable growth and success. Packages primarily include basic salaries, performance-related bonuses and long-term, share-based incentives.

3.6. Nominations Committee

The Nominations Committee comprises an Independent, Non-Executive Chairman, an Independent Non-Executive Director and a Non-Independent, Non-Executive Director who considers the composition of the Board and its Committees and makes appropriate recommendations to the Board regarding the retirement, appointment and replacement of Directors.

3.7. Executive Committee

The Executive Committee is responsible for formulating, defining and implementing strategic decisions. The Committee comprises two Group Executive Directors, CEO's from three of its largest operating business units, the Group Treasurer, the Group Company Secretary and a Senior Executive. The Committee meets regularly.

DETAILS OF THE PROPOSED TRANSACTION (continued)

3. CORPORATE GOVERNANCE (continued)

3.8. Finance and Investment Committee

The Finance and Investment Committee is mandated by the Board to set, approve and monitor overall borrowing limits for the Group and for the individual companies within the Group. The Committee is responsible for approving financial institutions that the Group can transact with and limits of such transactions. The Committee also sets, approves and monitors the overall capital expenditure investment within the Group and specifically analyses any expansion capital expenditure and potential business acquisition or disposal.

The Committee comprises two Group Executive Directors and the Group Treasurer, Group Company Secretary and two senior Executive managers. The Committee meets regularly to consider banking facilities, borrowing positions, borrowing limits, counterparty limits, capital expenditure, investment opportunities and such other business as may be directed by the Board.

3.9. Dealing in Shares

Directors, management, and all Group staff are not permitted to deal directly or indirectly in the shares of the Group or companies during:

- The period from the end of the interim or annual reporting periods to the announcement of the interim and annual results.
- Any period when they are aware of any negotiations or details which may affect the share price, or,
- Any period when they are in possession of information, the effects of which may affect the share price.
- Any share dealings by Directors and management in listed shares of the Group are declared to the ZSE.

3.10. Professional Advice

The Group's policy, where justifiable, entitles Directors to seek independent professional advice at the Group's expense in the furtherance of their duties or advancement of the Group's business objectives.

3.11. Remuneration of Directors

Remuneration packages for the Group's Executive Directors and other Directors and Senior Executives are determined by the Group's Remuneration Committee. These packages include a guaranteed salary and a performance-related incentive linked to the achievement of pre-set targets which takes into account the needs of the Group and Shareholders from time to time. The Group also operates a long-term retention scheme designed to retain employees in the medium to long-term, to focus their attention on longer-term strategic goals and ensure sustained growth of the Group.

As at 30th June 2022, there were no loans from the Group to any Director.

3.12. Ethics and Business Integrity

Professional and ethical standards are an integral part of how the Company conducts its business affairs. The Group recognises that investor and stakeholder perceptions are based on the manner in which the Company, its Directors, management and staff conduct business and the Group, therefore, strives to achieve the highest standards of integrity and business ethics at all times.

4. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

4.1. Capital Commitments

Innscor had the following capital commitments as of 30 June 2022:

	Inflation-Adjusted		Historical Cost	
Capital expenditure commitments	**2022 Audited ZW$'000**	**2021 Audited ZW$'000**	**2022 Supplementary ZW$'000**	**2021 Supplementary ZW$'000**
Authorised and contracted	6,901,715	7,704,600	6,901,715	2,642,520
Authorised but not contracted	7,387,642	2,767,642	7,387,642	949,339
Total	**14,289,357**	**10,472,517**	**14,289,357**	**3,591,859**

The capital expenditure will be financed from the Group's own resources and existing borrowing facilities.

DETAILS OF THE PROPOSED TRANSACTION (continued)

4. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (continued)

4.2. Contingent Liabilities

4.2.1 Guarantees

	Inflation-Adjusted		Historical Cost	
Capital expenditure commitments	**2022 Audited ZW$'000**	**2021 Audited ZW$'000**	**2022 Supplementary ZW$'000**	**2021 Supplementary ZW$'000**
Guarantees	5,053,250	8,654,516	5,053,250	2,968,322

The contingent liabilities relate to bank guarantees provided in respect of the Group's associate companies and subsidiary companies as at 30 June 2022.

4.2.2 Competition and Tariff Commission

In May 2020, the Competitions and Tariff Commission ("CTC") directed that the Group's non-controlling investment in Profeeds be disallowed and that the Group disinvest from the business; additionally, it levied a fine against the Group in the amount of ZW$40.594m for late notification of the investment. The Group appealed to the Administrative Court against the CTC directives. In January 2022, the Administrative Court overturned the CTC's directive for the Group to disinvest from Profeeds, and it further directed that the fine be withdrawn and replaced with a caution. The CTC has since appealed the judgement to the Supreme Court which ruled in favour of the Group.

4.2.3 Pending Tax Matters

As previously reported, the Zimbabwe Revenue Authority ("ZIMRA") raised tax assessments of ZW$828,075 in respect of Innscor Bread Company (Private) Limited ("IB") based on disallowing expenditure on canteen meals provided to staff and management fees services provided by Innscor Africa Limited. During the financial year ended 30 June 2022, a judgement was passed in the Group's favour with respect to canteen meals for factory workers. However, the issue of management fees is still with the Courts to determine ZIMRA's claim, which includes interest and penalties. The Board has sought legal advice and is of the view that the Group acted within the confines of the existing statutes. No provision has been made in the Group financial statements pending the resolution of these matters. During the year ended 30 June 2022, ZIMRA further issued several assessments to the Group's subsidiaries and associates over the management fees paid by the businesses to the Group as well as assessments on Technical Fees paid to some related parties. As at 30 June 2022, the total assessments issued on the Group amount to US$4.905 million.

4.2.4 Uncertain Tax Positions

The significant currency changes in Zimbabwe since 2018 have created some uncertainties in the treatment of taxes due to the absence of clear guidance and transitional measures from the tax authorities. Complications arose from the wording of the tax legislation in relation to the currency of settlement for certain taxes which gives rise to varying interpretations within the economy. The Group has several unresolved tax matters with ZIMRA arising from the differences in interpretation of the tax legislation. Some of these matters are in the courts, while some are being discussed between the Group and ZIMRA.

5. MATERIAL CONTRACTS

As of 30 June 2022, Innscor had not entered any material contracts other than in the ordinary course of business.

6. LITIGATION STATEMENT

Other than those disclosed, the Company is not involved in any other material litigation or arbitration proceedings which may have, or which have had, during the twelve months preceding the date of this Circular, a significant effect on the financial position of Innscor nor is the Company aware that any such proceedings are pending or threatened.

DETAILS OF THE PROPOSED TRANSACTION (continued)

7. SHARE INFORMATION

7.1. Innscor Shareholding Structure

The table below details the top 20 Shareholders of Innscor as of 3 January 2023:

Rank	Name	Country	Industry	Shares	Percentage
1	ZMD INVESTMENTS (PVT) LTD	ZIM	LC	107,673,356	18.70
2	H M BARBOUR (PVT) LTD	ZIM	LC	100,974,000	17.54
3	STANBIC NOMINEES (PVT) LTD	ZIM	LN	99,385,169	17.26
4	OLD MUTUAL LIFE ASS CO ZIM LTD	ZIM	LC	27,544,893	4.78
5	SARCOR INVESTMENTS (PVT) LTD	ZIM	LC	22,484,058	3.90
6	SCB NOMINEES 033663900002	ZIM	LC	14,850,865	2.58
7	PHARAOH LIMITED	BVG	FC	14,790,570	2.57
8	NSSA POBS-PLATINUM	ZIM	PF	11,676,757	2.03
9	MINING INDUSTRY PENSION FUND	ZIM	PF	8,271,217	1.44
10	MUSIC VENTURES (PVT) LTD	ZIM	LC	7,465,382	1.30
11	GENERAL ELECTRONICS (PVT) LTD	ZIM	LC	7,008,642	1.22
12	CITY AND GENERAL HOLDINGS P/L	ZIM	LC	6,822,598	1.18
13	PUBLIC SERVICE COMMISS PF-INVE	ZIM	PF	5,611,802	0.97
14	JULIAN SCHONKEN	ZIM	LR	5,053,820	0.88
15	INNSCOR AFRICA LIMITED (TREASURY SHARES)	ZIM	LC	5,048,848	0.88
16	J-SOFT (PVT) LTD	ZIM	LC	3,758,116	0.65
17	HITESH ANADKAT	ZIM	LR	3,069,400	0.53
18	ZIMBABWE ELECTRICITY IND. PF	ZIM	PF	2,637,002	0.46
19	OLD MUTUAL ZIMBABWE LIMITED	ZIM	LC	2,565,906	0.45
20	AMAVAL INVESTMENTS (PVT) LTD	ZIM	LC	2,483,930	0.43
Total				**459,176,331**	**79.75**
Other Shareholders				**116,600,119**	**20.25**
Total Number of Shares in Issue				**575,776,450**	**100.00**

The shareholdings listed in the table above exclude shares held under independent asset managers.

7.2. Share Price History

The tables below provide statistical information on the market price and volumes traded of Innscor's shares:

Monthly Share Price

Date	Average Monthly Price (VWAP)	Cumulative Volume
30/11/2021	173.68	3,900,800
31/12/2021	156.21	2,706,700
31/1/2022	188.29	2,023,900
28/2/2022	245.78	3,093,100
31/3/2022	293.27	3,260,600
29/4/2022	533.87	2,345,100
31/5/2022	492.51	1,965,700
30/6/2022	496.80	3,943,600
29/7/2022	320.49	4,696,400
31/8/2022	274.14	2,914,500
30/9/2022	219.49	3,062,700
31/10/2022	291.76	2,536,700
30/11/2022	319.21	3,318,700
31/12/2022	353.38	3,839,600

Quarterly Share Price

Date	Average Quarterly Price (VWAP)	Cumulative Volume
31/3/2022	250.37	8,377,600
30/6/2022	506.31	8,254,400
30/9/2022	278.85	10,673,600
31/12/2022	295.47	11,465,000

DETAILS OF THE PROPOSED TRANSACTION (continued)

7. SHARE INFORMATION (continued)

7.2. Share Price History (continued)

Date	Closing Price	Volume
12/12/2022	344.96	65,800
13/12/2022	345.41	71,100
14/12/2022	350.04	203,000
15/12/2022	353.47	292,400
16/12/2022	363.82	23,600
19/12/2022	380.76	26,600
20/12/2022	437.00	2,000
21/12/2022	451.98	97,700
23/12/2022	519.11	3,100
28/12/2022	561.74	13,700
29/12/2022	625.06	66,000
30/12/2022	713.67	171,600

Date	Closing Price	Volume
03/01/2023	707.90	52,600
04/01/2023	692.76	164,400
05/01/2023	676.99	168,700
06/01/2023	699.69	42,700
09/01/2023	707.07	254,500
10/01/2023	700.65	110,700
11/01/2023	700.33	39,400
12/01/2023	700.09	37,700
13/01/2023	699.90	149,300
16/01/2023	691.57	27,500
17/01/2023	684.83	46,700

7.3. Share Capital

The share capital of Innscor as at 30 June 2022 is shown below:

a) Authorised

	Inflation-Adjusted		Historical Cost	
Capital expenditure commitments	**30 June 2022 Audited ZW$'000**	**30 June 2021 Audited ZW$'000**	**30 June 2022 Supplementary ZW$'000**	**30 June 2021 Supplementary ZW$'000**
800,000,000 ordinary shares of ZW$1 cent each and 1 000 Non-Voting Class "A" ordinary shares of ZW$1 cent each.	8,000	8,000	8,000	8,000
Balance at the end of the year	**8,000**	**8,000**	**8,000**	**8,000**
b) Issued and fully paid				
Ordinary Share Capital				
Opening Balance	761,331	761,130	5,699	5,648
Issued during the year	158	201	61	51
575,926,450 ordinary shares	**761,489**	**761,331**	**5,760**	**5,699**
Share Premium				
Opening Balance	2,547,630	2,459,712	25,892	20,358
Issued during the year 6,050,000	104,995	87,918	10,459	5,524
	2,652,625	**2,547,630**	**36,351**	**25,892**
Class "A" Ordinary Shares				
1,000 Non-Voting Class "A" ordinary shares of 1 cent each	—	—	—	—

Class "A" shares are entitled to a dividend at the same as ordinary Shareholders of the parent, payable to Employee Share Trust Company (Private) Limited.

There were no changes in the Company's authorised share capital during the year, and the unissued shares are under the control of the Directors.

DETAILS OF THE PROPOSED TRANSACTION (continued)

7. SHARE INFORMATION (continued)

7.4. Share Options

As at 30 June 2022, Innscor had the following two Share Option agreements:

a) Benvenue Investments (Private) Limited

This is an option held by an indigenous partner in terms of the Indigenisation and Economic Empowerment Act (Chapter 14:33). The terms of the Indigenisation Share Option are as follows:

Commencement date:	January 2014
Number of shares available:	Fifty Million (50,000,000)
Tenure:	10 years
Pricing:	The higher of- 75% of the volume weighted average price of Innscor shares over the previous 60 trading days; or for the first five years, ZW$ 0.70 per share and, for the second five years, ZW$ 1.03 per share.

At the end of the year, the scheme had a remaining contractual life of one and a half years. The share options arising from the Benvenue Investments (Private) Limited share option scheme had no dilutive effect at the end of the financial year.

As at 30 June 2022, these options were exercisable.

b) Innscor Employee Share Trust.

This is an option held by Innscor Employee Share Trust (Private) Limited in terms of the Indigenisation and Economic Empowerment Act (Chapter 14:33). The terms of the Innscor Employee Share Trust Option are as follows:

Commencement date:	January 2014
Number of shares available:	Thirty Million (30,000,000)
Tenure:	10 years
Pricing:	At the volume weighted average price of Innscor shares over the previous 60 trading days.

At the end of the year, the scheme had a remaining contractual life of one and half years. The share options arising from the Innscor Employee Share Trust (Private) Limited had no dilutive effect at the end of the financial year.

As at 30 June 2022, these options were exercisable.

c) 2016 Innscor Share Option Scheme

As part of the Group's staff retention and remuneration policy certain employees of the Group are offered share options that are exercisable for a period of three years from the vesting date. The Directors are empowered to grant share options to qualifying employees of the Group. Each employee share option converts into one ordinary share of the Company on the date it is exercised and paid for. The number of options approved by the Shareholders is 54 159 344, and other terms and conditions for these options are as follows:

Maximum number of shares available:	54,159,344
Vesting Period:	3 years from the grant date
Exercise Price:	The higher of:
	45-day volume weighted average price of Innscor shares immediately preceding the grant date and the nominal value of the shares.
Other Conditions:	The employee must be in continuous employment by the Group from the grant date throughout the vesting period. The options are exercisable starting three years after the grant date. The Group achieves a set growth in headline earnings per share over the three-year period. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The options are performance-based and are awarded by the Remuneration Committee.

DETAILS OF THE PROPOSED TRANSACTION (continued)

7. SHARE INFORMATION (continued)

7.4. Share Options (continued)

c) 2016 Innscor Share Option Scheme (continued)

The movements in the number of outstanding Share Options in respect of the 2016 Innscor Share Option Scheme are as follows:

	Number of Options June 2022 '000	Number of Options June 2021 '000
Balance at the beginning of the year	**6,050**	**11,150**
Granted during the year	—	—
Exercised during the year	(6,050)	(5,100)
Balance at the end of the year	**—**	**6,050**

7.5. Voting Rights

The authorized but unissued and issued Innscor ordinary shares are the same class and rank pari passu in every respect.

7.6. Capital Adequacy, Working Capital and Cashflow

The Group has been prudent in its cashflow management to the extent that its credit facilities with foreign suppliers were not fully utilised, and the growth in trade payables did not exceed growth in turnover. The Group's management teams will continue to manage the Group's gearing levels optimally, that is to align the quantum and cost of debt deployed across the Group, focus on improving free cash flows, invest free funds into assets with attractive returns, manage foreign currency exposure and ensuring the balance sheet value remains protected in real terms.

8. EXPERTS' CONSENTS

The Lead Financial Advisors, Sponsoring Brokers, Legal Advisors and Transfer Secretaries have submitted their written consents to act in the capacities stated and to their names being stated in this Circular, which consents have not been withdrawn as at the date of this Circular. The above-mentioned consents are available for inspection by interested parties in accordance with paragraph 10.

9. REGULATORY ISSUES

The ZSE approved the distribution of this Circular on Monday, 23 January 2023.

10. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

The public may inspect this Circular and the documents available as listed in below between 0800 hours and 1600 hours from Monday, 30 January 2023 to Friday, 10 February 2023 at the Sponsoring Brokers' physical offices at the address set out in the "Corporate Information" section of this Document:

- The Memorandum of Association of the Company;
- Innscor Board Approval of the Proposed Transaction;
- The expert written consent letters;
- The Audited Financial Statements and Notes to the Financial Statements for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 for Innscor;
- The ZSE approval for the delisting of Innscor from the ZSE; and
- The VFEX approval for the listing of Innscor onto the VFEX.

DETAILS OF THE PROPOSED TRANSACTION (continued)

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear below, collectively, and individually accept full responsibility for the accuracy of the information provided in this Circular and certify that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading. They have made all reasonable enquiries to ascertain such facts, and that this Circular contains all information required by law, ZSE and VFEX listing rules.

The Directors confirm that this Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquires) that investors and their professional advisors would reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer, and of the rights attaching to the securities to which the listing particulars relate.

Director's Name	Position	Signature
A.B.C. Chinake	Independent Non-Executive Chairman	[Signed on original]
J.P. Schonken	Group Chief Executive Officer	[Signed on original]
G. Gwainda	Group Financial Director	[Signed on original]
M.J. Fowler	Non-Executive Director	[Signed on original]
Z. Koudounaris	Non-Executive Director	[Signed on original]
T.N. Sibanda	Independent Non-Executive Director	[Signed on original]
D.K. Shinya	Independent Non-Executive Director	[Signed on original]

APPENDIX I – INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF INNSCOR AFRICA LIMITED
REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS

Adverse opinion

We have audited the accompanying inflation adjusted consolidated financial statements of Innscor Africa Limited and its subsidiaries (together, "the Group"), set out on pages 184 to 282 which comprise the inflation adjusted consolidated statement of financial position for the year ended 30 June 2022, the inflation adjusted consolidated statement of profit or loss and other comprehensive income, the inflation adjusted consolidated statement of changes in equity, and the inflation adjusted consolidated statement of cash flows for the year then ended, and the notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the inflation adjusted consolidated financial statements do not present fairly, the inflation adjusted consolidated financial position of the Group as at 30 June 2022, and its inflation adjusted consolidated financial performance, and its inflation adjusted consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Adverse Opinion

1. **Non-compliance with IAS 21 "The Effects of Changes in Foreign Exchange Rates" with respect to the determination of the appropriate spot rate and the consequential impact to the recorded monetary adjustment**

   During the year, the Group utilised an internally generated foreign exchange rate, which had been determined through the Group's trading arrangements, to convert foreign currency transactions to Zimbabwe Dollar (ZWL) as detailed in Note 2.3. This was not in compliance with the requirements of IFRS which requires the use of the official spot rate, a rate which should be determined using the Foreign Exchange Auction Trading System exchange rates, as published by the Reserve Bank of Zimbabwe ("Auction Rate", or the "official spot rate").

   Because of the number of transactions and line items impacted by the use of different rates (as described above) for the translation of foreign currency transactions, we are unable to quantify the impact of using the official spot rate for these translations on the inflation adjusted consolidated financial statements. As a result, the departure from the official spot rate as required under IAS 21 is considered to be material and pervasive to the inflation adjusted consolidated financial statements of the Group.

   Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on current periods' financial information which was not in compliance with IAS 21 as described above. Consequently, the line item "monetary gain" on the inflation adjusted consolidated statement of profit or loss and other comprehensive income is impacted.

2. **Accounting for blocked funds (carry over effect of prior year modification on comparatives)**

   The Group met the recognition criteria to account for deposits to the Reserve Bank of Zimbabwe as monetary statutory receivables in the 2021 financial year. However, the deposits had been incorrectly recognised as foreign denominated derivative financial assets in the 2020 financial year which resulted in a modification to the 2020 and 2021 audit opinions. In the 2021 financial year, the carry-over impact of the misstatement was ZW$ 1 016 225 504. This error impacted the financial income line item and inflation adjusted consolidated statement of profit and loss and other comprehensive income.

APPENDIX I – INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (continued)

2. **Accounting for blocked funds (carry over effect of prior year modification on comparatives)** (continued)

   Our opinion on the inflation adjusted consolidated financial statements has been modified because of the possible effect of this matter on the comparability of the current year's financial income line item as presented in the inflation adjusted consolidated statement of profit and loss and other comprehensive income with that of the prior year.

   We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the inflation adjusted consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of inflation adjusted consolidated financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted consolidated financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Basis for adverse opinion section, we have not determined any other key audit matters to be communicated in our report.

Other information

The directors are responsible for the other information. The other information comprises the Report of Directors, as required by the Companies and Other Business Entities Act (Chapter 24:31), Directors' Responsibility and Approval of Financial Statements, Company Secretary's Certification and the historic cost financial information, which we obtained prior to the date of this auditor's report. The other information also comprises the additional information in the document titled "Innscor Africa Limited Annual Report for the year ended 30 June 2022" which we expect to receive after the date of the auditor's report. The other information does not include the inflation adjusted consolidated financial statements and our auditor's report thereon.

Our opinion on the inflation adjusted consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated 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. Given the nature of the matters set out in the Basis for Adverse Opinion section above, we have determined that the other information is materially misstated for the same reasons.

Responsibilities of the directors for the inflation adjusted consolidated financial statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated financial statements, the 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 the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

APPENDIX I – INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (continued)

Auditor's responsibilities for the audit of the inflation adjusted consolidated financial statements (continued)
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 inflation adjusted consolidated 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 the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 inflation adjusted consolidated 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 inflation adjusted consolidated 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 entities or business activities within the Group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

APPENDIX I – INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (continued)

Report on other Legal and Regulatory Matters
In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1)(a)

Because of the significance of the matter described in the Basis for Adverse Opinion section of our report, the inflation adjusted consolidated financial statements of the Group are not properly drawn up in accordance with the Act and do not give a true and fair view of the state of the Group's affairs at the date of its financial statements for its financial year ended on that date. Furthermore, Section 193(1)(a) requires the financial statements of the holding company to be audited and that the auditors must opine whether the said accounts of the company are properly drawn up in accordance with the Act so as to give a true and fair view of the state of the Group's affairs at the date of its financial statements for its financial year ended on that date. The audited financial statements of the company have not been issued for the financial years ending 30 June 2018 up to and including 30 June 2022. This results in a non-compliance with the requirements of the Act.

Section 193(2)

We have no matters to report in respect of the Section 193(2) requirements of the Act, in addition to those already addressed in the Basis for Adverse Opinion section of our report

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

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
Per: Stelios Michael
(PAAB Practice Certificate Number 0443)
Partner
Registered Auditor
Harare, Zimbabwe

28 October 2022

APPENDIX II – INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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Qualified Opinion

We have audited the inflation adjusted consolidated financial statements of Innscor Africa Limited (the "Company") and its subsidiaries (the "Group"), set out on pages 50 to 99, which comprise the inflation adjusted consolidated statement of financial position as at 30 June 2021, and the inflation adjusted consolidated statement of profit or loss and other comprehensive income, the inflation adjusted consolidated statement of changes in equity and the inflation adjusted consolidated statement of cash flows for the year then ended, and the notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matter discussed in the ***Basis for Adverse Opinion*** section of our report, the inflation adjusted consolidated financial statements do not present fairly, the inflation adjusted consolidated financial position of the Group as at 30 June 2021, and its inflation adjusted consolidated financial performance and its inflation adjusted consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Qualified Opinion

Our basis for qualified opinion has been arrived at after consideration of the following matters:

1. **Impact of adverse opinion on prior year audited consolidated inflation-adjusted financial statements and the carry over effects in the current year inflation-adjusted consolidated financial statements**

i. Accounting for blocked funds

Included within the prior year financial assets are local funds deposits amounting to ZW$5 133 811 placed by the Company and its local subsidiaries namely National Foods Holdings Limited, Irvine's Zimbabwe (Private) Limited and Probottlers (Private) Limited, with the Reserve Bank of Zimbabwe ("RBZ") in pursuance of the registration of foreign currency denominated liabilities at the date of functional currency change on 22 February 2019 as required by policy pronouncements and undertakings by RBZ. The deposits in local currency were inappropriately recognised as a monetary financial asset in the prior period. For the year ended 30 June 2021, the Group was able to satisfy the recognition criteria of the deposits to the RBZ as a monetary statutory receivable. The deposits in local currency, held with the RBZ, were inappropriately treated as foreign denominated derivative financial asset and translated at the Group's closing ZW$/USD exchange rate in contravention of International Accounting Standard (IAS) 21 – The Effects of Changes In Exchange rates which defines foreign currency as a currency other than the functional currency of the Group. This resulted in an overstatement on the current assets and financial income by ZW$699 481 151 (2020 balance uplifted to current year).

For the year ended 30 June 2021, the Group was able to satisfy the recognition criteria of the deposits to the RBZ as a monetary statutory receivable. The statutory receivable was appropriately accounted for under the requirements of IAS 21. Due to the fact that the recognition criteria and accounting treatment was not appropriate for the year ended 30 June 2020, our opinion on the current year inflation-adjusted consolidated financial statements is modified because of the misstatement to the financial assets and financial income in the comparative financial information and the resulting carry-over impact to the movements in the financial income and monetary adjustment in the current year inflation-adjusted statement of profit or loss and other comprehensive income.

APPENDIX II – INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 (continued)

2. **Incomplete application of IAS 1 (Presentation of financial statements) disclosures on restated comparative financial Information**

The Group applied the United States Dollar ("USD") as its functional and reporting currency for the period 1 July 2018 to 22 February 2019 and the Real Time Gross Settlement Dollar ("RTGS$") or Zimbabwe Dollar ("ZW$") for the period 23 February 2019 to 30 June 2019, in order to comply with Statutory Instrument 33 of 2019 ("SI 33/2019"), issued on 22 February 2019. In addition, to comply with SI 33/2019, the Group changed its functional and presentation currency with effect from 23 February 2019. Under IAS 21, the change in functional currency should have occurred from 1 October 2018, based on the significance of the monetary and exchange control policy changes that occurred between 2016 and 2019.

As a result of this incorrect date of change in functional currency, the inflation adjusted corresponding figures for the year ended 30 June 2019 were misstated, and opening balances for the year ended 30 June 2020 were also similarly misstated, with a consequential impact on reported financial performance and position for the year ended 30 June 2020. Furthermore, the incorrect date of change in functional currency also impacted the accuracy of the hyperinflation restatements required under IAS 29 'Financial Reporting in Hyperinflationary Economies'. This resulted in the adverse audit opinion in the prior years.

The Group resolved to correct the inconsistencies arising due to the decision to apply the requirements of IAS 21 and IAS 29 from 22 February 2019 as opposed to 1 October 2018 as would have been required to comply with International Financial Reporting Standards ("IFRS"). This was applied by restating the prior year financial statements as further described in Note 2.5. Whilst the cumulative impact from the first opening statement of financial position as of 1 July 2019 was corrected, the third statement of financial position as at 30 June 2019 was not presented as required by the IAS 1 -Presentation of Financial Statements. This results in a modification as a result of non-compliance with the presentation requirements.

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation-adjusted Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matters

The financial statements of the Group for the year ended 30 June 2020, were audited by another auditor who expressed an adverse opinion on those statements on 25 September 2020.

The adverse opinion was in part based on the Group's inability to establish observable market wide exchange rates that meet the requirements of IAS 21 at the time.

During the current year, management reassessed its ability to establish an observable market wide exchange rate for both the year ended 30 June 2020 and 30 June 2021. We reassessed the specific item as basis for the adverse audit opinion being "Exchange rates used (Non-compliance with IAS 21 by the Company and its local subsidiaries with ZW$ as their functional currency) on the 2020 financial statements and concluded that the Group was subsequently able to establish observable market wide exchange rates. Consequently, there was no further impact on the audit opinion for the year ended 30 June 2021.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section of our report, we have determined the matters described below to be the key audit matters.

APPENDIX II – INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 (continued)

Key audit matter	How the matter was addressed in the audit
1. Valuation of Biological Assets	
As disclosed in note 5 biological assets are recognised at fair value. Biological assets of the Group include cattle, pigs, birds and hatching eggs, and fair value is determined with reference to the average theoretical life spans for the various categories of biological assets and available market prices. Valuation of biological assets was considered a key audit matter due to the judgements involved in determination of the assumptions used to come up with the fair values and the accuracy of the inputs used in the model. The related disclosures for the fair valuation of biological assets are included in note 19 of the inflation adjusted consolidated financial statements.	In addressing the key audit matter, we performed the following procedures: • Tested the design and implementation of controls around the valuation of biological assets; • Assessed the fair valuation process adopted by management for conformity with the requirements of International Financial Reporting Standards, specifically International Accounting Standard ("IAS") 41: Agriculture; • Substantively tested key data inputs underpinning the carrying amount of biological assets; • Evaluated the reasonableness of management's assumptions with reference to the economic environment, related industry norms and other relevant factors/ considerations; • Assessed the consistency of application of the valuation model compared with prior year; • Re-performed the valuation process using management's model; • Performed sensitivity analysis on key valuation inputs; and • Assessed the appropriateness of the disclosures for biological assets. We assessed the valuation methodologies applied to be appropriate. The related disclosures were also appropriate.
2. Estimation of exchange rates for use in translating foreign currency balances and transactions – Compliance with IAS 21 'The Effects of Changes in Exchange Rates	
The Group's functional currency is the Zimbabwe dollar, and the Group undertakes a number of direct and indirect foreign currency denominated transactions that subsequently also give rise to foreign currency denominated balances. The legally recognised exchange rate for the translation of these foreign currency denominated transactions and balances is the RBZ Foreign Currency Auction exchange rate. However, because the Group is unable to access its full foreign currency requirements from the RBZ Foreign Currency Auction, it is faced with a long-term lack of exchangeability. Under these circumstances, the requirements of IAS 21 prescribe that the spot exchange rates be estimated based on exchange rates arising from the actual means by which the Group is practically able to access its foreign currency requirements. The determination of the spot rate has been assessed to be key audit matter due to the judgement involved. Related disclosures are included note 2.4 of the inflation adjusted consolidated financial statements.	Our testing was focused on the areas of judgement applied by management in determining the internal spot exchange rates. Procedures performed included the following: Obtained an understanding of the Group's specific circumstances leading to a lack of exchangeability; • Obtained an understanding of the process by which the Group determines its estimates of spot exchange rates; • Evaluated the design and tested the implementation of relevant controls over the Group's processes for the estimation of its spot exchange rates; • Tested the completeness and accuracy of the model and inputs into the estimation of exchange rates; • Tested the accuracy of the application of exchange rates to the translation of foreign currency denominated transactions and balances; and • Reviewed the financial statements for adequacy of disclosures. Overall, we concluded that the accounting treatment and disclosures made are appropriate and in accordance with the requirements of IAS 21.

APPENDIX II – INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 (continued)

Key audit matter	How the matter was addressed in the audit
3. Accounting for Legacy Debt	
The Group has an amount of ZW$5 133 181 that was deposited in the previous year as a cash cover with its bankers, in line with the Reserve Bank of Zimbabwe's ('RBZ') directives [RU 28/2019 (28 February 2019), RU 102/2019 (25 June 2019)] and circulars [Circular No. 8 of 2019 (24 July 2019)] related to the legacy debts frameworks. The Group is yet to receive the USD equivalent amount, either in whole or in part, for the cash cover deposited, and neither does it have a specific written contractual agreement with the RBZ that is legally enforceable with respect to the RBZ honouring the arrangement. The balance outstanding for the cash cover as at 30 June 2021 was ZWL$3 783 811. The accounting of the legacy debt has been considered a key audit matter. Related disclosures are included note 2.6 of the inflation adjusted consolidated financial statements.	In addressing the key audit matter, we performed the following procedures: • Reviewed the relevant Statutory Instruments and Exchange Control Directives issued by the RBZ in respect of legacy debts to establish their applicability to, and implications on the Group; • Re-assessed our understanding of the RBZ legacy debts framework to determine the extent to which reporting entities have a legally enforceable right against the RBZ for delivery of USD against the ZW$ cash cover deposits made; • Consulted with our technical experts regarding the appropriate accounting treatment for the Legacy Debt; and • Assessed the Innscor Africa Limited accounting treatment for compliance with the International Financial Reporting Standards. For the year ended 30 June 2021, the accounting of the legacy debt was assessed to be appropriate.

Other Information

The Directors are responsible for the other information. The other information includes the 'Report of the Directors', the 'Statement of Directors' Responsibility' and the historical financial information (but does not include the inflation-adjusted consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of our auditor's report. The other information also comprises the additional information included in the document titled "Innscor Africa Limited Annual Report for the year ended 30 June 2021", which we received after the date of issuing our auditor's report.

Our opinion on the inflation-adjusted consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the inflation-adjusted consolidated statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation-adjusted consolidated 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 the Directors for the Inflation-adjusted Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of the inflation-adjusted consolidated financial statements in accordance with IFRSs, the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the Directors determine is necessary to enable the preparation of inflation-adjusted financial consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation-adjusted consolidated financial statements, the 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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting processes.

APPENDIX II – INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 (continued)

Auditor's Responsibilities for the Audit of the Inflation-adjusted Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation-adjusted consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the inflation-adjusted consolidated 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 the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 inflation-adjusted consolidated 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 inflation-adjusted consolidated financial statements, including the disclosures, and whether the inflation-adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

APPENDIX II – INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 (continued)

Report on other Legal and Regulatory Matters

In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1)(a)

Except for the matters described in the Basis for Qualified Opinion section of our report, the inflation-adjusted consolidated financial statements of the Group are properly drawn up in accordance with the Act and give a true and fair view of the state of the Group's affairs as at 30 June 2021.

Section 193(2)

We have no matters to report in respect of the Section 193(2) requirements of the Act.

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

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
Per Brian Mabiza
Partner
(PAAB Practice Certificate 0447)
Harare, Zimbabwe

Date: 30 September 2021

APPENDIX III – INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED INFLATION-ADJUSTED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Building a better working world

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Qualified Opinion

We have audited the consolidated inflation adjusted financial statements of Innscor Africa Limited and its subsidiaries (the Group), as set out on pages 96 to 190 , which comprise the consolidated inflation adjusted statement of financial position as at 30 June 2020, and the consolidated inflation adjusted statement of profit or loss and other comprehensive income, the consolidated inflation adjusted statement of changes in equity and the consolidated inflation adjusted statement of cash flows for the year then ended, and notes to the consolidated inflation adjusted financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying consolidated inflation adjusted financial statements do not present fairly the consolidated financial position of the Group as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-compliance with IFRS: International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates in the prior period and inappropriate application of IAS 8- Accounting Policies, Changes in Accounting Estimates and Errors (Arising from local ZWL functional currency subsidiaries)

As explained in note 2.2 on the consolidated inflation adjusted financial statements, the Group applied the United States Dollar (US$) as its functional and reporting currency for the period 1 July 2018 to 22 February 2019 and the Real Time Gross Settlement Dollar (RTGS$) or Zimbabwe Dollar (ZWL) for the period 23 February to 30 June 2019, in order to comply with Statutory Instrument 33 (SI33) of 2019, issued on 22 February 2019. In addition, to complying with SI33, the Group changed its functional and reporting currency with effect from 23 February 2019. We, however, believe that the change in currency occurred from 1 October 2018.

Zimbabwe witnessed significant monetary and exchange control policy changes in 2016 and increasingly through to 2019. The Reserve Bank of Zimbabwe (RBZ) together with the Ministry of Finance and Economic Development promulgated a series of exchange control operational guidelines and compliance frameworks during this period. Specifically, there was a requirement for banks to separate out local Foreign Currency Accounts (FCAs) (RTGS$) from the FCA Nostro US$ Accounts effective 1 October 2018. Although the exchange rate between US$ and RTGS$ was legally pegged at 1:1, multiple pricing practices and other transactions observed and reported publicly indicated exchange rates other than 1:1 between the two currencies.

In February 2019, a Monetary Policy Statement was issued introducing the RTGS$ and the interbank foreign exchange market. This Monetary Policy statement was followed by Statutory Instrument 142 of 2019 which specified that for all domestic transactions, ZWL (which comprises RTGS$, Bond Notes and Bond Coins) was the sole legal tender effective 24 June 2019.

The events in the preceding paragraphs, triggered a requirement for the Group to assess whether there was a change in functional and reporting currency from US$ to RTGS$. We believe that events in the market and subsequent promulgation of the RTGS$ as a formal currency supported a change in functional currency from US$ to RTGS$ prior to 22 February 2019 and that transactions in the market indicated different exchange rates between the two currencies despite the legal 1:1 RTGS$: US$ exchange rate and this applied from 1 October 2018. The Group chose to comply with the requirements of the law by adopting the date of change in functional and reporting currency as of 22 February 2019. This therefore impacted the basis for measuring transactions that occurred between 1 October 2018 and 22 February 2019.

APPENDIX III – INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED INFLATION-ADJUSTED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (continued)

Basis for Adverse Opinion (continued)

Consequently, our audit report for the year ended 30 June 2019 was modified as the effects were considered material and pervasive. There has been no restatement of the opening balances to resolve this matter which resulted in the adverse audit opinion in the prior period in accordance with IAS 8 – Accounting Polices, Changes in Accounting Estimates and Errors as the issues to do with the absence of IFRS compliant and observable market exchange rates have persisted in the current period.

Consequently:

- All corresponding numbers remain misstated on the consolidated inflation adjusted Statement of Profit or Loss and Other Comprehensive Income, the consolidated inflation adjusted Statement of Financial Position, the consolidated inflation adjusted Statement of Changes in Equity, and the consolidated inflation adjusted Statement of Cash Flows; this also impacts comparability of the current year's figures.

- As opening balances enter into the determination of cash flows and performance, our current year opinion is modified in respect of the impact of this matter on the consolidated inflation adjusted Statement of Cash Flows, the consolidated inflation adjusted Statement of Profit or Loss and Other Comprehensive Income and the consolidated inflation adjusted Statement of Changes in Equity.

Furthermore, notwithstanding that IAS 29 - **Financial Reporting in Hyperinflationary Economies** has been applied from 1 July 2018 to 30 June 2020 it is noted that its application was based on inappropriate numbers as a result of the non-compliance with IAS 21 / IAS 8 as described above.

In addition to the impact on the corresponding numbers, current year performance and cash flows, the matter continues to impact the balances on the consolidated inflation adjusted Statement of Financial Position as some of these still comprise of amounts from opening balances. Whilst this matter might not affect all accounts in the consolidated inflation adjusted Statement of Financial Position, the specific accounts and the portions affected by this matter have not been identified / quantified. This is due to the further matters requiring modification (which have been discussed below) and which result in most accounts being misstated.

Exchange rates used (Non-compliance with IAS 21 by the company and its local subsidiaries with ZWL as their functional currency)

As outlined in Note 2.3 to the consolidated inflation adjusted financial statements, for the year ended 30 June 2020, the Group translated foreign denominated transactions and balances using exchange rates determined from the interbank market and trading arrangements.

In view of the continued distortions in the foreign exchange market during the year, the Group indicated that it could not establish observable market wide exchange rates that meet the requirements of IAS 21, the same issue that contributed to the adverse opinion in prior year on this matter.

Had exchange rates contemplated by IAS 21 been available on the market, virtually all balances and amounts on all financial statements would have been affected in a material manner except for Intangible Assets, Right of Use Asset , Assets of a disposal group Held for Sale ,Share Capital, Share Premium, Lease Liabilities and Provisions and other Liabilities. However, owing to the lack of market wide information on observable spot exchange rates available to the Group and the other matters discussed above it is not possible to quantify the impact of this on the Group's inflation adjusted financial statements for the year under consideration.

Accounting for blocked funds

Included in financial assets of ZWL1, 217,356,505 on Note 18 to the consolidated inflation adjusted financial statements for the year ended 30 June 2020, are local funds deposits amounting to ZWL5,133,811 placed by the Company and its local subsidiaries namely National Foods Holdings Limited , Irvine's Zimbabwe (Private) Limited and Probottlers (Private) Limited, with Reserve Bank of Zimbabwe (RBZ) (through authorised dealers) in pursuance of registration of foreign currency denominated liabilities at the date of functional currency change on 22 February 2019 as required by policy pronouncements and undertakings by RBZ. The equivalent liabilities were translated at the Group's closing exchange rates. The deposits in local currency, held with RBZ have, in our view been inappropriately treated as foreign denominated derivative financial assets and translated at the Group's closing exchange rate at 30 June 2020. This is not consistent with IAS 21 which defines 'foreign currency' as a currency other than the functional currency of the Group. This resulted in an overstatement of the current assets and financial income by ZWL338, 567,837.

APPENDIX III – INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED INFLATION-ADJUSTED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (continued)

Consolidating Associates with underlying matters

The Investment in Associates amount disclosed under Note 16 to the consolidated inflation adjusted Statement of Financial Position of ZWL3,337,089,427 (2019: ZWL1,683,835,606) includes ZWL2,015,325,265 (2019: ZWL999,692,835) relating to local associates. These local associates also contribute ZWL1,035,434,599 on the consolidated inflation adjusted Statement of Profit or Loss and Comprehensive Income. These amounts arose from equity accounting as required by IFRS.

The underlying accounting records used to equity account the amounts contain the following elements in all the associates:
- Non-compliance with IAS 8 in not correcting the start date of the change in functional currency which has a further pervasive impact to the results of the associates.
- Use of exchange rates which are not in compliance with IAS 21 as they do not meet the definition of spot exchange rates which have a further pervasive impact to the results of the associates.

The above matters arose in the prior year and contributed to our adverse opinion in the prior period. The above matters continue to impact the amounts recognised in the financial statements (as noted above) in the current period in respect of these associates and the impact cannot be determined. Our opinion on the current period's consolidated inflation adjusted financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Consolidating Foreign Associates and Subsidiaries using inappropriate exchange rates

Further to the issue noted above in respect of exchange rates, management have also used the same exchange rates referred to in Note 2.3 to the consolidated inflation adjusted financial statements, to translate the foreign subsidiaries and the foreign associate to group reporting currency on consolidation. The impact is misstatement of elements to the carrying amounts of the following accounts on the consolidated inflation adjusted Statement of Financial Position of the Group: ZWL982,594,491 included in Cash and Cash equivalents of ZWL2,125,956,196; ZWL312,739,717 included in Trade and Other Payables of ZWL3,477,471,268; ZWL1,321,764,162 included in Investment in Associates of ZWL3,337,089,427, Foreign Currency Translation Reserve of ZWL2,172,627,748 and Distributable Reserves of ZWL8,007,743,248. This matter also arose in the prior year and contributed to our adverse opinion in the prior period. Our opinion on the current period's financial statements is therefore also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Consequential impact of the above matters on IAS 29 (Financial Reporting in Hyperinflationary Economies) accounting

Furthermore, notwithstanding that IAS 29 - Financial Reporting in Hyperinflationary Economies has been applied from 1 July 2018 to 30 June 2020, it is noted that its application was based on prior and current periods' financial information which has been misstated as a result of matters described above. Had the correct base numbers and start date been used, virtually all elements of the financial statements would have been different.

The effects of the above departures from IFRS are material and pervasive to the consolidated inflation adjusted financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

Except for the matters described in the Basis for Adverse Opinion section, we have determined that there are no other key audit matters to communicate in our report.

APPENDIX III – INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED INFLATION-ADJUSTED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (continued)

Other information

The directors are responsible for the other information. The other information comprises the Chairman's Statement and Press Release, the Directors' Approval and Responsibility Statement, the Report of the Directors and the Historical Cost Financial Information, which we obtained prior to the date of this report. The other information does not include the consolidated inflation adjusted financial statements and our auditor's report thereon.

Our opinion on the consolidated inflation adjusted financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. The Sustainability Report and the Review of Operations are expected to be made available to us after the date of this auditor's report.

In connection with our audit of the consolidated inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, the Group did not comply with the requirements of IAS 8 – ***Accounting Policies, Changes in Accounting Estimates and Errors, IAS 21 – The Effects of Changes in Foreign Exchange Rates and other matters.***

We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items included therein and affected by the failure to comply with the referred matters.

Responsibilities of the Directors for the Consolidated Inflation Adjusted Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated inflation adjusted financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal controls as the directors determine is necessary to enable the preparation of consolidated inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated inflation adjusted financial statements, the 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 the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Inflation Adjusted Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated inflation adjusted 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 consolidated inflation adjusted 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 consolidated 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 controls 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 controls.

APPENDIX III – INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (continued)

Auditor's Responsibilities for the Audit of the Consolidated Inflation Adjusted Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 consolidated inflation adjusted 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 consolidated inflation adjusted financial statements, including the disclosures, and whether the consolidated inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying consolidated inflation adjusted financial statements have not, in all material respects, been properly prepared in compliance with the disclosure requirements of and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this independent auditor's report is Mr David Gwande (PAAB Practicing Certificate Number 132).

ERNST & YOUNG
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Harare

25 September 2020

APPENDIX IV – INNSCOR AFRICA LIMITED HISTORIC FINANCIAL STATEMENTS

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2022

	Inflation-Adjusted			Historical		
	2022 ZW$'000 June Audited	2021 ZW$'000 June Audited	2020 ZW$'000 June Restated	2022 ZW$'000 June Supplementary	2021 ZW$'000 June Supplementary	2020 ZW$'000 June Supplementary
Revenue	290,780,098	195,082,046	144,226,944	159,575,763	56,485,603	11,159,427
Cost of raw materials	(128,841,361)	(123,208,376)	(84,702,157)	(77,826,735)	(31,352,790)	(4,756,675)
Profit before operating expenses and other trading income	**161,938,737**	**71,873,670**	**59,524,787**	**81,749,028**	**25,132,813**	**6,402,752**
Other trading income	3,917,789	1,921,357	916,548	2,390,117	606,727	71,892
Operating expenses	(78,023,588)	(48,798,695)	(38,612,623)	(45,271,162)	(14,359,699)	(3,065,473)
Operating profit before the listed items below	**87,832,938**	**24,996,332**	**21,828,712**	**38,867,983**	**11,379,841**	**3,409,171**
Financial income	5,855,394	2,267,158	2,337,454	9,150,755	645,211	397,287
Depreciation & amortisation	(3,806,854)	(3,327,510)	(3,154,003)	(984,068)	(182,305)	(82,410)
Fair value adjustments on listed equities	1,922,706	(2,066,206)	1,008,054	3,589,302	106,046	696,453
Fair value adjustments on biological assets	1,111,381	(3,089,315)	(185,628)	4,611,328	396,135	282,601
Operating profit before items listed below	**92,915,565**	**18,780,459**	**21,834,589**	**55,235,300**	**12,344,928**	**4,703,102**
Interest income	954,301	437,465	213,145	528,916	131,558	12,584
Interest expense	(8,533,750)	(4,763,541)	(3,006,750)	(4,729,791)	(1,415,319)	(237,453)
Equity accounted earnings	8,166,761	5,696,001	6,696,783	4,650,806	1,880,571	858,414
Monetary (loss)/gain	(23,230,437)	(98,745)	1,359,432	—	—	—
Profit before tax	**70,272,440**	**20,051,639**	**27,097,199**	**55,685,231**	**12,941,738**	**5,336,647**
Tax expense	(16,582,527)	(8,116,006)	(5,454,528)	(9,717,938)	(2,451,245)	(920,064)
Profit for the year	**53,689,913**	**11,935,633**	**21,642,671**	**45,967,293**	**10,490,493**	**4,416,583**

APPENDIX IV – INNSCOR AFRICA LIMITED HISTORIC FINANCIAL STATEMENTS (continued)

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

for the year ended 30 June 2022

	Inflation-Adjusted			Historical		
	2022 ZW$'000 June Audited	2021 ZW$'000 June Audited	2020 ZW$'000 June Restated	2022 ZW$'000 June Supplementary	2021 ZW$'000 June Supplementary	2020 ZW$'000 June Supplementary
Other comprehensive income - to be recycled to profit or loss						
Exchange differences arising on the translation of foreign Operations attributable to:						
Equity holders of the parent	16,215,626	1,004,562	5,701,984	16,215,626	1,004,562	1,955,681
Non-controlling interests	991,733	11,749	387,976	991,733	11,749	133,069
Other comprehensive income for the year, net of tax	**17,207,359**	**1,016,311**	**6,089,960**	**17,207,359**	**1,016,311**	**2,088,750**
Total comprehensive income for the year	**70,897,272**	**12,951,944**	**27,732,631**	**63,174,652**	**11,506,804**	**6,505,333**
Profit for the year attributable to:						
Equity holders of the parent	38,943,944	7,423,621	14,143,485	33,895,857	7,144,165	3,064,586
Non-controlling interests	14,745,969	4,512,012	7,499,186	12,071,436	3,346,328	1,351,997
	53,689,913	**11,935,633**	**21,642,671**	**45,967,293**	**10,490,493**	**4,416,583**
Total comprehensive income for the year attributable to:						
Equity holders of the parent	55,159,570	8,428,183	19,845,469	50,111,483	8,148,727	5,020,267
Non-controlling interests	15,737,702	4,523,761	7,887,162	13,063,169	3,358,077	1,485,066
	70,897,272	**12,951,944**	**27,732,631**	**63,174,652**	**11,506,804**	**6,505,333**

APPENDIX IV – INNSCOR AFRICA LIMITED HISTORIC FINANCIAL STATEMENTS (continued)

GROUP STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Inflation-Adjusted			Historical		
	2022 ZW$'000 June Audited	2021 ZW$'000 June Audited	2020 ZW$'000 June Restated	2022 ZW$'000 June Supplementary	2021 ZW$'000 June Supplementary	2020 ZW$'000 June Supplementary
ASSETS						
Non-current assets						
Property, plant and equipment	63,158,545	36,966,116	28,915,276	23,395,336	4,412,453	943,670
Right of use assets	3,307,678	2,087,659	1,426,008	1,475,533	300,764	43,274
Intangible assets	5,773,804	5,650,865	5,613,504	95,132	51,233	41,370
Investments in associates	29,367,595	19,077,921	15,909,111	17,660,937	4,459,909	2,120,352
Other assets	7,598,526	3,928,920	7,334,475	7,361,824	1,268,162	1,180,363
Biological assets	2,079,720	707,404	628,869	1,899,833	225,411	—
Deferred tax assets	—	—	—	2,395,333	92,320	104,378
	111,285,868	**68,418,885**	**59,827,243**	**54,283,928**	**10,810,252**	**4,433,407**
Current assets						
Other assets	7,028,942	—	—	7,028,942	—	—
Biological assets	9,291,351	5,895,663	6,285,171	6,377,951	1,672,688	561,641
Inventories	56,184,362	24,716,870	25,036,149	40,825,807	8,331,456	3,328,048
Trade and other receivables	45,846,681	24,898,455	16,318,141	42,949,328	8,650,159	2,555,253
Cash and cash equivalents	20,127,751	9,921,595	9,632,069	20,127,751	4,389,036	2,125,956
	138,479,087	**65,432,583**	**57,271,530**	**117,309,779**	**23,043,339**	**8,570,898**
Asset of disposal group classified as held for sale	—	—	191,680	—	—	7,648
Total Assets	**249,764,955**	**133,851,468**	**117,290,454**	**171,593,707**	**33,853,591**	**13,011,953**

APPENDIX IV – INNSCOR AFRICA LIMITED HISTORIC FINANCIAL STATEMENTS (continued)

GROUP STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June 2022

	Inflation-Adjusted			Historical		
	2022 ZW$'000 June Audited	2021 ZW$'000 June Audited	2020 ZW$'000 June Restated	2022 ZW$'000 June Supplementary	2021 ZW$'000 June Supplementary	2020 ZW$'000 June Supplementary
EQUITY AND LIABILITIES						
Capital and reserves						
Ordinary share capital	761,489	761,331	761,123	5,760	5,699	5,648
Share premium	2,652,625	2,547,630	2,459,691	36,351	25,892	20,358
Other reserves	17,433,327	(274,188)	4,302,729	19,510,873	2,683,984	2,056,538
Distributable reserves	83,043,063	50,763,266	47,553,098	40,488,470	9,470,981	3,575,773
Attributable to equity of the parent	**103,890,504**	**53,798,039**	**55,076,641**	**60,041,454**	**12,186,556**	**5,658,317**
Non-controlling interests	39,167,824	24,569,336	22,695,748	16,792,619	4,230,431	1,664,099
Total Shareholders' Equity	**143,058,328**	**78,367,375**	**77,772,389**	**76,834,073**	**16,416,987**	**7,322,416**
Non-current liabilities						
Deferred tax liabilities	13,857,300	6,283,960	7,511,761	1,910,307	146,326	215,964
Lease liabilities	1,701,292	723,681	295,461	1,701,292	248,208	49,040
Interest bearing borrowings	3,055,249	1,707,330	262,952	3,055,249	585,579	43,644
	18,613,841	**8,714,971**	**8,070,174**	**6,666,848**	**980,113**	**308,648**
Current liabilities						
Lease liabilities	519,811	258,790	96,480	519,811	88,760	16,014
Interest-bearing borrowings	25,126,191	17,417,306	7,317,173	25,126,191	5,973,779	1,214,485
Trade and other payables	53,407,651	24,869,007	19,969,877	53,407,651	8,946,349	3,477,471
Provisions	1,102,769	642,339	388,664	1,102,769	220,309	64,510
Current tax liabilities	7,936,364	3,581,680	3,675,697	7,936,364	1,227,294	608,409
	88,092,786	**46,769,122**	**31,447,891**	**88,092,786**	**16,456,491**	**5,380,889**
Total liabilities	**106,706,627**	**55,484,093**	**39,518,065**	**94,759,634**	**17,436,604**	**5,689,537**
Total equity and liabilities	**249,764,955**	**133,851,468**	**117,290,454**	**171,593,707**	**33,853,591**	**13,011,953**

APPENDIX IV – INNSCOR AFRICA LIMITED HISTORIC FINANCIAL STATEMENTS (continued)

GROUP STATEMENT OF CASHFLOWS

for the year ended 30 June 2022

	Inflation-Adjusted			Historical		
	2022 ZW$'000 June Audited	2021 ZW$'000 June Audited	2020 ZW$'000 June Restated	2022 ZW$'000 June Supplementary	2021 ZW$'000 June Supplementary	2020 ZW$'000 June Supplementary
Cash generated from operations	60,878,632	24,770,808	2,775,484	8,647,252	5,865,822	949,422
Interest income	954,301	437,465	213,145	528,916	131,558	12,584
Interest expense	(8,533,750)	(4,763,541)	(3,006,750)	(4,729,791)	(1,415,319)	(237,453)
Tax paid	(7,247,722)	(5,365,407)	(3,553,329)	(3,497,743)	(2,034,902)	(261,329)
Total cash generated from / (utilised in) operating activities	**46,051,461**	**15,079,325**	**(3,571,450)**	**948,634**	**2,547,159**	**463,224**
Investing activities	(12,730,372)	(11,494,047)	(4,375,117)	(6,762,593)	(3,642,598)	(291,447)
Net cash (outflow)/ inflow before financing activities	**33,321,089**	**3,585,278**	**(7,946,567)**	**(5,813,959)**	**(1,095,439)**	**171,777**
Financing activities	**28,681,589**	**10,608,971**	**7,333,262**	**14,195,297**	**2,652,845**	**813,931**
Issue of new shares	158	201	796	61	51	51
Share Premium	104,995	87,918	40,192	10,459	5,534	2,546
Dividends Paid by Holding Company	(6,664,147)	(4,213,875)	(1,552,458)	(2,878,368)	(1,248,957)	(127,272)
Dividends paid to minority shareholders	(2,676,345)	(2,705,324)	(1,034,286)	(1,381,250)	(809,249)	(97,032)
Drawdowns on borrowings	50,724,492	20,081,627	20,125,445	24,479,583	5,409,810	1,480,125
Repayment of borrowings	(13,688,852)	(2,039,528)	(10,050,219)	(6,606,225)	(549,430)	(428,971)
Lease payments	(498,440)	(341,675)	(197,587)	(240,543)	(74,248)	(15,618)
Purchase of treasury shares	—	(375,686)	—	—	(111,730)	—
Cash received from non-controlling interests	1,379,728	115,313	1,379	811,580	31,064	102
Net increase / (decrease) in cash and cash equivalents before changes in currency translations	**62,002,678**	**14,194,249**	**(613,305)**	**8,381,338**	**1,557,406**	**985,708**
Effects of currency translation on cash and cash equivalents	**(51,796,522)**	**(19,043,163)**	**3,245,118**	**7,357,377**	**705,674**	**994,142**
Net increase/(decrease) in cash and cash equivalents	**10,206,156**	**(4,848,914)**	**2,631,813**	**15,738,715**	**2,263,080**	**1,979,850**
Cash and cash equivalents at the beginning of the year	**9,921,595**	**14,770,509**	**7,000,256**	**4,389,036**	**2,125,956**	**146,106**
Cash and cash equivalents at the end of the year	**20,127,751**	**9,921,595**	**9,632,069**	**20,127,751**	**4,389,036**	**2,125,956**

APPENDIX V – NOTICE OF EXTRAORDINARY GENERAL MEETING

(Innscor Africa Limited, incorporated in Zimbabwe in 1994 under Company Registration 3867/94)

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders of Innscor is to be held physically at Royal Harare Gold Club situated at 5th Street Extension, Harare, Zimbabwe and virtually by electronic means, via the link, **"https://escrowagm.com/eagmZim/Login.aspx"** on Wednesday, 15 February 2023, at 1000 hours, for the purpose of transacting the following business:

TO CONSIDER and, if deemed fit, to pass, with or without modification, the following Resolutions:

ORDINARY RESOLUTION 1 – DELISTING OF INNSCOR AFRICA LIMITED FROM THE ZIMBABWE STOCK EXCHANGE

THAT the Company's shares be removed from the Main Board of the Zimbabwe Stock Exchange through voluntary termination of the listing on the Zimbabwe Stock Exchange in terms of section 11 of the ZSE Listing Requirements.

ORDINARY RESOLUTION 2 – AUTHORISED BUT UNISSUED SHARES BE PLACED UNDER THE CONTROL OF THE DIRECTORS
THAT the authorised but unissued ordinary shares of the Company, be placed under the control of the Directors for a period of twelve months or until the next Annual General Meeting, to be issued in compliance with the terms of the Memorandum and Articles of Association of the Company and the VFEX listing requirements, provided that no issue will be made which would effectively transfer the control of the Company without the prior approval of the Shareholders in a general meeting.

ORDINARY RESOLUTION 3 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS

"**THAT** the directors be and are hereby authorised to do any and all such things as may be necessary to give effect to the above resolutions."

ORDINARY RESOLUTION 4 – APPOINTMENT OF BDO ZIMBABWE CHARTERED ACCOUNTANTS AS AUDITORS

"**THAT** BDO Zimbabwe Chartered Accountants be appointed as the Auditors of the Company until the conclusion of the next Annual General Meeting."

BY ORDER OF THE BOARD

APPENDIX VI – FORM OF PROXY

I / We ....

Of ....

Being member/members of the above Company, hereby appoint:

Mr. / Mrs. / Ms. / Dr ....

Or failing him or her/the Chairman of the EGM ....

Of ....

As my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held on Wednesday, 15 February 2023 at 1000 hours and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

Resolutions	For	Against	Abstain
ORDINARY RESOLUTION 1 – DELISTING OF INNSCOR AFRICA LIMITED FROM THE ZIMBABWE STOCK EXCHANGE **THAT** the Company's shares be removed from the Main Board of the Zimbabwe Stock Exchange through voluntary termination of the listing on the Zimbabwe Stock Exchange in terms of section 11 of the ZSE Listing Requirements.			
ORDINARY RESOLUTION – AUTHORISED BUT UNISSUED SHARES BE PLACED UNDER THE CONTROL OF THE DIRECTORS **THAT** the authorised but unissued ordinary shares of the Company, be placed under the control of the Directors for a period of twelve months or until the next Annual General Meeting, to be issued in compliance with the terms of the Memorandum and Articles of Association of the Company and the VFEX listing requirements, provided that no issue will be made which would effectively transfer the control of the Company without the prior approval of the Shareholders in a general meeting.			
ORDINARY RESOLUTION 3 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS "**THAT** the directors be and are hereby authorised to do any and all such things as may be necessary to give effect to the above resolutions."			
ORDINARY RESOLUTION 4 – APPOINTMENT OF BDO ZIMBABWE CHARTERED ACCOUNTANTS AS AUDITORS "**THAT** BDO Zimbabwe, Chartered Accountants be appointed as the Auditors of the Company until the conclusion of the next Annual General Meeting."			

Signed this ______________________ day of ______________________ 2023

Signature(s) of member ______________________________________

APPENDIX VI – FORM OF PROXY

NOTE

1. In terms of Section 171 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 and to attend and vote and speak in their place. A proxy need not also be a member of the Company. A director or officer of the Company shall not be appointed as a proxy for a shareholder.
2. Regulation 74 of the Company's Articles of Association provides that the instrument appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the time appointed for holding the meeting.
3. Shareholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity; this authority must take the form of a resolution of the corporate body.
4. According to the approval granted by the ZSE, ordinary resolution number 1 may be passed by a threshold of 50 per centum plus 1 ordinary shares of the votes of all Shareholder present or represented by proxy at the general meeting.

FOR OFFICIAL USE
NUMBER OF SHARES HELD

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space provided, with or without deleting "the Chairman of the EGM", but any such deletion must be initialled by the Shareholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as a proxy to the exclusion of those whose names follow.
2. A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space/s provided as well as by means of a cross whether the shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy or cast them in the same way.
3. Deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration or correction must be initialled by the signatory or signatories.
4. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
   i. under a power of attorney
   ii. on behalf of a company

   unless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the registered office of the Company, not less than 48 hours before the meeting.
5. If two or more proxies attend the meeting, then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted shall be regarded as the validly appointed proxy.
6. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
7. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
8. In order to be effective, completed proxy forms must reach the Company's Transfer Secretaries or the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM.
9. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are the same as those on the share register.

INNSCOR
Africa Limited

www.innscorafrica.com