



Simbisa Brands

ANNUAL REPORT

2024



Our Vision

To create value for our customers, our people and our shareholders through our brands.

Our Mission

To empower our people to always deliver the best in world class restaurant experiences to our valued customers.

About this Report

Simbisa Brands Limited, a company listed on the Victoria Falls Stock Exchange (VFEX), is proud to share its Annual Report for the year ended 30 June 2024. The report integrated both financial and sustainability information to enable our broad stakeholders to make an informed assessment of our performance, impact and prospects.

Reporting Scope and Boundary

This report provides information about Simbisa Brands Limited, whose main operations are located in Zimbabwe, Kenya and Eswatini. Any references to “our”, “we”, “us”, “Simbisa Brands”, “Simbisa” or “Group” pertain to Simbisa Brands Limited.

Reporting Frameworks

Our reporting practices comply with the following:

- Zimbabwe Companies and Other Business Entities Act [Chapter 24:31];
- Victoria Falls Stock Exchange (VFEX) Listing Requirements;
- International Financial Reporting Standards (IFRS) Accounting Standards and
- Global Reporting Initiative (GRI) Standards (2021).

The Report integrated elements of the IFRS Sustainability Disclosure Standards (S1 and S2) which the Group will continue align with existing sustainability reporting practices.

Sustainability Data

The qualitative and quantitative data in this report has been sourced from company records, policy documents, and management personnel responsible for key result areas. Any estimations and assumptions made align with our business operations.

Assurance

The financial statements were audited by BDO Zimbabwe Chartered Accountants, the Group’s independent financial auditors, in accordance with International Standards on Auditing (ISAs). The independent auditors’ report can be found on pages 132 to 135.

Sustainability information was validated for compliance by the Institute for Sustainability Africa (INSAF) as subject matter experts for compliance with GRI Standards. A GRI Content Index is contained on pages 217 to 220. The sustainability data in the report has not been externally assured.

Restatements

The Group has adjusted its prior year consolidated financial statements and sustainability indicators to reflect the change in the Group Structure. In FY2024, Simbisa Brands Limited unbundled Mauritius, Zambia and Ghana from its operations. As such, some of prior year’s sustainability indicators data was restated. Data for Eswatini has been reported for FY2024 only, with no prior year data for the market.

Board Responsibility and Approval of this Report

The Board of Directors of Simbisa Brands Limited holds collective responsibility for this report, which has been prepared by the management team. The Board acknowledges its role in ensuring the integrity of the Annual Report and

approved it on 30 September 2024.

Report Declaration

The Group management confirms that this report has been prepared in accordance with the GRI Standards (2021) .

Reporting Currency

All references to USD denote the United States Dollars.

Forward-Looking Statements

This report includes forward-looking statements regarding the Group’s future performance and prospects. While these statements reflect our assessments and expectations, various known and unknown risks, uncertainties, and other significant factors could cause actual results to differ materially from those anticipated.

Factors that might negatively impact our business and performance are among the uncertainties we face. Stakeholders are advised not to place undue reliance on these forward-looking statements. We commit to publicly updating or revising these statements as necessary to reflect changes in circumstances or unforeseen events, through trading updates or on our website.

Feedback on the Report

We welcome your feedback on our Annual Report. If you have any suggestions for improving our reporting or need clarification on any information provided, please contact: *Farai Machodo: farai.machodo@zw-simbisa.com; and Michelle Fisher: michelle@zw-simbisa.com*

You can also call us on +263 242 744 202. This report is also available online at: www.simbisabrands.com/financial-reporting/



A.B.C. Chinake
Independent Non-Executive Chairman



B. Dionisio
Group Chief Executive Officer

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Our Beliefs

SERVICE

The level of service we provide to both customers and stakeholders is of utmost importance to us. We believe in staying at the cutting edge of industry by adapting to changes in customer preferences.

Simbisa Brands stands by its commitment to offer only the highest level of service and quality to our customers as well as to all stakeholders. Across the board, all our brands constantly strive to remain at the cutting edge of industry standards through consistent innovation and adaptation to the changing needs of our customers. Our drive to be an industry leader in serving quality products puts Simbisa Brands at the top. Our Dial a Delivery brand encapsulates Service, where food and treats are delivered fresh 'from our kitchens to your couch'.

ENVIRONMENT AND COMMUNITY

As a multinational company, Simbisa Brands recognises and embraces its environmental and social responsibility in the regions in which it operates.

We are fully dedicated to establishing environmentally conscious programmes that benefit the youth, veterans, animals and entire communities. Our prime focus for the environment this year was on enhancing efficiency in energy use and managing the impacts of packaging. In the community, we helped build a community school, assisted vulnerable groups in orphans, inmates, the elderly and the girl child. We take great pride in making a positive impact through this responsible approach.

EMPLOYEES

We connect with and employ people who embody the values of the company: integrity and accountability. People who can be relied upon, people with the resilience to face a highly competitive market and who are passionate about the Simbisa Brands vision.

At Simbisa Brands, we attribute our success to the extraordinary people who embody and represent the core values of the company: integrity and accountability. We are proud to employ energised individuals who share a common passion and enthusiasm for our brands. It is their commendable resilience in the face of a highly competitive market that cements the foundation of the Simbisa Brands vision. We are accountable to our customers for the quality and safety of the food products we produce. Accountability to the quality and health impacts of our products is an element we treat very seriously. We want consumers of our food to be confident that each bite they sink into our products guarantees maximum satisfaction and enhances trust in us.

“Our beliefs are the heart of our commitment—to serve with excellence, uplift our communities, empower our people, and drive sustainable growth. At Simbisa Brands, we don't just aspire to meet expectations; we strive to set new standards.”

PERFORMANCE AND GROWTH

We believe that to sustain a profitable business model, a simple and uncomplicated approach is necessary. We also know how critical it is to get the basics right, first and foremost. We continue with our organic growth by constantly evolving our approach and learning as we expand.

Simbisa Brands opened 73 new stores during the 12-month period under review. Our commitment to providing the Pan- African population with affordable, accessible, nutritious and delicious meals is the key area of our focus. This business model has directly resulted in a revenue increase of 6% with a 3.7% increase in customers.



Our Journey



1987

First Chicken Inn Opens.

1995

Acquisition of Nando's franchise for Zimbabwe.



1998

Innscor Africa Limited listed on the Zimbabwe Stock Exchange.



1999

Secured Steers Franchise and opened the first outlet at Speke Avenue, Harare.



2001

Quick Service Restaurants expands to Ghana.

2004

Quick Service Restaurants expands to Malawi.



2015

On the 5th of August 2015, Simbisa Brands was incorporated as a wholly owned subsidiary of Innscor. Effective the 1st October 2015, Simbisa acquired, through a scheme of reconstruction, all the assets and liabilities of the QSR Business from Innscor. The demerger culminated in the listing of Simbisa Brands on the ZSE on 6 November 2015.

2013

Quick Service Restaurants expands to DRC.

2012

Quick Service Restaurants expands to Eswatini.



2011

Secured Galito's Franchise.



2016

Centralised call centre opened for Dial a Delivery Mauritius.

2017



Acquisition of RocoMama's franchise for Zimbabwe.

A centralised call centre opened for Dial a Delivery Kenya.



2018

Acquisition of Ocean Basket franchise for Zimbabwe.

2019

Opening of first RocoMama's in Zambia.

July 2020

Establishment of stand-alone delivery business in Kenya.

November 2020

Simbisa Brands crosses the 500th store threshold.

February 2021

Simbisa Brands Zambia opens commercial plant bakery in Lusaka

March 2021

Opening of Buffalo Creek Spur in Harare, Zimbabwe.



2022

InnBucks launched.



December 2022

Listed on the VFEX.



2024

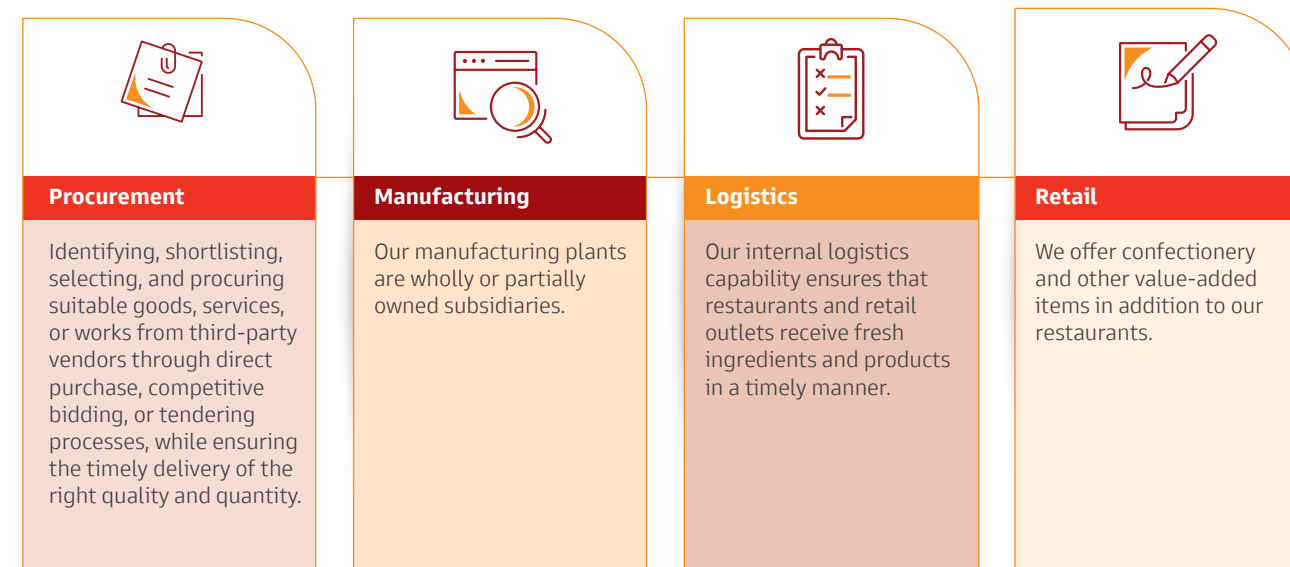
Group surpasses the 700 stores mark (incl franchised markets)

Group Structure

Simbisa Brands operates 4 business units.



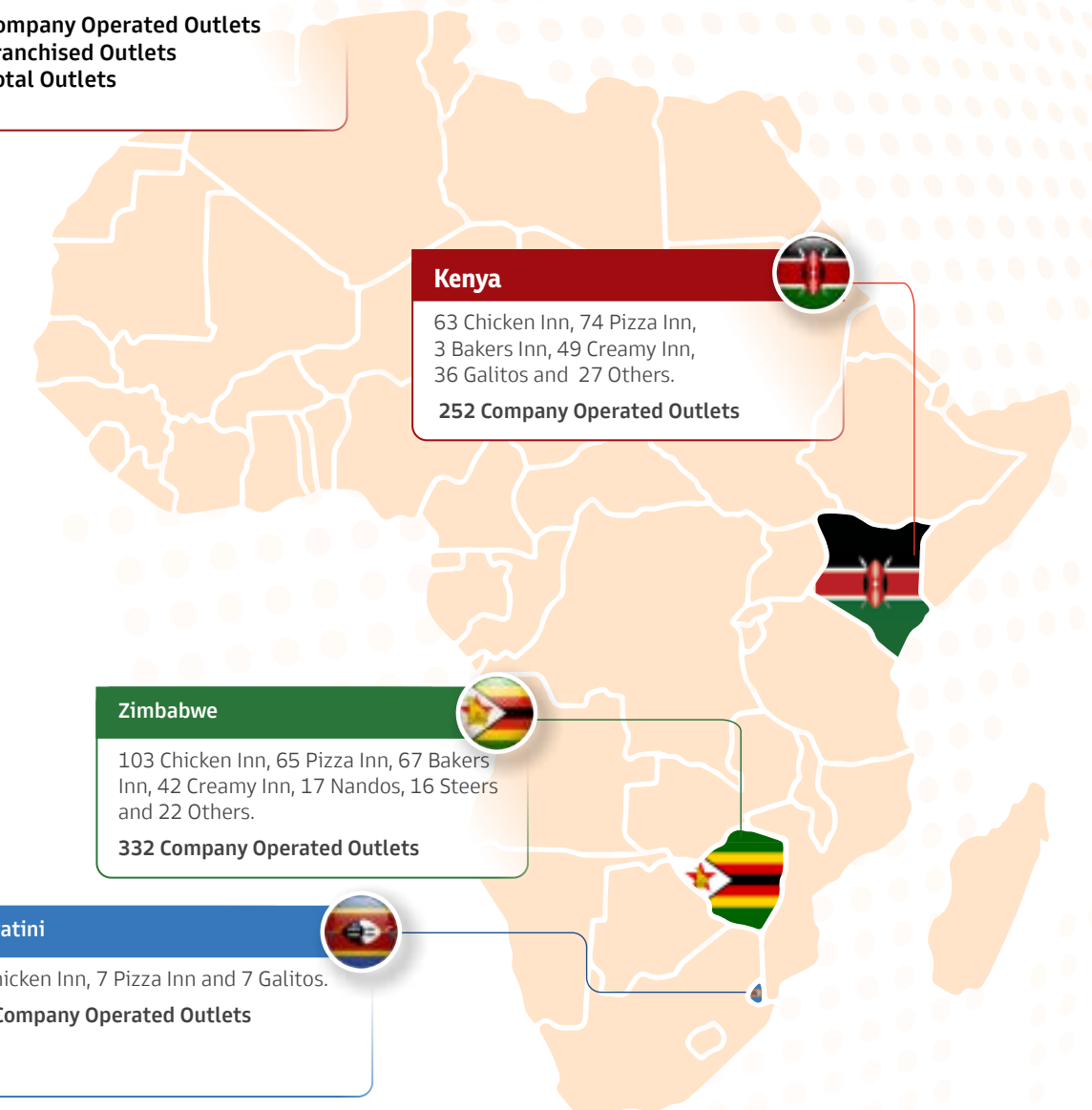
Business Processes and Activities



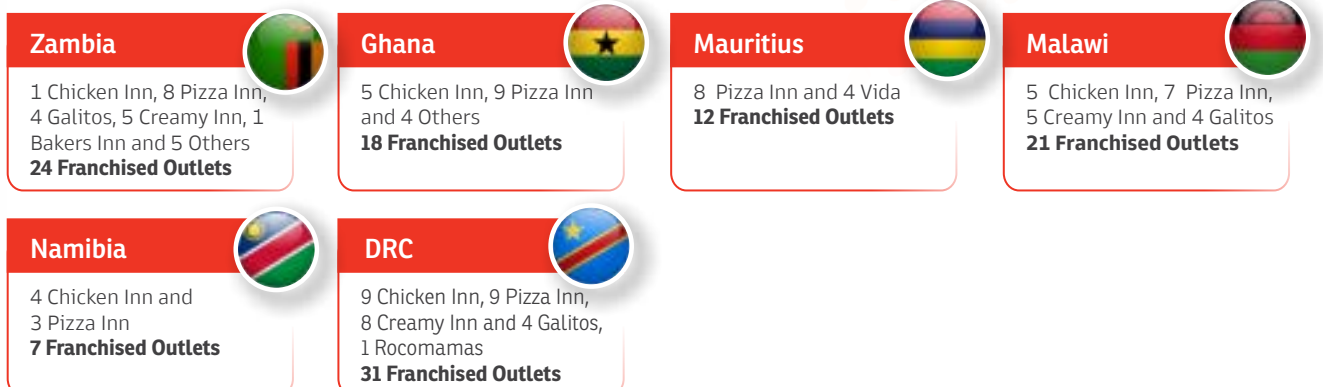
Owned and Operated Markets

All Markets

601 Company Operated Outlets
113 Franchised Outlets
714 Total Outlets



Franchised Markets

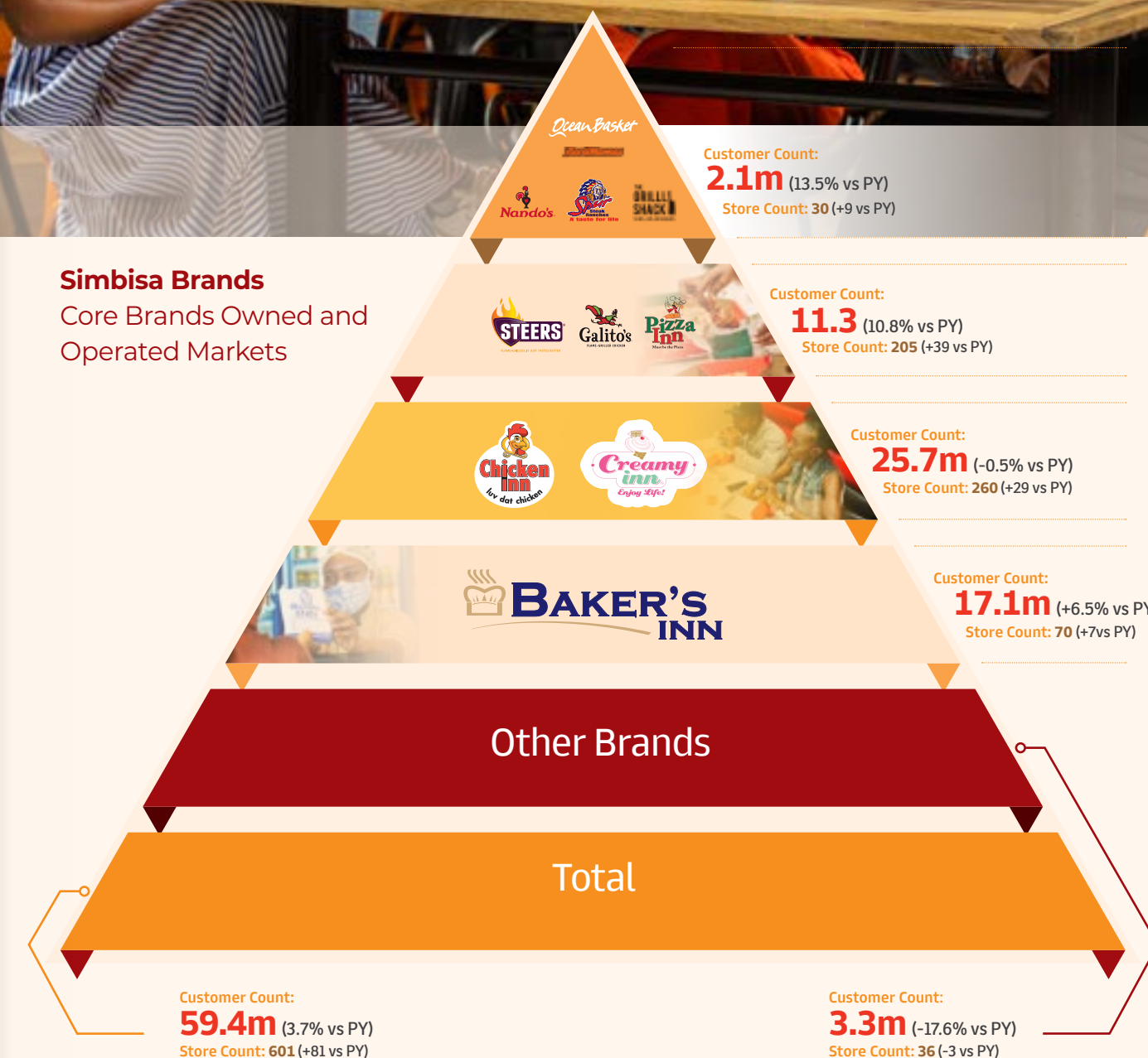


Our Brands - All Markets

Our mission is to enable our team to consistently provide top-tier restaurant experiences for our valued customers.



Simbisa Brands Core Brands Owned and Operated Markets



The customer and store counts shown above relate to the Zimbabwe, Kenya and Eswatini markets.

Company Owned Brands



Chicken Inn

Meal of the people

Every great story starts somewhere, and Simbisa Brands' journey began with the opening of the first Chicken Inn outlet in Harare, Zimbabwe, in 1987. From the beginning, the focus was on using the freshest, locally sourced ingredients to offer a delicious and affordable menu. The iconic fried chicken pieces, burgers, fresh rotisserie chicken, spicy wings, and hand-cut chips made daily at Chicken Inn are the reasons for the brand's remarkable growth over the years.

This commitment to quality continues across every Chicken Inn outlet in Africa, establishing it as one of the continent's most recognisable brands. The brand's success is anchored in delivering the distinctive taste that has become synonymous with Chicken Inn. The popular 2-Piecer, a favourite among consumers, epitomises the 'meal of the people' and remains a top seller, delighting thousands of on-the-go customers daily.

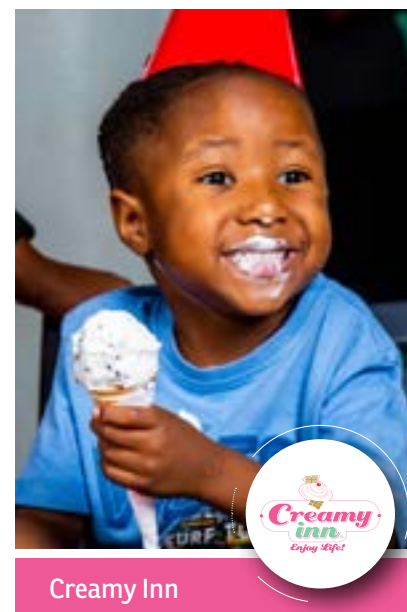


Pizza Inn

Best tasting pizza

A Pizza Inn pizza box might just be one of Africa's most recognisable icons. No matter how you look at it, Pizza Inn stands out as a leader in the quick-service pizza industry. The first Pizza Inn outlet opened in Harare, Zimbabwe, in 1994, and quickly gained popularity. Known for its hot, oven-fresh pizzas with a signature all-natural tomato sauce and the freshest ingredients, Pizza Inn has become a top choice for quick-service pizza across Africa. Our homemade pizza dough, made in-house daily, ensures that each pizza always tastes its best.

Additional favourites like Twisty Bread, signature Wingz, and the delicious Double Meal provide great value and keep customers coming back. These offerings have made our Terrific Tuesday and Thrilling Thursdays beloved days of the week. For events, a Hawaiian, Regina, or Peri Peri Chicken pizza from Pizza Inn is the perfect choice to satisfy crowds of all ages.



Creamy Inn

Nothing's cooler than ice cream

Nothing beats the cool refreshment of ice cream. Our delicious soft serve, a key ingredient in all our treats, is what makes us stand out as the coolest choice around. Creamy Inn's tempting range of cones, cups, milkshakes, sundaes, and waffles has become a beloved indulgence for all ages across Africa. Whether you prefer chocolate, strawberry, mint, caramel, nuts, or sprinkles, Creamy Inn delivers exceptional treats every time. This delightful ice cream brand is the go-to choice for family outings, beach days, shopping trips, or any occasion that calls for a sweet treat!



Bakers Inn

Fresh products made in-store daily

The Bakers Inn brand has become the top choice for customers on the go. Committed to delivering quality, hot, freshly baked goods directly from our ovens to our customers. Bakers Inn opens its doors at 6am and operates 24 hours at selected locations.

Renowned for its home-grown goodness, Bakers Inn uses fresh, locally sourced ingredients. By incorporating only premium products into our recipes, we ensure an unforgettable taste experience. Our goods are baked at a central bakery and then distributed directly to our outlets to guarantee freshness. Each day, Bakers Inn customers can look forward to a tempting selection of sliced bread, bread rolls, pies, doughnuts, scones, buns, birthday cakes, and queen cakes.



Fish Inn

Freshness is key

When it comes to serving fish, freshness is paramount. This understanding ensures that Fish Inn's meals are consistently of the highest quality. Fish Inn first opened its doors in 2013 at the Fife Avenue Shopping Centre in Harare, Zimbabwe.

Featuring a specialised menu focused on 'fish and chips' classics, Fish Inn is rapidly gaining popularity. Whether you prefer a crispy fried fillet, succulent grilled calamari rings, mouth-watering fish burgers, delicious fish wraps, crunchy prawns, or a combination of these, there is something to please everyone. For the health-conscious, all menu items are also available grilled.



Dial a Delivery

From our kitchen to your couch

Dial a Delivery (DaD) is a stand-alone brand within the Simbisa Brands portfolio, dedicated to providing our products and meals to consumers in a convenient and efficient manner through our centralised call centres. Customers place their orders by phone with our agents, and the meals are promptly dispatched. An automated system maps and tracks all orders to ensure accuracy and efficiency.

To further enhance convenience, the DaD App has been launched across most of our markets. This online ordering system keeps us at the forefront of industry technology and evolving consumer preferences. By leveraging the latest technology, we guarantee a swift turnaround from order placement to delivery, making 'from our kitchen to your couch' a reality. Combining this streamlined service with our highly recognised and desirable brands ensures that customer satisfaction is always achieved. In Kenya, our electric delivery motor bikes further augment the Group's commitment to the environment.

Business Model

OUR COMPETITIVE ADVANTAGE

- 1 Strong management team and track record of operating across Africa.
- 2 Well-known brands and loyal customer base.
- 3 Understanding of the cultural differences associated with eating out in Africa.
- 4 Own and operate our own intellectual property rights of the brands in our portfolio.
- 5 Strategically located Quick Service Restaurants to ensure consistent access to large volumes of consumers.

THE VALUE WE CREATE

Through employment: **9 047 jobs**

USD1.1 million investment in our communities

By providing returns to our shareholders Total dividend for the year: **1,012 USD** Cents per share FY2024

Access to world class dining spaces for our customers: **73 fresh counters**



WHAT WE DO

- 1 We own and operate a portfolio of brands targeting consumers across all income categories, from Quick Service Restaurants to our Casual Dining Restaurants.
- 2 We provide high levels of service and quality to our customers and stakeholders. We make use of innovation to stay at the cutting edge of industry standards.
- 3 We are an African focused restaurant company, currently operating in 9 African countries.

KEY STRATEGIC MATTERS



Business Associations

**MARKETERS ASSOCIATION
OF ZIMBABWE**

**INSTITUTE OF CHARTERED
ACCOUNTANTS OF
ZIMBABWE - REGISTERED
TRAINING OFFICE**

**CONFEDERATION OF
ZIMBABWE RETAILERS**

**NATIONAL EMPLOYMENT
COUNCIL - CATERING
INDUSTRY**





Strategic Performance Review

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"In the face of adversity lies opportunity. As we navigate economic pressures and external challenges, we remain resolute in our pursuit of growth and excellence. Each stride we take is fueled by a commitment to delivering exceptional value, uplifting communities, and positioning Simbisa Brands as a leader in sustainable progress."

Performance Highlights

REVENUE



USD 286,446,956

(FY2023: USD 270,398,290)

CASH GENERATED



USD 36,493,173

(FY2023: USD 35,932,396)

TOTAL ASSETS



USD 187,790,850

(FY2023: USD 186,630,999)

OPERATING PROFIT



USD 41,782,475

(FY2023: USD 43,335,897)

PROFIT BEFORE TAX



USD 21,065,611

(FY2023: USD 26,700,181)

CASH GENERATED TO OPERATING PROFIT



(104% in FY2023)

CUSTOMERS SERVED



59.4 million

(FY2023: 57.2 million)

Despite challenging economic conditions in key markets like Zimbabwe and Kenya, Simbisa Brands managed to achieve overall revenue growth through new store openings, increased average spend, and growth in delivery services.



Chairman's Statement

The financial year ended 30 June 2024 was characterised by consistent navigation of challenges while seizing opportunities as the Group sought to reinforce its' market position. Despite facing significant economic pressures, particularly in Kenya, Simbisa Brands has continued to push forward with many strategic investments which focus on enhancing customer experiences, operational efficiency, sustainability and growth.

The Group opened 73 counters during the year (closed 9 counters), to close the reporting period with 601 company-operated counters (714 counters including franchised markets).



Zimbabwe

In Zimbabwe, the second half of the year was particularly challenging due to a variety of regulatory and tax changes, which have increased pressure on consumer disposable incomes. The introduction of a new currency (Zimbabwe Gold) on 05 April 2024, initially provided a degree of stability in the

last quarter of the reporting period. The teething and transition problems experienced by the banking sector arising from the currency transition, negatively impacted volumes in the last quarter. The Group's operations and trading volumes remain sensitive to any fluctuation between the exchange rates in the multi currency basket.

The El Niño-induced drought experienced in 2024 has significantly affected the prices of essential raw materials, such as soya and maize, which are crucial to our supply chain. Potato shortages affected the Group in Q3 FY24, resulting in higher costs. To manage these pressures, we have maintained strong relationships with our suppliers, facilitating long-term contracts to stabilise costs. This proactive approach has been crucial in managing the adverse effects of these external economic shocks.



Kenya

In Kenya, the economic and political environment has been particularly challenging as this market experienced severe business disruption due to currency devaluation, flooding and extended anti-tax riots.

The Kenyan shilling has since stabilised and strengthened since March 2024, due to tighter monetary policies and easing global pressures on this market. However, this stabilisation followed a period of significant depreciation, which had already exerted considerable strain on consumer purchasing power and increased our operational costs.

SUSTAINABILITY AND COMMUNITY ENGAGEMENT

Sustainability remains a cornerstone of our business strategy. This year, we assisted in the building of and completion and inaugurated the United Students Achievers Programme (USAP) Community School Campus in Marondera which opened in August 2024, reflecting our commitment to community development. The project, which cost in excess of USD 2.2 million of which Simbisa contributed USD 1 million - demonstrates our dedication to creating a lasting positive impact in the communities where we operate.

GOVERNANCE

In line with its commitment to strengthening governance and enhancing the depth of its leadership, Simbisa Brands appointed Mr. Nabil Mankarious as an Independent Non-Executive Director, effective 23 February 2024. Mr. Mankarious brings a wealth of experience in the food and hospitality industry, having co-founded and managed various renowned brands in the United Kingdom and beyond. His extensive experience in managing world-class brands will be invaluable in supporting Simbisa's mission to elevate its' operational standards and drive growth.

His appointment will be tabled for ratification at the Company's 9th Annual General Meeting on 22 November 2024.

All the Board Committees were fully functional, met regularly and discharged their fiduciary duties in the reporting period.

Financial Highlights

The financial performance for the year includes several once-off items impacting comparability with the previous year.

- In last year's results, once-off items totaling USD 4.9 million were included, comprising a USD 2.1 million gain on bargain purchase relating to our acquisitions of InnBucks Microbank and Oven Art, and USD 2.8 million in income from Treasury investments.
- In the current year, we recognized a USD 3.2 million incremental depreciation on leasehold improvements, following a change in the rate of depreciation from 5% to 10%. This adjustment was driven by the need to align accounting estimates with the Group's store revamp cycle. Despite the challenges, our focus on cost management and operational efficiency has enabled us to navigate these difficulties effectively, continuing to deliver value to our shareholders:
- The Group achieved a 6% increase in revenue despite facing significant challenges during the period.

- Operating profit before impairment, depreciation, and amortization declined by USD 1.9 million (~4%). Included in this decline is the impact of the once-off non-recurring income from Treasury investments of USD 2.8 million in the prior year.
- As reported in our H1 report, the net impact of the disposal of subsidiaries was USD 0.08 million. This is the net of a USD 5.9 million profit on disposal, partially offset by a USD 5.39 million loan impairment provision and USD 0.43 million foreign currency translation reserve (FCTR) losses recycled to the profit and loss. The Group retains rights to repayment of shareholder loans in these businesses. The loans are carried at a net amount after impairment of USD 7.6 million.
- The Group generated the same level of cash from operations despite the decline in Headline Earnings. This resulted in a 112% conversion rate of operating profit to cash, underscoring the Group's robust cash generation strategies.
- There was a notable shift from a loss to a gain in the translation of foreign subsidiaries compared to the prior year. This improvement was driven by the strengthening of the Kenyan Shilling and the disposal of subsidiaries in Zambia, Mauritius and Ghana, which had previously contributed substantial currency translation losses.
- Despite the decline in Headline Earnings, total comprehensive income increased by 6%, demonstrating the Group's strong ability to preserve shareholder equity.



Chairman's Statement (continued)

Final Dividend

The Board has resolved to declare a final dividend of 0.392 US cents per share. Additionally, the Board approved a dividend of USD 110,188 to the Simbisa Employee Share Trust (Private) Limited. The dividend will be payable in United States dollars on or about 07 November 2024 to shareholders registered in the Company's books as of the close of business on 18 October 2024. The last day to trade cum-dividend is 15 October 2024, and the ex-dividend date is 16 October 2024. The total dividend for the year is 1.012 US cents per share, inclusive of an interim dividend of 0.62 US cents per share.

Outlook

As we look to the future, our strategic priorities include not only expanding our store network but also the modernisation and revamping of existing outlets to enhance customer experience. We are targeting to open 36 new stores in FY25 and revamp 36 stores at a total cost of USD 17.8 million. 6 shops will be closed or rationalised. In addition, a restructure of some of the Group's property investments will occur in the financial year ending 30 June 2025.

The Group will focus on increasing its' customer numbers and product range. Investigations of potential strategic raw material sourcing within the Common Market for Eastern and Southern Africa (COMESA) market are being explored, which will optimise the supply chain and mitigate some of the external economic pressures we face. The upgrade of a Group wide Enterprise Resource Planning system (ERP) has been successful and resulted in better real-time financial reporting.

In line with our goal to become more customer-focused, we have introduced a customer feedback platform for tracking and analysing customer feedback in all our markets.

I extend my deepest gratitude to our Executive and Management team and all our employees for their dedication and hard work. We remain committed to executing our growth strategy, strengthening our market leadership, and driving sustainable growth.



A.B.C. Chinake
Independent Non-Executive Chairman
30 September 2024



Chief Executive Officer's Report

TRADING ENVIRONMENT

Africa's initially strong economic recovery from the Covid-19 pandemic faced setbacks due to the global economic pressures, compounded by pockets of political instability across the continent and increased borrowing costs resulting from monetary policy tightening. On the upside, Global inflationary pressures have begun to ease, attributed to declines in commodity prices, improved supply chains, and the effects of unprecedented monetary policy tightening.

In Zimbabwe, the financial year commenced on a relatively stable note; however, the second half of the year saw a significant acceleration in inflation and exchange rate disparities, with the official annual blended inflation rate reaching an eight-month high of 57.5% in April 2024, ahead of the launch of the new ZiG currency in the same month, putting additional pressure on consumer cost of living and spending habits. Cost pressures, exacerbated by a drought year, have put operating margins under pressure.

In our second largest market Kenya, the economic landscape faced challenges over the year; the first half of the year saw significant fiscal pressures leading up to the refinancing of a USD 2 billion bond maturing in June 2024, which created uncertainty in the financial markets, resulting in sustained inflationary pressures and putting the Kenyan Shilling into free-fall. Policy measures, including the now-defunct 2024 Finance Bill, aimed at achieving financial stability and economic recovery, resulted in a recovery of the Shilling but came at a price. Widespread political outrage culminated in weeks of political protest and riots which impacted trading conditions and consumer confidence.



Our commitment to adapting our business strategies and enhancing operational efficiencies to navigate the challenging trading conditions, has been paramount. We have focused on improving customer engagement, ongoing product development and optimising our supply chains.

GROUP PERFORMANCE OVERVIEW

The Group continued to grow its brand network and market share through new store openings of the core and casual dining brands during the year under review. Between 30 June 2023 and 30 June 2024, the Group opened 73 new counters in Kenya and Zimbabwe whilst 9 counters were closed. The Group closed the period with 601 company-operated counters and a total of 714 counters, including franchised markets.

Efforts to increase the revenue contribution from delivery channels are ongoing. Simbisa continues to grow its market share in the delivery space without significantly impacting margins by using application-exclusive offers to drive volumes and revenue growth through delivery channels. The Group has leveraged technology to greatly improve the customer experience through continuous evolution of the Apps and App-exclusive promotions as well as shortened delivery times through rider and zoning optimisation.

Despite the operating challenges faced, the strategic initiatives undertaken during the financial year under review enabled the Group to achieve 6% increase in revenue in FY 2024 versus prior year. Customer counts increased 3.7% year-on-year whilst real Average Spend increased 4% due to firmer spend in both Zimbabwe and the Region. Cost pressures and a once-off non-recurring income from treasury investments in the prior year resulted in a 4% decline in operating profit in FY 2024 versus the prior year.



Zimbabwe

OPERATING CONTEXT

Although inflationary pressures and exchange rate disparities remain a key challenge in Zimbabwe, there were periods of reprieve over the financial period under review, during which inflation and exchange rates held steady; both in the lead-up to the August 2023 elections and following the introduction of the ZWG in April 2024. The new tax measures which took effect from 01 January 2024 contributed to pressure on operating costs and consumer disposable incomes, although the effect on the latter was cushioned by the high level of informalisation of the economy.

The road rehabilitation program which accelerated in the lead-up to the August 2024 Southern African Development Community (SADC) Summit, impacted shop-access and trading capacity in several of our complexes during the second half of the financial year. Trade was also disrupted during the transition from ZWL to ZWG whilst banking systems were down.

Operating margins came under significant pressure during the financial period under review, stemming from sustained high inflation, rising utility costs, ongoing power outages, and exchange rate disparities. A drought year pushed up raw material prices, and a nationwide potato shortage in Q3 resulted in difficulties securing consistent supply of quality potatoes and a doubling in the potato price during this period. Improving supply chain efficiencies has therefore become a key focus area in the business.

PERFORMANCE OVERVIEW

The Zimbabwe operations achieved revenue growth of 6% in FY 2024 versus prior year, driven by a 4% increase in Average Spend and a marginal 2% growth in customer counts, a reflection of the subdued consumer activity within the market. Intensified efforts were made in the second half of the year to increase customer footfall into our shops; the results have been encouraging, with customer counts in 2H exceeding those achieved in 1H, which is a traditionally busier period.

During the 12-month review period, a net of 52 new counters were opened in Zimbabwe, with 6 new counters opened in the final quarter. As at 30 June 2024, there were 332 counters trading in Zimbabwe.

OUTLOOK

Whilst the ZWG has sustained stability on the Interbank market as it tracks global gold prices, the parallel market has seen a significant exchange rate depreciation driven by demand and supply forces. A rapid acceleration of money supply from July 2024 has led to a devaluation on the parallel market, widening the exchange rate premium. This has resulted in a resurgence of speculative trading created by arbitrage opportunities which hampers business planning capabilities and fuels inflationary pressures.

During the potato shortage period, our chip quality was severely compromised which affected our customer experience. Particular attention has been paid to ensuring consistent, high-quality product and strict compliance to brand standards which has been supported by the introduction of customer feedback platforms.

REGIONAL OPERATIONS



Kenya

OPERATING CONTEXT

During the first half of the financial year, Simbisa Kenya faced challenges from local currency weakness due to thin foreign currency reserves. By December 2023, the Kenyan Shilling had shed 27% of its value against the US Dollar year-on-year. The Kenyan government's issuance in February 2024 of a new USD 1.5 billion Eurobond to refinance the USD 2 billion Eurobond due in June 2024, reduced pressure on Kenya's foreign exchange reserves and propelled a rally in the Kenyan Shilling exchange rate. The Kenyan Shilling recovered 18% against the US Dollar between 31 December 2023 and 30 June 2024. Annual inflation followed suit, with the inflation rate cooling from 7.3% in July 2023 to 4.6% in June 2024, the lowest rate since September 2020. This contributed to economic stability and a more favourable trading environment in 2H FY 2024.

However, the policy measures that were introduced in an aim to raise funds and stabilise the economy, including the 2024 Finance Bill, were widely unpopular and sparked political unrest culminating in demonstrations and riots from June 2024. This resulted in trade disruptions and damage to some shops, impacted consumer spending behaviour and necessitated shop closures, which in turn impacted our operating capacity during the month of June 2024.

Chief Executive Officer's Report (continued)

The heavy rains experienced between April and June 2024 also impacted trade and supply chains in 2H FY 2024. A decision was made in mid-May to close deliveries during the heavy flooding in order to avoid compromising delivery times and customer satisfaction.

PERFORMANCE OVERVIEW

Local currency revenue grew 13% in FY 2024 versus prior year, driven by increased customer counts and higher Average Spend which increased 10% year-on-year in local currency terms. The higher Average Spend is due to increased delivery contribution and a stronger local currency from the second half of the financial year. Customer counts grew 3% year-on-year in FY 2024, on the back of a net of 12 new store openings between 30 June 2023 and 30 June 2024.

Structurally higher operating costs have arisen from exchange rate weakness (to February 2024), higher staff costs from new government regulations and higher utility costs. Management has responded to the inherent cost increases by actively negotiating long-term pricing contracts for essential cost of sale items. Stringent cost-containment measures have been implemented in the market, including right-sizing staff headcounts, managing electricity usage to minimise waste, preventative maintenance on critical assets to avoid downtime and negotiating existing and new leases at more favourable terms. The success of these measures, together with higher revenue in the financial year, resulted in firmer profit margins, which buoyed bottom-line growth in Kenyan Shillings.

A key strategic initiative in Kenya has been to make the Dial-a-Delivery and Brand Applications the go-to delivery Apps in the market. The App-usage in Kenya has increased significantly; in June 2023, 46% of delivery orders were placed through the App, versus 54% placed through the call centre. This has increased significantly over the year, with 67% of orders placed through the App in June 2024.

Continued app-exclusive offers are being successfully used to drive volumes and revenue growth through delivery channels. Delivery volumes were 25% higher in FY 2024 versus FY 2023, and trended upward over the financial year. In Q4 FY24 deliveries grew 40% versus the prior comparable period. Delivery revenue now contributes 19% to total market revenue. It is our intention to increase the delivery revenue contribution in Kenya by using pricing and marketing to grow market share in the delivery space without significantly impacting operating margins.

OUTLOOK

The key risk factors to the Kenyan operations performance in FY 2025 stem from political risk and related trade disruptions which have continued into Q1 FY 2025 as well as economic headwinds, primarily the risk of exchange rate devaluation and inflationary pressures as the Central Bank of Kenya is expected to continue monetary easing.

We strive to achieve continued top-line growth by expanding our store network into Grade A sites and through modernising and revamping existing outlets to enhance our customer experience. We will drive value to our customers through promotional activity, with a particular focus on targeted value offerings and localised marketing initiatives to boost customer loyalty.

Margin preservation remains a top priority, and cost-containment measures implemented in the financial year under review will be continued through FY 2025.



Eswatini

OPERATING CONTEXT

The volatility of the South African Rand, to which the Eswatini Lilangeni is pegged, has impacted fuel and utility prices, resulting in increased raw material prices during the financial year under

review. Eswatini's borders remain closed to imports of beef and poultry from South Africa due to the foot and mouth and avian influenza outbreaks, which have also raised costs on raw materials. New taxes and levies effective from September 2023 have further affected customers' purchasing power.

PERFORMANCE OVERVIEW

Customer counts remained flat compared to prior-year levels, while Local Currency Average Spend increased by 9% in FY 2024, leading to a 9% year-on-year increase in local currency revenue. Despite cost pressures emanating from the border closures, inflation and exchange rate weakness. Simbisa Eswatini's operating margins improved in FY 2024 versus prior year, stemming from the brand-focused managerial restructure as well as an inflation-induced price increase.

OUTLOOK

In the short to medium term, focus will be on boosting revenue from the delivery business, with brand delivery apps launched in the second half of FY 2024. Targeted marketing initiatives, rolled out in Q4, aim to increase brand awareness and customer growth. For FY 2025, the strategy emphasizes new value promotions enabled by improved procurement, to drive customer counts and turnover.

FRANCHISED MARKETS

The DRC held their general elections in December 2023, which caused uncertainty within the market during our biggest trading month of the year. Furthermore, the franchisee's biggest food complex in Kinshasa was affected by an external fire accident in November 2023. This resulted in the location not trading for 5 weeks during 2Q FY 2024. However, the market made a significant recovery in 2H FY 2024 and achieved year-on-year top and bottom-line growth in the year under review.

DRC closed the period with 31 counters, Mauritius with 12 counters, Zambia with 24 counters, Ghana with 18 counters, Malawi with 21 counters and Namibia with 7 counters.

STRATEGIC FOCUS

As we move forward, our focus remains on delivering

exceptional value to our customers. We recognise that customer satisfaction is the cornerstone of our success and therefore we will prioritise a customer-centric focus going into FY 2025, as follows:

- Enhancing Customer Experience: Our Operations and Franchising Divisions will drive strict adherence to brand standards, ensuring consistent product quality, innovative new product development, and superior customer service. By leveraging valuable feedback from our customer platforms, we will continuously improve our product offerings and enhance our customers' experience.
- Strengthening Brand Presence: We will invest in strategic marketing initiatives to create compelling product and value propositions that resonate with our target audience. Our goal is to enhance the customer experience and reinforce our brand's position in our operating markets.
- Expanding Our Reach: In FY 2025, we plan to expand our footprint by opening 25 new counters in Zimbabwe, 9 in Kenya, and 2 in Eswatini. Additionally, we will modernise our existing store network through refurbishments and upgrades of our older stores, ensuring a fresh and inviting environment for our customers. There are 36 counters earmarked for upgrades in FY 2025, of which 27 will be in Zimbabwe, 6 in Kenya and 3 in Eswatini.
- Driving Organic Growth: Our customer-centric approach, coupled with effective marketing and ongoing feedback analysis, will drive organic customer growth. By optimising our supply chain, containing costs, and investing in strategic upgrades, we will continue to create sustainable value for our stakeholders.

APPRECIATION

Simbisa Brands stands by its commitment to offer only the highest level of service and quality to our customers as well as to all stakeholders. Despite the operating challenges faced during the year under review, the Group continues to grow and deliver value to all stakeholders. I attribute the success of our strategic initiatives to our dedicated staff members for their considerable efforts and hard work over the period and to our loyal customers for their continued support. I would also like to sincerely thank the Simbisa Board of Directors for their ongoing commitment and guidance. Thanks also goes to our franchise partners, lenders, suppliers and all other stakeholders for their ongoing support.

B Dionisio
Chief Executive Officer
30 September 2024



Awards

SUPERBRAND OF THE YEAR **- CHICKEN INN ZIMBABWE**

WINNER - SUPERBRAND 2023 **FAST FOOD SECTOR - CHICKEN INN ZIMBABWE**

WINNER - BUSINESS TO CONSUMER **- CHICKEN INN ZIMBABWE**

3RD POSITION - BUSINESS TO BUSINESS **- SIMBISA BRANDS ZIMBABWE**

1ST RUNNER UP - MONEY **TRANSFER SECTOR** **- INNBUCKS**

WINNER - FAST FOOD SECTOR **- CHICKEN INN ZIMBABWE**

"Earning the Superbrand title is a testament to our unwavering commitment to quality, customer satisfaction, and innovation. Chicken Inn, InnBucks, and the Simbisa Brands team are honored to lead the industry, delivering not only great products but memorable experiences for every customer, every time."

— Simbisa Brands Zimbabwe





Leadership and Governance

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36	Corporate Governance

"At Simbisa Brands Limited, we believe that corporate governance is the cornerstone of our commitment to ethical business practices and sustainable value creation. Through transparency, accountability, and adherence to the highest governance standards, we guide our strategy and actions to ensure long-term growth and trust with all our stakeholders. As stewards of integrity, we are dedicated to fostering a culture where ethical leadership shapes our future."

NON-EXECUTIVE DIRECTORS

Addington Chinake Non-Executive Chairman

Addington Chinake has been practising since 1993 and has been with Kantor and Immerman legal practitioners since 1994. He became a Managing Partner in 2000 and is currently a Senior Partner. His expertise lies in corporate and commercial law, encompassing mining and competition law, as well as all facets of tax law and litigation, mergers and acquisitions, leveraged buy-outs, and capital raising.

Addington is a former Non-Executive Director of four companies listed on the Zimbabwe Stock Exchange and a trustee of the National Gallery of Zimbabwe. He serves as a resource person for the Law Society of Zimbabwe and is a recognised mediator. He has contributed articles to the Zimbabwe Independent Newspaper (Annual Quoted Companies Survey) and The Zimbabwe Stock Exchange Handbook. He has represented a substantial number of



Fortune 100 companies with operations in Zimbabwe and the region. His work includes significant foreign direct investment (FDI) transactions, such as managing a bank merger on the Zimbabwe Stock Exchange, overseeing the largest single FDI investment by an investment bank in a Zimbabwean company, and handling several multi-million-dollar acquisitions. These transactions involved foreign companies disposing of equity in ZSE-listed entities and greenfield mining projects.

Addington is highly sought after by international law firms involved in Zimbabwean transactions, and he continues to attract major corporate mandates in Zimbabwe and across the SADC region.

NON-EXECUTIVE DIRECTORS (Continued)

Jaqueline (Jackie) Hussein Non-Executive Director



Jackie holds a Bachelor's Degree in Financial Management from the University of South Africa. Afterwards, she trained with Ernst and Young for seven years in Zimbabwe and South Africa and is registered as a registered Chartered Accountant in both countries. Notably, Jackie is Zimbabwe's first woman to establish and operate a registered accounting practice, July28, which she leads in offering advisory, risk management, and financial services which has expanded into technology for enhanced business reporting and workflow automation. She began her consulting career in Tanzania in 2010 before relocating to Zimbabwe, where she now serves on the Board of a microfinance institution, chairing its Finance and Risk Committee. Jackie joined the Simbisa board in 2021 as an Independent Non-Executive Director and is a dedicated advocate and mentor for women's advancement and start-ups.

Nabil Mankarious Non-Executive Director



Mr. Mankarious brings a wealth of experience and expertise as a co-founder, manager and Director in the food and hospitality industry, through various food outlets and brands, within and outside the United Kingdom.

His work experience includes overseeing Pizza Express and Clapham House Group's Gourmet Burger Kitchen in various capacities as Managing Director, Commercial Director and subsequently CEO. Thereafter, Mr. Mankarious delved into co-owning and managing other brands such as Meat Liquor restaurants, La Piccola Deli, and Rocca an Italian restaurant concept. Thereafter, he co-founded Fulham Shore which owns and operates Franco Manca and the Real Greek restaurants in the UK, Italy, Greece and Spain. His background will be key in feeding into Simbisa's drive to bring world class standards into its operations and brands.

Zinona (Zed) Koudounaris Non-Executive Director



Born in Zimbabwe, Zinona (Zed) Koudounaris completed his tertiary education at Rhodes University in South Africa, where he earned a Bachelor of Commerce degree with majors in Business and Computer Sciences. Zed is a founding shareholder of Innscor and was instrumental in the establishment and success of the Group's core fast food brands. He has held various roles within Innscor, including serving as Chief Executive Officer following the Group's listing in 1998. Zed continues to play a significant role in driving strategic growth opportunities for the Group and in offering guidance to its management team.

Amit Gupta Non-Executive Director



Amit is a seasoned professional with 18 years of diverse experience. A Chartered Accountant and law graduate from India, he began his career in audit in 1997. He soon transitioned to tax advisory and litigation, representing clients at various appellate levels and at the High Court. Amit has worked with the Big Four accounting firms—KPMG, Ernst & Young, and PwC—where he specialised in tax advisory, tax litigation, Mergers and Acquisitions, international tax structuring, and commercial law advisory. In 2009, he joined Abax Corporate Services as a Senior Executive. More recently, he established his own advisory firm, focusing on business consulting, operational and structural efficiency, tax advisory, and commercial legal matters. Amit has also served as an Independent Director on the boards of several large companies and funds, and he continues to do so.

EXECUTIVE DIRECTORS

Basil Dionisio Group Chief Executive Officer



Basil is a seasoned professional with over 38 years of experience across multiple markets and business areas. Born and raised in Zimbabwe, he has been with Simbisa Brands Limited since its founding and is a founding shareholder. Before becoming the CEO of Simbisa Brands Limited, Basil was a Director on the Innscor Africa Limited Board. His deep understanding of the African market and extensive knowledge of Simbisa's operations have been crucial to the success of the Group's regional fast-food expansion. Basil has also been instrumental in shaping the Group's culture and values, and he focuses on expanding and leading the quick service restaurant business both in Zimbabwe and throughout Africa. As Group Chief Executive Officer, he holds overall responsibility for the Group.

Baldwin Guchu Group Finance Director



Baldwin holds an MBA from the University of Cape Town Graduate School of Business and possesses extensive pan-African business experience. He began his career at PricewaterhouseCoopers Chartered Accountants (Zimbabwe), where he trained and became a Chartered Accountant. Before becoming the Group Finance Director at Simbisa Brands Limited, Baldwin held several senior positions within the Ecobank Group, a major pan-African financial institution. His roles included Chief Finance Officer for Ecobank Zimbabwe, Regional Business Manager for Ecobank Southern Africa, Regional Chief Finance Officer for Ecobank East Africa, and Senior Manager in Ecobank Zimbabwe's Corporate and Investment Banking division. Baldwin also played a key role in Ecobank's expansion into Mozambique, where he later served as a Non-Executive Board member.



Senior Management

Group Executive

Basil Dionisio	Group Chief Executive Officer
Baldwin Guchu	Group Finance Director
Divine Chikobvu	Group Finance Manager
Farai Machodo	Group Financial Controller
Carla Clack	Group Business Analyst
Michelle Fisher	Group Corporate Executive
Leighton Shaw	Group Projects Executive
Fadeke Obatolu	Acting Company Secretary
Josephine Mutsekwa	Group Risk Officer
Hennie Louw	Finance Executive
Dylan Meiburg	Group Franchising Executive
Gurvinder Dhamrait	Group Brand Executive
Vimbai Mubvami	Group Marketing Executive

Zimbabwe

Warren Meares	Managing Director
Onias Moyo	Finance Director
Misheck Muleya	Human Resources Director
Happymore Makovere	Finance Manager

Kenya

Trever Wagenaar	Managing Director - Simbisa Kenya
Kevin Kamaitha	Finance Director - Simbisa Kenya
Charles Gitau	Managing Director - Kutuma Kenya Limited
Deogratias Okango	Finance Manager - Kutuma Kenya Limited

Eswatini

Claudio Tripepi	General Manager
Tawanda Tasikani	Finance Manager



Corporate Governance

Simbisa Brands is committed to upholding the highest standards of corporate governance and business ethics. This commitment drives the Group to generate sustainable value, while also ensuring that our board remains accountable.

Our corporate governance practices are continuously reviewed and aligned with the Quoted Companies Alliance (QCA) Corporate Governance Code, National Code on Corporate Governance Zimbabwe, Draft Securities and Exchange (Victoria Falls Stock Exchange Listing Requirements) Rules, the Companies and Other Business Entities Act ([Chapter 24:31]) and other international best practices on corporate governance. This helps us maintain our reputation as a responsible and trustworthy company that operates to the highest standards.

BOARD RESPONSIBILITY

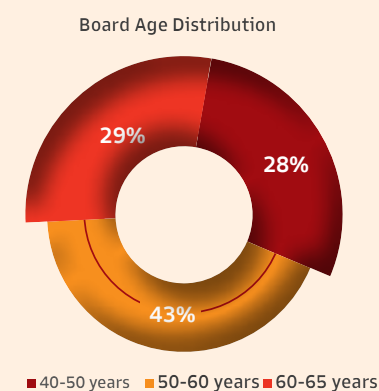
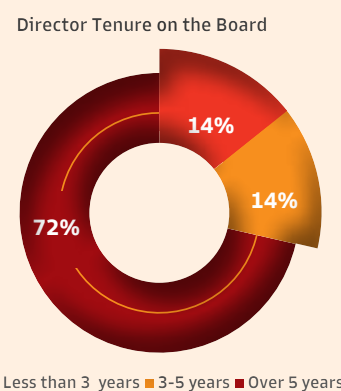
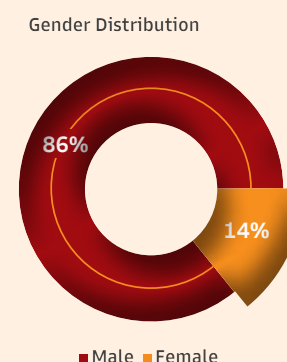
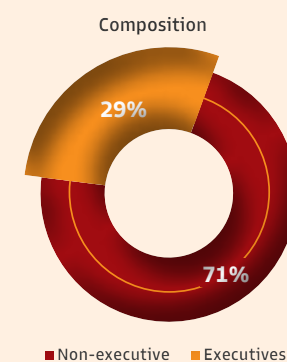
The Board is responsible for setting the strategic direction and policies, as well as ensuring the long-term sustainability of our operations. The Board collaborates with committees whose recommendations and decisions are reported at board meetings. Additionally, the Board delegates some of its responsibilities to the Chief Executive Officer and Executive Directors. The Executive Directors are responsible for strategic planning, execution, and ensuring that decisions align with the Group's overall strategy. The Board meets quarterly to monitor the performance of the Group, management, and operations.

Board Structure



Board Composition

The Board consists of two Executive Directors and five Non-Executive Directors, out of which four are independent. The Directors possess a wealth of experience in business, corporate legal practices and finance which enables them to guide an active and ambitious executive management team.



Nomination of Directors

The Nominations Policy details the procedure for nominating directors to the Board. According to the policy, candidates are considered for the Main Board as needed. The selection criteria encompass relevant experience, competence, integrity, and other pertinent factors. The Group notifies the Victoria Falls Stock Exchange (VFEX) of the selected candidate, who must also complete a disclosure form for review. The appointment of the candidate is then confirmed at the Annual General Meeting (AGM).

Professional Advice

Simbisa Brands Limited established resources and systems to ensure that Directors receive detailed and prompt information about the business, enabling them to carry out their roles effectively. Moreover, our policy permits Directors to seek independent professional advice at the Group's expense, on issues related to advancing the business' objectives or performing their duties.

Share Dealings

Directors, Management, and all employees are prohibited from buying or selling shares in the Group, either directly or indirectly, during:

- The period between the end of the interim or annual reporting periods and the announcement of the interim and annual results;
- Any time when they are aware of negotiations or details that could impact the share price; or
- Any period during which they possess information that may affect the share price.

Board Evaluation

At the recommendation of the Nomination Committee, the Board regularly reviews its own performance and that of each Director. This assessment focuses on identifying areas for improvement to ensure the Board functions efficiently and effectively.

Mechanisms for Communication with Stakeholders

Maintaining effective communication and engagement with stakeholders is crucial for our Group. It ensures they are informed about our objectives and performance and helps us understand their interests and concerns. The Board of Directors provides several channels for stakeholders to interact directly, including the Annual General Meeting, press releases on interim and year-end results, investor briefings, meetings, annual reports to shareholders, and the exercise of shareholders' voting rights via proxy forms. Additionally, our website offers stakeholders easy access to up-to-date operational and financial information.



Corporate Governance

(continued)

Board Committees

Committee	Members	Terms of Reference
 Audit and Risk	Amit Gupta (Chair) Jaqueline Hussein Nabil Mankarious	The Committee aids the Board in fulfilling its responsibilities related to compliance, internal control, and risk management. It consists of three independent Non-Executive Directors, one of whom serves as Chair of the Committee. The Committee convenes at least three times a year with the Group's external and internal auditors to review compliance with financial reporting requirements, assess the suitability of accounting policies, evaluate the effectiveness of internal control systems, and consider the auditors' findings. Both the internal and external auditors have unrestricted access to the Audit Committee to maintain the independence and objectivity of their findings and the scope of their work.
 Remuneration	Addington Chinake (Chair) Zinona Koudounaris	This Committee comprises Non-Executive Directors who meet bi-annually. Its directive is to evaluate and approve the remuneration packages of Directors and Senior Management. This guards the Group's ability to attract, retain and incentivise Directors and Management who can lead and further the success of the business.
 Nomination	Addington Chinake (Chair) Zinona Koudounaris	This Committee is responsible for the selection of Board members using the established and approved criteria. Other responsibilities include determining the number of Executive and Non-Executive posts on the Board, considering the skills and history of proposed candidates among others.
 Executive Committee	Basil Dionisio (Chair) Baldwin Guchu Warren Meares Onias Moyo Leighton Shaw Dylan Meiburg Trevor Wagenaar Kevin Kamaitha Charles Gitau Claudio Tripepi	The Executive Committee consists of Executive Directors as well as the Group's Executive Management. This Committee meets on a quarterly basis and is responsible for formulating, directing and implementing strategic decisions.

Meeting Attendance

Director	Year Of Appointment	Main Board	Audit And Risk Committee	Remuneraton Committee	Nomination Committee	Executive Committee
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Number of meetings attended/meetings held during the year

Addington Chinake	2015	4/4	n/a	2/2	1/1	4/4**
Basil Dionisio*	2015	4/4	3/3**	2/2**	1/1**	4/4
Zinona Koudounaris	2015	4/4	n/a	2/2	n/a	n/a
Amit Gupta	2015	4/4	3/3	2/2**	1/1**	4/4**
Baldwin Guchu*	2018	4/4	3/3**	2/2**	1/1**	4/4
Jaqueline Hussein	2020	4/4	3/3	n/a	n/a	4/4**
Nabil Mankarious***	2024	1/4	0/3	n/a	n/a	2/4**

*Executive
**attended by invitation
*** Appointed effective from 23rd February 2024
n/a means not a member of the Committee

SUSTAINABILITY GOVERNANCE

The Board of Directors, together with other functions within the Group, are responsible for overseeing the development and execution of the sustainability strategy, policies, and objectives. Designated key personnel manage sustainability practices and support the Board and management in identifying, evaluating, and addressing significant sustainability impacts on the economy, environment, and society. They also handle any opportunities arising from our business activities. These individuals are accountable for overseeing and evaluating data collection methods, measurement standards, and the quality of sustainability data across the Group.

Simbisa Brands is pleased to report that it established Sustainability Champions (60) in the Zimbabwe market who went through enhanced sustainability training. The same will be extended to Kenya and Eswatini in the next financial year.





Business Conduct and Practices

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46	Security Practices
46	Competition and Benchmarking
47	Compliance with laws and regulation

"Ethical business practices and a zero-tolerance approach to corruption are the pillars of trust and accountability. By upholding integrity, Simbisa Brands not only fosters stronger relationships with stakeholders but also safeguards its long-term success. Compliance, transparency, and continuous improvement ensure that our commitment to ethics remains unwavering."



Business Conduct and Practices

BUSINESS ETHICS

Simbisa Brands Limited demonstrates a strong commitment to ethical business practices, which enhances trust with key stakeholders such as customers, investors, and regulators. Our compliance with relevant laws and regulations helps mitigate potential legal and financial risks, ensuring smoother business operations and protecting the Group's overall financial performance. Moreover, the Group's adherence to ethical standards fosters stronger relationships with regulators and other stakeholders, potentially leading to increased customer loyalty and market share. However, maintaining high compliance standards results in increased costs and administrative burdens for Simbisa Brands Limited. Despite the Group's preventive measures, there is still a risk of reputational damage and financial loss if any unethical behaviour or non-compliance is discovered. Additionally, Simbisa Brands Limited acknowledges the ongoing challenge of aligning its business practices with evolving regulatory requirements across the different regions in which it operates.

We are in the process of finalising a comprehensive Business Ethics Policy that covers all aspects of ethical conduct including bribery, facilitation payments, and conflicts of interest. The policy will make it mandatory for all employees to undergo regular training on ethical standards and compliance requirements. Simbisa Brands Limited pledges to ensure full compliance with all applicable laws and regulations, with zero tolerance for any form of unethical behaviour. To reinforce this commitment, the Group intend to implement a regular and internal audit and compliance review process to ensure adherence to ethical standards and a whistleblower program for employees to report unethical behaviour anonymously and without fear of retaliation. In addressing any reported incidents of unethical behaviour, Simbisa Brands Limited commits to immediate investigation and resolution, taking corrective actions as necessary, and cooperating with regulatory authorities to ensure full transparency and accountability. Further, we conduct regular training and awareness programs among all employees and continuously improving business processes and internal controls to strengthen our ethical framework.

Our goal is to achieve zero incidents of non-compliance with ethical standards while targeting 100% participation in business ethics training for all employees and conducting compliance audits of all high-risk areas of the business. To measure progress, Simbisa Brands Limited uses key performance indicators such as the number of reported ethics violations, the percentage of employees completing ethics and compliance training, and the number of internal and external audits conducted around business ethics and compliance. These metrics helps the Group

maintain its strong commitment to ethical business practices and continuous improvement.

The Group's actions have been effective in maintaining high standards of business ethics, with no major violations reported and strong compliance across all business units. We are on track to meet our ethics and compliance goals, with full participation in training programs and regular audits confirming adherence to ethical standards. The Group identified key lessons learnt, including the importance of continuous education and communication on ethical issues. Engagement with stakeholders, including employees, customers, and regulatory bodies, informed the Group's business ethics strategies, ensuring they are comprehensive and aligned with best practices and stakeholder expectations.

ANTI-CORRUPTION

Simbisa Brands Limited recognises the significant potential positive impacts of its anti-corruption measures, which enhances transparency across all business operations. By addressing corruption, we improve stakeholder trust and investor confidence, positioning ourselves as a leader in promoting ethical business practices within the industry. However, we are aware of the potential negative impacts, including increased operational costs associated with implementing and maintaining of these comprehensive programs and compliance measures.

There is a risk of legal and reputational damage if any employee or business partner engages in corrupt practices. Additionally, conducting business in regions with high corruption risk poses challenges that could hinder our market expansion efforts. The Group may inadvertently contribute to negative impacts if internal controls are insufficient to prevent or detect corrupt practices, particularly in high-risk areas such as procurement and contracting. Our anti-corruption impacts could be directly linked to third-party vendors, contractors, or partners who may engage in unethical practices, exposing the Group to the risk.

We are dedicated to upholding the highest standards of integrity through our Anti-Corruption Policy, which explicitly prohibits bribery, extortion, and all forms of corrupt practices. This policy mandates regular training for all employees and emphasises strict adherence to local and international anti-corruption laws, demonstrating our commitment to a zero-tolerance approach towards corruption. To prevent or mitigate potential negative impacts and in addition to the hot-lines and a contact email address, we are implementing an anonymous a whistleblower program that encourages the reporting of suspected corruption activities, together with regular audits and risk assessments to identify vulnerabilities in our anti-corruption controls. We promptly investigate any reported incidents of corruption



"At Simbisa Brands, we believe that transparency builds trust. Our zero-tolerance approach to corruption not only enhances operational integrity but strengthens stakeholder confidence. We understand the challenges of operating in high-risk environments, yet remain committed to rigorous internal controls, continuous training, and collaboration to ensure ethical business practices across all operations."

and take appropriate disciplinary actions against those found guilty. We collaborate with legal authorities and external experts to remediate incidents and prevent future occurrences. Through ongoing training and communication campaigns, we promote a culture of integrity and ethical behaviour, while actively engaging with industry bodies and stakeholders to share best practices and collaborate on initiatives aimed at combating corruption.

The Group tracks the effectiveness of its anti-corruption measures through a comprehensive framework that includes internal audits, compliance reviews, and monitoring of whistleblower reports. Regular assessments are conducted to evaluate the impact of our anti-corruption training and awareness programs. Our goal is to achieve zero incidents of corruption across all operations annually, with a target of ensuring that 100% of employees receive annual anti-corruption training and conduct risk assessments for all high-risk areas and third-party relationships each year. Key performance indicators used to measure our success include the number of reported corruption incidents, the percentage of employees trained in anti-corruption policies, and the number of audits conducted in high-risk areas.

Simbisa Brands Limited's anti-corruption measures have proven effective in preventing incidents, with no major cases reported and achieving high levels of compliance across all operations during FY2024, consistent with FY2023. We achieved 100% compliance in employee training and conducted both internal and external audit checks, along with regular risk assessments as planned. Key lessons learnt emphasise the importance of continuous monitoring and the necessity for regular updates to our anti-corruption training to address emerging risks. These insights have been integrated into our ongoing compliance programs and policy updates. Further, our engagement with stakeholders informed our anti-corruption strategies, ensuring they are comprehensive and aligned with industry best practices.

GENDER, DIVERSITY AND INCLUSION

Simbisa Brands Limited implemented a comprehensive gender, diversity and inclusion policy that yielded significant benefits for the business. The Group prioritises increasing the representation of diverse groups within its employees, resulting in a more inclusive workplace environment that fosters a sense of belonging and engagement among employees. This commitment to diversity also enhances Simbisa Brands' corporate reputation, attracting talent from various backgrounds and strengthening its relationships within the communities it serves. While the Group faced occasional resistance to certain diversity initiatives, leading to temporary internal conflicts, it remains steadfast in its efforts to integrate



Business Conduct and Practices (continued)



GENDER, DIVERSITY AND INCLUSION (continued)

Diversity and Inclusion policies and practices into its culture. Simbisa Brands also encountered challenges in achieving gender parity at the board level, but the Group is actively addressing this through targeted development programs and inclusive hiring practices at all levels, including at senior management level. Despite occasional challenges, Simbisa Brands' Gender, Diversity and Inclusion management approach opened future opportunities for innovation and growth, as diverse perspectives and ideas contribute to the Group's continued success.

Simbisa Brands implemented a Gender, Diversity and Inclusion policy aimed at promoting equal opportunities regardless of gender, race, age, or disability. The Group adheres to local and international labour laws to ensure fair treatment of all employees, with a commitment to achieve a balanced gender ratio across all levels of the Group by 2025. We pledge to provide continuous diversity training programs for all employees to foster an inclusive workplace culture. The Group established an anonymous grievance mechanism for employees to report instances of discrimination or exclusion.

Simbisa Brands Limited implemented a system of regular external assessments to monitor compliance with its diversity policies. The Group conducts annual employee surveys to gauge the effectiveness of its diversity initiatives and identify

areas for improvement. We are committed to fostering gender balance, diversity and inclusion, setting ambitious goals such as achieving a 50/50 gender balance at all management levels by 2030 and ensuring that at least 5% of new hires come from underrepresented groups. To support these aims, the Group established specific targets, including a goal of 50% female representation in senior management roles by 2027 and hiring at least 75% of new store employees from local communities. Key Performance Indicators (KPIs) like a 50/50 gender ratio in management, a 75% employee engagement score on diversity, and a 100% resolution rate for discrimination cases will help measure progress. While there has been gradual improvement in gender balance across various levels, challenges remain, particularly at the Board of Directors level. Currently, female representation within the Group stands at 49% reflecting significant progress towards the 2030 target, yet highlighting the need for ongoing efforts to achieve full equity.

Simbisa Brands Limited made gender, diversity and inclusion a key priority, incorporating regular training and communication on these matters across the Group. The Group actively seeks to reflect the diversity of its customer base and local communities in its employees, hiring employees from the local areas. Feedback from employees, HR consultants, and external stakeholders has been instrumental in shaping our diversity strategies, ensuring they remain responsive to the needs of its diverse employees and customer base.



HUMAN RIGHTS

Our Impacts

The Group demonstrates a strong commitment to upholding Human Rights within its operations, with a focus on employee wellbeing and stakeholder relations. Simbisa Brands commitment to Human Rights procedures and protection of freedom of association positively impacts employee mental wellbeing and fosters a supportive work environment, while aligning with international standards and attracting stakeholders who value ethical business practices. This enhances the Group's corporate reputation and the opportunity to attract and retain top talent among its employees.

However, there are challenges in ensuring consistent Human Rights practices across all our markets, especially in areas with less stringent regulations. The Group is at risk of reputational damage and legal consequences if Human Rights violations occur, even if unintentional and potential conflicts may be experienced with local practices or laws in regions where Human Rights standards may differ from global norms. The Group may also contribute to negative impacts if Human Rights policies are not uniformly enforced, leading to potential abuses or neglect in some areas of operation. More so, Human Rights impacts could be linked to partnerships or supply chain activities where third-party entities do not adhere to the same Human Rights standards, potentially causing indirect violations.

Our Approach

Simbisa Brands Limited has implemented a Human Rights Policy based on international human rights standards, including the UN Guiding Principles on Business and Human Rights. The policy covers employee rights to non-discrimination, freedom of association, fair wages, and safe working conditions for all employees. The Group is committed to upholding and promoting Human Rights throughout all business operations, including supply chain management and pledges to provide continuous training and awareness programs to ensure all employees understand and adhere to Human Rights principles.

The Group has a grievance process that allow employees and stakeholders to report human rights concerns anonymously and without fear of retaliation. This is done through hotlines, social media and other platforms. A third party has been engaged to implement an additional anonymous whistle-blower platform, available for use by both internal and external stakeholders. Immediate investigation is conducted and corrective action is taken in cases where Human Rights violations are identified, including working with affected parties to remediate any harm caused. We collaborate with Human Rights organisations to address complex issues and ensure compliance with international standards. Promotion of best practices in Human Rights across the industry is done through participation in forums, partnerships, and public commitments and we engage with local communities to support Human Rights initiatives and contribute to social development.

Tracking Effectiveness of Actions

The effectiveness of Human Rights management actions is tracked through internal audits, external third-party reviews, and regular monitoring of compliance with the Human Rights Policy. The Group aims to achieve zero Human Rights violations across all operations and supply chain and to ensure 100% of employees receive training on Human Rights policies and practices annually. Through the Procurement Committee, the Group aims to inspect and verify Human Rights track records for all our listed suppliers.

Key performance indicators used to evaluate progress include the number of Human Rights violations reported and resolved, the results of human rights inspections and checks conducted in the supply chains, as well as the percentage of employees trained on Human Rights. We made notable progress towards human rights goals, evidenced by an increase in employee training participation and successful inspections of listed suppliers. Engaging continuously with stakeholders has been critical in shaping these strategies, as their insights help inform and enhance the effectiveness of our actions. The lessons learnt from this engagement led to updates in operational policies and procedures, ensuring that stakeholder feedback plays a vital role in refining and driving human rights initiatives.



Business Conduct and Practices

(continued)

CYBERSECURITY AND DATA PROTECTION

Simbisa Brands is dedicated to effectively managing cybersecurity and privacy protection, recognising the significant risks associated with the collection of personal information. The Group’s cybersecurity strategy fosters business growth, operational integrity, and brand reputation. We maintain high levels of employee trust, and full compliance with privacy regulations across all operations. However, Simbisa Brands acknowledges various risks associated with its operations, including fraud and corruption, unethical data use, operational disruptions, and reputational damage. We understand the importance of addressing these risks through strong cybersecurity measures to prevent incidents that could lead to significant financial loss and costly litigation.

The Group implemented an approach to cybersecurity and privacy protection, guided by a Data Privacy Policy, Information Security Policy, and Third-Party Risk Management Framework. These policies guide our commitment to best practices and controls, enabling us to integrate people, processes, and technologies effectively. We established a Business Continuity and Disaster Recovery Plan to mitigate potential risks and minimise damage when incidents occur. Our investment in cybersecurity infrastructure, including threat intelligence and data protection, enhances our ability to respond to and manage risks effectively. We monitor potential threats through our risk management framework, which encompasses impact analysis, vulnerability assessments, and penetration testing, ensuring the safety of our employees, customers, and systems.

We conduct regular internal and external audits to evaluate the strength of our security controls and compliance with privacy regulations. These audits identify vulnerabilities and areas for improvement, while third-party evaluations validate the Group’s commitment to data management practices. We established clear goals and targets aimed at protecting customer and employee privacy, strengthening access controls, and enhancing incident response capabilities. Our Key Performance Indicators (KPIs) include data breach incidents, compliance rates, and the resolution times for system vulnerabilities.

SECURITY PRACTICES

Simbisa prioritises the protection of its physical assets through security practices that integrate both physical security measures and human resource management. We aim to create a safe environment for employees and customers while maintaining operational stability and enhancing our brand reputation by focusing on ethical security management. This commitment to responsible security is vital, as it directly impacts the overall well-

being of employees and the communities in which we operate. Further, we recognise the importance of effective oversight of security personnel to prevent incidents of excessive force and human rights violations. Although Simbisa may indirectly influence security outcomes through third-party security providers, it takes proactive measures to monitor and mitigate potential risks.

The Group implemented procedures emphasising responsible practices which are integral to its internal controls, overseen by the Board of Directors. Continuous improvement in security measures is our core commitment, supported by regular training for security personnel in human rights and conflict resolution. Additionally, we engage in investigations and remediation efforts in response to any incidents that may arise.

We utilise a combination of internal audits, external assessments, and regular security reviews to evaluate the effectiveness of our security actions. Key performance indicators, including incident reports and risk assessments, guide the Group in tracking progress toward its goals. Moreover, Simbisa reached important achievements, such as a decrease in reported security incidents and a firm commitment to preventing any human rights violations in its operations. Lessons learnt from past experiences have informed the evolution of Simbisa’s operational policies, leading to enhanced training protocols and more frequent audits. Collaboration with third-party security providers further aligns their practices with the Group’s values. Engagement with stakeholders, including employees and customers, played a crucial role in refining security measures, fostering a safer environment, and ensuring higher satisfaction levels across the board.

COMPETITION AND BENCHMARKING

Simbisa Brands Limited leveraged a robust benchmarking and competitive analysis approach to drive significant operational improvements and strengthen its market competitiveness. By adopting best practices identified through comparisons with global industry leaders, the Group enhances its service quality and operational efficiency, giving it a distinct advantage in the market. The insights gained from competitor analysis enables Simbisa to reflect on business strategies, leading to increased market share and customer loyalty. Further, the process of identifying performance gaps and areas for development cultivates a culture of innovation and continuous improvement within the Group. However, the Group remains cognisant of the potential negative impacts of this management approach, such as the resource-intensive nature of continuous benchmarking and the risk of overemphasising competitor strategies, which could potentially lead to a loss of unique brand identity or

misalignment with the Group’s core values. The Group ensures that the benchmarking process does not create undue internal pressure or stress among employees, as this could undermine the overall effectiveness of the strategy. The Group may contribute to negative impacts if it excessively focuses on outperforming competitors at the expense of innovation or customer-centricity, leading to potential strategic misalignments.

We implemented a Competition and Benchmarking Policy that underscores the Group’s commitment to ethical practices in competitor analysis and the responsible utilisation of benchmarking data to drive continuous business performance improvements. The policy ensures that all benchmarking activities are closely aligned with the Group’s core values and long-term strategic goals, while also emphasising the importance of transparency and fairness in all competitive practices to contribute to sustainable business growth. Simbisa is dedicated to maintaining a culture of continuous improvement and innovation, regularly benchmarking its performance against industry standards and global leaders.

The Group implemented training and development programs to help employees understand and apply benchmarking insights constructively, while minimising the risk of internal stress or pressure. Whenever benchmarking results indicate significant performance gaps, the Group promptly implements corrective measures, including process improvements and strategic realignments. Simbisa actively engages with employees to address any concerns or challenges arising from benchmarking activities, ensuring a supportive and constructive work environment. The insights gained from benchmarking are seamlessly integrated into the Group’s strategic planning and decision-making processes, further enhancing its competitiveness and driving sustained business growth. Additionally, we actively participate in industry forums and networks to stay abreast of best practices and emerging trends, ensuring the Group remains at the forefront of innovation within its sector.

We conduct regular internal audits, performance reviews, and comparisons of key metrics against industry benchmarks. Additionally, the Group leverages external assessments and feedback from industry experts to validate the efficacy of its benchmarking strategies. Simbisa set clear goals to maintain its position in the quick-service restaurant market share within Zimbabwe and Kenya, while aiming to achieve a top position in Eswatini. To support these objectives, the Group established targets to increase customer satisfaction through the implementation of best practices identified via benchmarking. Further, we are committed to ensuring that 100% of our strategic decisions are informed by, among other factors, relevant benchmarking data and competitive analysis. The Group’s key

performance indicators include market share growth rate, customer satisfaction and loyalty scores, and the number of strategic initiatives guided by benchmarking insights.

Simbisa Brands Limited’s competition and benchmarking practices have proven to be highly effective in driving continuous improvement and maintaining a strong competitive edge in the market, as evidenced by the significant gains in market share and customer satisfaction. There are consistent improvements in the relevant KPIs and positive feedback from stakeholders. Ongoing monitoring and adjustments ensured that Simbisa remains closely aligned with industry standards while preserving its unique value proposition. Lessons learned included the importance of balancing benchmarking insights with the Group’s core values and long-term strategy. These insights have been incorporated into the Group’s policies and procedures, ensuring that benchmarking activities support sustainable growth and innovation.

Compliance with laws and regulations

The Group maintains a steadfast commitment to uphold legal, regulatory, and industry standards. It places an emphasis on fostering transparency and accountability across all facets of its operations. Throughout the year, we made efforts to comply with and adhere to the following:

- Zimbabwe Companies and Other Business Entities Act [Chapter 24:31]
- Securities and Exchange -Victoria Falls Stock Exchange (VFEX) Listing Requirements
- Kenya - Companies Act No. 17 of 2015
- Eswatini - Companies Act No. 8 of 2009
- South Africa - Companies Act No. 71 of 2008
- Mauritius - Companies Act No. 15 of 2001
- All other applicable laws, regulations, and directives





Risk Management

50	Enterprise Risks Management
52	Sustainability-Related Risks and Opportunity (SRRO)

"We view risk management as essential to protecting our assets and sustaining long-term growth. Through our comprehensive risk governance framework and continuous monitoring, we proactively manage operational, financial, and sustainability risks, ensuring resilience in a challenging environment."



Risk Management



As Simbisa Brands Limited , we consider risk management crucial for sustainable growth of the Group and for safeguarding our assets. To ensure timely and effective risk management, we are guided by the Simbisa Enterprise Risk Management (SERM). This ensures the Group continues to effectively manage risks that are identified in its operations.

RISK GOVERNANCE

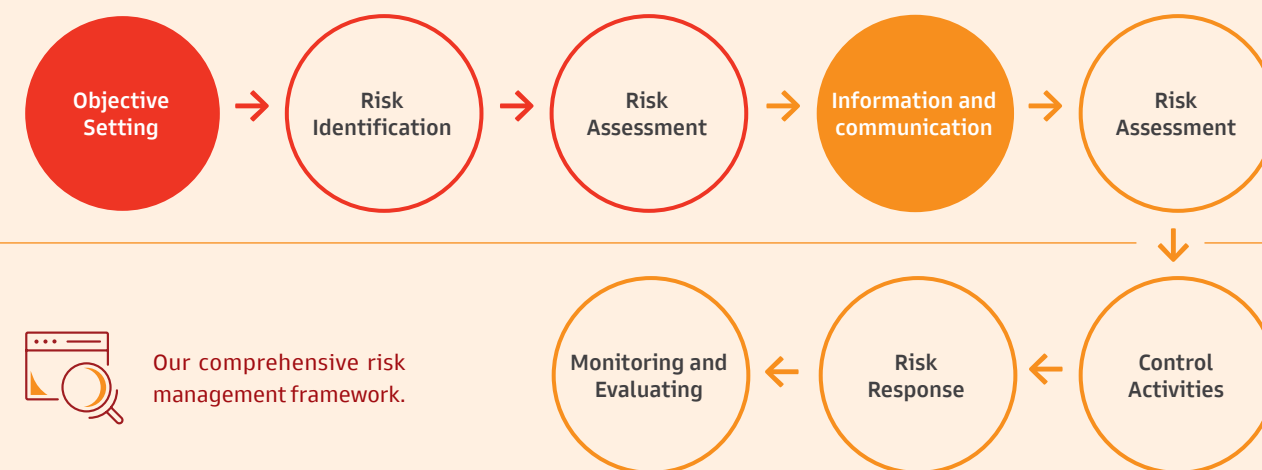
Effective risk governance is integral to our strategy, ensuring that risk management practices align with our goals and regulatory requirements. Our risk governance is overseen by the

Board of Directors which has the overall responsibility of setting structures and processes of risk management and embedding them in the strategic decision-making processes of the Group. The Group Finance Director is the Chief Risk Officer responsible for providing information relating to risk management to the Board of Directors.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

Our risk management framework starts with a comprehensive evaluation of the environment we operate, and based on this, we identify and understand the inherent risks. Risk analysis breaks down in detail all potential risks according to their levels of impact on the business' present and future performance and the effectiveness of existing controls. The risk evaluation process entails the comparison of the estimated risk against the set criteria to determine the risk's significance, the necessary course of action, and the required resources.

The diagram below illustrates our overall risk management framework.



Managing Financial Risk

The Group understands that management of financial risk is crucial to the short-term and long-term sustainability of the Group and its going concern. The Group implemented a loss and prevention approach to financial risk, which involves minimising the loss, rather than eliminating it completely. Due to the nature

of our business which is predominantly cash and stock items that are easily convertible to cash, we understand that it is difficult to eliminate financial risk, avoid or transfer it. Therefore, while accepting the risk, we stay focused on keeping the loss contained and preventing it from spreading by constant monitoring, shop visits and reviews.

The following 5 main methods of managing financial risks are used:

- 1 Transferring the Risk:** Simbisa Brands purchases insurance coverage for all fixed assets and cash assets thereby indemnifying against losses from specific contingencies and uncertainties.
- 2 Avoiding Risks:** Where the outcome of investment decisions such as the launching of new branches becomes uncertain or the prospect of low or negative returns increases. The Group's management often decides to avoid the risk.
- 3 Accept the Risk:** If an investment is uncertain but has an upside potential. The Group may choose to shoulder short term financial losses for long term gains.
- 4 Mitigating Risks:** Simbisa employs a consistent strategy of training employees to ensure their effective operation of machinery and equipment such as ovens and fryers to avoid the inherent loss of efficiency which translates to financial losses.
- 5 Exploit the Risk:** If the risk has a positive impact, the Group chooses to maximise the chance that it happens and benefit from the project and its financial gains.



Risk Management (continued)



Significant Risks Identified in the Reporting Period		
Risk	Description	Mitigation Measures
Operational	Shortage of key raw materials. Failure by key suppliers to meet demand for key raw materials resulting in selling of out of speck, this has resulted in the business supplementing supply using small suppliers.	We have entered funding arrangements with new small-scale farmers to ensure product availability and lock in prices.
	Global food security risk resulting in shortages of key materials such as rice and flour.	Entered strategic forward buying arrangements with key suppliers.
	Crippling power shortages due to very low national electricity generation capacity resulting load shedding. Interruption of trade, increase in running cost, maintenance, generator fuel costs and equipment breakdowns.	- Continuous engagement fuel suppliers to secure an uninterrupted supply of fuel at wholesale prices. - Engagement of electricity supplier for transfer to strategic grids were possible.
Reputational	- Negative publicity in print and digital media from customer concerns regarding service quality and product availability. - Allegations of unethical conduct among employees may lead to negative public perception, damaging the Group's brand and trust with customers and clients.	- Enhanced communication transparency to manage perception risk. - Stakeholder relationship management through active and targeted engagement strategies. - Brand reputational management strategies..
Compliance and Regulatory	Potential legal and financial risks if industry regulations are not followed by the Group.	- Implementation of a comprehensive compliance framework that includes guidelines for adhering to industry regulations. - Conducting continuous internal audits to assess compliance with relevant laws and regulations. - Development of contingency plans for potential regulatory violations, including communication strategies and remediation steps.

SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES (SRRO)

The Group's approach to managing sustainability-related risks and opportunities is aimed at addressing risks and taking advantage of opportunities that can significantly affect its short-term and long-term viability. By proactively addressing sustainability-related risks and opportunities that can impact the Group's liquidity, financial performance and financial position, we foster resilience and continuously create lasting value for our stakeholders. These risks and opportunities are economic, environmental, social and governance (ESG) in nature.

Managing Sustainability-Related Risks and Opportunities

Management has taken a similar approach to sustainability risk whereby avoidance, transfer and sharing of risks with third parties have been deemed inappropriate. Constant monitoring,

checking and reporting including independent check by independent departments to manage risk to acceptable levels have been adopted.

The following processes are conducted within the Group:

1 Training: Training employees on conservation methods for the sustainable use of energy and water resources and the reduction of waste generation.

2 Quality Control: Simbisa Brands Limited has a Group Franchising team with effective strategies to ensure customers get value for money.

3 Liability protection: The Group takes out insurance to indemnify against asset losses and workplace injuries.

Our sustainability risks and opportunities for the reporting period were as follow			
Risk	Description	Opportunities	Financial Impacts
Operational	During the year there was a sharp shortage of raw materials (maize, soya, potatoes) which affected the quality of our meals.	- Engaging in contract farming with farmers which allows us to have control over planting and harvest times. - Maintaining long-term contracts with suppliers to stabilise costs.	Increase in operational cost resulting in decline of profitability.
	During the year Zimbabwe experienced extended load shedding times due to low power generation by the utility company.	Exploring alternative power sources which are environmentally friendly like solar installations.	- Increased operational cost from the use of generators. - Initial investment cost in exploring alternative sources of energy.
	Work-related injuries.	Regular risk assessments can be conducted, and the Group can promote a culture of safety thereby ensuring losses due to injuries are avoided.	- Costs related to compensating injured employees and meeting their medical costs. - Reputational damage. - Cost of risk management structures.
Environmental	The nature of our operations generates significant food waste and packaging waste. Poor waste management can lead to regulatory fines and damage to brand reputation.	- Implementing robust waste reduction programs including recycling initiatives and partnerships can enhance the brand reputation. - The Group has been exploring alternative packaging material that are disposable in an environmentally friendly manner, evidenced by the 33% decrease in the use of plastics.	Separating waste at source could earn revenue for the entity through recyclable waste.
Human Capital	Increased employee turnover and skills shortage.	Increased training to ensure employees have the right skills and ensuring the Group offers competitive remuneration.	High turnovers lead to increased training and recruitment costs.
Supplier ESG Risk	There is a risk of procuring raw materials from suppliers with poor track record of our sustainable business practices.	Developing and implementing a supplier ESG assessment system.	- Cost of developing and implementing the system. - The cost of returning goods that failed to meet standards.

Internal controls for sustainability reporting

Internal controls are essential to help improve efficiency and effectiveness of our processes and operations. This in turn ensures the long-term sustainability of the Group is safeguarded. We conduct store by store recording of key sustainability reporting issues that are fed into a database that forms the core of our sustainability reporting. The statistics department conducts independent checks of compliance and accuracy of recorded information. The overall internal controls are guided by the following practices:

- The Management ensures all the necessary data has been

captured, complied and reviewed by all the team members.

- We ensure that the information is sourced from all the affected stakeholders and the final report is accessible to them.
- All material topics are considered to avoid omission of information that could significantly affect decision making and quality of reporting.
- The final report is written in a clear, understandable way and follows the format stipulated by the GRI Standards (2021).
- In preparation for the next cycle, we identify improvements and set targets for the next reporting period.



Sustainability

56	Sustainability Approach
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64	Material topics link to SDGs

"Sustainability is not just a responsibility; it's an opportunity. As we navigate the challenges of today and tomorrow, our approach is built on collaboration, long-term value creation, and a steadfast commitment to improving the lives of our customers, employees, and communities. Together, we are building a future where economic growth goes hand-in-hand with environmental stewardship and social responsibility."

Sustainability

We adopt a long-term perspective on sustainability by acknowledging that our efforts must continuously adapt to address the needs of both current and future generations. Sustainability is a collective responsibility. Therefore, we collaborate closely with our shareholders, suppliers, and other stakeholders to create sustainability throughout our value chain. We are dedicated to ongoing improvement and ensuring that sustainability is embedded in all our activities.

SUSTAINABILITY APPROACH

Our approach to sustainability is founded on four key pillars: economic, environmental, social, and governance. We are dedicated to minimising our environmental footprint, strengthening our social responsibility, and generating value for our stakeholders. Our sustainability decisions are made with the aim of ensuring that our business operations provide long-term benefits. Achieving our shared objectives with stakeholders is crucial to our capacity to create value. We established ambitious targets in each of these areas and regularly track our progress.



As a leading Quick Service Restaurant (QSR) business, we have both the scale and reach required to drive significant and impactful change. By continuously assessing our operations in close partnership with our stakeholders, we identify opportunities to make a meaningful difference. While we prioritise the quality and safety of our food products, we view exceptional customer service as an essential, non-negotiable aspect of our operations. Additionally, we are committed to fair treatment of our employees, actively supporting our communities, and making positive economic contributions.

The Group's key strategic areas of focus for sustainability are outlined below:



Sustainability Practices

The Group's approach to sustainability is grounded in the principles of transparency, accountability, and stakeholder engagement. We are dedicated to incorporating environmental, social, and economic factors into our decision-making and business practices. Our sustainability performance is evaluated and reported annually in line with the Global Reporting Initiative (GRI) standards, United Nations Sustainable Development Goals (SDGs), and other international sustainability standards that strengthen our accountability and practices. However, we remain cognisant of the best practices required in the food industry.



Inclusiveness and Responsiveness

Inclusiveness and responsiveness are central principles guiding our approach to sustainability. We view sustainability as not just a moral obligation but also a strategic chance to add value for our stakeholders, boost our reputation, and drive innovation. To realise these goals, we commit to being inclusive and responsive throughout our sustainability journey. We actively engage with stakeholders to grasp their needs, expectations, and views on sustainability. Their feedback is carefully considered and integrated into our decision-making and actions. We also ensure transparent and regular communication about our sustainability performance, challenges, and objectives.



Sustainable Capital Management

Our approach to sustainable capital management is a strategic method designed to optimise the use of financial resources and maximise long-term value for our stakeholders. We apply stringent criteria to direct capital towards the most promising opportunities, while carefully balancing growth, profitability, and risk. Our capital performance is regularly monitored and assessed using key metrics such as return on invested capital, free cash flow, and economic value added.

Simbisa Brands' long-term success relies on the sustainable management of various forms of capital. These include natural, human, financial, intellectual, manufactured, and social capital, all of which are integral to our business model. The Group's management is tasked with effectively allocating these capital sources. Through sustainable capital management, we aim to gain a competitive edge in our industry and foster a culture of financial discipline and accountability.





Sustainability (continued)



STAKEHOLDER ENGAGEMENT

Approach to Stakeholder Engagement

We engage key stakeholders based on the significance of their concerns. This process involves a thorough evaluation of current operational conditions, allowing us to classify the issues raised into three categories: economic, environmental, and social. This classification informs our response strategy, enabling us to address stakeholder concerns effectively. Our primary objective is to gather a diverse range of insights regarding stakeholders' perceptions and expectations concerning our Group's operational activities. To achieve this, we employ a systematic approach to stakeholder engagement, which is rooted in transparency and responsiveness.

The information collected through this engagement process offers us an enhanced understanding of our stakeholders' anticipated interactions, communication needs, and overall engagement strategy. We are committed to establishing clear communication channels with designated and authorised personnel to facilitate meaningful dialogues with all stakeholders. To foster productive conversations, it is essential to cultivate a deep mutual understanding of the perspectives surrounding the issues at hand.

Our strategy includes regular updates, feedback mechanisms, and opportunities for stakeholders to voice their concerns and suggestions. Ultimately, our goal is to ensure that all parties feel valued and heard, thereby strengthening our relationships and enhancing our effectiveness.

We are in the process of implementing an additional anonymous feedback and whistle-blowing platform, managed by an independent third-party. We believe this will improve the stakeholders engagement process.

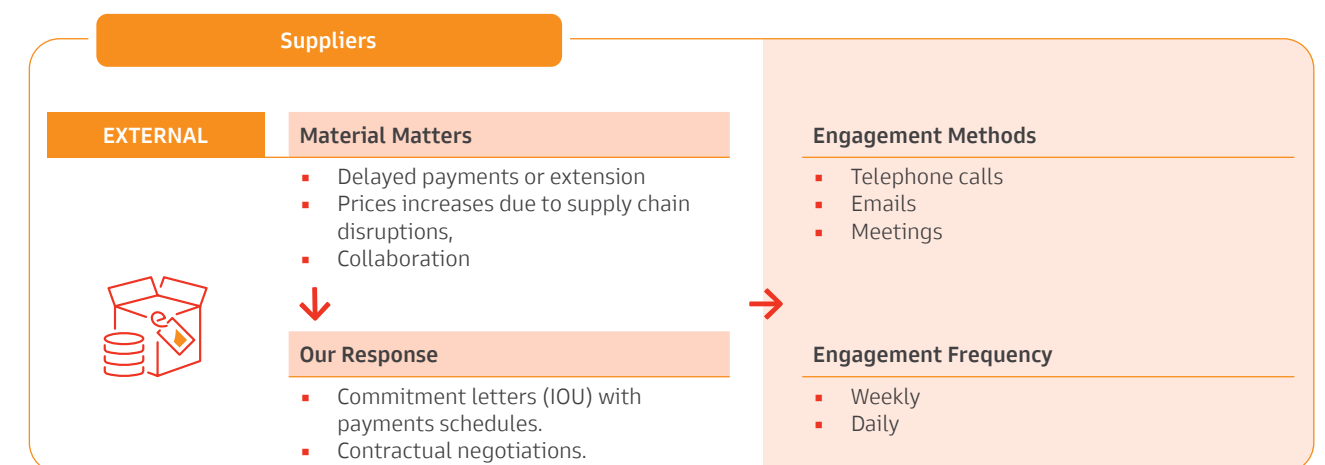
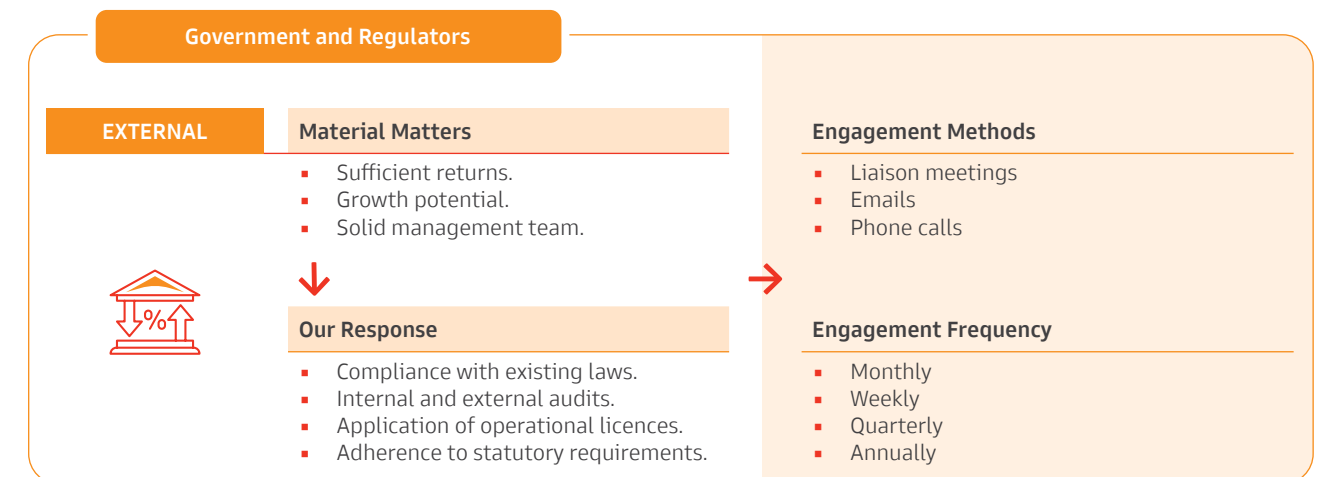
Key stakeholder groups

The stakeholders are categorised as follows:

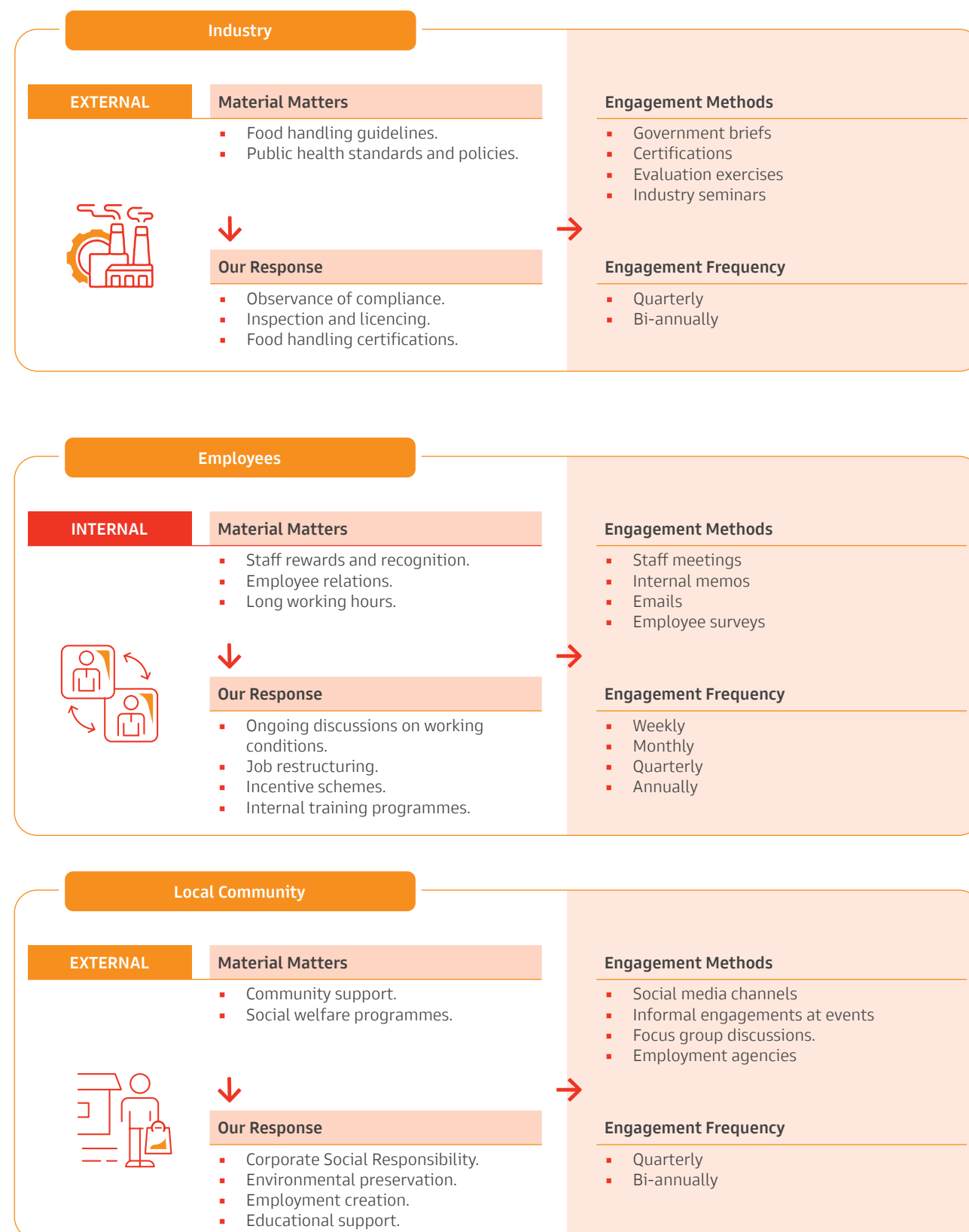
INTERNAL	Employees, shareholders and investors.
EXTERNAL	Customers, government, regulators, suppliers, industry and communities.

Stakeholder Activities

Our stakeholder engagement for the period were as follows:



Sustainability (continued)





Sustainability (continued)

SUSTAINABILITY MATERIALITY ASSESSMENT

Simbisa Brands Limited carries out materiality assessments to identify, prioritise, and understand issues that have substantial impacts on both the business and its stakeholders. Given the diverse nature of sustainability impacts and stakeholder concerns, the Group adopts suitable measures to address them effectively.

Materiality Approach

The Group makes use of a structured methodology that is guided by the GRI Standards and the Sustainability Accounting Standards Board (SASB) for sector-specific matters. This involves reviewing and identifying the most important issues, ranking and approving them. We review and update our materiality on a yearly basis, considering new stakeholder concerns and benchmarking with our industry and global trends. This process enables us to identify the most relevant topics to our business. We consider the differences in issues across the markets and countries where we operate. The process is conducted through desktop analysis combined with senior management survey. The senior management team evaluates and approves the final list of material issues based on their assessment of stakeholder concerns and the interests of Simbisa Brands Limited.

Materiality Process

The diagram illustrates the systematic approach taken to manage stakeholder concerns, from reviewing past engagements to final approval by senior management. *It outlines four key steps:*



Review →

- Review of previous year materiality analysis.
- Benchmarking with companies in our industry.
- Stakeholder engagement feedback.



Identification →

- Current stakeholder concerns.
- Emerging trends in sustainability.
- Business strategy and key focal areas.



Prioritisation →

- Management perspectives on order of priority of issues raised based on business strategy and stakeholder interest.



Approval →

- Verification of prioritised topics by senior management.
- Assessment of consistency of topics with business operations.

Material Topics

Economic	Environment	Social	Governance
▪ Tax ▪ Responsible Sourcing and Supply Chain ▪ Marketing Practices ▪ Business performance and growth	▪ Energy ▪ Waste ▪ Water and Effluents ▪ Environmentally friendly buildings ▪ Climate Change and Emissions ▪ Food waste and packaging management	▪ Customer Engagement ▪ Human Rights ▪ Employment ▪ Occupational Health and Safety ▪ Employee Engagement ▪ Gender, Diversity and Inclusion ▪ Corporate Social Responsibility ▪ Training and Development ▪ Community Engagement ▪ Nutrition ▪ Food Safety and Quality ▪ Packaging	▪ Business Ethics and Compliance ▪ Anti- corruption ▪ Cybersecurity and Privacy Protection ▪ Competition and Benchmarking ▪ New product Development

Materiality Matrix

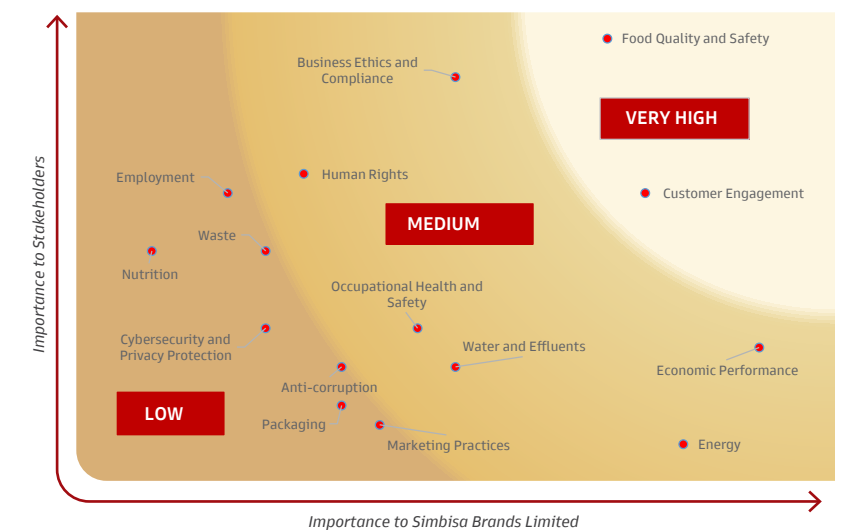
The materiality analysis presented below ranks the top 15 topics most significant to the business and to its stakeholders. The Group's assessment has shown that there are slight changes in the material topics from the previous year.

From the matrix, the topics ranked as:

Very High - reflects those regarded by the business and shareholders to be of significant interest. As such, they represent both risks and opportunities for the Group.

Medium – reflects those where significant measures were taken by the Group to address them.

Low – reflects where significant efforts were made to address them.



In FY2024, Food Quality and Safety along with Customer Engagement were identified as significant and important material topics to both the business and stakeholders.

Sustainability (continued)

Material Topics Link To SDG's

The SDGs provide a global framework for addressing environmental, economic, social, and governance challenges. By aligning material topics with the SDGs, Simbisa Brands Limited demonstrates its commitment to facilitating effective tracking of the key material topics in relation to the SDGs.

THE UN SUSTAINABLE DEVELOPMENT GOALS



VERY HIGH

1. Food Safety and Quality
2. Customer Engagement

MEDIUM

3. Economic Performance
4. Energy
5. Water and Effluents
6. Occupational Health and Safety
7. Human Rights
8. Business Ethics and Compliance

LOW.

9. Employment
10. Waste
11. Nutrition
12. Cybersecurity and Privacy Protection
13. Anti-corruption
14. Packaging
15. Marketing Practices





Customer Service

- 68 Customer Relations
- 68 Responsible Marketing

"At Simbisa Brands Limited, fostering strong customer relationships and maintaining ethical marketing practices are the cornerstones of our success. By prioritising transparency, fairness, and continuous engagement, we strengthen customer loyalty, enhance satisfaction, and drive sustainable growth."



Customer Relations

The Group's customer engagement strategy focuses on building strong lasting relationships to guarantee customer satisfaction, protection, and fair treatment in their interactions with the business. Our commitment to healthy relationships helps the Group to gain insight of customer needs and preferences, enabling us to address them more effectively.

OUR IMPACTS

Simbisa Brands Limited operates in a sector where there is a high rate of customer engagement. By prioritising customer engagement, we enhance customer satisfaction, loyalty, strengthen our brand and potentially drive business growth through leveraging customer feedback to improve products and services. We improved our customer communication to provide a seamless customer service across channels through new technologies and digital platforms.

However, adverse impacts can be encountered in maintaining a consistent level of customer engagement across the regions. Further, where customer engagement strategies are not properly aligned with customer preferences, it leads to potential customer dissatisfaction which bring potential litigation and reputational risks. In addition, if customer data is not managed securely there can be data privacy concerns.

OUR APPROACH TO CUSTOMER ENGAGEMENT

Simbisa implemented a Customer Engagement Policy that prioritises customer satisfaction, transparency, and ethical interactions. The Policy outlines our commitment to continuous improvement in customer engagement practices by regularly reviewing and updating strategies to meet evolving customer needs and expectations. The Group aims to maintain high standards of customer service and ensure that all customer interactions are respectful, fair, and transparent.

To manage customer engagement, we conduct regular training for frontline employees to ensure they adhere to the Group's customer engagement standards and policies. We ensure swift responses to customer complaints and issues, including offering resolutions and compensation where appropriate. The Group regularly engages with customers to understand their concerns and preferences and the feedback mechanism helps to refine our

engagement strategies and offering. Our aim is to develop personalised marketing campaigns and loyalty programs to enhance customer engagement and satisfaction.

TRACKING EFFECTIVENESS OF OUR ACTIONS

The effectiveness of our customer engagement actions is tracked through regular customer satisfaction surveys, feedback mechanisms, and audits. We aim to achieve a customer satisfaction score of 4.5 out of 5 or higher across all brands by 2025, and 100% training for frontline employees annual on customer engagement and service excellence. Our key performance indicators include customer satisfaction scores, retention rates, and number of complaints resolved within a specified time frame.

The Group's customer engagement practices have been effective in maintaining high levels of customer satisfaction and loyalty. Regular feedback and surveys indicate a positive customer experience, with continuous improvements in service quality and responsiveness. We are on track to meet our customer engagement goals, with increasing customer retention rates and consistently high satisfaction scores across all brands. Training programs and digital engagement strategies contributed to these positive outcomes.

We noted the importance of personalised engagement and the need for continuous monitoring of customer preferences and trends. Engagement with customers, employees, and industry experts has informed our strategies by providing valuable insights into customer needs and expectations. These insights have been incorporated into the Group's customer engagement policies and practices, ensuring that strategies remain relevant and effective.

Responsible Marketing

The Group is dedicated to managing the impacts of its marketing practices with a focus on fostering positive outcomes while addressing potential risks. We recognise that prioritising ethical marketing strategies that emphasise transparency and honesty, significantly enhances customer engagement and brand loyalty, thereby strengthening our reputation while driving sales and expanding market share. Further, these marketing strategies are utilised to influence positive consumer behaviour, particularly by promoting sustainable products and practices. However, the Group is aware of the risks associated with marketing practices including the dissemination of misleading information or unethical marketing, which damage brand reputation. In addition, there is also the risk of marketing



campaigns being perceived as manipulative or culturally insensitive which may lead to consumer complaints, legal challenges and regulatory penalties if they fail to comply with local and international advertising standards.

Our Marketing Practices Policy ensures that all marketing activities adhere to ethical standards and regulatory requirements, prohibiting misleading claims and deceptive practices. The Group is committed to fostering consumer trust by providing accurate and truthful information in all marketing communications. This commitment extends to continuously reviewing and updating marketing practices to stay aligned with evolving consumer expectations and legal standards. We provide regular training for marketing teams on ethical marketing practices and consumer protection laws. Recognising the need to address marketing errors, we take corrective actions, including public retractions and apologies, and collaborate with regulatory bodies to resolve any related issues. Moreso, we engage with consumers through surveys and feedback mechanisms to understand their needs thereby enhancing brand loyalty and driving positive consumer behaviour.

The effectiveness of these marketing practices is monitored through regular internal audits and consumer feedback, with external audits and compliance reviews further ensuring adherence to advertising standards. The Group's goals include achieving consumer satisfaction with marketing communications and ensuring that all marketing materials undergo thorough ethical and legal review before publication. We also aim to increase the proportion of marketing campaigns that focus on sustainability. Progress on our goals is monitored through KPIs, including consumer satisfaction ratings, the number of marketing materials approved without revisions related to ethical or legal concerns, and the percentage of campaigns centred on sustainability. Simbisa marketing practices have proven effective in maintaining high levels of consumer trust and brand reputation, with minimal issues related to unethical practices. We incorporated lessons learnt, including the importance of cultural sensitivity and the need for ongoing monitoring of marketing trends, into our marketing strategy and operational procedures.

"At Simbisa Brands Limited, fostering strong customer relationships and maintaining ethical marketing practices are the cornerstones of our success. By prioritising transparency, fairness, and continuous engagement, we strengthen customer loyalty, enhance satisfaction, and drive





Food

- 72 Food Safety and Quality
- 73 Meal Varieties and Nutrition
- 74 New Product Development

"At Simbisa Brands Limited, our unwavering commitment to food safety, quality, and innovation ensures customer satisfaction, operational efficiency, and long-term sustainability."



Food Safety and Quality

Meal varieties and nutrition



The Group upholds its commitment to food safety and quality standards, resulting in high customer satisfaction and trust, preventing contamination and ensuring consistent food quality. This approach leads to cost savings by minimising waste through improved food safety management and ensuring more efficient use of resources. Additionally, market reputation is enhanced through certifications and recognition for superior food safety practices. However, failures in food safety may lead to contamination incidents, and risk of significant financial, reputational, and legal challenges.



Simbisa established a Food Safety and Quality Policy that mandates regular employees training on food safety guidelines and procedures. The Policy ensures that food safety practices are uniformly applied and continuously updated. The Group is committed to achieving zero food safety incidents through ongoing monitoring and enhancement of food safety practices, pledging to maintain full compliance with all local and international regulations and best practice. Where negative impacts are identified, immediate corrective actions are taken to rectify issues and minimise the risk of recurrence.



The Group conducts internal and external audits, regular inspections by the Franchising department, and continuous monitoring systems to identify areas of improvement. We rely on customer feedback and incident reporting systems, including hotlines and social media platforms, to gauge the effectiveness of our actions. Our primary goal is to achieve zero food safety incidents annually, supported by targets such as ensuring that 100% of employees complete mandatory food safety training each year and maintain 85% or higher compliance rate in food safety audits. Key performance indicators, including the number of reported food safety incidents, employee training completion rates, internal audit compliance scores, and Franchising department compliance scores. These actions have resulted in a significant decrease in food safety incidents and improved compliance scores across all outlets. We are on track to meet our food safety goals, with ongoing improvements in training completion rates and review outcomes. Engagement with customers, suppliers, and regulatory bodies provided valuable insights, leading to adjustments in our food safety and quality policies and ensuring alignment with stakeholder expectations.



Simbisa Brands Limited prioritises customer health and well-being by providing a diverse range of nutritious and balanced meal options, including vegan and vegetarian choices. This approach contributes to public health goals by promoting healthy eating habits and offering menu items that support nutritional well-being. We leverage on our marketing and communication to enhance consumer awareness and education about nutrition, creating a significant opportunity to innovate and expand our product range with healthier options to meet the growing demand for nutritious food. However, challenges include, balancing taste and health, as healthier options may be perceived as less flavourful, potentially impacting consumer satisfaction. There is risk of negative public perception if nutrition-related claims lack substantiation or if ingredient sourcing lacks transparency, which affect sales.

We implemented a Nutrition Policy to offer balanced and healthy meal options across our menu by focusing on high-quality ingredients, portion control, and transparency in nutritional information. The Group is committed to continuously enhancing its menu's nutritional profile by reducing sodium, sugar, and unhealthy fats, while increasing the availability of fruits, vegetables, and whole grains. Additionally, we optimise existing menu items by replacing less healthy ingredients while maintaining taste and quality and creating new options to address diverse dietary needs and preferences. Our menus are regularly updated to reflect the latest nutritional research and consumer feedback, with contributions from nutritionists and dietitians to ensure compliance with industry standards.

Simbisa Brands Limited monitors and assess the effectiveness of its actions through regular internal review external assessments by nutrition experts, and customer feedback surveys. Our goals and targets include reducing sodium and added sugars in all menu items by 5% by FY2026 and increasing the availability of healthier meal options by 5% within the next 5 years. To evaluate our performance, we use key performance indicators such as the percentage reduction in sodium and sugar content, the number of healthier menu options introduced annually, and customer satisfaction scores related to nutritional offerings. We aim to focus on our nutrition goals, with progress evidenced by positive customer feedback and increased sales of healthier options. Simbisa Brands Limited recognises that continuous monitoring and customer feedback are essential for evaluating progress by engaging nutritionists, dietitians, and consumers to ensure nutritional management is effective, aligned with industry standards, and responsive to concerns about nutrition and ingredient quality.

New product development

As Simbisa Brands Limited, we are committed to driving enhanced innovation that leads to the development of new products tailored to meet customer needs and align with market trends. Our focus on continuous improvement not only contributes to business growth and competitive advantage but also opens opportunities for creating more sustainable products and processes, thereby reducing our environmental footprint.

However, we recognise the potential challenges associated with our new product development activities, including new product development costs with uncertain returns that could impact our financial performance. Additionally, the risk of intellectual property theft poses a threat to our competitive edge, and if not managed properly, our new product development efforts may lead to increased waste. As we innovate, we remain vigilant in addressing these potential negative impacts to ensure our activities align with our commitment to sustainability and responsible business practices.

Simbisa's new product development practices emphasise innovation, sustainability, and continuous improvement, reflecting our commitment to ethical practices and compliance with industry regulations and standards. We dedicate a sizable portion of our revenue to new product development, driving innovation and business growth while integrating sustainability into all projects to ensure that new products and processes have a positive impact on the environment and society. To prevent or mitigate potential negative impacts, we implemented sustainable new product development practices that utilise resource-efficient technologies and processes to minimise our environmental footprint. Regular risk assessments help us identify and address any adverse effects of our new product development activities, allowing for immediate corrective action, including process adjustments and resource reallocation. We collaborate with environmental experts to remediate unforeseen impacts and invest in cutting-edge technologies through partnerships with research institutions to maximise the positive outcomes of our initiatives.

Continuous monitoring and evaluation of new product development projects are conducted to ensure alignment with our business goals and sustainability objectives, utilising a combination of internal reviews, franchising department inspections, performance reviews, and external evaluations.

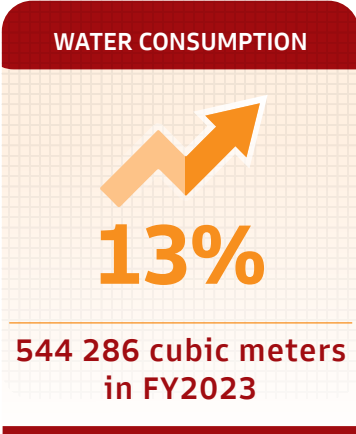
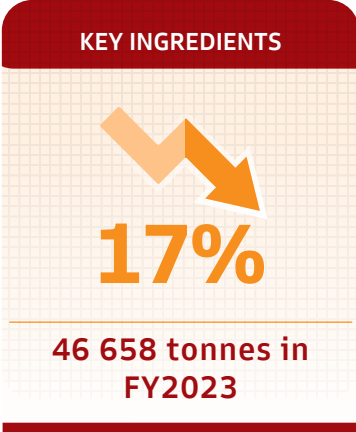
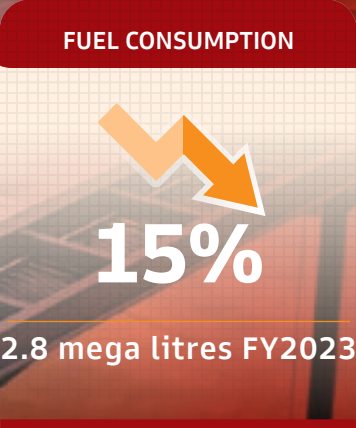
Simbisa Brands Limited is committed to driving innovation through new product development initiatives, with specific goals to develop and launch new sustainable products annually. To support this commitment, we set a target to allocate 2% of our annual revenue to new product development activities focused on innovation and sustainability in meals, operations and restaurants. Key performance indicators used to measure our success include the number of new products developed and launched, as well as the percentage of revenue invested in new product development.

Our new product development initiatives have proven effective, as evidenced by the successful launch of several new products that contribute to our business growth. We are on track to meet our goals, with a steady increase in the number of new products and a significant portion of revenue dedicated to new product development activities. Early-stage risk assessments play a crucial role in evaluating the impact of new products on our economic, environmental, social, and governance (ESG) strategy and objectives. Further, our engagement with customers, sustainability partners, industry experts, and research collaborators provides valuable feedback that informs our new product development strategy, leading to more targeted and effective innovation efforts.





Sustainable Restaurants



78	Environmentally Friendly Restaurants
78	Ingredients and Materials
79	Packaging Materials
80	Water
81	Energy
82	Waste



Sustainable Restaurants



ENVIRONMENTALLY FRIENDLY RESTAURANTS

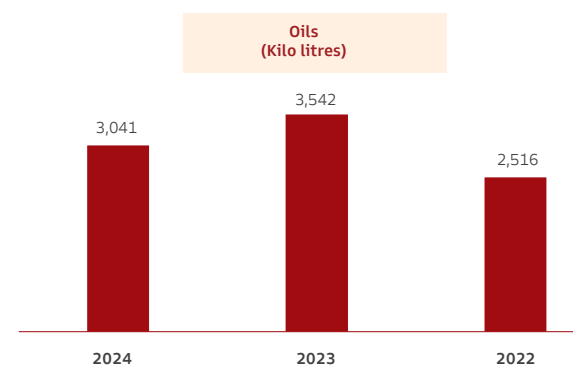
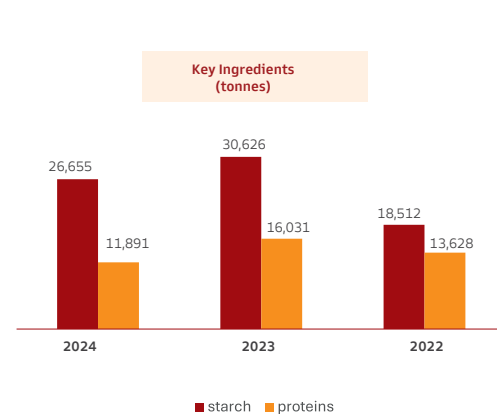
Simbisa Brands Limited recognises that adopting environmentally friendly buildings with energy-efficient designs and renewable technologies, such as solar energy, significantly reduces energy consumption and carbon footprint. This not only contributes to environmental sustainability but also provides opportunities for cost savings through decreased utility and maintenance expenses over the building's life cycle. However, the high upfront costs of constructing environmentally friendly buildings may impact short-term financial performance, and non-compliance with evolving standards and failure to meet carbon emissions targets can lead to legal and financial consequences.

To manage these impacts, we established an Energy and Climate Change Policy that mandates the integration of sustainable design principles in all new constructions and major renovations. This policy covers energy efficiency, water conservation, waste reduction, and the use of sustainable materials. Our approach to energy and climate change includes using renewable energy sources like solar panels to reduce reliance on non-renewable energy and engaging with architects and designers to incorporate designs that maximise the use of natural light. We also conduct thorough environmental impact assessments for all major projects to identify and mitigate potential adverse effects and implement waste management plans during construction to minimise environmental footprints. The Group is dedicated to enhancing the environmental performance of its existing buildings through retrofitting and innovative technologies, with a notable commitment to incorporating solar energy solutions in all new buildings whenever feasible as well as energy saving lights and equipment.

The effectiveness of our actions is monitored through continuous tracking of energy and resource consumption. Our goals include reducing energy consumption in all buildings and ensuring that most of the materials used in construction are sourced from sustainable suppliers. The success of this energy and climate change strategy is measured using KPIs such as the energy consumption per square meter of building space, and the percentage of sustainable materials used in construction projects. Lessons learnt, such as the benefits of LED lighting and maximising natural light, are incorporated into operational policies and procedures to enhance future initiatives. We ensure that projects align with both environmental and social sustainability criteria, and feedback from stakeholders informs ongoing improvements and effectiveness of the actions taken in shaping the Group's environmentally friendly building strategies.

INGREDIENTS AND MATERIALS

Simbisa Brands Limited prioritises sustainable sourcing of ingredients and materials to minimise its environmental impact and enhance social responsibility. The Group emphasises local sourcing, partnering with local farmers to support economies. We rely on ingredients such as meats, starches and oils, and managing these ingredients is essential in ensuring efficiency in our operations. During the year, we utilised the following ingredients:



PACKAGING MATERIALS

Simbisa Brands Limited is committed to managing the impacts of its packaging materials across various aspects, including environmental sustainability, resource efficiency, and waste reduction. The use of biodegradable and recyclable packaging materials has led to a significant reduction in the Group's environmental footprint. This not only reduced landfill waste but also enhanced our reputation by demonstrating a commitment to sustainable practices. However, the reliance on non-recyclable or non-biodegradable materials can lead to increased landfill waste, while the processes involved in producing certain packaging materials may cause environmental degradation. Moreover, if packaging waste is not properly managed, it can result in pollution, affecting ecosystems and communities.

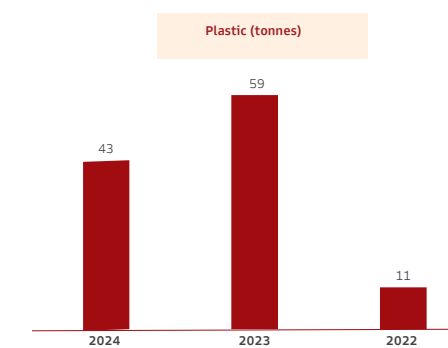
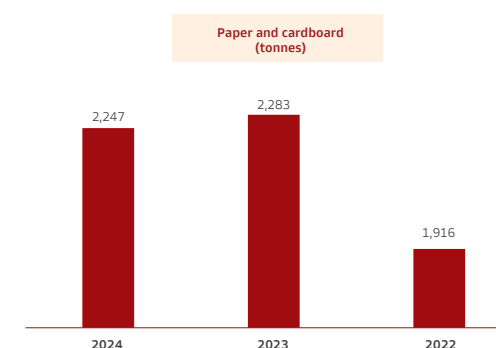
Simbisa Brands implemented a Packaging Policy to emphasises the use of sustainable packaging materials focusing on biodegradable and recyclable options while also aiming to reduce overall packaging. The Group adopted innovative solutions, including reusable and sustainable alternatives, for effective recycling and disposal to minimise environmental impacts. In addition, our participation in recycling programs helps manage and reduce packaging waste and drive advancements in sustainable packaging solutions.

We continuously monitor our actions through a combination of internal reviews, third-party assessments and regular reviews of supplier performance to ensure adherence to sustainable packaging practices. Our goals include achieving a specified reduction in non-recyclable packaging materials and sourcing a defined percentage of packaging from recycled or renewable

resources in the next 5 years. These goals are designed to drive progress and ensure alignment with our sustainability objectives. Our key performance indicators include reductions in the weight of packaging materials and increases in the percentage of materials that are recyclable or biodegradable. The lessons learned, such as the need for stronger supplier engagement led to updates in procurement policies to enforce sustainability practices. Additionally, engagement with consumers and environmental groups has been crucial in shaping the Group's approach to packaging, with stakeholder feedback accelerating the transition to more sustainable packaging solutions and ensuring alignment with expectations and desired outcomes.



Our packaging materials for the reporting period was as follows:



Sustainable Restaurants (Continued)

WATER

6 CLEAN WATER AND SANITATION



The Group is committed to responsible water and effluent management, aiming to implement sustainable methods that minimise environmental impacts and ensure regulatory compliance. Our initiatives are designed to enhance water efficiency and protect local water resources, reflecting our dedication to environmental stewardship. By adopting water-efficient technologies and optimising water use across operations, Simbisa aims to reduce its water consumption and contribute to the conservation of valuable water resources.

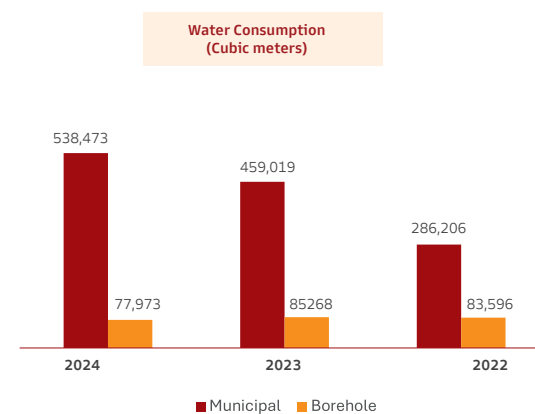
Effective effluent disposal processes minimise environmental pollution, safeguard local ecosystems and enhance the Group's reputation for responsible waste management. Despite these efforts, we acknowledge challenges, including occasional inefficiencies in water usage that strain local water supplies and the risk of improper effluent discharge leading to contamination of water bodies and ecosystems. There is the possibility of conflicts with local communities if water withdrawals impact their access to clean water.

Simbisa Brands addresses these challenges through a Water Stewardship Policy. This Policy emphasises on reducing water consumption, improving water efficiency, and ensuring that all effluent is disposed in compliance with environmental standards. The Group's commitment to sustainable water management includes continuous improvements in effluent disposal processes. Moreover water-efficient fixtures and equipment are installed in all facilities to optimise water consumption. In the event of any effluent discharge issues, we take immediate corrective actions, including remediation efforts to protect affected water bodies.

We conduct regular internal reviews, external environmental assessments, and continuously monitoring water usage and effluent quality to track the effectiveness of our practices. The Group set goals, such as achieving a reduction in water consumption across all operations and ensuring that all effluent is disposed according to environmental standards. Our targets include increasing the use of recycled water in operations over the next several years. To evaluate progress, our KPIs include the percentage reduction in water consumption, the compliance rate with effluent discharge standards, and the volume of water recycled and reused in operations. The Group's efforts led to significant reductions in water usage and high compliance rates

for effluent disposal, demonstrating progress towards our goals. Stakeholder engagement, which includes interactions with local communities and regulatory bodies, has been instrumental in shaping and refining our strategies, ensuring alignment with best practices in water and effluent management.

We ensure that projects align with both environmental and social sustainability criteria, and feedback from stakeholders informs ongoing improvements and effectiveness of the actions taken in shaping the Group's water stewardships strategies.



ENERGY

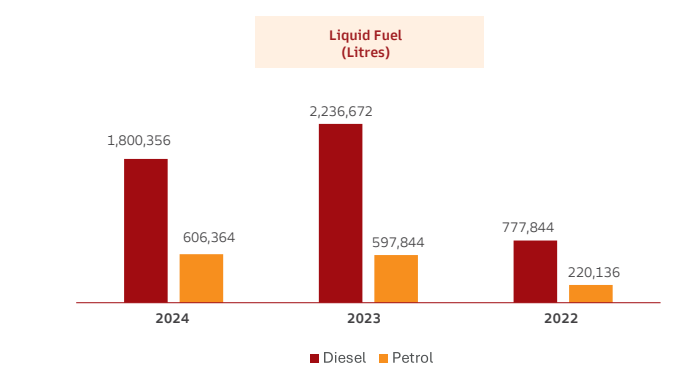
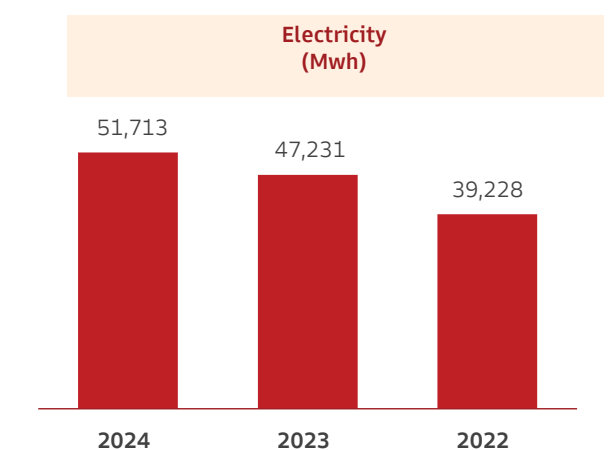
Simbisa is dedicated to managing energy use and mitigating related impacts by implementing energy management strategy that includes optimising energy efficiency across its operations, investing in renewable energy sources, and adopting cutting-edge technologies. Our existing and planned investment in solar energy resulted and will result in reduced gas consumption, lower carbon emissions, and the opportunity to contribute power back to the grid. We aim to enhance energy efficiency and reduce operational costs by expanding solar energy use and upgrading to solar-compatible machinery. However, the use of diesel for generators and gas for cooking contributes to our carbon footprint, and reliance on coal-powered national grid increases pollution and strains the electricity supply, highlighting the need for an efficient energy management approach. This approach helps mitigate negative environmental effects and positions the Group as a leader in sustainable practices, contributing to the broader goal of combating climate change.

The Group's Energy and Climate Change Policy commits to addressing climate change by integrating clean energy practices and maintaining a socially responsible and environmentally conscious approach to reduce carbon emissions. We recognise the significant impact of the restaurant industry on climate change and strive to mitigate this by installing solar panels at select locations, ensuring generators are well-maintained, ng diesel and petrol use, and consistently servicing machinery to reduce emissions. Our efforts also focus on optimising power usage by turning off unused appliances and utilising energy-efficient LED lighting. Further, we embrace new technologies that do not contribute to climate change and provides training for all employees on improving energy use. The Group also engages engineers to enhance energy management, tracks and analyses energy consumption, and sets monthly energy targets.

The finance departments play a crucial role in monitoring and optimising energy costs across our outlets. We systematically record electricity and gas meter readings, reconciling them against expected outputs based on shift activity. Diesel usage for generators is controlled, aligning with operational hours, we also track diesel consumption in our delivery vehicles to identify and address inefficiencies, either through vehicle maintenance or eliminating pilferage. Our goals focus on minimising environmental impact through optimised energy usage. Moreover, the Group employs financial measures to evaluate energy consumption, set targets grounded in the standard usage rates of our equipment, generators, and vehicle. Key performance indicators include cost per unit of energy and the amount of energy consumed per hour, shift, or day for individual equipment and vehicles.

The effectiveness of our management strategies is evident as our monitoring led to significant cost savings by reducing pilferage and ensuring accurate billing from electricity authorities, particularly through our engagement with power companies regarding estimated bills. Ongoing employee training on optimal equipment usage, such as turning off machines when not in use and utilising energy-efficient lighting, further supports our commitment to efficiency.

Energy Consumption in The Group



The usage increase of fuel in Kenya was largely due to new and remote delivery schedules for the Factory and Central Stores delivery trucks.

Sustainable Restaurants (Continued)

WASTE

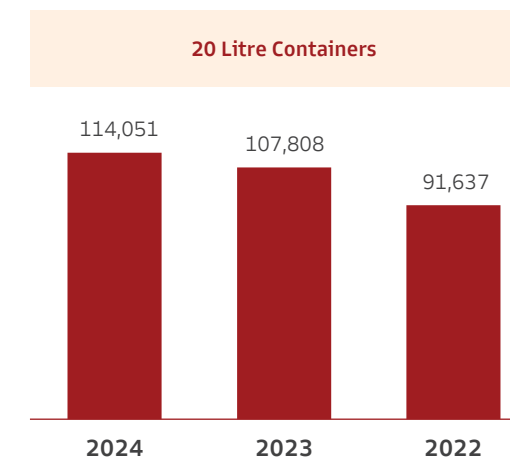
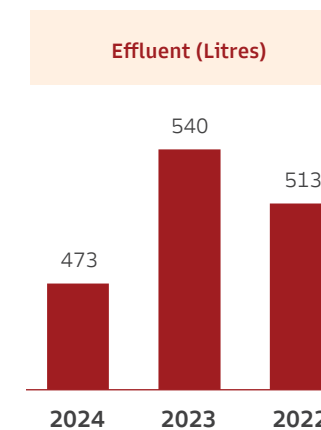
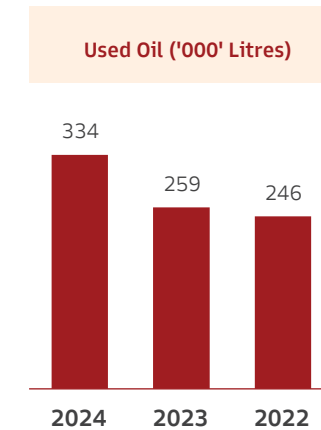


1 We are dedicated to advancing waste management practices, focusing on mitigating impacts while making significant progress in reducing waste through improved efficiency and recycling strategies. The Group successfully decreased overall waste generation and increased recycling rates across its sites by optimising operational processes. Our collaboration with local waste management services promotes responsible disposal practices, leading to cost savings and improved environmental stewardship. However, the generation of non-recyclable waste, especially from food packaging materials, remains a concern, and improper disposal of waste could potentially harm the environment if not managed effectively. As Simbisa expands into new locations, there is a risk of increased waste production without establishment of adequate waste management infrastructure. Regulatory compliance also poses a risk if waste management practices do not meet local environmental standards.

2 Simbisa Brands' Waste Management Policy focuses on reducing waste at its source, boosting recycling efforts, and ensuring environmentally responsible disposal of waste. We are in the process of adopting waste segregation practices across all facilities, which helps in efficiently sorting recyclable from non-recyclable waste. Further, we promote waste reduction and recycling through customer awareness campaigns and partnerships with suppliers to reduce packaging waste and use sustainable materials. These initiatives are aligned with the Group's broader goals of reducing waste generation and improving recycling rates.



3 The Group monitors its performance through internal reviews and external environmental assessments. Our goals include reducing waste generation, increasing the use of recyclable and biodegradable packaging, and aiming for zero waste to landfill in all our markets. KPIs to monitor our strategies include total waste generated, recycling rates, and the number of waste management initiatives implemented. Our recent data shows a consistent decrease in total waste along with improvements in recycling, indicating a positive progress towards our goals. Our stakeholder engagement has been integral in shaping our waste management approach, with feedback guiding the transition to sustainable packaging solutions.





Climate Change

86	Climate Action
87	Climate-Related Risks and Opportunities (CRRO)
88	Greenhouse Gas (GHG) Emissions

SCOPE 1 EMISSIONS



14%

from 28 752 in FY2023

SCOPE 2 EMISSIONS



9%

from 16 605 in FY2023



Climate Change

The Group acknowledges the impacts of climate change and is committed to addressing this challenge by integrating clean energy and innovative technologies. This commitment is demonstrated by transition to solar energy within operations, which reduces reliance on gas and national grid electricity. This initiative supports a broader transition towards clean energy and showcases our dedication in mitigating climate-related impacts. However, we recognise the effects of climate-related risks on our operations from extreme weather which can disrupt supply chains and ingredient availability.

Simbisa's Energy and Climate Change Policy emphasises the importance of adopting energy-efficient technologies and practices. The policy outlines a commitment to replacing outdated appliances with energy-star rated equipment, which reduces both utility bills and carbon emissions. The Group focuses on minimising energy use through efficient refrigeration systems, promoting best practices such as keeping refrigerator doors closed, and leveraging solar energy where feasible. We also introduced new technologies designed to have a lower impact on the climate, provided comprehensive training programs for employees to promote energy-conscious behaviour, and engaged with engineers to optimise energy management strategies.

Additionally, practices such as unplugging when not in use equipment, minimising printing, and tracking energy consumption, while ensuring that all contractors adhere to energy policies ensure that energy consumption is minimised fostering a sustainable future.

Our goals are focused on upgrading refrigerators to energy-efficient models that reduce electricity usage by 30%, supported by clear signage to encourage proper usage among employees. We aim to harness solar energy for lighting and gas substitutions, further contributing to our commitment to sustainability and reducing our overall carbon footprint. To effectively track progress towards climate change and emissions goals, Simbisa Brands outlined KPIs that include reductions in energy consumption, improvements in appliances efficiency, and solar energy usage.



CLIMATE-RELATED RISKS AND OPPORTUNITIES (CRRO)

The effects of climate change are being felt worldwide with businesses increasingly being affected. Understanding these factors is crucial to the planning of the Group and sustainable growth. Simbisa Brands Limited takes a proactive approach to ensure it identifies, evaluates and addresses climate-related risks and opportunities that could reasonably affect its cashflows and access to finance.

The following climate-related risks and mitigation opportunities were identified based on prevailing sustainability reporting practices:

Risk	Description	Classification	Financial Implications	Mitigation Measures
Extreme Weather	Flooding experienced in Kenya.	Physical	- Losses in damaged assets. - Forced closures negatively affecting revenue during the period	Retrofitting buildings.
	El Nino induced Drought in Zimbabwe.	Physical	High cost of sourcing raw materials.	Diversification of the Groups supplier base.
Policy and Regulatory Changes	Potential introduction of regulations such as the Climate Change Bill in Zimbabwe aimed at mitigating adverse climate change effects and regulating greenhouse gas emissions.	Transition	- Potential for penalties and fines in the event of non-compliance. - Cost associated with ensuring compliance and those associated with the potential changes in technology and operations.	Early preparation for compliance through taking considerations of the aspects in the draft bill.
Emissions	The increased use of petrol by 69%% and diesel by 31% between 2023 and 2024 contributes to our carbon footprint.	Transition	- Potential fines and penalties from environmental regulators for increased emissions. - Initial high costs of installing clean energy.	Investing in renewable sources of energy such as solar.
Packaging Materials	The use of non-recyclable packaging materials such as plastics in our markets which continue to be banned by climate laws being introduced in various countries.	Transition	- Poor disposal of plastic waste can lead to fines. - There might also be loss of environmentally conscious customers leading to loss of revenue. - Moving from plastics to paper and cardboards increases costs.	- Investing in environmentally friendly packaging materials such as paper and cardboards. - Gain in revenue through attracting environmentally conscious customers.



Climate Change (continued)

GREENHOUSE GAS (GHG) EMISSIONS

Simbisa Brands Limited is dedicated to minimising its environmental impact and promoting sustainable practices throughout its operations. Our emissions management approach outlines our comprehensive strategy to monitor and reduce greenhouse gas (GHG) emissions, ensuring that we contribute positively to the environment while maintaining our business objectives. We are committed to reducing our carbon footprint and fostering a culture of environmental responsibility.

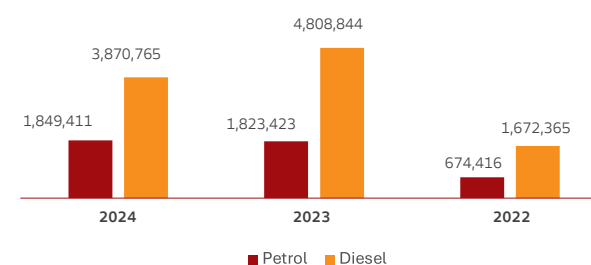
Our Carbon Footprint

Simbisa Brands limited calculates its carbon footprint by converting its energy consumption into carbon dioxide (CO₂e) emission equivalence using internationally accepted conversion factors.

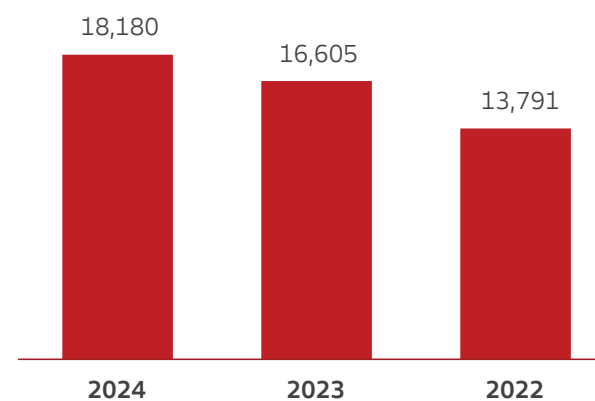
Scope 1: These are direct GHG emissions from fuel consumed by generators, vehicles that Simbisa primarily own or control. We applied emission factors obtained from the United Kingdom (UK) Government GHG Conversion Factors to convert liquid fuel usage.

Scope 2: These are emissions from the consumption of electricity, our Scope 2 emissions were calculated using emission factors obtained from the Southern African Power Pool using Operating Margin factors and the Global Warming Potential rates from the Intergovernmental Panel on Climate Change (IPCC).

Scope 1: Direct Emissions (kg CO₂/litre)



Scope 2: Indirect Emissions (kg CO₂/MwH)





Employees

AVERAGE EMPLOYEE TRAINING HOURS



22%

Decrease from
5.66 in FY2023

EMPLOYEES ON CBA (ZIM ONLY)

4 084

EMPLOYEE HIRE



56%

Increase from
1 904 FY2023

PENSION CONTRIBUTIONS



21%

Increase from
1.7 million in FY2023

92	Our Management Practices
93	Employment and Impacts
96	Employee Relations
97	Employee Rights
97	Freedom of Association and Collective Bargaining
98	Life After Employment
98	Occupational Health and Safety
100	Employee Skills Development

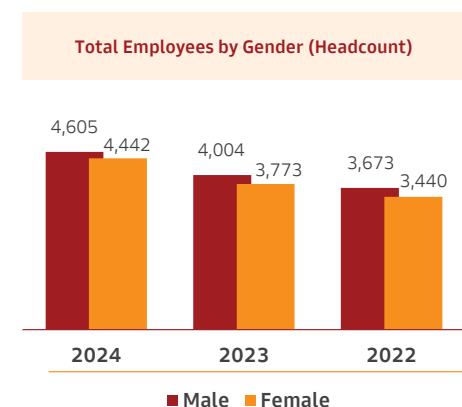
Employees (continued)

OUR MANAGEMENT PRACTICES

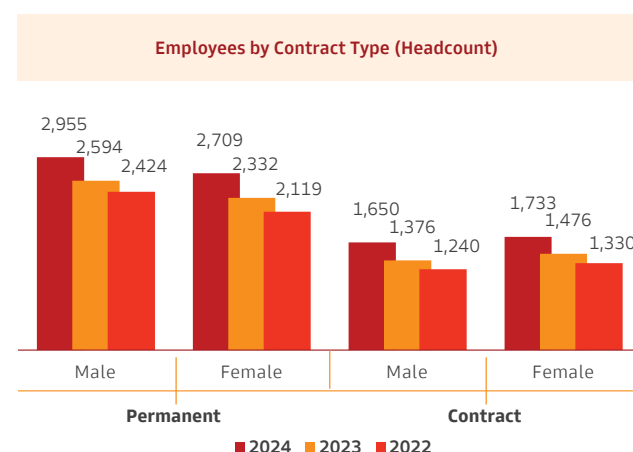
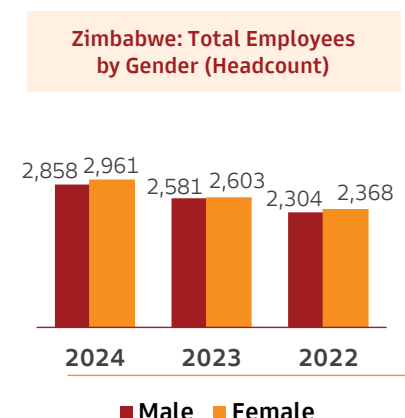
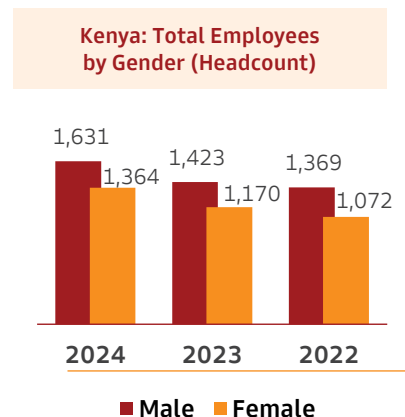
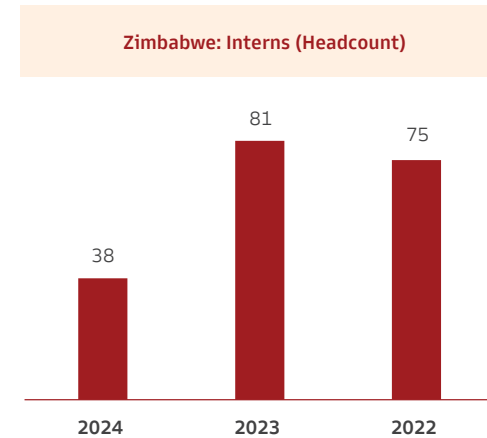
Our employees are central to our success and the creation of sustainable value. Their interactions with diverse stakeholders enable us to listen and provide the support they need. We create an environment where all our employees can thrive, learn, and make significant contributions.

We are dedicated to nurturing a strong and capable human capital base that upholds our values of integrity and accountability. We aim to align our employees with our shared values and vision, treating them as key partners in creating and sustaining value for our stakeholders. We continually work to enhance their skills and provide a supportive work environment, ensuring they remain motivated through fair compensation and favourable working conditions.

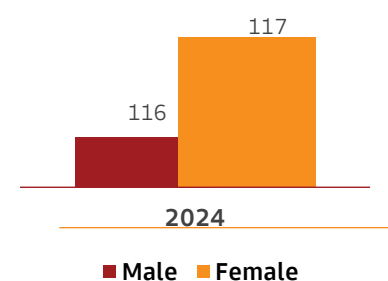
As of 30th June 2024, our employees were as follows:



Total employees by country were as follows:



Eswatini: Total Employees by Gender (Headcount)



EMPLOYMENT AND IMPACTS

Simbisa Brands Limited's comprehensive employment management approach results in creating numerous job opportunities, contributing to economic development in the countries and regions where the Group operates. The Group policies ensure fair wages, safe working conditions, and equal opportunities for all employees lead to increased job satisfaction and productivity among Simbisa's employees. This enhances the Group's reputation as an employer of choice. However, the Group acknowledges potential challenges in maintaining consistent employment practices across different regions, which could result in disparities in working conditions and a risk of employee turnover if working conditions do not meet expectations. The Group prioritises the consistent implementation of its employment policies, foster open communication with employees, and regularly review and adapt its practices to address any regional variations or emerging concerns.

The Group developed an Employment Policy that cover areas such as fair wages, non-discrimination, safe working conditions, and opportunities for career development, emphasising compliance with all relevant labour laws and international standards. The Group is committed to providing a safe, inclusive, and supportive work environment for all employees, and pledged to continuously improve its employment practices through regular reviews and feedback mechanisms. We regularly offer training and development programs to enhance employee skills, career progression opportunities and implemented grievance mechanisms to address employee concerns promptly and fairly. The Group immediately responds to any reported issues related to employment practices, conducting thorough investigations and taking corrective actions as necessary. Simbisa Brands Limited collaborates with labour unions and employee representatives

to resolve conflicts, improve working conditions, and invests in employee well-being initiatives, including health and wellness programs, to improve job satisfaction and productivity. The Group also encourages a positive work-life balance through the implementation of flexible working arrangements where feasible.

Simbisa Brands Limited rigorously tracks the effectiveness of its employment practices through regular internal reviews, employee satisfaction surveys, and external reviews. The Group monitors key performance indicators related to employee turnover, satisfaction, and engagement to assess the impact of its actions. Our set goals include: to achieve high employee satisfaction and engagement scores annually and established targets to improve the turnover ratio year-on-year, and ensure that 100% of employees receive training on Group policies and career development opportunities each year. The KPIs used by the Group include employee turnover rate, employee satisfaction, engagement scores, and the number of training hours per employee.

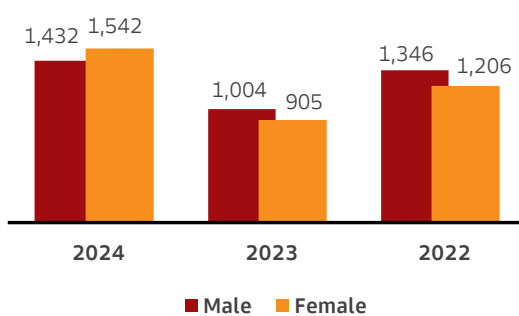
Simbisa Brands Limited's employment management practices have been highly effective, as evidenced by the Group's low turnover rates and high levels of employee satisfaction, with continuous improvements noted in employee feedback. The Group is pleased to report that it made significant progress in reducing turnover and increasing employee engagement through targeted initiatives. Key lessons learnt include the significance of ongoing communication and feedback from employees to ensure that employment practices meet their needs and expectations. These valuable insights have been seamlessly incorporated into Simbisa Brands' robust HR policies and practices, further strengthening the Group's reputation as an employer of choice.



Employees (continued)

Employee hire was as follows:

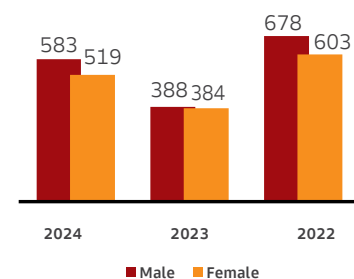
Total Employee Hire by Gender (Headcount)



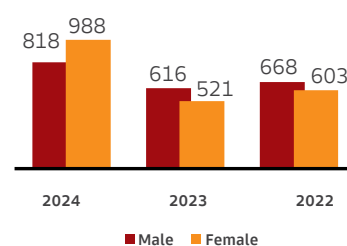
"Simbisa Brands Limited is committed to fostering job creation and economic development through fair wages, safe working conditions, and equal opportunities. Our approach strengthens employee satisfaction and productivity, helping us maintain our standing as an employer of choice."

Employee hire by country was as follows:

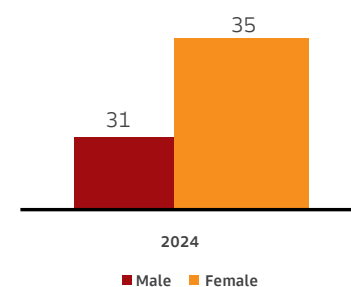
Kenya: Employee Hire by Gender (Headcount)



Zimbabwe: Employee Hire by Gender (Headcount)

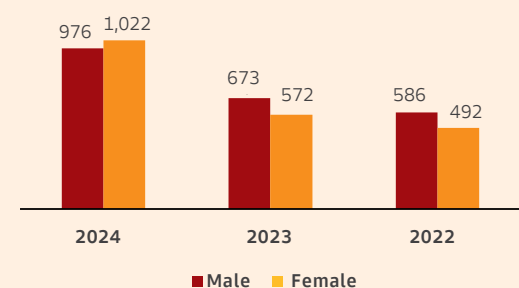


Eswatini: Employee Hire by Gender (Headcount)



Employee turnover in the reporting period was as follows:

Total Employee Turnover by Gender (Headcount)

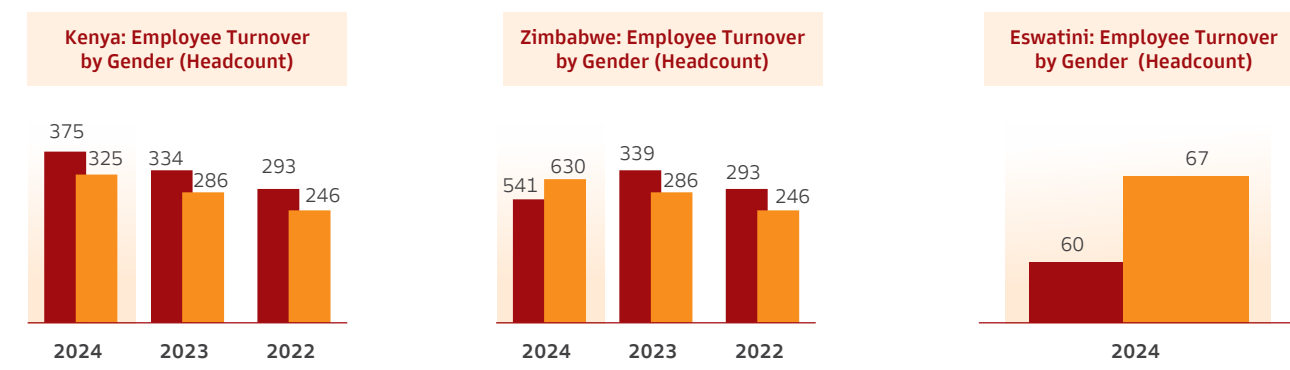




Employees (continued)

EMPLOYMENT AND IMPACTS (continued)

Employee turnover by country was as follows:



EMPLOYEE RELATIONS



Simbisa Brands Limited recognises the significant impact of employee engagement on its overall success, acknowledging that high levels of engagement drive productivity, enhance commitment to our goals, reduce turnover and foster a collaborative work environment. Engaged employees contribute actively to innovation and business performance and focus on fostering a participatory and inclusive work environment strengthens the Group's culture. These outcomes highlight the value of effective engagement strategies in enhancing workplace morale and operational efficiency. However, maintaining consistent engagement across diverse regions and departments can be difficult, leading to disparities in employee satisfaction. There is a risk of disconnection if engagement initiatives are not carefully balanced with workload demands. Moreover, insufficient engagement efforts may result in conflicts among employees.



We implemented an Employee Engagement Policy which includes regular feedback mechanisms, employee surveys, and various engagement programs designed to foster a positive and inclusive work environment. Key pillars of the policy include open communication, fair treatment, and opportunities for career development. The Group is committed to continuously improving engagement through responsive and well-assessed initiatives. In managing employee engagement and its impacts, Simbisa Brands Limited took several steps, including introducing employee recognition programs like long service awards and employee of the month and year honours to acknowledge and reward contributions. Regular training and development opportunities are provided to support career growth and job satisfaction for employees. We also established grievance mechanisms and an open-door policy to address and resolve employee concerns promptly, with engagement strategies adjusted based on feedback to better meet the needs of different employee groups and regions.



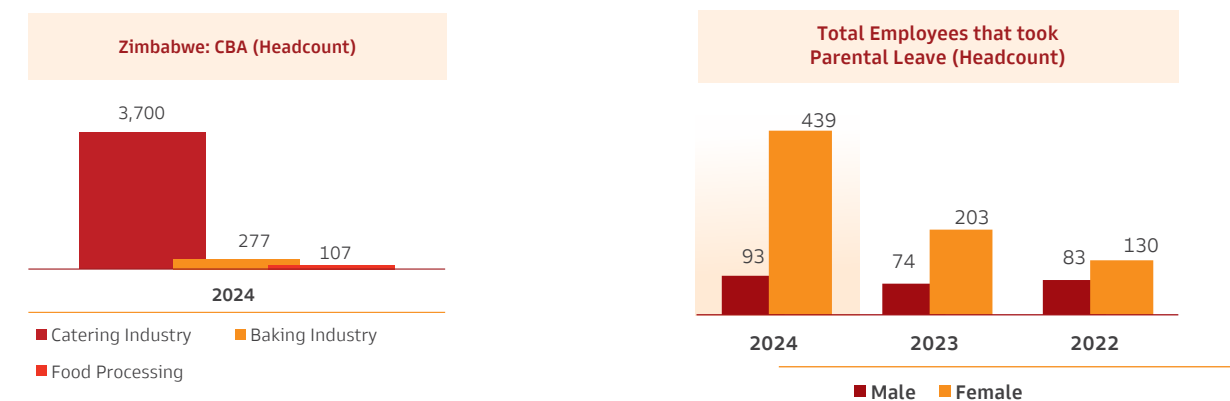
The Group conducts annual employee surveys, regular feedback sessions, and internal audits of engagement programs to gather insights, assess employee satisfaction, and identify areas for improvement. External benchmarks and industry standards are also utilised to ensure that engagement strategies remain effective and aligned with employee needs. We aim to ensure that 70% of employees participate in at least one engagement program per year and ensure significant employee participation in engagement programs, with targeted reductions in turnover rates through enhanced initiatives. Key performance indicators such as 75% employee engagement survey scores, turnover rates, and 70% participation rates in engagement programs and activities provide valuable insights into employee satisfaction, retention, and the overall effectiveness of engagement initiatives. Progress towards our actions is continuously monitored to ensure that engagement goals are met, and lessons learned from ongoing efforts are integrated into operational policies and procedures.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

We are committed to upholding policies and adhering to Collective Bargaining Agreements (CBA). Simbisa Brands respects the right to freedom of association and collective bargaining arrangement. As such, our employees are at liberty to choose national employment councils and trade unions in our sector.

Parental Leave

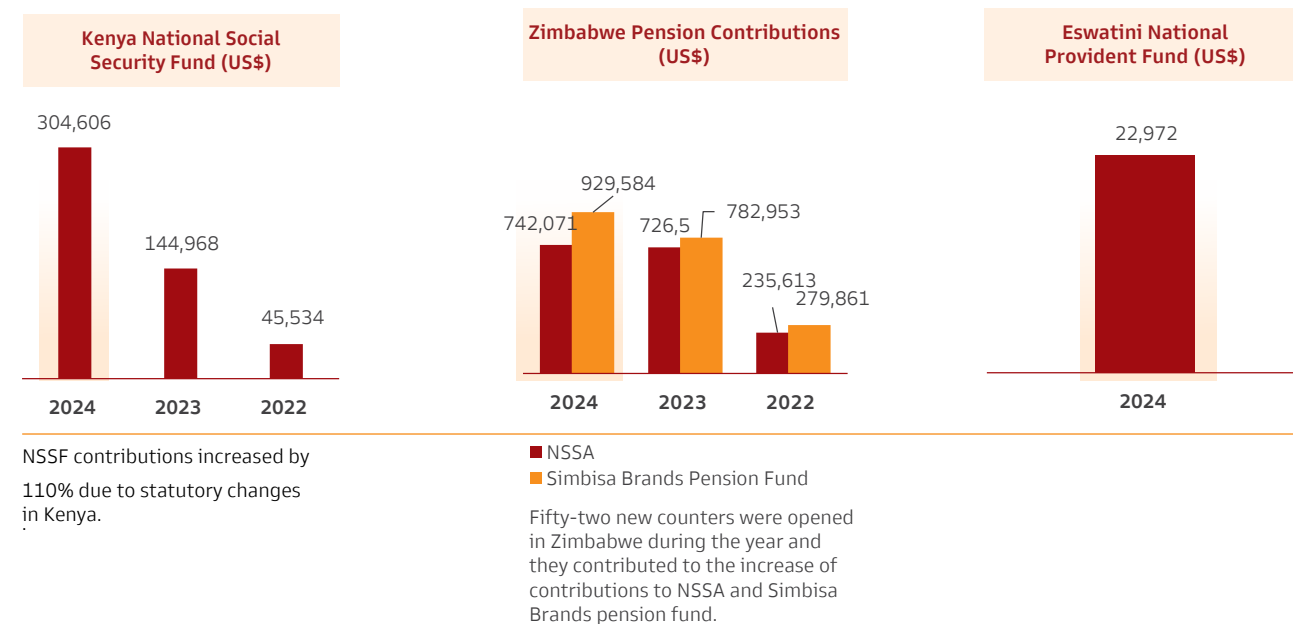
Simbisa Brands Limited offers parental leave to all employees. Below are the statistics of employees who took parental leave during the year.



Employees (continued)

Life After Employment

Simbisa Brands Limited operates pension funds and social security scheme in the countries of operations. During FY2024, our contributions were as follows:



OCCUPATIONAL HEALTH AND SAFETY

Simbisa Brands Limited prioritises the health and safety of its employees by actively preventing workplace accidents and incidents through safety protocols and training programs. Our health and safety program, promotes employee well-being, and improves productivity and job satisfaction. These measures maintain our reputation as a leader in workplace safety, providing a competitive edge in attracting talent and gaining stakeholder trust. However, challenges such as maintaining consistent safety standards across all locations, can lead to variations in safety performance. Further, there is a risk of legal and financial consequences if safety incidents occur, along with potential increases in operational costs related to maintaining high safety standards across multiple locations.

Our Occupational Health and Safety (OHS) Policy is dedicated to implementing best practices for preventing workplace injuries and promoting employee health. This commitment is demonstrated through regular risk assessments, safety training, and continuous monitoring of safety performance, all aimed at achieving zero workplace injuries and illnesses. To support this goal, we pledge to provide ongoing training and resources to ensure all employees adhere to health and safety guidelines. The Group's objectives include reducing workplace injury rates annually by tracking the number of workplace accidents and incidents, monitoring the

percentage of employees completing safety training, and recording the number of work-related fatalities.

The Group's Franchising function monitors the Group's OHS initiatives, ensuring continuous improvement in safety performance and compliance across all operations. We conduct regular internal reviews and external reviews to assess and enhance our OHS practices. Key performance indicators such as incident rates, safety training completion rates, and the number of work-related fatalities are used to evaluate progress.

Employee work related injuries were as follows:



Occupational Health Management System

The Group's Occupational Health and Safety (OHS) management system helps to safeguard the well-being of employees, contractors, and visitors. The system is designed to address and mitigate workplace risks, prevent accidents, and ensure compliance with both local and international safety regulations. By prioritising a safe and healthy work environment, Simbisa Brands Limited aims to minimise workplace injuries and promote a strong culture of safety throughout the Group. Our management systems are crucial across all operations, from food preparation, customer service in restaurants to administrative tasks in office environments and logistical operations. This ensures that implementation of safety protocols is consistent across all workplaces.

Hazard Identification and Risk Assessment (HIRA)

Our systematic approach to Hazard Identification and Risk Assessment (HIRA) is central to our Occupational Health and Safety (OHS) strategy, proactively addressing potential hazards and managing risks in both routine and non-routine scenarios. The Group's hazard identification relies on routine safety inspections, employee observations, and task analysis, supported by assessments from City Health Departments and other relevant agencies. We implement a hierarchical approach to control risks, prioritising hazard elimination wherever feasible. When

"Simbisa Brands Limited prioritises a culture of safety through proactive risk management, continuous training, and employee empowerment, aiming for zero workplace injuries and enhanced productivity."

elimination is not possible, we implement engineering controls, administrative controls, and appropriate personal protective equipment (PPE) to mitigate risks effectively. For non-routine tasks, a specialised risk assessment is conducted before work begins, ensuring that all potential hazards are identified and managed proactively.

Our commitment to safety empowers employees to contribute to hazard management through multiple reporting channels, including a dedicated safety hotline, suggestion boxes, and direct communication with OHS representatives. Further, we uphold a strict non-retaliation policy, safeguarding employees against any form of reprisal for reporting safety concerns. This policy is strengthened through continuous training and open communication, fostering a culture of safety and transparency within the Group. When work-related incidents occur, Simbisa Brands Limited follows a structured process for investigation and response. A detailed investigation is conducted to identify the root causes of the incident, incorporating hazard identification and analysis. Corrective actions are then developed and implemented to address and rectify the identified hazards, with lessons learnt used to refine our OHS management system. The insights gained are shared with all employees to enhance overall safety awareness and prevent future incidents.

Employees

(continued)

Hazards identified during the reporting period were as follows:

Hazard	Hazard Determination	Mitigation Measure
Fire	Flames, gas, electrical faults, grills fryers can cause fire in kitchens.	Regular inspections and compliance with fire safety regulations.
Machinery	Cutting and slicing of ingredients hence risk of cuts.	Training for personnel handling machinery.
Burns	Boiling water, steam, scorching flames, hot friers or ovens.	First aid training.
Electric shocks	Electrical equipment in use paired with wet surfaces	Installation of Ground Fault Circuit Interrupters (GFCI).
Falls	Oil spills and wet floors.	Use of warning signs and ensuring workstations have proper drainage.

Employee Training on Occupational Health and Safety

The Group is committed to providing thorough and effective occupational health and safety (OHS) training to all employees. The training program includes both generic and role-specific elements to ensure comprehensive coverage of safety protocols. Generic training covers essential topics such as fire safety, emergency procedures, and the correct use of personal protective equipment (PPE), while role-specific training addresses job-related hazards, including safe handling of chemicals, machinery operation, and working in confined spaces. To uphold high safety standards, refresher courses are regularly conducted to ensure employees are informed about the latest protocols and practices.

Employee Wellness

In addition to occupational training, Simbisa supports the broader health needs of its employees through various non-occupational medical and healthcare services. Employees benefit from health insurance plans, wellness programs, and on-site healthcare services that offer general medical consultations, preventive care,

and health screenings. Further, mental health support is provided through employee assistance programs and partnerships with healthcare providers for counselling services, ensuring comprehensive care for overall well-being. We also promote voluntary health programs to address significant non-work-related health risks. Programs focusing on smoking cessation, weight management, and stress reduction are available through workshops, fitness challenges, and online resources. These programs are actively promoted during employee orientation, through internal communications, and our intranet and wellness platforms, ensuring that employees have easy access to valuable health resources and support.

Prevention and Mitigation of Occupational Health and Safety Impacts

We adopted a strategy to address and mitigate occupational health and safety (OHS) impacts arising from our business operations, with a central component being the requirement for all suppliers, contractors, and partners to adhere to the Group's OHS standards. To monitor compliance with these OHS standards, regular reviews are conducted, which allow us to identify potential risks. When such risks are discovered, we collaborate closely with our partners to implement corrective actions and enhance safety practices, which addresses immediate concerns and fosters continuous improvement in safety protocols across all operational levels.

EMPLOYEE SKILLS DEVELOPMENT

As Simbisa, we recognise the potential positive impacts of our training and development initiatives, which enhance employee skillsets, leading to increased productivity and job satisfaction. By offering career development opportunities, we aim to improve employee retention and strengthen our talent pipeline through continuous learning programs. However, there are potential negative impacts, including disparities in training opportunities across different regions or employee groups, which creates skill gaps. Additionally, while investing time in training programs may result in short-term productivity loss, we face the risk of employees leaving the Group after receiving extensive training, which could undermine our investment in human capital. Moreover, there may be resistance to new training programs if they do not align with employees' immediate job needs. Given that our operating sites are staffed by both internal employees and third-party workers, including security and cleaning personnel, ensuring equitable access to training opportunities for all is essential to fostering a cohesive and skilled employee.

Simbisa Brands Limited established a Training and Development Policy that guarantees continuous learning opportunities for all employees, emphasising upskilling and career advancement. We adhere to industry standards and best practices in designing and delivering our training programs, ensuring they are relevant, inclusive, and accessible to every employee. Our commitment includes providing at least 8 days, or 64 hours, of training per

employee each year, whether through online or physical formats. We place a strong emphasis on leadership development, which is integral to our robust succession planning process. We are dedicated to supporting employee transitions through career development reviews and assistance programs, which encompass graduate and management training programs, as well as training for chartered accountants, given that we are a registered Institute of Chartered Accountants of Zimbabwe (ICAZ) training office. This holistic approach not only enhances our employees' skills but also fosters a culture of growth and development within the Group.

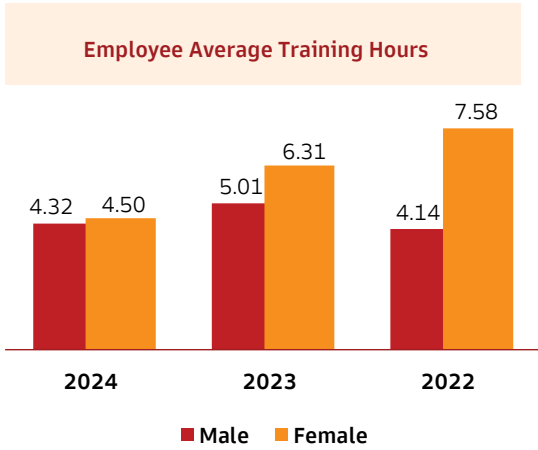
We are committed to implementing a balanced approach to training that ensures regular operations are not disrupted while providing ample learning opportunities for our employees. We regularly review and update our training programs to align with the evolving needs of the business and its employees. To address any disparities in training access, we offer targeted programs for underrepresented groups or regions, ensuring inclusivity in our development initiatives. We provide transition assistance for employees changing roles, locations, or responsibilities within the Group, facilitating smooth career progression. By investing in digital learning platforms, we enhance accessibility to training for employees across various locations. Further, we encourage cross-departmental training to promote a broader understanding of the Group's operations and enhance collaboration among teams. This comprehensive approach not only fosters employee development but also strengthens our Group culture and operational effectiveness.

We track training participation and completion rates through our internal learning management system, ensuring transparency and accountability in our development initiatives. We conduct annual employee surveys to gauge satisfaction with training and development opportunities, utilising both internal and external reviews to evaluate the effectiveness and relevance of our programs. Our ambitious targets include achieving 100% employee participation in annual training programs by 2026, ensuring every employee receives a minimum of 64 hours of training per year, and increasing participation in leadership development programs by 15% annually. Key performance indicators to measure our success also include the number of training hours completed per employee, employee satisfaction scores related to training and development, and the internal promotion rate to leadership positions. Thus far, our training programs have led to measurable improvements in employee performance and job satisfaction, as reflected in positive feedback from employee surveys. We made significant progress toward our training and development goals, witnessing increased participation and completion rates since the implementation of these initiatives during the reporting period.

The Group is making strong progress toward achieving its 2026 training objectives, marked by consistent growth in training hours per employee and an improved rate of internal promotions. Key lessons include the value of tailoring training content to

address the diverse needs of employees. This has prompted the creation of more adaptable and targeted training initiatives. Employee feedback played a crucial role in refining the training programs, making them more relevant to individual career goals and job demands.

Employee average training hours were as follows:



Programs for upgrading employee skills were as follows:

- Entry Level Training (ELT)
- Fire Safety
- Management Development Program (MDP)
- Back-to-Basis Training (Managers)
- Instore Refresher Training (Training Dept)

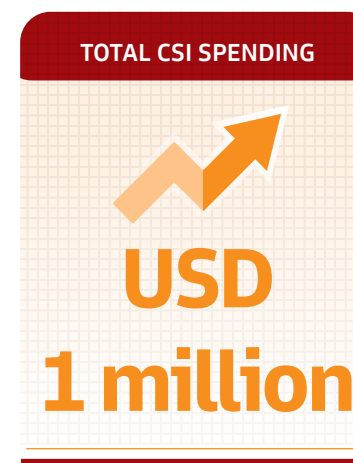




Investing in Community Development



104	Community Engagement
104	Corporate Social Responsibility (CSR)
118	Sustainable Development Goals (SDG)
119	Corporate Social Investments (CSI)



"A responsible business is one that understands its place in the world extends beyond its operations. Through active engagement and support, we aim to build meaningful partnerships with local communities, fostering sustainable growth and shared prosperity. By listening, responding, and working together with communities, Simbisa Brands seeks to be a positive force, ensuring that our impact endures, even beyond our direct reach."



Investing in Community Development

COMMUNITY ENGAGEMENT

Our approach to community engagement strengthens relationships with local communities through active participation and supporting local initiatives, leading to the Group's contribution to local economic development by creating jobs, supporting local suppliers, and engaging in community-based projects. We aim to drive long-term sustainability by aligning our operations with the needs and priorities of local communities, further enhancing our reputation as a responsible corporate citizen. However, the Group acknowledges adverse impacts during construction of new outlets or the expansion of operations when there is engagement efforts are perceived as insufficient. To mitigate such risks, Simbisa Brands remains committed to fostering open dialogue, addressing community concerns, and continuously refining its community engagement strategies to ensure that its operations create sustainable value for the local populations it serves.

Our Engagement Policy emphasises meaningful consultation, transparency, and collaboration with local communities. The policy aims to ensure that the Group's operations contribute positively to the social and economic well-being of the communities it serves, with a commitment to engaging with communities in a respectful and transparent manner, ensuring that their voices are heard in decision-making processes. Simbisa Brands Limited pledged to support community development initiatives that align with the Group's sustainability goals, including education, health, and environmental stewardship programs. We conduct regular community consultations to understand the needs and concerns of residents before starting new projects or expanding operations.

We implemented environmental management plans to minimise the impact of our operations on local ecosystems and communities and established grievance mechanisms that allow residents to report issues related to the Group's activities. Simbisa Brands Limited invests in community development projects, such as building schools, healthcare facilities, or supporting local businesses, to enhance the social and economic fabric of the communities it serves. The Group encourages employee volunteerism and participation in community programs, strengthening the bond between Simbisa Brands Limited and the local communities

We conduct internal reviews, community feedback surveys, and external assessments conducted by independent bodies. These evaluation processes help the Group ensure that its community engagement initiatives are consistently effective and closely aligned with the evolving needs of local stakeholders. We aim to achieve positive community impact ratings in annual community surveys and established targets to engage local communities through structured consultation processes annually, as well as to allocate some of the annual profits to community development

projects each year. The key performance indicators used by Simbisa include the number of community engagements and consultations conducted, the number of community development projects completed, and community satisfaction scores from annual surveys.

The Group's community engagement efforts have been highly effective in building strong relationships with local communities, as reflected in positive feedback and increased participation in Group-led initiatives. Ongoing monitoring and strategic adjustments to engagement strategies helped the Group achieve these impressive results. Simbisa Brands Limited is proud of the successful completion of several impactful community projects and consistently high satisfaction ratings from local stakeholders. The Group remains committed to continuously refining its approach based on valuable feedback and lessons learnt, ensuring that its community engagement efforts continue to create meaningful and sustainable impacts.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As Simbisa Brands Limited, we aim to make significant contributions to community development through various initiatives that encompass education, healthcare, water and sanitation, and environmental sustainability programs. By integrating local communities and small businesses, such as local farmers, into our value chain, we have the potential to drive economic growth and create jobs in the areas where we operate. We recognise the opportunity to lead by example in the industry by implementing innovative corporate social responsibility (CSR) practices that address pressing social and environmental issues. However, we are aware of challenges that come with balancing the expectations of different stakeholders, which may lead to conflicting priorities in our CSR initiatives. There is a risk that our resource allocation to CSR activities could be perceived as inadequate or biased, potentially resulting in reputational damage. Additionally, we are aware of the possible unintended consequences of our CSR efforts, such as fostering dependency on Group-led initiatives or misaligning our goals with the actual needs of the community.

To navigate these complexities, we remain committed to engaging with stakeholders and continuously refining our approach to ensure that our CSR initiatives are effective, equitable, and truly beneficial to the communities we serve. Simbisa Brands Limited has a Corporate Social Responsibility Policy that highlights our commitment to making a positive contribution to the communities. This policy emphasises ethical conduct, sustainability, and inclusiveness across all our CSR activities, focusing on impactful initiatives driven by targeted Sustainable Development Goals (SDGs). We are dedicated to reinvesting a portion of the Group's profits into projects that enhance education, healthcare, water



and sanitation, and environmental sustainability.

We track the effectiveness of our CSR initiatives through regular internal and external reviews, stakeholder feedback, and the use of impact assessment tools. These processes ensure that our CSR activities align with both Group goals and community needs while optimising resource utilisation. We aim to achieve measurable improvements in key community development areas, such as education, health, water and sanitation, and environmental sustainability, specifically targeting the UN Sustainable Development Goals of Zero Hunger, Good Health and Well-being, Quality Education, and Clean Water and Sanitation. Additionally, we are committed to allocating our annual profits to CSR initiatives each year and engaging at least our employees in CSR activities annually. Key performance indicators include the percentage of profits allocated to CSR initiatives, the number of community members benefiting from our programs, and the employee participation rate in these activities.

Our CSR efforts have contributed to positive social and environmental outcomes, evidenced by significant community support and high levels of employee engagement. We are on track to meet our CSR goals, with increasing investments in community projects and growing participation in our initiatives. Key lessons learned highlight the importance of ongoing stakeholder engagement and the need for flexibility in our CSR programs to adapt to changing community needs. These insights have been incorporated into our CSR strategy and project planning processes, ensuring that we continue to make a meaningful impact in the communities we serve.

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Investing in Community Development (continued)



SUPPORTING THE FUTURE

Chicken Inn paid school fees for 126 less privileged students at a local school namely Mberi Primary School (Chitungwiza), Fungisai Primary School (Chitungwiza), Dominican Convent High School (Harare) and Mutorwandishe High School (Chitungwiza) amounting to USD9,053. As Chicken Inn we thrive to leave a footprint on many lives hence this is a once off payment for the primary schools.

Our brand entered into a sponsorship agreement with the local under 20 rugby national team (The Sables). As part of this partnership, we supplied the team with custom designed rugby jerseys featuring our prominent corporate logo. As part of the country's annual national clean up initiative, Chicken Inn gifted 10 high-quality street bins to the local municipality in Karoi to reinforce waste collection on the 2nd of February 2024.



CELEBRATING MOTHERS AND THE ELDERLY

Bakers's Inn stepped up to champion the health and well-being of pregnant and lactating mothers, as well as young children under 5 years old. This initiative, a standout highlight of the year reflects Baker's Inn's commitment to community welfare.

We distributed over 25 food hampers at the Kuwadzana Clinic in Harare and 20 food hampers at the Pelandaba Clinic in Bulawayo.

These hampers were specifically designed to provide essential nutrition during critical periods. By ensuring access to wholesome food. Proper nutrition during pregnancy, lactation, and early childhood is pivotal. It lays the foundation for healthy growth, cognitive development, and overall well-being.

Baker's Inn's proactive approach recognised that investing in maternal and child nutrition has far-reaching effects, shaping the future of our communities. By supporting vulnerable groups through initiatives like this, Simbisa Branda Limited demonstrated that corporate responsibility extends beyond profits it's about nourishing and building a healthy society. Bakers Inn also visited Bumudzo Old Peoples home and donated lunch meals and bread to the elderly home which shelters over 50 elderly people and over 20 employees as part of the brand giving back to the community.



Investing in Community Development (continued)



SPREADING THE WARMTH!

In commemoration of Spur's 56th year of operation, we were honored to host a celebratory Birthday party at Danai Children's Home. At the Birthday Party, Spur donated groceries worth 2 months' supply as part of fulfilling the alleviating hunger initiative that Simbisa Brands Limited is doing as an organisation plus stationery for all the age groups at Danai Children's Home.

The total investment for this endeavour amounted to USD1,200, which enabled our team to provide support to 26 children and 5 teachers at the Danai Facility.



WOMEN'S DAY (CSR)

As Haefelis we sought to honor the exceptional customer care provided by the employees of Parirenyatwa Ward A5 at the local hospital, we arranged a catered lunch to celebrate their remarkable achievements as the ward with the best customer care.

The total investment for this recognition event amounted to USD150, which enabled Haefelis to provide a nourishing meal for the 27 nurses and 3 matrons of Ward A5.





Investing in Community Development (continued)

PHILANTHROPY

Emerald Hill Children's Home: A Sanctuary of Hope and Healing

Emerald Hill Children's Home (the 'Home'), located at the summit of Emerald Hill in Harare, Zimbabwe has been a refuge for orphaned and vulnerable children since 1914. Established and managed by the Roman-Catholic Dominican Sisters, this private institution which relies heavily on donations to support its operations to cover essential needs such as medical care, school tuition, clothing, food, and shelter.

The Home currently cares for 90 children, aged 3 to 20, who come from various challenging backgrounds, many of whom having been abandoned, subjected to neglect, emotional: physical abuse and/or sexual abuse. Beyond providing basic necessities, the Home emphasises on the emotional healing of its children through Christian spirituality, support from social workers and counsellors, and through various creative and therapeutic activities.

After completing their primary education, boys transition to St. Joseph's House for Boys in Belvedere, Harare, while girls remain at the Home until they complete their education. The Home offers job training helping the girls to develop skills needed to become self-sufficient and prepare them to be independent and lead successful lives.

Through its work, the Home remains a beacon of hope, offering a nurturing environment where children can heal, grow, and flourish despite their challenging pasts. Further, Simbisa Brands aides the Home by regularly donating meals and cakes for the children's birthday parties and contributing to projects funding. This support helps improve the overall well-being and happiness of the children.

St. Giles Children: A Joyful Day Out at Long Chen Amusement Park

St. Giles are the pioneers of rehabilitative care in Zimbabwe. In support of its important work, Simbisa Brands recently organised a fun day out for the children of St. Giles at the Long Chen Amusement Park. The children were given a warm welcome at the Park and experienced a variety of rides and attractions such as roller coasters and carousel. The fun and joy experienced by the children, staff and volunteers made their experience special and memorable.

Simbisa Brands also sponsored the children's lunch to keep with the day's theme of fun-filled relaxation. At Simbisa we strive to create joy and foster the spirit of togetherness in the daily lives of our customers and the community at large.

Healing with Horses Therapeutic Centre: Transforming Lives Through Equine Assisted Services

The Healing with Horses Therapeutic Centre, in partnership with Mind the Gap Africa, is a non-profit, voluntary organisation which relies on voluntary help, donations, and sponsorships, dedicated to healing children and communities in Zimbabwe through Equine Assisted Services. The Centre offers equine therapy by having disadvantaged children and adults with disabilities in Bulawayo through touching and/or riding the horses which is known to result in children feeling calmer, stronger, and better able to handle life. The Centre focusses on working regularly with disadvantaged children and adults with disabilities in Bulawayo. Further, the Centre extensively works with children who have Cerebral Palsy (CP), a condition characterized by weakness or lack of muscle control originating in the brain, resulting in stiffness, slowness, shakiness, and balance difficulties. Currently, the Centre is working with children from the Sandra Jones Centre and the KGV Centre, also based in Bulawayo.

Simbisa Brands Limited currently supports the Centre through monthly donations and efforts in raising awareness for the organisation to enable the Centre to continue its mission of providing healing and hope to those who need it most.

ANIMAL WELFARE

Harare SPCA:

As Zimbabwe's oldest animal non-profit welfare organisation, and with no government funding, SPCA relies heavily on donations from corporate entities and individuals.

Simbisa Brands has sought to support Harare SPCA by providing financial assistance to enable the organisation to continue its mission of rescuing and caring for animals, educating the public on animal welfare, and ensuring that no animal in need is turned away.





Investing in Community Development

(continued)

EDUCATION

USAP Community School: Empowering Zimbabwe's Future Leaders

The USAP Community School is a residential institution established in 2020 offering Cambridge A Level curriculum and dedicated to educating high-achieving, low-income Zimbabwean students. Our mission is to prepare these students to excel at the world's top universities and return home to contribute to the development of society. Our vision is to be a global leader in transformative education exclusively for low-income students, sustained by their own success through alumni support.

For over 20 years, Education Matters' USAP program has been assisting high-achieving, low-income students in accessing university education internationally. The Program also identified that despite their academic excellence, its students were receiving a narrowly focused education that did not adequately prepare them to tackle the complex problems of society. Therefore, a two-year residential model was developed immersing students in a highly engaged and demanding curriculum designed to build their skills, nurture their creativity, develop an entrepreneurial attitude and encourage them to question and explore learning.

Students have emerged well-prepared to take advantage of opportunities presented by top international universities in Ghana, India, Kenya, Rwanda, and the United States at institutions such as Ashesi, USIU, Ashoka, Harvard, MIT, Brown, Pomona, Williams, Northwestern, Vassar, Stanford, Davidson, Dartmouth, Smith, and Barnard.

Given the key and significant impact of USAP Community School, Simbisa Brands Limited partnered it as one of the major sponsors assisting in the construction of the new school in Marondera with a contribution of US\$1m. The first phase of construction is now complete and operational, marking a significant milestone in the School's journey to transform education for Zimbabwe's future leaders.



ACSI Zimbabwe: Annual Christian Educator's Conference

The Association of Christian Schools International (ACSI) Zimbabwe hosts an annual Christian Educator's Conference. This conference attracts Christian educators from primary and secondary schools across the Southern Africa region.

The primary goal of the conference is to equip and encourage educators in their vital role of teaching the next generation from a Biblical worldview. Given the critical role of education, and the need to support educators, Simbisa Brands Limited was proud to donate for all attendees, contributing to the overall success and fellowship of the event.

Uncommon's Inaugural Ministry-Endorsed Teacher Training Pilot Program

Uncommon proudly launched its inaugural Ministry-endorsed Teacher Training Pilot Program. This program held at Mbare Innovation Hub brought together educators from schools across Mbare, equipping them with essential coding skills and tools to inspire the next generation of tech-savvy students.

Simbisa Brands Limited supported this initiative by donating pizzas from Pizza Inn for the 50 participants.



Investing in Community Development (continued)

SPORT

Hellenic School Hosts Vibrant Colour Run - Creamy Inn

In March 2024, Hellenic School hosted its highly anticipated Colour Run, bringing together students, parents, and staff for a lively 3.8km course featuring 11 fun-filled stations. Among these, the PINK station, sponsored by Creamy Inn, became a crowd favourite, with participants eagerly looking forward to being covered in cheerful pink powder.

Creamy Inn, played a key role in enhancing the event's community, festive and fun atmosphere by sponsoring the PINK station. This station was a particular crowd favourite as participants were doused in pink powder. Their team enthusiastically engaged with runners, adding an extra touch of joy and excitement to the experience. The event was not just about physical activity but community bonding, with participants of all ages coming together in a spirit of fun and camaraderie.



ITF Tournament sponsorship

Ryan Gwidzima is an outstanding squash player who recently secured 4th place in the European Boys Under 19 Squash Championships in Poland, despite being seeded between 9 and 16. Since returning to school in England in October, Ryan's performance has been outstanding, moving from a seeding of 270 to a current ranking of 17 in Europe.

Since his return to Wycliffe College in late October 2023, Ryan has achieved several notable successes. These include Wycliffe College becoming the National Champions of England in March 2024, with Ryan playing as the Number 1 seed. This was a title the school last won five years ago when Ryan was also part of the team. He recently claimed the Norwegian Under 19 Championship.

In support of this promising sportsman, Simbisa Brands assisted by paying for Ryan's tuition at Wycliffe College, totalling US\$25,000.



Zimbabwe Junior Squash Team's Trip to 2023 Championships

Simbisa Brands provided invaluable assistance to the Zimbabwe Junior Squash Team, enabling them to travel to Melbourne, Australia, and participate in the 2023 Junior Squash Championships.



Royal Harare Golf Club

Simbisa Brands recently sponsored and donated US\$5,000 to the Mens and Ladies Golf Championships at Royal Harare Golf Club (RHGC). It was an exciting event with over 200 participants.



Investing in Community Development (continued)

SPORT (continued)

Simbisa Brands Roger Brackley Marathon: A Run for Education

In May 2024, Simbisa Brands, in collaboration with the Harare Athletic Club, organised the Roger Brackley Marathon. This event drew over 1,000 participants comprising both walkers and runners promoting health and fitness with three distance options (5km, 10km, and 21km) to cater for all fitness levels.

The marathon served a charitable cause, with all funds raised being donated to the USAP Community School, helping provide quality education to deserving students. Through this initiative, Simbisa Brands Limited not only fostered community engagement but also contributed meaningfully to educational development, exemplifying its commitment to corporate social responsibility.



Tag Rugby Trust Zimbabwe

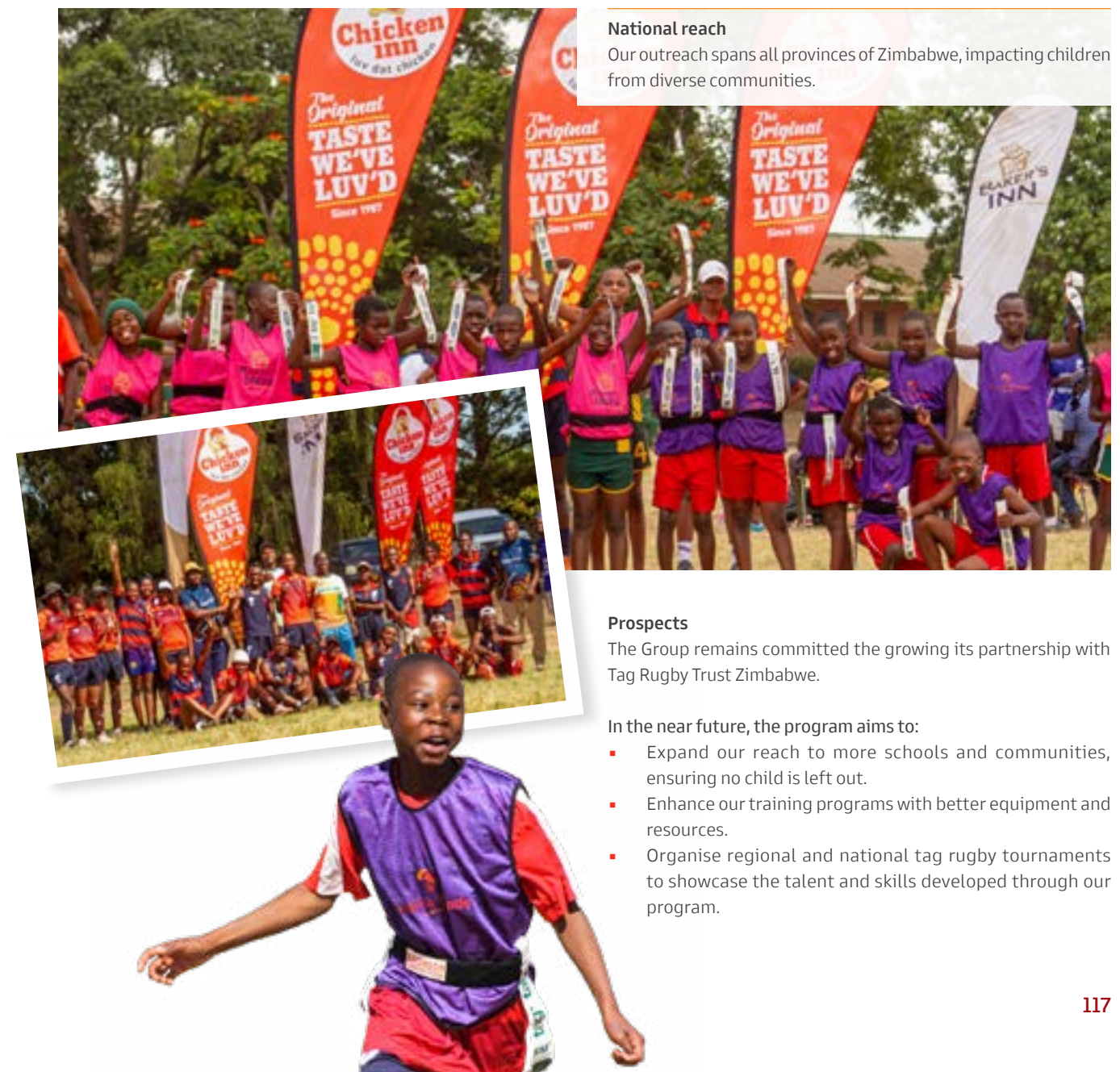
As Simbisa Brand Limited, we are proud to have supported the expansion of Tag Rugby across Zimbabwe, ensuring both urban and rural areas have access to this valuable program. With our support, over 4,000 young participants were engaged this year, adding up to more than 11,000 participants over two years.

Three key benefits have been realised as a result of Simbisa's financial assistance:

- **Increased Participation:** The provision of transport has enabled more students to attend training sessions, leading to a significant increase in participation rates.
- **Enhanced Program Quality:** Adequate funding for logistics meant high standards are maintained in all training sessions and events, ensuring a positive and productive experience for all participants.
- **Broader Reach:** The program has been successfully extended to schools across Zimbabwe, bringing the benefits of tag rugby to a wider audience.

National reach

Our outreach spans all provinces of Zimbabwe, impacting children from diverse communities.



Prospects

The Group remains committed the growing its partnership with Tag Rugby Trust Zimbabwe.

In the near future, the program aims to:

- Expand our reach to more schools and communities, ensuring no child is left out.
- Enhance our training programs with better equipment and resources.
- Organise regional and national tag rugby tournaments to showcase the talent and skills developed through our program.

Investing in Community Development

(continued)



ENVIRONMENTAL CLEAN-UP

Victoria Falls Clean Up Campaign
Simbisa Brands plays a vital role in supporting the Pristine Victoria Falls Society (PVFS), a community-driven initiative formed during the COVID-19 pandemic to tackle the escalating litter problem in the City of Victoria Falls. Recognizing the importance of preserving the city, home to one of the Seven Natural Wonders of the World, which falls within the KAZA Transfrontier Park being the largest African Wildlife Reserve on the continent, and heavily dependent on tourism, PVFS mobilized corporate members, schools, and residents to clean the city and protect its wildlife.

Initially the Society identified various issues such as the under-resourcing of council which affected its ability to keep up with waste production and collection, elephants consuming plastic at rubbish dump, blockage of drainage systems due to plastic waste, and illegal dump sites. The Society then solicited pledges from corporates to clean specific areas while gathering volunteers from schools, residents and sporting communities, recruited Mr. Douglas Muringofa and two others who assisted in re-writing by-laws to deal with fines for littering and clearing 300 bags of litter monthly, as well as the construction of an elephant-proof electric fence to prevent plastic related elephant deaths.

However, there are ongoing hurdles, including the need for proper waste disposal infrastructure in high-density areas and more resources for education, volunteer support, and public bins. Simbisa Brands Limited contributes monthly donations, helping sustain PVFS's efforts to maintain a cleaner and safer environment for both the local community and wildlife.

SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Simbisa Brands Limited made significant strides in establishing itself as a corporate leader dedicated to bridging the gap in various communities. This commitment was realised by aligning our Corporate Social Responsibility (CSR) strategy with three key United Nations Sustainable Development Goals:

		
Zero hunger End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	Quality Education Ensure inclusive and equitable quality Education and promote lifelong learning opportunities for all.	Clean water and sanitation Ensure availability and sustainable management of water and sanitation in our operations.

CORPORATE SOCIAL INVESTMENTS (CSI)

Our Corporate Social Investment for the reporting period was USD1,058,153

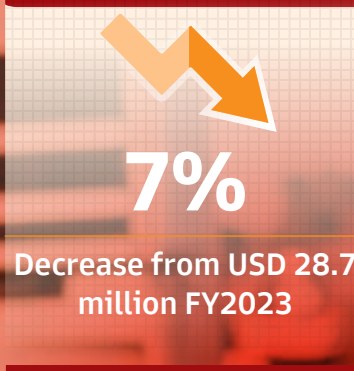
		
Education	Health	Philanthropy
Purpose Improve access to quality education.	Purpose To enhance community wellbeing.	Purpose To alleviate hunger.
Beneficiaries 125 primary and high school children.	Beneficiaries 20 organisations.	Beneficiaries 25 mothers. 70 elderly. 150 children.
Donations School fees.	Donations Sports kits, medals, trophies and meals.	Donations Food humpers.
USD1,009,053	USD45,509	USD3,591





Economic Impacts and Value Creation

PAYMENTS TO GOVERNMENT



SPENDING ON LOCAL SUPPLIERS



NUMBER OF SUPPLIERS



122	Responsible Sourcing
123	Procurement
124	Direct Economic Value Generated and Distributed
125	Tax Practices and Payment



Economic Impacts and Value Creation



RESPONSIBLE SOURCING

As a Group committed to responsible sourcing, we recognise the importance of maintaining a strong reputation and brand by prioritising ethical and sustainable practices. Simbisa Brands Limited prioritises engagement with suppliers who share the Group's commitment to sustainability that strengthens our ethical sourcing.

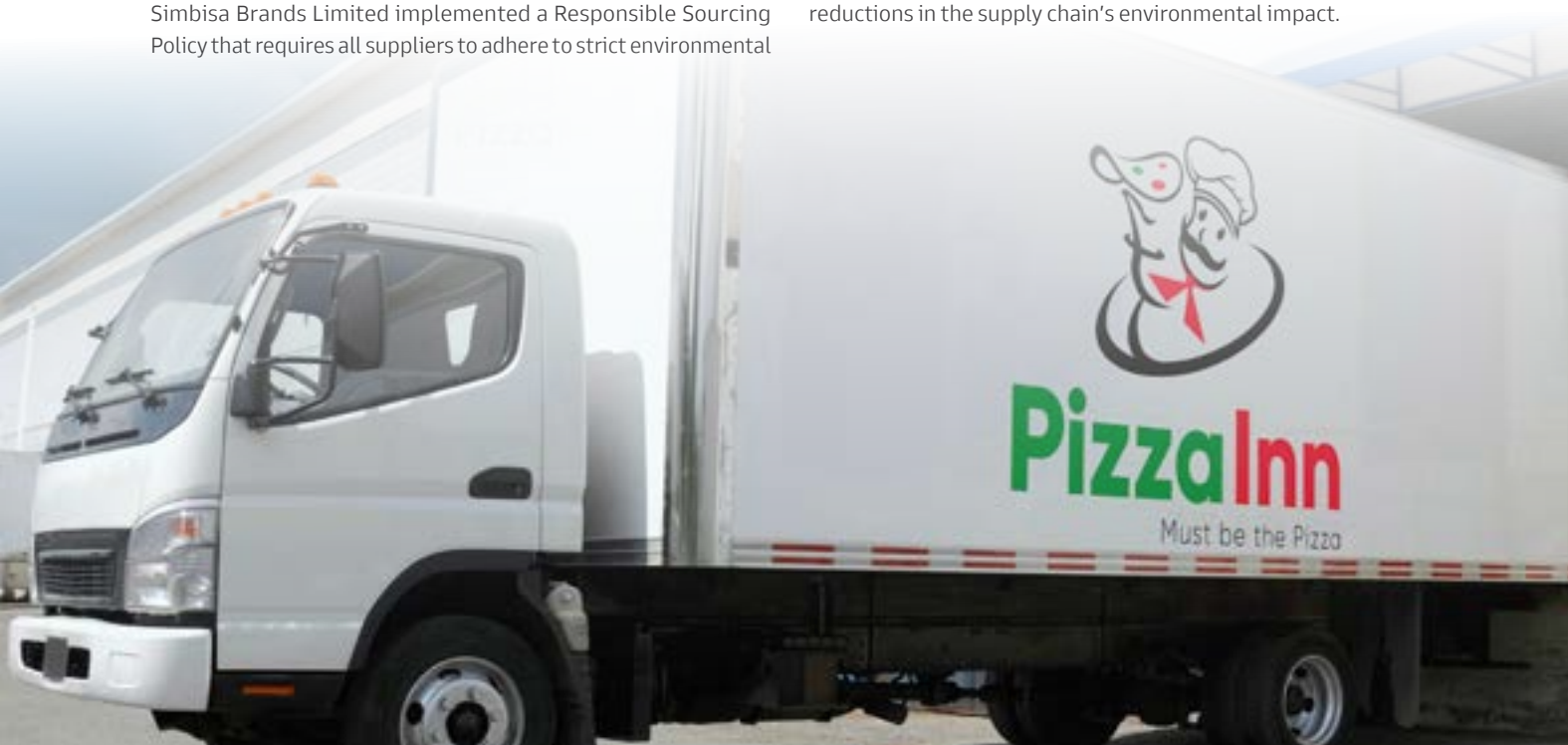
We acknowledge that there is potential for cost saving and increased efficiency through responsible sourcing. As part of our upgraded procurement process, we request all our suppliers to disclose their initiatives and policies with regards to ESG.

However, we experienced challenges in ensuring all suppliers meet the Group's sustainability standards, particularly in countries with less stringent regulations. This, however adverse impacts us when suppliers fail to comply with requirements when found engaging in unethical practices, such as labour rights violations or environmental degradation. Lastly, there is a potential of premiums that can be associated with sourcing from suppliers with high sustainability standards.

Simbisa Brands Limited implemented a Responsible Sourcing Policy that requires all suppliers to adhere to strict environmental

and social standards, including fair labour practices, waste reduction, and resource efficiency. The Group conducts regular assessments of its suppliers to ensure compliance with these standards and encourages continuous improvement within the supply chain. To manage the related impacts, the Group conducts a rigorous supplier vetting process that includes environmental and social impact assessments. This is done through the Procurement Committee and remediation plans are developed for suppliers found to be non-compliant, including timelines for improvement and regular monitoring. In cases of severe non-compliance, the Group may terminate relationships with suppliers and seek alternative sources that meet ethical standards.

The Group promotes responsible business practices among suppliers by sharing knowledge and collaborating on sustainability initiatives, and establishing long-term partnerships that demonstrate leadership in sustainability, ensuring a stable and responsible supply chain. Regular internal audits and periodic reviews are conducted by the Procurement Committee to ensure transparency and accountability. A comprehensive ESG checklist is used when enlisting new suppliers. The Group aims to achieve 100% compliance and for 100% of suppliers complete the ESG checklist and submit relevant evidence on ESG practices by the end of FY2025. Supplier assessments indicate that a significant proportion of our suppliers have considerable ESG practices, despite some of the suppliers not having formal ESG strategies and policies in place. The Group is on track to meet its 2025 and 2030 targets, with steady progress in supplier compliance and reductions in the supply chain's environmental impact.



PROCUREMENT

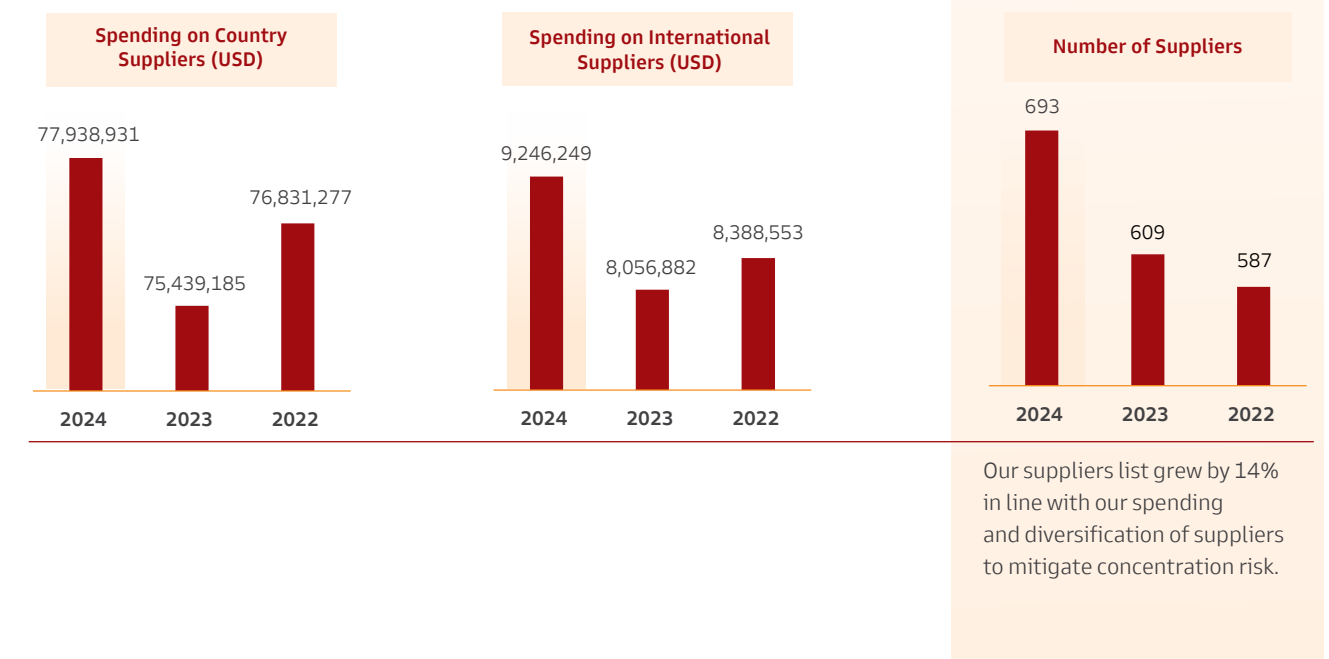
Procurement for the reporting period was as follows:



Kenya



Zimbabwe





Economic Impacts and Value Creation (continued)

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Our Impacts :

Simbisa made significant contributions to local economies across its markets through job creation, tax payments, and local procurement. The Group made positive impacts on shareholder return on investment through consistent profitability, and dividends. The Group has potential to drive economic growth by expanding operations and entering new markets/regions and opportunities to reinvest profits into community development and sustainability initiatives. However, financial volatility due to market fluctuations may impact profitability and stakeholder confidence. There are risks of financial losses due to economic downturns, which could affect the Group's ability to maintain operations and fulfil its commitments to stakeholders. Prioritising profitability over social and environmental responsibilities may result in negative public perception. The Group could negatively impact employee if cost-cutting measures negatively affect their welfare or ESG goals.

Our Approach

Simbisa Brands Limited implemented an Economic Performance Policy that focuses on sustainable growth, profitability, and financial transparency. The policy emphasises prudent financial management and responsible investment in line with the Group's long-term strategic goals. The Group is committed to maintaining financial stability and delivering consistent returns to shareholders and we pledge to balance profitability with ESG responsibilities, ensuring that economic success supports broader sustainability objectives. Diversification of revenue streams reduces reliance on single markets or products, mitigating financial risks. The Group implemented cost management strategies that optimise efficiency without compromising employee welfare or environmental sustainability. Financial restructuring and support programs during economic downturns assists in maintaining operations and protect jobs. Simbisa Brands collaborated with stakeholders, including employees and suppliers, to manage the impact of financial challenges and ensure continuity of operations. To facilitate growth initiatives, including new product development and market expansion, the Group's profits would be reinvested. The Group opted to increase transparency in financial reporting to build trust with investors, employees, and the public.

Direct economic value generated and distributed is presented on pages 136 to 211 of this report.



TAX PRACTICES AND PAYMENTS

Our Impacts :

Compliance with tax regulations contributes to the economic development of countries where Simbisa Brands operates. Transparent tax practices enhance the Group's reputation and fosters trust with stakeholders, including investors and the public. There is potential to influence positive policy changes through active engagement with tax authorities and public policy advocacy, aligning with the our sustainable development goals.

The Group realised oppotunities through efficient tax planning resulting in tax saving invested in community development and business expansion. The complex and unclear tax regulations across different regions may lead to increased administrative burdens and potential errors in tax reporting and tax payment. Risk of reputational damage and financial penalties is unavoidable if tax obligations are not met, or if the Group is perceived as engaging in aggressive tax planning strategies. Potential conflicts are possible with tax authorities in jurisdictions with evolving or complex tax laws.

The Group may contribute to negative impacts if there is lack of consistency in tax compliance across different jurisdictions, leading to potential underpayment or disputes with tax authorities. Tax impacts could be linked to business relationships with suppliers or partners who do not adhere to the same tax standards, potentially creating exposure to compliance risks.

Our Approach

Simbisa Brands Limited has a formal tax strategy aligned with business objectives and sustainable development goals. The tax strategy was reviewed and approved by the Board of Directors, specifically by the Audit and Risk Committee. The tax strategy is subject to annual reviews and alignment with changing tax regulations. The Group is committed to full compliance with all applicable tax laws and regulations in every jurisdiction where it operates and ensures that all tax filings are accurate, timely, and transparent, and it engages with tax authorities proactively to address any concerns. The approach to tax is integrated into the broader sustainable development strategy by ensuring that tax practices support long-term economic growth and stability in the communities where Simbisa Brands operates. The taxes remitted contribute to Government revenue and in turn supports development in the jurisdictions Simbisa operates.

Stakeholder Engagement on Tax Matters

The Group maintains open and transparent communication with tax authorities, engaging in regular consultations to ensure compliance and address any emerging issues. The Finance teams participate in industry forums and discussions to stay informed about potential tax law changes and to advocate for fair and clear tax policies. Engagements are done in public policy advocacy on tax matters through industry associations and direct dialogue with policymakers and with the tax authorities. We advocate for tax policies that promote economic growth, fairness, and simplicity in compliance and collect stakeholder views through surveys, feedback sessions, and public consultations. These inputs are considered when shaping the overall Group tax strategy and in its engagements with tax authorities. Simbisa ensures that stakeholders are informed about tax practices through regular reporting and disclosures.

Economic Impacts and Value Creation

(continued)



TAX PRACTICES AND REPORTING



Tax Policies and Commitments

Simbisa Brands Limited has a Tax Policy that ensures compliance with all relevant tax laws and regulations. The policy emphasises transparency, ethical conduct, and the avoidance of aggressive tax planning strategies. The Group is committed to paying its fair share of taxes in all jurisdictions where it operates. The Group is committed to maintaining strict tax compliance and transparency, contributing to the economic development of the regions in which it operates. We are committed to continuous improvement in tax management practices through regular reviews and audits. We conduct regular training and updates for the finance team on changes in tax laws and compliance requirements and enforce robust internal controls and audit processes to ensure accurate tax reporting and payment. Immediate correction of any identified errors in tax filings is carried out, with prompt payment of any additional taxes owed. The Group co-operates with tax authorities to resolve any disputes or inquiries in a timely and transparent manner. Strategic tax planning helps to optimise tax efficiency while ensuring compliance with all applicable laws.

Simbisa Brands then reinvest tax savings into sustainable development projects, sustainable business expansion and community initiatives.

Effectiveness of Actions

The effectiveness of the Group's tax management actions is tracked through regular internal audits conducted by the finance department, as well as external audits performed by our independent auditors, BDO Zimbabwe Chartered Accountants. Additionally, key performance indicators (KPIs) related to tax compliance and financial performance are monitored and reviewed by the Audit and Risk Committee.

- The Group aims to achieve the following goals and targets:*
- Achieve 100% compliance with tax filing and payment obligations in all jurisdictions annually.
 - Maintain a zero-penalty record for tax-related issues through effective compliance and reporting.
 - Increase the transparency of tax disclosures in the Group's annual sustainability report.

The Group monitors the number of tax audits with no findings, the percentage of accurate and timely tax filings and the amount of taxes paid as a percentage of revenue as its Key Performance Indicators.

Simbisa Brands Limited tax management practices have been effective in ensuring compliance with all tax obligations and in maintaining a positive relationship with tax authorities. The absence of significant penalties or disputes indicates that the approach is sound and well-managed. We are on track to meet our tax compliance goals, with all filings completed on time and with high accuracy. The Group continues to refine its tax strategies to ensure alignment with best practices and regulatory requirements.

The Group noted the importance of continuous education and the need for a proactive approach to tax management. These lessons have been incorporated into the ongoing training programs and internal audit processes to further strengthen tax compliance. Engagement with stakeholders, including investors, tax authorities, and community representatives, has provided valuable insights into the tax strategy. Feedback from these stakeholders has helped shape tax policies and has ensured that tax practices are transparent, compliant, and aligned with stakeholder expectations.

Simbisa Brands Limited's tax payments in the reporting period were as follows:

	2024 (US\$)	2023 (US\$)	2022 (US\$)
Value Added Tax (VAT)	15 687 957	16 868 671	9 658 442
Import Duty	698 516	1 152 153	1 068 245
PAYE	1 299 748	879 960	738 923
Withholding Tax-10%	613 232	698 423	600 356
Withholding Tax- 1/3	2 159 554	2 215 379	1 817 107
Aids Levy	11 098	-	-
Income Taxes	4 715 428	4 880 946	4 148 423
IMTT	1 517 352	1 978 069	1 668 420
Total	26 702 884	28 673 601	19 699 916

Tax payments by country

	2024 (US\$)	2023 (US\$)	2022 (US\$)
Zimbabwe	16 185 465	16 795 670	9 179 626
Kenya	10 081 870	11 877 931	10 520 290
Eswatini	435 550	-	-

Annual Financial Statements

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Directors' Responsibility and Approval of Consolidated Financial Statements

The Directors of the Company are required by the Zimbabwe Companies and Other Business Entities Act [Chapter 24:31] (COBE) to maintain adequate accounting records and to prepare financial statements that present a true and fair view of the state of affairs of the Company and the Group at the end of each financial year and of the profit and cash flows for the year. In preparing the accompanying financial statements, generally accepted accounting practices have been followed. Suitable accounting policies have been used and consistently applied, and reasonable and prudent judgements and estimates have been made.

The principal accounting policies of the Group conform to International Financial Reporting Standards ("IFRS") Accounting Standards and the Zimbabwe Companies and Other Business Entities Act [Chapter 24:31] (COBE), except for non-compliance with International Accounting Standard 21: "The Effects of Changes in Foreign Exchange Rates", due to lack of comparability of the prior year statement of profit or loss and other comprehensive income to the current year; as noted in the independent auditor's report.

The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

The Board recognises and acknowledges its responsibility for the Group's systems of internal financial control. Simbisa maintains internal controls and systems that are designed to safeguard the assets of the Group, prevent and detect errors and fraud and ensure the completeness and accuracy of the Group's records. The Group's Audit and Risk Committee has met the external auditors to discuss their reports on the results of their work, which includes assessments of the relative strengths and weaknesses of key control areas. In a growing Group of the size and complexity of Simbisa, it may be expected that occasional breakdowns in established control procedures may occur; any such breakdowns have been reported to the Group's Audit Risk Committee and the Board.

The consolidated financial statements for the year ended 30 June 2024, which appear on pages 136 to 211 were prepared by Simbisa Brands Limited finance department under the supervision of the Group Finance Director, Mr Baldwin Guchu. They have been approved by the Board of Directors and are signed on its behalf by:


A.B.C CHIRAKE
Chairman
30 September 2024


BALDWIN GUCHU
Executive Director

Report of the Directors

The Directors have pleasure in presenting their report together with the audited consolidated financial statements of the Group for the year ended 30 June 2024.

Group Results - Continuing Operations

	30 June 2024 USD'000	30 June 2023 USD'000
Profit before tax	21 066	26 700
Tax	(5 075)	(5 162)
Profit for the year	15 991	21 538
Non-controlling interests	(328)	(408)
Profit for the year attributable to equity holders of the parent	15 663	21 130

Dividends

Dividends declared on ordinary shares in the financial year are as follows:

	Dividend per Share	Dividend paid or payable
Interim dividend (US cents)	0.620	20 March 2024
Final dividend (US cents)	0.392	7 November 2024

Share Capital

There were no movements in issued ordinary shares of the Company.

	30 June 2024 Number of shares	30 June 2023 Number of shares
At the beginning of the year	562 184 788	562 184 788
At the end of the year	562 184 788	562 184 788

Appointment of Director

In line with its commitment to strengthening governance and enhancing the depth of its leadership, Simbisa Brands appointed Mr. Nabil Mankarious as an Independent Non-Executive Director, effective 23 February 2024. Mr. Mankarious brings a wealth of experience in the food and hospitality industry, having co-founded and managed various renowned brands in the United Kingdom and beyond. His extensive experience in managing world-class brands will be invaluable in supporting Simbisa's mission to elevate its' operational standards and drive growth.

His appointment will be tabled for ratification at the Company's 9th Annual General Meeting on 22 November 2024.

Report of the Directors (continued)

Directors and their Interests

In terms of the Company's Articles of Association, Mr. A.B.C. Chinake and Mrs. J. Hussein retire from office by rotation and being eligible offer themselves for re-election.

The beneficial interests of the Directors in the shares of the Company are disclosed in note 24.4 of the financial statements.

Directors' Fees

Members will be asked to approve the payments of the Directors' fees of USD306,941 (2022: USD348,309) in respect of the financial year ended 30 June 2024.

Auditors

Members will be asked to approve the remuneration of USD153 752 (2023: USD179 942) of the auditors for the financial year ended 30 June 2024 and to consider the reappointment BDO Zimbabwe Chartered Accountants as auditors of the Group to hold office for the ensuing year.

For and on behalf of the Board



A.B.C CHINAKE
Chairman
30 September 2024



FADEKE H OBATOLU
Acting Company Secretary

Company Secretary's Certification

I certify that, to the best of my knowledge and belief, the Company has lodged with the Registrar of Companies all such returns as are required to be lodged by a Public entity in terms of the Companies and Other Business Entities Act [Chapter 24:31] of the Republic of Zimbabwe, and all such returns are true, correct and up to date.



FADEKE H OBATOLU
Acting Company Secretary
Harare
30 September 2024



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Zimbabwe

REPORT OF THE INDEPENDENT AUDITORS

TO THE SHAREHOLDERS OF SIMBISA BRANDS LIMITED

Qualified Opinion

We have audited the consolidated financial statements of **SIMBISA BRANDS LIMITED AND ITS SUBSIDIARIES (the Group)** as set out on pages 136 to 211, which comprise the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements present fairly, in all material respects, the financial position of **SIMBISA BRANDS LIMITED AND ITS SUBSIDIARIES** as at 30 June 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Comparative financial information: Non-compliance with International Accounting Standard 21 (IAS 21) “The Effects of Changes in Foreign Exchange Rates” (Zimbabwean operations)

The functional currency for the Zimbabwean operations changed from the Zimbabwean Dollar (ZWL) to the United States Dollar (USD) as at 1 July 2022. In changing to the USD functional currency, the Group did not translate balances from ZWL, a currency of a hyperinflationary economy, accounted for in terms of International Accounting Standard 29, Financial Reporting in Hyperinflationary Economies, to comply with the requirements of IAS 21 which required the entity to first inflation adjust its ZWL transactions and balances in terms of IAS 29 and then translate to the new functional currency using the spot exchange rate on the date of change. Instead, spot exchange rates on dates when the transactions occurred were used.

This constituted a departure from IAS 21 but did not result in misstatements to the 30 June 2023 statement of financial position as all discrepancies were written off to the statement of profit or loss and other comprehensive income for the same year. However, this resulted in the 30 June 2023 statement of profit or loss and other comprehensive income being materially misstated resulting in the prior year audit opinion being qualified. The prior year misstatements in the statement of profit or loss and other comprehensive income have resulted in a lack of comparability with the current year. Our opinion on the current year’s consolidated financial statements is also modified because of the effects of this matter on the comparability of the current and prior year statement of profit or loss and other comprehensive income figures.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the 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 (Parts A and B), together with other ethical requirements that are relevant to our audit of financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.

Key audit matter

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

Key audit matter	Audit response
Occurrence, completeness and accuracy of revenue The Group's revenue is generated from more than six hundred counters which are geographically spread in three territories, that is; Zimbabwe, Kenya and Eswatini. The volume of revenue transactions is high and there is no automated interface between the point-of-sale system and the general ledger. Furthermore, in Zimbabwe, which contributed about 72% of the Group's revenue, customers could pay in either US\$ or the local currency. During the period, the Zimbabwean market was characterised by multiple exchange rates as the official exchange rate was not reflective of market fundamentals. The above issues resulted in complexities in testing of revenue hence we considered occurrence, completeness and accuracy of revenue to be a key audit matter.	We performed the following procedures to address this matter: • We tested the design and implementation of both manual and automated general and application controls relevant to the revenue cycle. • We tested the operational effectiveness of the relevant controls. • Based on our understanding of the Group's business, we developed expectations on relationships between revenue, cost of sales and gross profit margins and performed substantive analytical procedures. • We reconciled revenue generated from the point-of-sale system to that reported in the financial statements. • Performed cut-off procedures on revenue. • We reconciled revenue to amounts banked through cash and other modes of payments. • Reconciled stock issues to revenue generated. • Tested exchange rates used for consistency and appropriate approvals.
Valuation of property, plant and equipment The Group held property, plant and equipment valued at USD 118,262,984 as at 30 June 2024, with 79% being leasehold improvements and kitchen equipment. The directors reduced the maximum useful life of leasehold improvements at the beginning of the current financial year from 20 years to 10 years. The directors also exercised significant judgement in assessing the likelihood of exercising renewal lease options. This was key as leasehold improvements are depreciated at the lower of the remaining lease period, including likely renewal period or 10 years. A valuation exercise was carried out at year end by independent valuers who used the depreciated replacement cost approach as the majority of assets being leasehold improvements and kitchen equipment, are specialised assets and do not have a ready market. The valuers had to limit the remaining useful lives to the lower of the remaining lease period, including likely renewal period or 10 years, in line with the Group's policy. Audit work performed in corroborating the above estimates and judgments resulted in us concluding that it was a key audit matter.	We performed the following procedures to address this matter: • Obtained an understanding of the rationale behind the reduction of the maximum useful lives of leasehold improvements from 20 years to 10 years. • Reviewed the analysis by directors of past leasehold improvements average store revamp cycle. • Recalculated depreciation on lease improvements to verify whether the incremental depreciation charge to align with the new estimate had been correctly calculated and accounted for in the financial statements. • We assessed valuers' competence, independence, expertise and experience in valuing similar assets. • Reviewed the valuation report to assess the appropriateness of the valuation method used and performed detailed testing on gross replacements costs used by reference to source documents. • Tested the depreciated replacement costs that were determined for indicators of impairment. • Reviewed financial statements to verify whether disclosure requirements on change in estimates and valuations had been complied with.

Independent Auditor’s Report Simbisa Brands Limited

(continued)



Other information

The directors are responsible for the other information. The other information comprises the information in the document titled “Simbisa Brands Limited Annual Report for the year ended 30 June 2024” which includes the Directors’ Report which we obtained prior to the date of this report. The other information does not include the consolidated financial statements and our auditor’s report thereon.

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

In connection with our audit of the 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 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 have obtained prior to the date of the auditors’ report, we conclude that there is a material misstatement of the other information, we are required to report that fact. Given the nature of the matters set out in the Qualified Opinion section above, we have determined that the other information is materially misstated for the same reasons.

Responsibilities of the directors for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group’s ability to continue operating 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 based on the 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 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 operating as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ 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 financial statements, including the disclosures, and whether the 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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 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 consolidated financial statements for the current year and are therefore 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 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)

Except for the possible effects on the comparative financial information matter described in the Basis for Qualified opinion section of our report, the consolidated financial statements are not properly drawn up in accordance with the requirements of Section 193(10) (a) of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this independent auditor’s report is Gilbert Gwatiringa (PAAB Practicing Certificate No. 0475).



BDO Zimbabwe Chartered Accountants
Kudenga House
3 Baines Avenue
Harare

Gilbert Gwatiringa CA(Z)
Partner
Registered Public Auditor

30 September 2024



Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	Notes	30 June 2024 Audited USD	30 June 2023 Audited USD
CONTINUING OPERATIONS			
Revenue from contracts with customers	8	286 446 956	270 398 290
Other income	9	7 242 196	6 264 029
Operating expenses	10	(252 144 090)	(233 239 377)
Operating profit before depreciation, amortisation and impairment		41 545 062	43 422 942
Foreign exchange and other gains/(losses)	11	2 298 077	(198 799)
Decrease/(Increase) in allowance for credit losses	23	237 414	(87 045)
Gain bargain purchase of subsidiary and associate companies	18, 19.3	—	2 139 846
Fair value loss on investment properties	17	—	(15 967)
Derecognition of property, plant and equipment	15	—	(173 115)
Depreciation and amortisation	15, 16 & 20	(18 899 096)	(13 967 663)
Profit before interest, associate profit and tax		25 181 457	31 120 199
Interest income	12	234 697	995 149
Interest expense	12	(5 660 503)	(5 831 966)
Profit before associate profit and tax		19 755 651	26 283 382
Profit from associate companies	18	1 309 960	416 799
Profit before tax		21 065 611	26 700 181
Income tax expense	13	(5 074 537)	(5 161 538)
Profit for the year from continuing operations		15 991 074	21 538 643
Loss for the year from discontinued operations		(391 771)	(2 136 657)
Profit for the year from continuing and discontinued operations		15 599 303	19 401 986

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	Notes	30 June 2024 Audited USD	30 June 2023 Audited USD
CONTINUING OPERATIONS (continued)			
Other comprehensive (losses)/income - continuing and discontinued operations			
<i>To be recycled to profit or loss in subsequent years (net of tax) when specific conditions are met</i>			
Exchange differences on the translation of foreign operations, net of tax		403 118	(3 640 503)
<i>Not to be recycled to profit or loss in subsequent years (net of tax)</i>			
Revaluation surplus on property, plant and equipment, net of tax	25	3 247 930	2 367 673
Other comprehensive loss for the year, net of tax - continuing and discontinued operations		3 651 048	(1 272 830)
Total comprehensive income for the year - continuing and discontinued operations		19 250 351	18 129 156
CONTINUING OPERATIONS			
Profit for the year attributable to:			
Equity holders of the parent		15 663 267	21 130 169
Non-controlling interests		327 807	408 474
		15 991 074	21 538 643
CONTINUING AND DISCONTINUED OPERATIONS			
Profit for the year attributable to:			
Equity holders of the parent		15 271 496	18 993 512
Non-controlling interests		327 807	408 474
		15 599 303	19 401 986
Total comprehensive income for the year attributable to:			
Equity holders of the parent		18 916 006	17 729 842
Non-controlling interests		334 345	399 314
		19 250 351	18 129 156
Earnings per share (US cents) - continuing operations			
Basic earnings per share	7.6	2.83	3.78
Diluted basic earnings per share	7.6	2.83	3.78
Headline earnings per share	7.6	2.82	3.44
Diluted headline earnings per share	7.6	2.82	3.44



Consolidated Statement of Financial Position

as at 30 June 2024

	Notes	30 June 2024 Audited USD	30 June 2023 Audited USD
ASSETS			
Non-current assets			
Property, plant and equipment	15	118 262 984	93 784 444
Intangible assets	16	579 950	301 518
Investment properties	17	650 000	650 000
Investments in associates	18	3 487 030	2 177 070
Right-of-use assets	20	29 819 177	22 355 501
Financial assets	27.1	7 640 917	12 762 144
Deferred tax assets	26.2	833 075	1 203 002
		161 273 133	133 233 679
Current assets			
Financial assets	27.1	—	7 000 002
Inventories	22	10 821 015	11 131 889
Trade and other receivables	23	5 560 723	6 574 457
Cash and cash equivalents	14.2	10 135 979	14 577 870
		26 517 717	39 284 218
Assets from discontinued operations		—	14 113 102
Total assets		187 790 850	186 630 999

Consolidated Statement of Financial Position

as at 30 June 2024

	Notes	30 June 2024 Audited USD	30 June 2023 Audited USD
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital and share premium	24.2	18 178 323	18 178 323
Other reserves	25	(5 317 782)	(7 589 103)
Distributable reserves		72 959 320	63 225 301
Attributable to equity holders of the parent		85 819 861	73 814 521
Non-controlling interests		1 134 729	927 493
Total equity		86 954 590	74 742 014
Non-current liabilities			
Deferred tax liabilities	26.2	9 152 566	9 240 636
Borrowings - long term portion	27.2	44 720	2 674 849
Lease liability	20	28 864 429	22 256 318
		38 061 715	34 171 803
Current liabilities			
Borrowings - short term portion	27.2	12 503 164	13 422 038
Lease liability	20	5 679 077	3 454 550
Trade and other payables	28	38 440 340	36 899 120
Current tax liabilities	13.3	6 151 964	4 828 741
		62 774 545	58 604 449
Liabilities from discontinued operations		—	19 112 733
Total liabilities		100 836 260	111 888 985
Total equity and liabilities		187 790 850	186 630 999

BASIL DIONISIO
Executive Director
Harare
30 September 2024

BALDWIN GUCHU
Executive Director

Consolidate Statement
of Changes in Equity

for the year ended 30 June 2024



Attributable to Equity Holders of the Parent							
	Notes	Ordinary Share Capital and Share Premium USD	Other Reserves USD	Retained Earnings USD	Total USD	Non- controlling Interest USD	Total USD
Year Ended 30 June 2024 - Audited							
Balance at 1 July 2023		18 178 323	(7 589 103)	63 225 301	73 814 521	927 493	74 742 014
Profit for the year		—	—	15 271 496	15 271 496	327 807	15 599 303
Other comprehensive income for the year		—	3 644 510	—	3 644 510	6 538	3 651 048
Total comprehensive income for the year		—	3 644 510	15 271 496	18 916 006	334 345	19 250 351
Purchase of treasury shares		25	—	(1 774 315)	(1 774 315)	—	(1 774 315)
Revaluation reserve transferred to distributable Reserve on disposal of subsidiaries		—	(454 357)	454 357	—	—	—
Exchange losses recycled to profit or loss on disposal of subsidiaries		—	621 831	—	621 831	—	621 831
Transactions with owners		25	—	233 652	233 652	262 169	495 821
Dividends		—	—	(5 991 834)	(5 991 834)	(389 278)	(6 381 112)
Balance at 30 June 2024		18 178 323	(5 317 782)	72 959 320	85 819 861	1 134 729	86 954 590
Year Ended 30 June 2023 - Audited							
Balance at 1 July 2022		18 178 323	(6 325 433)	52 799 229	64 652 119	468 879	65 120 998
Profit for the year		—	—	18 993 512	18 993 512	408 474	19 401 986
Other comprehensive income for the year		—	(1 263 670)	—	(1 263 670)	(9 160)	(1 272 830)
Total comprehensive income for the year		—	(1 263 670)	18 993 512	17 729 842	399 314	18 129 156
Transactions with owners		19.3	—	—	—	322 747	322 747
Dividends		—	—	(8 567 440)	(8 567 440)	(263 447)	(8 830 887)
Balance at 30 June 2023		18 178 323	(7 589 103)	63 225 301	73 814 521	927 493	74 742 014



Consolidated Statement
of Cash Flows

for the year ended 30 June 2024

	Notes	30 June 2024 Audited USD	30 June 2023 Audited USD
CONTINUING AND DISCONTINUED OPERATIONS			
Cash generated from operations	14.1	46 765 097	46 553 068
Interest received	12	234 697	995 149
Interest paid		(5 791 184)	(6 734 875)
Income tax paid	13.3	(4 715 428)	(4 880 946)
Net cash flow from operating activities		36 493 182	35 932 396
Investing activities			
Additions to property plant and equipment - expansion		(18 677 912)	(22 094 310)
Additions to property plant and equipment - maintenance		(11 987 358)	(7 843 596)
Proceeds on disposal of property, plant and equipment		204 277	545 887
Net cash from disposal of subsidiaries - Zambia, Ghana and Mauritius	19.2	(208 139)	—
Disposal of financial assets		6 992 293	2 559 648
Investment in financial assets		(355 000)	—
Net cash from purchase of subsidiary - Oven Art (Private) Limited	19.3	—	(103 177)
Net cash from purchase of subsidiary - Chowtown Proprietary Limited	19.1	(1 042 437)	—
Cash outflow on acquisition of associate - Ndoro Microfinance Bank (Private) Limited	18	—	(124 936)
Purchase of treasury shares	25	(1 774 315)	—
Net cash outflow from investing activities		(26 848 591)	(27 060 484)
Financing activities			
Dividends paid by holding company		(5 991 834)	(8 567 440)
Dividends paid by subsidiaries to non-controlling interests		(389 278)	(263 447)
Proceeds from borrowings	27.2.1	13 478 306	17 458 421
Repayments of borrowings		(16 983 931)	(7 172 439)
Lease liabilities principal repayment		(4 553 351)	(3 979 965)
Additional contribution from non-controlling interests - Oven Art		262 170	—
Net cash outflow from financing activities		(14 177 918)	(2 524 870)
Net (decrease)/increase in cash and cash equivalents		(4 533 327)	6 347 042
Effects of currency translation on cash and cash equivalents		(123 593)	(1 021 816)
Cash and cash equivalents at beginning of the year		14 792 899	9 467 673
Cash and cash equivalents at the end of the year	14.2	10 135 979	14 792 899

Notes to the Consolidated Financial Statements
for the year ended 30 June 2024

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

1. Corporate Information

Simbisa Brands Limited (Simbisa) is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Victoria Falls Stock Exchange ("VFEX"). Simbisa Brands Limited and its subsidiaries own and operate quick service restaurants (QSR) across Africa and its registered office is Edward Building, Corner First Street and Nelson Mandela Avenue, Harare, Zimbabwe.

The consolidated financial statements of Simbisa Brands Limited and its subsidiaries (collectively, the Group) for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 30 September 2024.

2. Statement of Compliance

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards issued by the International Accounting Standard Board (IASB) and in a manner required by the Zimbabwe Companies and Other Business Entities Act [Chapter 24:31] (COBE).

The principal accounting policies of the Group conform to International Financial Reporting Standards ("IFRS") and the Zimbabwe Companies and Other Business Entities Act [Chapter 24:31] (COBE), except for non-compliance with the requirements of International Accounting Standard (IAS) 21, 'The Effects of Changes in Foreign Currency', (Zimbabwean Operations) for comparative information of statement of profit or loss and other comprehensive income.

3. Basis of preparation

The consolidated financial statements are based on statutory records that are maintained under the historical cost convention. The consolidated financial statements are presented in United States Dollars (USD), which is the reporting entity's functional currency and figures are rounded to the nearest US dollar.

a. Prior year matters

Change in functional currency for Zimbabwean Operations – 01 July 2022

On the 27th of June 2022, the Reserve Bank of Zimbabwe ("RBZ") announced an increase in minimum lending rates for corporates from 80% to 200% effective 1 July 2022, for all local currency borrowings. Additionally, RBZ directed that 25% of the unutilised export proceeds would now be liquidated at the willing-buyer willing-seller exchange rate after 120 days from the date of receipt. This was followed by an introduction of gold coins by the central bank on 25 July 2022. The gold coins were going to be sold in both local currency and United States dollars. According to media reports, a significant proportion (more than 90%) of the coins were sold in ZWL, which mopped up the excess local currency liquidity in the market. The resultant lack of ZWL liquidity resulted in most transactions within the economy being done in USD. During the 2023 Monetary Policy Statement presentation, the RBZ governor reported that 70% of the economy's transactions were being completed in USD, whilst 65% of customer deposits for the banking sector are in USD. This was also evident in Simbisa's revenue and expenditure within the period under review.

As a result of these events the Group reassessed its functional currency determination for the Zimbabwean operations in compliance with the requirements of IAS 21, 'The Effects of Changes in Foreign Exchange Rates' and concluded that, effective from 1 July 2022, the functional currency of Simbisa Brands Limited changed from the ZWL to the US dollar.

Change in presentation currency for the Group – 01 July 2022

Simbisa Brands Limited listed on the Victoria Falls Exchange (VFEX) during December 2022. Pursuant to this, the Group adopted the US dollar as the appropriate presentation currency as this would lead to more relevant consolidated financial statements given that VFEX is a USD Stock Exchange.

Simbisa restated the FY2022 consolidated financial statements to cater for voluntary presentational change in line with IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

3. Basis of preparation (continued)

a. Prior year matters (continued)

Impact of change in functional and reporting currency

Conversion of Zimbabwe FY2022 consolidated financial statements from ZWL to USD

The Statement of Profit or loss and other comprehensive income for the year ended 30 June 2022 was converted from ZWL to USD as follows:

- Transactions were initially split by currency of origin between USD and ZWL
- ZWL transactions were converted to USD using transactions-based rate.
- In place of the USD exchange movements, ZWL exchange movements were calculated.
- Gain on monetary position and exchange gains/losses on USD transactions and balances were eliminated.
- Fair value gains on investment property were eliminated as these were directly related to the depreciation of the ZWL currency
- Exchange gains/losses on ZWL transactions and balances were calculated.
- The income tax charge was determined as follows:
 - The current tax charge was calculated from the current tax liability movement analysis. Opening and closing balances were recalculated from the USD results using the latest guidance from the Zimbabwe Revenue Authority (ZIMRA). Income tax payments were converted to USD at the spot transactions-based rate on date of payment.
 - The deferred tax charge was determined from the USD deferred tax movement analysis. The opening and closing USD deferred tax balances were recalculated from the USD net carrying amounts and tax bases.

30 June 2022 and 30 June 2021 Statements of financial position have been translated from ZWL to US Dollar using the following procedures:

Financial statements line item	Conversion from ZWL to USD
Financial assets, Trade and other receivables, Intercompany receivables and Cash and Cash Equivalents	ZWL components converted at the transactions-based rate. USD components taken as is
Trade and other payables, Lease liabilities Intercompany payables, Provisions and Borrowings	ZWL components converted at the transactions-based rate. USD components taken as is.
Deferred tax assets/ liabilities	Recalculated from the USD net carrying amounts and tax bases of the non-monetary assets and liabilities.
Property, plant and equipment	A USD valuation exercise was performed as at 1 July 2022. The same carrying amounts were used as at 30 June 2022. Balances as at 30 June 2021 were derived from the Group's running USD fixed assets register, wherein all PPE acquired in USD was carried as is and items purchased in ZWL were converted to USD at the applicable transactions-based exchange rate

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

3. Basis of preparation (continued)

a. Prior year matters (continued)

Impact of change in functional and reporting currency (continued)

Financial statements line item	Conversion from ZWL to USD
Right of use assets	USD based models were used to recalculate the ROUA
Current tax liability	Recalculated from the USD results using the latest guidance from ZIMRA for current tax.
Treasury shares	Converted at the transactions-based rate on the date shares were bought.

Compliance with International Accounting Standard (“IAS”) 21 “The Effects of Changes in Foreign Currency Rates” requirements

Reference is made to the FY2023 qualified opinion of the Independent Auditors on the consolidated financial statements. One of the reasons for this opinion is the use of an exchange rate other than the exchange rate derived from the Reserve Bank of Zimbabwe (“RBZ”) “Willing Buyer Willing Seller” rate.

During the later part of the 2022 financial year and throughout the 2023 financial year, the RBZ introduced a system where financial institutions are allowed to buy and sell foreign currency to the public, at a rate that is within 10% of the prevailing auction rate. Subsequently, businesses were allowed to price their products based on this “Willing-buyer Willing-seller” exchange rate.

The Group converted ZWL monetary assets and liabilities for Zimbabwean Operations to USD (the new functional currency) using transactions-based exchange rate. The auditors believe that this treatment is not compliant with the financial reporting framework, International Financial Reporting Standards (“IFRS”), as they believe the auction rate to be a “Spot Rate” compliant with the requirements of IAS 21, and therefore IFRS.

The Directors however believe that the Wiling-buyer Willing-seller Exchange Rate is deficient with regards to IAS 21 and cannot be considered as Spot Rate for the Group for the following reasons, amongst others:

1. A regulatory prerequisite for bidding at the weekly foreign currency auction is that bidders must not have positive foreign currency balances in their foreign currency accounts (FCAs) that are equal to or more than the bid amount. This requirement disqualifies the Group’s Zimbabwean Operation from bidding because of daily USD sales inflows into it’s FCAs, which makes the auction rate inaccessible, and therefore fails to meet the accessibility criteria required by IAS 21. The Willing-buyer Willing-seller rate obtains from a market where the Group cannot participate;
2. The Auction system does not offer immediate delivery of foreign currency transactions occurring on the platform. It has been made public by the Reserve Bank of Zimbabwe that auction transactions remain unsettled for lengthy periods, exceeding 12 weeks in some cases. The Directors do not believe that Simbisa would, in the event that it could participate in the auction, be prioritised ahead of other bidders and get immediate settlement of the foreign currency; and
3. During the FY2023 review, the foreign currency made available through auction system is insufficient to meet all the requirements of those who want access to it. The Directors do not believe that Simbisa would, in the event that it did not generate its own foreign currency from sales, meet all its foreign currency needs from the auction.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

3. Basis of preparation (continued)

b. Going Concern

The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements. Refer to note 37 for more information.

3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent’s share of components previously recognised in other comprehensive income to profit or loss or retained earnings as appropriate.



Notes to the Consolidated
Financial Statements

for the year ended 30 June 2024

4. Changes in accounting policy and disclosures

4.1 Revaluation of property, plant and equipment – Prior year

The Group re-assessed its accounting for property, plant and equipment with respect to measurement of property, plant and equipment after initial recognition. The Group had previously measured all property, plant and equipment using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the asset was carried at cost less accumulated depreciation and accumulated impairment losses.

On 1 July 2022, the Group elected to change the method of accounting for property, plant and equipment (except for IT Equipment, Office Equipment and Office Furniture), as the Group believes that the revaluation model provides more relevant information to the users of its consolidated financial statements as it reflects better the value of the Group's assets and the resultant asset return ratios. In addition, available valuation techniques provide reliable estimates of the Group's property, plant and equipment fair value. The Group applied the revaluation model prospectively.

However, for Zimbabwean operations, the policy change was done as at 30 June 2022, in order to cater for the take-on Statement of Financial Position for the change in functional currency which was effective 1 July 2022. Changes in the net carrying amounts arising from the revaluation were, together with movements from other balances on restatement to USD, credited to distributable reserves. Management believes that this results in fairer presentation of the FY2022 carrying amount for the property, plant and equipment.

After initial recognition, property, plant and equipment will now be measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

IT Equipment, Office Equipment and Office Furniture will continue to be carried, after initial recognition, at cost less accumulated depreciation and accumulated impairment losses.

For details refer to Note 15.

4.2 New and amended standards and interpretations issued and not yet effective.

The following standards and amendments are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) requires a seller lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. Effective date is 1 January 2024. The Group will adopt this standard for the financial year ending 30 June 2025.

IFRS S1 General Requirements for Disclosure of Sustainability related Financial Information

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The change is applicable to annual reporting periods beginning on or after 1 January 2024. The Group will adopt this standard for the financial year ending 30 June 2025.

IFRS S2 Climate-related Disclosures

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The change is applicable to annual reporting periods beginning on or after 1 January 2024. The Group will adopt this standard for the financial year ending 30 June 2025.

Notes to the Consolidated
Financial Statements

for the year ended 30 June 2024

4. Changes in accounting policy and disclosures (continued)

4.2 New and amended standards and interpretations issued and not yet effective. (continued)

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements)

The amendments in Non-current Liabilities with Covenants (Amendments to IAS 1) modify the requirements introduced by classification of Liabilities as Current or Non-current on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. The change is applicable to annual reporting periods beginning on or after 1 January 2024. The Group will adopt this standard for the financial year ending 30 June 2025.

Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements)

The amendments to IAS 1 introduce additional disclosures for liabilities with covenants within 12 months of the reporting period. These disclosures are to enable financial statement users to understand the risks of the loans becoming repayable within 12 months of the reporting date. The amendments are effective for reporting periods beginning on or after January 1, 2024. The amendments are applied retrospectively in accordance with IAS 8 and earlier application is permitted.

Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

The International Accounting Standards Board (IASB) has published 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. An entity applies the amendments to IAS 7 for annual reporting periods beginning on or after 1 January 2024 (with earlier application permitted) and the amendments to IFRS 7 when it applies the amendments to IAS 7.

Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The International Accounting Standards Board (IASB) has published 'Lack of Exchangeability (Amendments to IAS 21)' that contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. The Group will apply this amendment for the year ended 30 June 2025.

4.3 Standards and interpretations issued during the current year.

IFRS 17 Insurance Contracts

IFRS 17 'Insurance Contracts', is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 'Insurance Contracts'. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Group's consolidated financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements.





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4. Changes in accounting policy and disclosures (continued)

4.3 Standards and interpretations issued during the current year. (continued)

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2, 'Making Materiality Judgements' provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 'Income Tax' narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's consolidated financial statements.

International Tax Reform Pillar Two Model Rules – Amendments to IAS 12

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 'Financial Instruments: Recognition and Measurement'.

In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

4.4 Annual Improvements

There are no annual improvements issued during the current financial year.

5. Summary of significant accounting policies

a. Business combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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for the year ended 30 June 2024

5. Summary of significant accounting policies (continued)

a. Business combinations and Goodwill (continued)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Disposal of subsidiaries

When a change in the Company's ownership interest results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss if required by a specific Standard. Refer to note 19.2.

b. Revenue and other income recognition

The Group generates revenue from sale of food and beverages through its various operated and franchised brands. The Group also generates revenue in the form of franchise and royalty fees from franchising its owned brands to third parties. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services net of value added tax. The expected consideration will consider the contractually defined terms of payment and variable consideration in the form of discounts and rebates. The Group acts as a principal in all of its revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. The following specific recognition criteria must also be met before revenue is recognised:



Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

5. Summary of significant accounting policies (continued)

b. Revenue and other income recognition (continued)

Sale of goods

Revenue from sale of goods (food and beverages) is recognised at a point in time when control of the asset is transferred to the customer, generally on fulfilment of the order. The goods are generally sold for cash.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties, customer loyalty points). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Royalty and franchise fee income

Royalties and franchise fees arise from licensing of the Group's brand names, usually under long-term contracts with the franchisees. The Group charges royalties and franchise fees as a percentage of the franchisee's revenue arising from the contract.

Franchise contracts were assessed to determine if they give rights to access or use of brands or trademarks. The contracts give rise to access to brands as the Group has significant intervention and operational activities to the franchisees operations which significantly influence or alter the way the brands function and operate.

The Group assesses if the contract contains more than one performance obligation at contract inception and on subsequent contract modifications. If the performance obligations are distinct and separately identifiable and for which stand-alone prices can be estimated with sufficient reliability, the Group allocates the transaction price based on the relative stand-alone selling prices of the performance obligations identified.

The royalty revenue is recognised at later of sales occurring or the performance obligations being satisfied (i.e. rights to access of the brand). As a result, the royalties are mainly recognised as sales occur (as this is mostly the later activity). Royalty income is therefore earned and recognised at a point in time, that is when the sales occur.

Other income

Other income includes income earned by the Group which is not directly related to the business of the Group and income earned on ad hoc basis. The income includes sundry income from sale of non-core products recognised at a point in time when control of the asset is transferred to the customer and management fees which are recognised over time.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included as a separate line in the statement of profit or loss.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

5. Summary of significant accounting policies (continued)

c. Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

5. Summary of significant accounting policies (continued)

c. Taxes (continued)

Deferred tax (continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Value Added Tax

Revenue, expenses and assets are recognised net of the amount of Value Added Tax except where

- the Value Added Tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the Value Added Tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- receivables and payables are stated with the amount of sales tax included.

The net amount of trade and other Value Added Tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

d. Employee benefits

Short-term benefits

The cost of all short-term employee benefits, such as salaries, employee entitlements to leave pay, bonuses, medical aid and other contributions, are recognised as an expense during the period in which the employee renders the related service. The Group recognises the expected cost of bonuses only when the Group has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Retirement benefit costs

Retirement benefits are provided for Group employees through the Simbisa Brands Pension Fund and other pension funds in foreign subsidiaries as mentioned in Note 30. The Group's pension schemes are defined contribution schemes and the cost of retirement benefits is determined by the level of contributions made in terms of the rules. Contributions to defined contribution retirement plans are recognised as an expense when employees have rendered service entitling them to the contributions.

All eligible employees contribute to the National Social Security Authority defined contribution pension scheme, or the equivalent in foreign subsidiaries. The cost of retirement benefits applicable to the National Social Security Authority or the equivalent in foreign subsidiaries, is determined by the systematic recognition of legislated contributions.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

5. Summary of significant accounting policies (continued)

e. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, which ranges from 3 to 10 years. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy on impairment of non-financial assets (summary of significant accounting policies note).

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

5. Summary of significant accounting policies (continued)

f. Foreign currency translation

The Group's consolidated financial statements are presented in United States dollars, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Foreign Operations - Regional Entities

Transactions in foreign currencies are initially recorded by the Group's regional entities (regional operations) at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income (OCI) until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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

Zimbabwean Entities

Transactions in foreign currencies are initially recorded by the Group's Zimbabwe entities at the transactions-based spot exchange rate at the date the transaction first qualifies for recognition, derived from the foreign currency auction system which is run on a weekly basis by the Reserve Bank of Zimbabwe.

Monetary assets and liabilities denominated in foreign currencies are retranslated at a transactions-based exchange rate ruling at the reporting date. This is the USD exchange rate at which the Group's Zimbabwe entities transact within the value chain and is significantly driven by the USD exchange rate at which the Group's Zimbabwean suppliers invoice the Zimbabwean entities. The Group's Zimbabwean suppliers avail an option to settle invoices in either foreign currency (including ZWL/ZiG/ZWG) or USD. The implied exchange rate between the two settlement options is what the Group determines as the ZWL/ZiG/ZWG transactions-based exchange rate. The average of these rates across our suppliers therefore drives the Group's transaction-based exchange rate.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income (OCI) until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

5. Summary of significant accounting policies (continued)

f. Foreign currency translation (continued)

Transactions and balances (continued)

Zimbabwean Entities (continued)

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

Translation of Foreign operations

On consolidation, assets and liabilities of foreign operations are translated into United States Dollar (USD) at rates of exchange ruling at the reporting date and their statements of profit or loss are translated at the average rate of exchange for the period.

The average rate of exchange is calculated by averaging the daily exchange rates. Where there are drastic movements between the opening and closing rates of exchange, the statement of comprehensive income results is translated on a month-on-month basis using the average rate of exchange for each month. Differences on exchange arising from translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, cumulative translation differences related to that entity are reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

g. Property, plant and equipment

With effect from 1 July 2022, the Group changed its accounting policy for property, plant and equipment to revaluation (except for IT Equipment, Office Equipment and Office Furniture). After initial recognition, property, plant and equipment will now be measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

However, for Zimbabwean operations, the policy change was done as at 30 June 2022, in order to cater for the take-on Statement of Financial Position for the change in functional currency which was effective 1 July 2022. Changes in the net carrying amounts arising from the revaluation were, together with movements from other balances on restatement to USD, credited to distributable reserves. Management believes that this results in fairer presentation of the comparative carrying amount for the property, plant and equipment.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

5. Summarof significant accounting policies (continued)

g. Property, plant and equipment (continued)

At initial recognition, cost includes the cost of replacing part of the plant and equipment if the recognition criteria is met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its valuation is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation

Change in accounting estimate - Depreciation of leasehold improvements

With effect from 01 July 2023, management reviewed and revised the useful lives for leasehold improvements, a class under the Group's Property, plant and equipment. This was applied prospectively from the beginning of the current financial year, in accordance with IAS 8, 'Accounting policies, changes in accounting estimates and errors'.

The useful life and maximum depreciation for leasehold improvements were revised from the previous 20 years to 10 years.

Management believes the change results in a fairer depreciation and carrying amounts for the asset, as it takes into account both the lease tenures and the expected replacement tenure for the leasehold improvements.

The impact of the change in the depreciation is shown below:

	30 June 2024 After change USD	30 June 2024 Change USD	30 June 2024 Before change USD
Depreciation and amortisation	(18 899 096)	3 236 034	(15 663 062)
Income tax expense	(5 074 537)	(867 279)	(5 941 816)
Profit attributable to equity holders of the parent	15 663 265	2 368 755	18 032 020
Property, plant and equipment	118 262 984	3 236 034	121 499 018
Net deferred tax liabilities	8 319 491	867 279 9	186 770

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets as follows:

Item	Average useful life
Freehold property	40 years
Leasehold improvements	lower of 10 years and expected remaining term of lease
Plant, Fittings and Equipment	12 years
IT Equipment, Office equipment and Office Furniture	5 to 10 years
Motor vehicles	Up to 8 years

Depreciation is not charged when the carrying amount of an item of property, plant and equipment becomes equal or less than the residual value. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

5. Summary of significant accounting policies (continued)

h. Intangible assets

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

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

i. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any). Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

j. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



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5. Summary of significant accounting policies (continued)

j. Impairment of non-financial assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

l. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group applies IFRS 9 in accounting for financial instruments.

(i) Financial assets

Financial assets include trade and other receivables, loans receivable included under non-current financial assets and cash and cash equivalents (refer to the cash and cash equivalent accounting policy). The Group classifies financial assets based on the business model in which they are kept into the following categories:

- Amortised cost;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVTOCI).

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets on initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Notes to the Consolidated
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for the year ended 30 June 2024

5. Summary of significant accounting policies (continued)

l. Financial Instruments (continued)

(i) Financial assets (continued)

The subsequent measurement of financial assets depends on their classification. The most relevant categories for the Group are amortised cost and fair value through profit or loss, which are measured as follows:

Amortised cost

The amortised costs include all the financial assets which the Group hold with an objective to collect contractual cashflows which are solely payments of principal and interest. The category includes trade and other receivables and loans receivable included under non-current financial assets. These financial assets are initially recognised at fair value plus any transaction costs. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate amortisation is included in finance income in the statement of profit or loss.

Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Fair value through profit or loss

This category is used as the residual category to classify financial assets which do not meet the criteria of the amortised cost and fair value through other comprehensive income category. Currently, the Group has no financial assets held at fair value through profit or loss or through other comprehensive income.

Allowance for expected credit losses

The Group assesses the financial assets held at amortised cost for expected credit losses. The Group uses the simplified approach and general "3-stage" approach when assessing for expected credit losses.

Simplified approach

The simplified approach is used to assess for expected credit losses for trade receivables, contract assets and lease receivables. The method uses a provision matrix which determines the expected default rate which is determined by taking into consideration historical and forward-looking information.

The expected default rate is determined separately for each market in which the Group operates as each market faces a different economic and operating environment.

General "3-stage" approach

The general "3-stage" approach is used for all other financial assets measured at amortised cost not covered by the simplified approach. The Group assesses some financial assets individually and others collectively if they have similar credit risk and identical characteristics. The Group assesses for expected credit losses for loans receivable on an individual basis and uses the collective approach for rental deposits and staff loans.

The method categorises financial assets into 3 different categories based on credit risk. The categories are as follows:

- **Stage 1** – there is no increase in credit risk since initial recognition and the Group only recognises 12-month expected credit losses. The interest will be calculated on the gross carrying amount of the financial asset.
- **Stage 2** – there is significant increase in credit risk since initial recognition without objective evidence of a loss event occurring. The Group recognises lifetime expected credit losses and calculates interest on the gross carrying amount of the financial asset.
- **Stage 3** – the financial asset is credit impaired and there is evidence of a loss event occurring. The Group recognises lifetime expected credit losses and calculates interest on the net carrying amount of the financial asset.



Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

5. Summary of significant accounting policies (continued)

l. Financial Instruments (continued)

(i) Financial assets (continued)

General “3-stage” approach (continued)

The Group considers various factors when categorising the financial assets including:

- Assessing borrower’s financial performance
- Assess compliance with debt covenants
- Assess value supporting collateral
- Considering economic conditions in which the borrower operates
- Changes in regulation
- Downgrade in borrower’s credit rating

The Group uses the above collected information and data to calculate the exposure at default (EAD), loss given default (LGD) and probability of default (PD).

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Set out below is the information about the credit risk exposure on the Group’s trade receivables and contract assets using a provision matrix:

	Trade receivables				
	Days past due				
30 June 2024	Current	Less than	30-60	61-90	Total
Expected credit loss rate	14.76%	30 days	days	days	
	USD	USD	USD	USD	USD
Estimated total gross carrying amount at default	2 022 983	707 235	407 877	98 677	3 236 772
Expected credit loss	109 257	—	—	—	109 257
	Trade receivables				
	Days past due				
30 June 2023	Current	Less than	30-60	61-90	Total
Expected credit loss rate	33.00%	30 days	days	days	
	USD	USD	USD	USD	USD
Estimated total gross carrying amount at default	1 050 370	267 335	120 728	147 500	1 585 933
Expected credit loss	346 670	—	—	—	346 670

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

5. Summary of significant accounting policies (continued)

l. Financial Instruments (continued)

(ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables. The Group’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate amortisation is included as finance costs in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis
- Finished goods: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Leave pay provision

Leave pay for employees is provided based on leave days accumulated at an expected rate of payment. The timings of the cash out-flows are by their nature uncertain.



Notes to the Consolidated
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for the year ended 30 June 2024

5. Summary of significant accounting policies (continued)

n. Provisions (continued)

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control. Contingent liabilities are not recognised in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements.

o. Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity.

p. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Group's Executive Management Committee.

q. Headline Earnings

Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for remeasurements of assets or liabilities that do not form part of the operating/trading activities of the Group, net of their related tax effects and share of non-controlling interests as applicable.

A re-measurement is an amount recognised in profit or loss relating to any change (whether realised or unrealised) in the carrying amount of an asset or liability that arose after the initial recognition of such asset or liability.

Included in remeasurements that do not form part of the operating/trading activities of the Group are profit/losses on disposal of property plant and equipment and impairment of property, plant and equipment.

r. Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when

- It is expected to be settled in a normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current assets. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Consolidated
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for the year ended 30 June 2024

5. Summary of significant accounting policies (continued)

s. Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Executive Committee determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations. The Executive Committee is comprised of the head of the investment properties segment, heads of the Group's internal mergers and acquisitions team, the head of the risk management department, chief finance officers and the managers of each property.

Investment properties are based on level 3 valuation, based on observable market values for comparable properties in comparable geographical locations.





Notes to the Consolidated
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for the year ended 30 June 2024

5. Summary of significant accounting policies (continued)

s. Fair value measurement (continued)

External valuers are involved for valuation of significant assets, such as investment properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is determined annually by the Executive Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Executive Committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Executive Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Executive Committee also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Valuation Committee presents the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Notes 3, 6c, 15 and 18
- Quantitative disclosures of fair value measurement hierarchy Notes 15 and 18
- Property, plant and equipment Note 15
- Investment properties Note 18
- Financial instruments (including those carried at amortised cost) Note 27.1

6. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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6. Significant accounting judgements, estimates and assumptions (continued)

Estimates and assumptions (continued)

a. Useful lives and residual values of property, plant and equipment

The Group assesses useful lives and residual values of property, plant and equipment each year taking into consideration experience, technology changes and the local operating environment. The useful lives are set out in the accounting policy note for "Property, Plant and Equipment." Residual values will be reassessed each year and adjustments for depreciation will be done in future periods if there is indication of impairment in value. Refer to Note 15 for the carrying amount of property, plant and equipment and accounting policy note on property, plant and equipment for the useful lives.

b. Revaluation of property, plant and equipment

The Group measures, with effect from 01 July 2022, property, plant and equipment (except for IT Equipment, Office Equipment and Office Furniture) at revalued amounts, with changes in fair value being recognised in OCI. The property, plant and equipment was valued by reference to transactions involving properties, equipment and other items of a similar nature, location and condition. The Group engaged an independent valuation specialist to assess fair values as at 01 July 2022.

However, for Zimbabwean operations, the policy change was done as at 30 June 2022, in order to cater for the take-on Statement of Financial Position for the change in functional currency which was effective 1 July 2022. Changes in the net carrying amounts arising from the revaluation were, together with movements from other balances on restatement to USD, credited to distributable reserves.

The Group also performed a revaluation as at 30 June 2024, with the revaluation surplus recognised in other comprehensive income net of the applicable deferred tax. Refer to note 15 for further details.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Note 15.

c. Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. For investment properties, a valuation methodology based on market value model was used, as comparable market data was available for commercial properties within the Ruwa (Zimbabwe) area. The commercial properties were valued by reference to transactions involving properties of a similar nature, location and condition. The Group engaged an independent valuation specialist, Integrated Properties, to assess fair values as at 30 June 2024 for the investment properties.

The key assumptions used to determine the fair value of the properties are provided in Note 17.

d. Recoverability of Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the value of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Assumptions about the generation of future taxable profits depend on management's estimates of future cashflows. These estimates of future cashflows are based on forecast cash flows from operations (which are impacted by operating environment, sales volumes, product prices, operating costs, capital expenditure, dividends and other capital management transactions). To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in the future periods. Refer to Note 26 for more information on the deferred tax assets.





Notes to the Consolidated
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for the year ended 30 June 2024

6. Significant accounting judgements, estimates and assumptions (continued)

Estimates and assumptions (continued)

e. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the asset or cash generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to the goodwill recognised by the Group. Refer to Note 16 for the carrying amount of goodwill and more information on the estimates and assumptions applied in performing the impairment assessment.

f. Provision for obsolete stock

Provision for obsolete stock is an allowance created for possible inventory write offs due to the nature of inventory which is mostly perishable items which are susceptible to obsolescence. Management is required to exercise judgement in determining the amount of the provision of obsolete stock. The allowance is determined at store level by assessing the likelihood of stock write offs based on stock movement historical experience. Refer to Note 22.

g. Allowance for credit losses for trade receivables and non-current financial assets

The allowance for credit losses on trade receivables, other receivables and non-current financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs are disclosed in note 31 (credit risk disclosure).

h. Determining the lease term of contracts with renewal and termination options – Group as a lessee.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group included the renewal period as part of the lease term for leases of land and buildings with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on operations if an alternative asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 31.4 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

j. Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

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7. Earnings per share

7.1 Basic Earnings basis

The calculation is based on the profit attributable to equity holders of the parent and weighted average number of ordinary shares in issue during the year.

7.2 Diluted Earnings basis

The calculation is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue after adjusting for potential dilution from the conversion of share options, where applicable. Share options are considered for dilution if the average market price of ordinary shares during the year exceeded the exercise price of such options.

7.3 Headline Earnings basis

Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for remeasurements of assets or liabilities that do not form part of the trading activities of the Group, net of their related tax effects and share of non-controlling interests as applicable.

	30 June 2024 Audited USD	30 June 2023 Audited USD
7.4 Basic and Diluted Earnings		
Profit attributable to equity holders of the parent (basic and diluted earnings)	15 663 267	21 130 169
	Number of shares	Number of shares
7.5 Number of shares for Basic and Diluted Earnings Per Share		
Weighted average number of ordinary shares in issue for basic EPS	562 184 788	562 184 788
Less treasury shares	(8 626 093)	(3 559 073)
Weighted average number of ordinary shares in issue adjusted for effect of dilution	553 558 695	558 625 715
*The weighted average number of shares takes into account the weighted average effect of new shares issued during the year.		
	USD	USD
7.6 Reconciliation of Basic Earnings to Headline Earnings:		
Profit for the year attributable to equity holders of the parent	15 663 267	21 130 169
Adjustments (gross of tax):		
(Profit)/loss on disposal of property, plant and equipment	(39,383)	77 997
Gain on bargain purchase of associate and subsidiary	—	(2 139 846)
Derecognition of plant and equipment	—	173 115
Fair value adjustment of investment properties	—	15 967
Tax effect on adjustments	10 141	(26 489)
Headline earnings attributable to equity holders of the parent	15 634 025	19 230 913



Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

	30 June 2024 Audited USD Cents	30 June 2023 Restated USD Cents
7.6 Reconciliation of Basic Earnings to Headline Earnings (continued)::		
Basic earnings per share	2.83	3.78
Diluted basic earnings per share	2.83	3.78
Headline earnings per share	2.82	3.44
Diluted headline earnings per share	2.82	3.44
8 Revenue from contracts with customers		
Note 5b explains the Group's performance obligations in respect of revenue from contracts with customers.		
Disaggregated revenue information		
Set out below is the disaggregation of the Group's revenue from contracts with customers:		
	Group 30 June 2024 Audited USD	Group 30 June 2023 Audited USD
Nature of revenue		
Sale of goods	285 130 985	269 015 458
Royalty and franchise revenue	1 315 971	1 382 832
	286 446 956	270 398 290
Segments		
Zimbabwe	205 756 260	194 145 829
Region	80 690 696	76 252 461
	286 446 956	270 398 290
Timing of revenue recognition		
Goods transferred at a point in time	285 130 985	269 015 458
Services transferred over time	1 315 971	1 382 832
	286 446 956	270 398 290

Refer to note 23 for contract balances (trade receivables).

Notes to the Consolidated Financial Statements

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	Group 30 June 2024 Audited USD	Group 30 June 2023 Audited USD
9 Other income		
Sundry income*	4 116 345	3 428 629
Rebates	7 011	9 717
Fee income	3 118 840	2 825 683
	7 242 196	6 264 029
*Sundry income mainly includes sale of scrap		
10 Operating expenses		
Raw materials and consumables used	124 936 643	120 750 230
Staff costs	59 781 817	54 600 224
Audit fees and expenses (note 10.1)	153 752	179 942
Short term lease expense	63 767	143 092
Variable lease payments	11 710 134	10 348 934
Electricity, Water and other utility costs	11 144 812	7 339 751
Repairs and maintenance	5 031 022	4 759 360
Fuel	3 610 080	4 257 774
Advertising and marketing	6 989 737	6 513 173
Security	2 697 362	2 129 552
Insurance and licenses	3 661 757	2 496 241
Royalty	1 247 567	1 133 019
Bank Charges	3 195 900	3 995 217
Cleaning	3 818 057	3 452 118
Consultancy costs	388 028	432 013
Printing and Stationery	1 253 264	1 247 671
Communication costs	510 953	386 074
Travel and Accommodation	1 440 133	1 636 475
Freight and Transport	4 648 897	4 092 612
Other operating expenses*	5 860 408	3 345 905
	252 144 090	233 239 377
*Other operating expenses mainly comprise of general administration costs.	256 033 795	248 616 798
10.1 Audit fees and expenses		
Current year	153 752	179 942
10.2 Key management compensation		
Non-executive directors - fees as directors	306 941	348 309
Key management remuneration	3 954 080	3 735 619
	4 261 021	4 083 928



Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

	Group 30 June 2024 Audited USD	Group 30 June 2023 Audited USD
11 Foreign exchanges and other gains		
Exchange gains - realised	2 643 434	642 469
Exchange gains/(losses) - unrealised	(387 496)	(920 693)
Profit/(loss) on disposal of property plant and equipment	42 139	(78 004)
Other	—	157 429
	2 298 077	(198 799)
12 Interest income and expense		
Interest income		
- Short-term bank deposits and other financial assets	234 697	995 149
Interest expense		
- Borrowings (Note 27)	(2 011 259)	(2 679 531)
- Lease liabilities (Note 20)	(3 649 244)	(3 152 435)
	(5 660 503)	(5 831 966)
Net interest expense	(5 425 806)	(4 836 817)
13 Tax		
13.1 Income tax expense/(credit)		
Current income tax charge	6 200 639	7 054 574
Deferred tax credit	(1 126 102)	(1 893 036)
	5 074 537	5 161 538
13.2 Tax rate reconciliation	%	%
Zimbabwe statutory tax rate	25.75%	24.72%
Adjusted for:		
Exchange rate variance - Zimbabwe operations - transactions-based rate vs ZIMRA rates**	0.49%	(3.06%)
Effect of tax rate changes from 24.72% to 25.75% (Zimbabwe Operations)	1.91%	0.00%
Disallowable expenditure*	2.22%	2.15%
Withholding tax - Region	0.95%	6.21%
Gain on bargain purchase	—	(2.04%)
Profit from associate companies	(1.54%)	(0.39%)
Tax losses for which no deferred tax has been recognised - Region	—	1.54%
Foreign tax rates	(5.69%)	(9.80%)
Effective tax rate	24.09%	19.33%

*Disallowable expenditure includes share based payment charges, disallowable taxes and levies, excess pension costs, disallowable entertainment costs, donation costs and other non-deductible expenditure.

**During FY2023, the Zimbabwean Income Tax Act was amended by introduction of section 37AA, which stipulated how a business that receives taxable income in both ZWL and other foreign currencies (predominantly USD) ought to calculate and pay corporate tax. As part of implementing the amendment, the Zimbabwe Revenue Authority (ZIMRA) issued guidance, together with exchange rates to be used. The USD recommended rates are different from those used by the Group for the underlying transactionns and balances, and this resulted in a permanent differences.*

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for the year ended 30 June 2024

	Group 30 June 2024 Audited USD	Group 30 June 2023 Audited USD
13.3 Movement in current income tax liabilities		
Current income tax liability (net) at the beginning of the year	4 828 741	3 420 963
Amounts charged to profit and loss	6 200 639	7 054 574
Foreign currency exchange movements	(161 988)	(765 850)
Tax paid	(4 715 428)	(4 880 946)
Current income tax liability (net) at the end of the year	6 151 964	4 828 741
Net current income tax liability at 30 June is presented as below on the statement of financial position:		
- Current tax liability	6 151 964	4 828 741
14 Cash flow information		
14.1 Cash generated from operations - continuing and discontinuing operations		
Profit before tax	20 598 204	24 428 771
Depreciation	19 379 188	16 043 273
Loss on disposal of property, plant and equipment	(42 139)	107 156
Derecognition of property, plant and equipment	—	655 454
Profit from associate companies	(1 309 960)	(416 799)
Profit on disposal of subsidiaries - Zambia, Ghana and Mauritius	(75 088)	—
Gain on bargain purchase of associate - Ndoro Microfinance Bank	—	(1 929 099)
Gain on bargain purchase of subsidiary - Oven Art	—	(210 747)
Amortisation of intangible assets	21 920	24 979
Unrealised exchange gains	762 456	718 877
Fair value loss on investment properties	(89 019)	15 967
Interest income	(234 697)	(995 149)
Interest expense	5 791 184	6 734 875
Allowance for credit losses	(237 414)	87 045
Leave pay provision	173 966	527 774
Cash generated before changes in working capital	44 738 601	45 792 377
Increase in inventories	527 133	(5 529 486)
Decrease/(increase) in receivables	2 675 918	(6 850 692)
Decrease/(increase) in payables	(1 176 555)	13 140 869
Cash generated from operations	46 765 097	46 553 068
14.2 Cash and cash Equivalents		
Cash at bank and on hand - continuing operations	10 135 979	14 577 870
Cash at bank and on hand - discontinued operations	—	215 029
	10 135 979	14 792 899

There are no expected credit losses on cash at bank and on hand.

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15 Property, plant and equipment

15.1 Revaluation of property, plant and equipment

The Group changed its accounting policy for property, plant and equipment from cost to revaluation, as the directors believe this would lead to fairer presentation. The policy change was made on all classes of property, plant and equipment except for IT equipment, office equipment and office furniture, which will continue on the cost model. Fair value of the properties was determined using the market comparable method. The valuations have been performed by Integrated Properties, an independent accredited valuer and are based on independently obtained information of prices of transactions for property, plant and equipment items of similar nature, location and condition. As at the date of revaluation on 30 June 2024, a net gain from the revaluation of property, plant and equipment of USD 3 247 930 (net of deferred tax) was recognised in Other Comprehensive Income.

Fair value measurement disclosures for the revalued property, plant and equipment are shown below.

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 30 June 2024 are summarised below:

Property	Valuation technique	Significant unobservable inputs	Range (weighted average)	"Sensitivity of the input to fair value"
Freehold property	Market value method	Estimated market value per sqm	"USD50 to USD 121"	5% increase/ (decrease) in the estimated market value per square meter would result in an increase/ (decrease) in fair value by USD 32,500
Leasehold improvements	Market value method - depreciated replacement cost	Estimated replacement cost	n/a	n/a
Fittings and equipment	Market value method - depreciated replacement cost	Estimated replacement cost	n/a	n/a
Plant, motor vehicles	Market value method - depreciated replacement cost	Estimated replacement cost	n/a	n/a

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15.1 Revaluation of property, plant and equipment (continued)

Reconciliation of net carrying amount:	FY2024 USD	FY2023 USD
Carrying amount as at 01 July 2022	103 200 342	85 437 687
Level 3 revaluation gain recognised due to change in accounting policy to revaluation model as at 1 July 2022	4 412 757	3 323 063
<i>Gross valuation (note 15.1)</i>	<i>10 689 564</i>	<i>5 878 840</i>
<i>Accumulated depreciation on valuation (note 15.1)</i>	<i>(6 276 807)</i>	<i>(2 555 777)</i>
Carrying amount and fair value as at 01 July 2022	107 613 099	88 760 750
Additions	30 679 624	29 937 906
Other movements	(6 477 173)	(4 903 790)
Depreciation for the year	(13 552 566)	(10 594 524)
Carrying amount and fair value as at 30 June 2023	118 262 984	103 200 342
If the Group's property, plant and equipment were measured using the cost model, the carrying amounts would be as follows:		
	30 June 2024 USD	30 June 2024 USD
Cost	175 060 321	153 029 689
Accumulated depreciation	(64 567 176)	(52 623 685)
Net carrying amount	110 493 145	100 406 004



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15 Property, plant and equipment (continued)

15.2 Analysis of net carrying amount

	Freehold property USD Valuation	Leasehold improvements USD Valuation	Plant, Fittings & Equipment USD Valuation	Motor vehicles USD Valuation	IT Equipment, Office Equipment Office Furniture USD Cost	*Work in progress USD Cost	Group Total USD Valuation/cos
30 June 2024							
<i>Cost/valuation</i>							
At 1 July 2023	4 351 274	62 666 969	50 854 805	5 613 864	8 564 724	12 592 924	144 644 560
Additions	2 253 139	10 297 323	10 825 595	1 167 029	2 242 855	3 646 568	30 432 509
Acquisition of a subsidiary	-	1 550 592	967 091	55 350	162 906	-	2 735 939
Disposals	-	-	(14 556)	(557 532)	(72 193)	-	(644 281)
Transfers in/(out)	1 779 281	2 994 674	2 878 372	20 110	1 477 312	(9 149 749)	-
Revaluations	459 898	1 707 842	8 125 669	382,767	13,388	-	10 689 564
Exchange movements	-	1 612 592	23 332	70 970	1 070 725	286 549	3,064,168
At 30 June 2024	8 843 592	80 829 992	73 660 308	6 752 558	13 459 717	7 376 292	190 922 459
<i>Depreciation</i>							
At 1 July 2023	(1 437 175)	(18 620 692)	(22 809 937)	(2 619 844)	(5 372 468)	-	(50 860 116)
Disposals	-	-	9,199	430 156	60 019	-	499 374
Acquisition of a subsidiary	-	(803 583)	(578 117)	(34 793)	(133 771)	-	(1 550 264)
Charge for the year	(138 338)	(6 471 655)	(5 008 872)	(688 923)	(1 204 278)	-	(13 512 066)
Revaluations	114 229	(294 703)	(5 966 572)	(135,408)	5 647	-	(6 276,807)
Exchange movements	-	(677 108)	574 240	(48 329)	(808 399)	-	(959 596)
At 30 June 2024	(1 461 284)	(26 867 741)	(33 780 059)	(3 097 141)	(7 453 250)	-	(72 659 475)
<i>Net carrying amount</i>							
At 1 July 2023	2 914 099	44 046 277	28 044 868	2 994 020	3 192 256	12 592 924	93 784 444
At 30 June 2024	7 382 308	53 962 251	39 880 249	3 655 417	6 006 467	7 376 292	118 262 984
30 June 2023							
<i>Cost/valuation</i>							
At 1 July 2022	4 351 274	54 945 165	43 206 402	4 840 608	6 916 666	5 336 259	119 596 374
Additions	-	7 872 484	7 892 940	1 211 010	1 989 210	8 770 567	27 736 211
Acquisition of subsidiary	-	371 526	-	4 800	296 696	-	673 022
Disposals	-	(953 894)	(1 529 181)	(363 582)	(7 611)	-	(2 854 268)
Revaluation	-	2 541 313	2 750 500	(2 904)	-	-	5 288 909
Transferred on acquisition of associate	-	-	-	-	(65 247)	-	(65 247)
Transfer from investment properties	-	-	-	-	-	1 066 154	1 066 154
Derecognition	-	(138 324)	-	-	-	-	(138 324)
Transfers in/(out)	-	977 205	1 315 544	83 330	80 104	(2 456 183)	-
Exchange movements	-	(2 948 506)	(2 781 400)	(159 398)	(645 094)	(123 873)	(6 658 271)
At 30 June 2023	4 351 274	62 666 969	50 854 805	5 613 864	8 564 724	12 592 924	144 644 560
<i>Depreciation</i>							
At 1 July 2022	(1 338 123)	(16 394 840)	(19 590 015)	(2 338 804)	(4 383 097)	-	(44 044 879)
Acquisition of subsidiary	-	(13 816)	-	(900)	(17 088)	-	(31 804)
Disposals	-	822 423	1 187 587	311 839	4 689	-	2 326 538
Transferred on acquisition of associate	-	-	-	-	2,750	-	2 750
Charge for the year	(99 052)	(2 949 790)	(4 355 298)	(670 110)	(1 373 098)	-	(9 447 348)
Derecognition	-	-	-	(480)	-	-	(480)
Revaluation	-	(1 183 184)	(1 370 484)	(2 109)	-	-	(2 555 777)
Exchange movements	-	1 098 515	1 318 273	80 720	393 376	-	2 890 884
At 30 June 2023	(1 437 175)	(18 620 692)	(22 809 937)	(2 619 844)	(5 372 468)	-	(50 860 116)
<i>Net carrying amount</i>							
At 1 July 2022	3 013 151	38 550 325	23 616 387	2 501 804	2 533 569	5 336 259	75 551 495
At 30 June 2023	2 914 099	44 046 277	28 044 868	2 994 020	3 192 256	12 592 924	93 784 444

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15 Property, plant and equipment (continued)

15.2 Analysis of net carrying amount

FY2023 derecognition of items of Property, plant and equipment - Kenya, Mauritius and Zambia Operations

The derecognition of property, plant and equipment charged to profit or loss relates to operating sites for closed shops as follows:

	USD
Zambia	453 180
Kenya	173 115
Mauritius	29 159
	655 454

From time to time, the Group’s operations reassess the performance of existing stores. Stores which are underperforming and management believe cannot be turned around are closed. Upon closure of stores, items of property, plant and equipment are sold off. Those assets which cannot be sold, and cannot be moved to other sites, mainly leasehold improvements and fittings, are derecognised. The fair value of these assets was determined to be USDnil as there is no market for these assets.

Work in progress

Work in progress relates to capital expenditure costs incurred in relation to new store projects that are in progress as at the statement of financial position date.

Commitments to acquisition of property, plant and equipment

Commitments for future capital expenditure are disclosed.

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16 Intangible assets

	Goodwill on acquisition USD	Other USD	Group Total USD
30 June 2024			
Net carrying amount 1 July 2023	256 525	44 993	301 518
Gross carrying amount	256 525	115 938	372 463
Accumulated amortisation	—	(70 945)	(70 945)
Amortisation	—	(21 920)	(21 920)
Goodwill on acquisition of subsidiary - Chowtown Proprietary limited	298 816	—	298 816
Exchange movements	—	1 536	1 536
Net carrying amount 30 June 2024	555 341	24 609	579 950
Gross carrying amount	555 341	117 474	672 815
Accumulated amortisation	—	(92 865)	(92 865)
30 June 2023			
Net carrying amount 1 July 2022	256 525	80 313	336 838
Gross carrying amount	256 525	126 279	382 804
Accumulated amortisation	—	(45 966)	(45 966)
Amortisation	—	(24 979)	(24 979)
Exchange movements	—	(10 341)	(10 341)
Net carrying amount 30 June 2023	256 525	44 993	301 518
Gross carrying amount	256 525	115 938	372 463
Accumulated amortisation	—	(70 945)	(70 945)

Goodwill

The Group performed its annual impairment tests as at 30 June 2024. Goodwill arising on acquisition of subsidiaries has been allocated to cash generating units, i.e. business units. As at 30 June 2024, goodwill relates to the Regional operating segment. The recoverable amount of the cash generating units has been determined using value in use. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 13.5%. As a result of this analysis, there was no impairment. A reasonable change in the discount rate will not have a material impact on the cashflow projections. The terminal values for the cash generating units were determined using a perpetual growth rate of 5%.

The pre-tax cash flows used in calculating value in use for the relevant cash generating units were based on:

- (i) Past performance up to the year ended 30 June 2024

(ii) Planned growth based on expansion capital expenditure for the forecast period, and any growth expected from existing operating capacity, over a 3 to 5 year period.

(iii) An annual perpetual growth based on past experience, which assumes no further expansion capital expenditure

The pre-tax discount rate used is the cash generating unit’s weighted average cost of capital (“WACC”), based on the following:

- (i) The cost of debt, based on the cash generating unit’s existing banking facilities

(ii) market cost of equity obtained from comparable listed entities within the cash generating unit’s economy, including the risk free rate

(iii) The cash generating unit’s capital structure



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16 Intangible assets (continued)

Other intangible assets

Other intangible assets mainly comprise of rights to specific brands acquired by the Group's Regional Operations. The rights have a finite useful life and amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 10 to 20 years. The rights have been fully amortised.

Other intangible assets also comprises computer software, which is ammortised over 5 years (20% per anumn).

17 Investment properties

	30 June 2024 USD	30 June 2023 USD
Opening carrying amount	650,000	1 732 121
Transferred to property, plant and equipment	—	(1 066 154)
Net loss from fair value measurement	—	(15 967)
Closing carrying amount	650 000	650 000
Investment properties are performed using the level 3 valuation method, based on observable market values for comparable properties in comparable geographical locations.		
As at 30 June 2024 the fair value of the Ruwa property was based on a valuation performed by Integrated Properties, an accredited independent valuer, who has experience in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The valuation resulted in a fair value loss/gain of USD nil as shown above.		
"The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment to " properties or for repairs, maintenance and enhancements. Fair value hierarchy disclosures for investment properties are in Note 5 (i).		
Reconciliation of fair value:		
Balance at the beginning of the year	650 000	1 732 121
Transferred to property, plant and equipment	—	(1 066 154)
Remeasurement recognised in profit or loss	—	(15 967)
Balance at the end of the year	650 000	650 000

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17 Investment properties (continued)

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fairvalue hierarchy, together with a quantitative sensitivity analysis as at 30 June 2024 are as follows:

Property	Property size	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Ruwa (current and prior year)		Market value method (refer below)	Estimated market value per sqm	"USD50 to USD 121"	5% increase/(decrease) in the estimated market value per square meter would result in an increase/(decrease) in fair value by USD 32,500
Cork Road, Avondale, Harare (prior year only)		Market value method (refer below)	Estimated market value per sqm	"USD228 to USD 315"	5% increase/(decrease) in the estimated market value per square meter would result in an increase/(decrease) in fair value by USD 53,308

Significant increases (decreases) in estimated market values for comparable properties would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the value of the combination of buying land and constructing a new commercial property would also result in a significantly lower (higher) fair value.

18 Investments in associates

The Group, through its subsidiary Innbucks Private Limited, acquired 35% shareholding in Ndoro Microfinance Bank (Private) Limited. This investment will be accounted for as an associate in accordance with IAS 28, 'Investments in Associates and Joint Ventures', using the equity method. The company's year end is 30 June.

Innbucks MicroBank (Private) Limited is Microfinance institution, whose principal business is micro-lending. The company also offers the "Innbucks" product, which is offered via the Group's Zimbabwean shops. The Innbucks product offers money transfer and transacting services on the Group's food counters. The company is registered in Zimbabwe as shown under note 21.

The net assets of Innbucks Private Limited were at fair value.



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18 Investments in associates (continued)

The acquisition was paid for using the Net Assets of Innbucks Private Limited as shown below.

	FY2024 01 July 2022 USD
Property, Plant and Equipment	52 993
Loans & Advances	135 765
Trade and other receivables	31 770
Financial Assets	5 000 000
Cash and cash equivalents	419 418
Deferred tax liabilities	(125 835)
Trade and other payables	(146 988)
Customer deposits	(27 777)
Short-term debt	(310 000)
Fair value of Ndoro Microfinance Bank (Private) Limited net assets on date of transaction	5 029 346
35% of Ndoro Micrifinance Net Assets acquired	1 760 271
Fair value of Innbucks (Private) Limited net assets transferred as consideration	168 828
Property, plant and equipment	(62 497)
Trade and other receivables	(1 139 557)
Cash and cash equivalents	(124 936)
Trade and other payables	1 495 818
Gain on bargain purchase of associate	1 929 099
Net cash outflow on acquisition of associate	(124 936)

The following movements occurred during the year:

	30 June 2024 USD	30 June 2023 USD
Balance at the beginning of the year	2 177 070	—
Acquired through transfer of assets	-	1 760 271
Share of associate company profits for the year	1 309 960	416 799
Balance at the end of the year	3 487 030	2 177 070
The financial information of Ndoro Microfinance Bank Private Limited for the year is as follows:		
Statement of profit or loss		
Total Income	18 587 716	7 934 006
Operating profit before depreciation, amortisation and impairment	4 961 633	6 149 798
Profit for the year after tax	3 632 606	1 190 855
Statement of financial position		
Current assets	43 596 166	16 038 643
Non-current assets	2 696 422	1 295 301
Current liabilities	(35 729 370)	(10 151 454)
Non-current liabilities	(600 274)	(573 928)

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19 Changes in interests in subsidiaries and associates

19.1 Acquisition of Chowtown Proprietary Limited

Simbisa Brands Limited, through its 100% subsidiary Simbisa Brands Eswatini (Proprietary) Limited ("Simbisa Eswatini"), acquired 100% shareholding in Chowtown Proprietary Limited ("Chowtown"), effective 01 July 2023 .Chowtown is a Quick Service Restaurants company which operates the Chicken Inn, Pizza Inn and Galitos brands, with a total of 17 Stores across the Kingdom of Eswatini. Prior to the acquisition, these were being operated under the Group's Franchising arrangements.The market is profitable, with a stable currency which is 1:1 with the South African Rand.

As at the acquisition date, the net assets of Chowtown, and the financial impact of the transaction, were as follows:

	1 July 2023 ZAR	Exchange rate	1 July 2023 USD
Non-current assets			
Property, plant and equipment	(22 278 348)	18.79	(1 185 674)
Current tax assets	(89 241)	18.79	(47 646)
Inventories	(2 427 013)	18.79	(129 168)
Trade and other receivables	(2 294 728)	18.79	(122 128)
Cash and cash equivalents	(439 678)	18.79	(23 400)
Deferred tax liabilities	4 176 638	18.79	222 285
Trade and other payables and provisions	9 746 356	18.79	518 710
Fair value of net assets of subsidiary at acquisition date	(14 412 014)		(767 021)
Less non-controlling interests therein	—		—
Fair value of net assets acquired	(14 412 014)		(767 021)
Goodwill	(5 333 079)		(298 816)
Consideration paid	(19 745 093)	18.53	(1 065 837)
Impact on statement of cash flows:			
Cash Consideration paid	(19 745 093)		(1 065 837)
Add cash and cash equivalents acquired	439 678		23 400
Net cash outflow	(19 305 415)		(1 042 437)

The goodwill on acquisition of Chowtown arose due to a premium paid to the previous shareholders for a potentially profitable business, which would lead to growth in the Group's profitability.



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19.1 Acquisition of Chowtown Proprietary Limited (continued)

The financial performance of Chowtown Proprietary Limited for the financial year ended 30 June 2024 included in the consolidated financial statements is as follows:

	USD
Revenue	5 156 760
Operating profit before depreciation, amortisation and impairment	82 341
Profit for the year	174 014

The subsidiary had no gains or losses on disposal of property, plant and equipment.

19.2 Disposal of subsidiaries

On 01 October 2023 Simbisa Brands Limited disposed of three wholly-owned subsidiaries, Simbisa Brands Zambia Limited (functional currency: Zambian Kwacha), Simbisa Brands Ghana Limited (functional currency: Ghanaian Cedi), and Simbisa Brands Mauritius Proprietary Limited (functional currency: Mauritian Rupee). The transactions were concluded for a nominal consideration of USD 1 for each subsidiary, which resulted in the Group disposing of an overall net liability position, with the net cash holding of the subsidiaries (USD208,142) included as an outflow in the investing activities on the Statement of Cash Flows.

In addition, cumulative foreign currency translation losses of USD342,031 were recycled to Profit or loss from the Foreign Currency Translation Reserve.

Overall, the Group recorded a profit on disposal of subsidiaries of USD75,088 from this transaction, which is included on the statement of profit or loss and other comprehensive income under “Loss for the year from discontinued operations”, and was calculated as shown below:

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19.2 Disposal of subsidiaries (continued)

	GROUP CONSOLIDATED 1 October 2023	ZAMBIA 1 October 2023	GHANA 1 October 2023	MAURITIUS 1 October 2023
	USD	USD	USD	USD
Non-current assets				
Property, plant and equipment	8 900 158	2 706 620	4 038 020	2 155 518
Right of use asset	2 105 046	677 051	313 287	1 114 708
Investments in subsidiaries	—	—	—	—
Deferred tax assets	557 821	—	172 795	385 026
Inventories	1 001 878	417 250	294 675	289 953
Trade and other receivables	458 233	108 397	288 067	61 769
Cash and cash equivalents	208 142	47 765	114 061	46 316
Lease liabilities	(3 029 187)	(1 071 723)	(643 442)	(1 314 022)
Borrowings - intercompany	(7 353 754)	(2 590 630)	(3 592 776)	(1 170 348)
<i>Carrying amount per financials</i>	<i>(12 744 310)</i>	<i>(6 10 789)</i>	<i>(4 868 044)</i>	<i>(1 775 477)</i>
<i>Amounts impaired by Holding Company</i>	<i>5 390 556</i>	<i>3 510 159</i>	<i>1 275 268</i>	<i>605 129</i>
Borrowings - third party	(184 533)	—	—	(184 533)
Trade and other payables - third party	(2 999 256)	(1 302 736)	(1 109 809)	(586 711)
Provisions	(81 664)	(62 102)	(13 865)	(5 697)
Fair value of net assets of subsidiary at disposal date	(417 116)	(1 070 108)	(138 987)	791 979
FCTR (gain)/loss recycled to profit or loss	342 031	(453 773)	485 483	310 321
Fair value of net assets/(liabilities) disposed adjusted for FCTR	(75 085)	(1 523 881)	346 496	1 102 300
Profit/(loss) on disposal of subsidiary	75 088	1 523 882	(346 495)	(1 102 299)
Consideration received	3	1	1	1
<i>Cash</i>	<i>3</i>	<i>1</i>	<i>1</i>	<i>1</i>
<i>Other</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
Impact on statement of cash flows:				
Consideration received	3	1	1	1
Less cash and cash equivalents disposed	(208 142)	(47 765)	(114 061)	(46 316)
Net cash from disposal of subsidiaries	(208 139)	(47 764)	(114 060)	(46 315)
The subsidiaries produced the following financial performance for the 3 months prior to their disposal:				
Revenue	4 217 317	1 672 211	1 467 624	1 077 482
Operating profit/(loss)	231 712	146 762	(62 658)	147 608
(Loss)/profit after tax	(1 698 416)	(1 185 657)	(551 708)	38 949

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Acquisitions in 2023

19.3 Acquisition of interest in OvenA rt (Private) Limited

The Group acquired 50% shareholding in Oven Art (Private) Limited with effect from 1 July 2022, at a cost of USD112,000. The consideration included a USD30,000 once-off payment, and a USD82,000 additional payment which was payable in 18 months should the business sustain profitability. As at the transaction date and the reporting date, the payment was highly probable and the fair value of the contingent consideration was USD82,000.

The total consideration (USD112,000) is included under investing activities on the statement of cash flows, while the gain on bargain purchase is presented separately shown on the income statement.

The transaction resulted in a bargain purchase gain as the business required significant capital injection to turn it to profitability, and the then shareholders were not able to raise such funding. Therefore, the existing shareholders were willing to sell the 50% shareholding at less than the fair value of net assets. The Group has started moving the company towards profitability.

The non-controlling interests for the subsidiary are measured at proportionate share of net assets value. At acquisition date, the non-controlling interests were valued at USD322,747.

Oven Art (Private) Limited operates a bakery which makes sour dough bread and frozen pizza, and whose key customers are retail outlets and fine dining restaurants.

As at the date of acquisition, the company had net assets of USD645,494, as follows:

	01 July 2022 Audited USD
Net assets	
Property, plant and equipment	(641 218)
Inventories	(14 965)
Trade and other receivables	(4 578)
Cash and bank	(8 823)
Trade and other payables	24 090
Fair value of net assets of subsidiary at acquisition date	(645 494)
Less non-controlling interests therein	322 747
Fair value of net assets acquired	(322 747)
Gain on bargain purchase	210 747
Consideration paid	(112 000)
Impact on statement of cash flows:	
Cash Consideration paid	(112 000)
Add cash and cash equivalents acquired	8 823
Net cash outflow	(103 177)
The financial performance of Oven Art (Private) Limited for FY2023 included in the consolidated financial statements is as follows:	
Revenue	222 597
Operating loss before depreciation, amortisation and impairment	(209 179)
Loss for the year	(145 741)

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20 Leases

Group as a lessee

The Group has lease contracts for various items of land and buildings used in its operations. Leases of land and buildings have lease terms between 3 and 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and sub-leasing the leased assets and there are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has low value leases of office equipment and other leases of 12 months or less, as well as leases with fully variable rental payments. The Group elected to apply the recognition exemption for such leases. Rental payments made towards such leases are disclosed under note 10 as "Short term lease payments" and "Variable lease payments".

Set out below is the carrying amount of the right-of-use asset recognised and the movements during the year:

	Audited USD
Right-of-use asset As at 1 July 2022	23 412 067
Non-cash additions	6 697 447
Depreciation expense	(4 515 099)
Remeasurement	(54 774)
Exchange differences on translation of foreign subsidiaries	(3 184 140)
As at 30 June 2023	22 355 501
Non-cash additions	10 108 356
Depreciation expense	(5 324 610)
Acquired through purchase of subsidiaries	793 723
Remeasurement	598 047
Exchange differences on translation of foreign subsidiaries	1 288 160
As at 30 June 2024	29 819 177

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20 Leases (continued)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Audited USD
Lease liability	
As at 1 July 2022	25 967 313
Non-cash additions	6 697 447
Accretion of interest	3 152 435
Payments	(6 459 141)
Remeasurement	(54 774)
Exchange differences on translation of foreign subsidiaries	(3 592 412)
As at 30 June 2023	25 710 868
Non-cash additions	10 108 356
Accretion of interest	3 649 244
Payments	(7 942 653)
Acquired through purchase of subsidiaries	793 723
Remeasurement	598 047
Exchange differences on translation of foreign subsidiaries	1 625 921
As at 30 June 2024	34 543 506
Split as follows:	
30 June 2024	
Non-current	28 864 429
Current	5 679 077
Total	34 543 506
30 June 2023	
Non-current	22 256 318
Current	3 454 550
Total	25 710 868

Group as a lessor

The Group does not have lease contracts in which it is a lessor.

Remeasurements

The right of use asset is subject to annual modifications due to changes in lease terms resulting in recurring remeasurements on an annual basis. Due to the nature of the Group's business, these modifications are considered necessary.

Maturity analysis for lease liabilities

The maturity analysis for the undiscounted lease payments, for those leases in the scope of IFRS 16, are shown under note 31.4, "Liquidity risk analysis".

The Group had no committed leases as at 30 June 2024 (2023: None).

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21 Group structure and companies

The structure below shows the Group's effective ordinary shareholding and excludes dormant companies.

	Country of incorporation	30 June 2024 % interest	30 June 2023 % interest
Simbisa Brands Zimbabwe (Private) Limited (formerly Axeaq)			
Investments (Private) Limited	Zimbabwe	100.00%	100.00%
Invercharge Investment Services (Private) Limited	Zimbabwe	100.00%	100.00%
Paxtime Investments (Private) Limited	Zimbabwe	67.00%	67.00%
Plexigreen Investments (Private) Limited	Zimbabwe	100.00%	100.00%
Edusky Investments (Private) Limited	Zimbabwe	75.00%	75.00%
Belsynch Investments (Private) Limited	Zimbabwe	67.00%	67.00%
Matabeleland Inns (Private) Limited	Zimbabwe	100.00%	100.00%
Hard White Trading (Private) Limited	Zimbabwe	100.00%	100.00%
Assyria Enterprises (Private) Limited	Zimbabwe	100.00%	100.00%
Bakers Inn Manicaland (Private) Limited	Zimbabwe	100.00%	100.00%
Mutare Inns (Private) Limited	Zimbabwe	60.00%	60.00%
Simbisa Africa Limited (formerly Africa Retail Investments Limited)	Mauritius	100.00%	100.00%
Simbisa Retail Africa Limited	Mauritius	100.00%	100.00%
Simbisa International Franchising Limited	Mauritius	100.00%	100.00%
Galitos Africa Franchising Limited	Mauritius	50.00%	50.00%
Simbisa Brands Ghana Limited	Ghana	*	100.00%
Simbisa Brands (Mauritius) Limited	Mauritius	*	100.00%
Innscor Foods Zambia Limited	Zambia	100.00%	100.00%
Simbisa Brands Zambia Limited (formerly Innscor Zambia Limited)	Zambia	*	100.00%
Simbisa Investments Kenya Limited	Kenya	100.00%	100.00%
Simbisa Kenya Limited	Kenya	100.00%	100.00%
Kutuma Kenya Limited	Kenya	75.00%	75.00%
Simbisa Shared Services (Pty) Limited	South Africa	100.00%	100.00%
Simbisa Shared Services (Mauritius) Limited	Mauritius	100.00%	100.00%
Simbisa Brands Eswatini	Eswatini	100.00%	n/a
Chowtown Proprietary Limited	Eswatini	100.00%	n/a
Simbisa Brands Limited Employee Share Trust	Zimbabwe	**	**
Sunrise Children (Private) Limited	Zimbabwe	100.00%	100%
Innbucks (Private) Limited	Zimbabwe	100.00%	100%
Oven Art (Private) Limited	Zimbabwe	50.00%	50%
Innbucks Microbank (Private) Limited	Zimbabwe	35.00%	35%

** These subsidiaries were disposed of effective 01 October 2023. Refer to note 19.2

** The Group consolidates the results of Simbisa Brands Limited Employee Share Trust as a result of control, even though it does not hold any interest in the trust.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

	Group 30 June 2024 Audited USD	Group 30 June 2023 Audited USD
22 Inventories		
Consumable stores	5 672 195	5 794 779
Finished products	1 644 933	1 819 646
Raw materials and packaging	3 503 887	3 479 278
Goods in transit	-	38 186
	10 821 015	11 131 889
The amount of write -down of inventories recognised as an expense in the statement of profit and loss is USD Nil (2023 USD Nil). USD Nil (2023 USD Nil) of inventories was pledged as security for borrowings.		
Inventories recognised as an expense during the year amounted to USD 124,936,643 (2023: USD 120,750,230)		
The Group has no inventory carried at net realisable value (2023: USD Nil)		
23 Trade and other receivables		
Trade receivables	619 056	711 006
Prepayments	2 433 209	5 335 195
Other receivables	2 617 716	874 927
	5 669 981	6 921 128
Allowance for credit losses	(109 258)	(346 671)
	5 560 723	6 574 457
Trade receivables are receivable in 30 to 60 days and are non-interest bearing.		
Other receivables include rebate amounts receivable, amounts advanced to franchised markets and amounts receivable from minority partners and are receivable between 30 and 60 days.		
Prepayments include rental deposits and amounts paid in advance for various goods and services.		
Changes in trade receivables during FY2024 include USD458,233 from the disposal of a subsidiaries (Zambia, Ghana and Mauritius - Note 19.2), and USD122,128 added from acquisition of Chowtown Proprietary Limited (Note 19.1).		
Changes in trade receivables during FY2023 included USD4,578 from the acquisition of a subsidiary, Oven Art (Private Limited (Note 19.3), as well as USD1,139,557 utilised in the acquisition of an associate, Innbucks Microbank (Private) Limited. The remainder of the growth in trade receivables relates to the growth in business as well as inflationary pressures on selling prices across the Group.		
The reconciliation of allowance for credit losses is as follows:		
Balance at the beginning of the period	346 671	259 626
(Decrease)/increase in allowance for credit losses	(237 414)	87 045
Balance at the end of the period	109 257	346 671

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

24 Ordinary Share capital				
		2024		2023
	Number of shares	Group and Company USD	Number of shares	Group and Company USD
24.1 Authorised				
Ordinary shares of USD0.0001 each	1 999 999 000	200 000	1 999 999 000	200 000
Non-Voting Class "A" ordinary shares of USD0.0001 each	1 000	0.10	1 000	0.10
	2 000 000 000	200 000	2 000 000 000	200 000
		Group and company		
	Number of shares	Ordinary share Company USD	share Premium USD	Total USD
24.2 Issued and fully paid				
30 June 2024 - Audited				
At the beginning of the year	562 184 788	56 218	18 122 105	18 178 323
At the end of the year	562 184 788	56 218	18 122 105	18 178 323
30 June 2023 - Audited				
At the beginning of the year	562 184 788	56 218	18 122 105	18 178 323
At the end of the year	562 184 788	56 218	18 122 105	18 178 323
A reconciliation of ordinary shares outstanding for the purposes of earnings per share is disclosed under note 7.				
24.3 Share options				
As at 30 June 2023, Simbisa Brands Limited had the following share option agreements:				
Indigenisation share option agreement				
Share options were awarded to Benvenue Investments (Private) Limited, an indigenous company to comply with the Indigenisation laws in Zimbabwe. The terms of the Benvenue share option are as follows:				
Maximum number of shares available:	50 000 000			
Tenure:	10 years (effective January 2014)			
Exercise Price:	The higher of - 75% of the volume weighted average price of Simbisa Brands Limited shares over the previous 60 trading days, and or the first five year period, USD 0.40 per share, and for the second five year period, USD 0.70 per share			
Expiry period:	10 years from option grant date (January 2014)			

The share options did not have a vesting period and could be exercised at any time during the period from January 2014 to January 2024. This share option scheme expired on 01 January 2024.

Notes to the Consolidated Financial Statements

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24.3 Share options (continued)

Simbisa Brands Limited Employee Share Trust

The second indigenisation transaction is with the Simbisa Brands Limited Employee Share Trust. The beneficiaries of the Trust are employees of the Group in Zimbabwe. The terms of the share option scheme are as follows:

Maximum number of shares available:	30 000 000
Tenure:	10 years
Discretionary income:	At the sole discretion of the Simbisa Board, the Trust would be entitled to receive discretionary income equivalent to up to 5% of any ordinary dividend declared by the Board.

The share options did not have a vesting period and could be exercised at any time during the period from January 2014 to January 2024. This share option scheme expired on 01 January 2024.

Simbisa Brands Limited Employee Share Scheme

Share options are granted to selected employees. The terms of the Simbisa Brands Limited Employee Share Option scheme are as follows:

Maximum number of shares available:	54 159 344
Tenure:	3 years
Discretionary income:	45-day volume weighted average price of Simbisa Brands Limited shares immediately preceding the grant date and the nominal value of the shares.
Expiry period:	1 year from the date on which each option may first be exercised

The share options did not have a vesting period and could be exercised at any time during the period from January 2014 to January 2024. This share option scheme expired on 01 January 2024.

Options are conditional on the employee completing three years' service (the vesting period). The options are exercisable starting three years from the grant date, subject to the Group achieving its target growth as may be stated by the Remuneration Policy applicable to the relevant grant. The Group uses headline earnings growth as the performance measure. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

There are no share options in issue or outstanding for this share scheme as at 30 June 2024 (2023: None). However, the scheme is available for use in the future.

Movements in the number of share options outstanding is as follows:

	SBL Employee Options	Indigenisation share option Agreement Options
30 June 2024		
Balance at the beginning of the year	30 000 000	50 000 000
Expired during the year - cancellation and expiry of scheme	(30 000 000)	(50 000 000)
Balance at the end of the year	—	—
30 June 2023		
Balance at the beginning of the year	30 000 000	50 000 000
Balance at the end of the year	30 000 000	50 000 000

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24.4 Directors' shareholdings

	Group 30 June 2024 Audited # of shares	Group 30 June 2023 Audited # of shares
At 30 June, the Directors held directly and indirectly the following number of shares:		
Z Koudounaris	102 963 664	102 893 664
B Dionisio	23 384 058	22 484 058
	126 347 722	125 377 722

25 Other reserves

	Group			Total other reserves USD
	Treasury shares USD	Foreign currency translation reserve USD	Revaluation reserve USD	
Year ended 30 June 2024 - Audited				
Balance at 1 July 2023	(1 624 123)	(8 332 653)	2 367 673	(7 589 103)
Purchase of treasury shares	(1 774 315)	—	—	(1 774 315)
Revaluation reserve transferred to Distributable Reserve on disposal of subsidiaries	—	—	(454 357)	(454 357)
Exchange losses recycled to profit or loss on disposal of subsidiaries	—	621 831	—	621 831
Transactions with owners	—	233 652	—	233 652
Total comprehensive income for the year, net of tax	—	396 580	3 247 930	3 644 510
Revaluation surplus on property, plant and equipment	—	—	4 274 032	4 274 032
Deferred tax on revaluation surplus	—	—	(1 026 102)	(1 026 102)
Exchange differences arising on translation of foreign subsidiaries	—	396 580	—	396 580
Balance at 30 June 2024	(3 398 438)	(7 080 590)	5 161 246	(5 317 782)
Year ended 30 June 2023 - Audited				
Balance at 1 July 2022	(1 624 123)	(4 701 310)	-	(6 325 433)
Total comprehensive income for the year, net of tax	—	(3 631 343)	2 367 673	(1 263 670)
Revaluation surplus on property, plant and equipment	—	—	3 323 063	3 323 063
Deferred tax on revaluation surplus	—	—	(955 390)	(955 390)
Exchange differences arising on translation of foreign subsidiaries	—	(3 631 343)	—	(3 631 343)
Balance at 30 June 2023	(1 624 123)	(8 332 653)	2 367 673	(7 589 103)

Nature and purpose of reserves

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.





Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

	Group 30 June 2024 Audited USD	Group 30 June 2023 Audited USD
26 Net deferred tax liabilities		
26.1 Reconciliation		
Balance at the beginning of the year (net)	8 037 634	8 311 655
Credited to profit or loss - current year other temporary differences	(1 126 102)	(1 893 036)
Deferred tax liabilities arising from revaluation	1 026 102	955 390
Exchange difference arising on translation of foreign subsidiaries	381 857	663 625
Balance at the end of the year (net)	8 319 491	8 037 634
26.2 Analysis of net deferred tax (assets)/liabilities		
Property, plant and equipment	9 553 731	8 948 972
Arising from IFRS 16 - ROUA	7 678 438	5 526 280
Arising from IFRS 16 - Lease Liability	(8 894 953)	(6 355 727)
Arising from investment properties	167 375	160 875
Arising from intangible assets	149 337	74 535
Arising from prepayments	626 551	1 318 860
Accumulated tax losses	(833 075)	(1 322 870)
Unrealised exchange gains	(99 780)	(227 595)
Allowance for credit losses	(28 133)	(85 696)
	8 319 491	8 037 634
The net deferred tax (assets)/liabilities is made up as follows:		
Deferred tax assets	(833 075)	(1 203 002)
Deferred tax liabilities	9 152 566	9 240 636
	8 319 491	8 037 634
The Group recognises deferred tax assets arising from tax losses to the extent that the realisation of the related tax benefit through future taxable profits is probable.		
The Group has implemented strategies in those subsidiaries with tax losses in order to generate sufficient taxable profits.		
The future taxable profits were determined from the approved forecast profits by the Board of Directors.		
The expiry dates for the recognised, but unutilised, tax losses are as follows:		
Expiry year:		
Expiring FY2024	—	87 989
Expiring FY2025	119 467	119 467
Expiring FY2026	116 372	116 372
Expiring FY2027	21 849	21 849
Expiring FY2029	552 519	954 325
Non expiring	22 868	22 868
	833 075	1 322 870

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	Rate of Interest per Annum	Year Repayable	Group 30 June 2024 Audited USD	Group 30 June 2023 Audited USD
27 Financial assets and financial liabilities				
27.1 Financial assets				
Financial assets at amortised cost				
Trade and other receivables				
- non-interest bearing	nil	2025	3 236 772	1 585 933
Long term-term loan receivable (secured) - USD	5%	2026	7 640 917	12 762 144
Short-term loan receivable (secured) - USD	5%- 12%	2024	—	7 000 002
Total financial assets			10 877 689	21 348 079
Financial assets are presented within the following on the statement of financial position:				
Trade and other receivables (excluding prepayments)			3 236 772	1 585 933
Non-current financial assets			7 640 917	12 762 144
Current financial assets			—	7 000 002
Total financial assets			10 877 689	21 348 079

Loans and receivables are non-derivative financial assets carried at amortised cost which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

The carrying amount of the loans and receivables approximate their fair values at end of each year. The loans and receivables are due from third parties.



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	Currency	Rate of Interest	Year Repayable	Audited USD
27.2 Borrowings				
30 June 2024				
Secured				
Zimbabwe Operations: overdrafts	ZWL	38% fixed	On demand	—
Unsecured				
Regional Operations medium term: - repayable in 1.25 years	SZL	12.98% fixed	Sept 24	46 147
Regional Operations short term	ZAR	Prime	June 2025	5 362
Zimbabwe Operations short term	USD	8%	Aug 2024	3 993 113
Zimbabwe Treasury: overdrafts	USD	10% fixed	On demand	3 671 057
Zimbabwe Operations: overdrafts	USD	9% fixed	On demand	4 329 379
Zimbabwe Operations: overdrafts	USD	8% fixed	On demand	502 826
Total borrowings				12 547 884
Repayable within one year (current borrowings)				12 503 164
Repayable within two to five years (non-current borrowings)				44 720
				12 547 884
30 June 2023				
Secured				
Zimbabwe Operations: overdrafts	ZWL	38% fixed	On demand	—
Unsecured				
Regional Operations medium term: repayable in 1.25 years	USD	5% fixed	Sept 24	4 790 000
Regional treasury	USD	12.0%	June 2024	10 850 000
Regional Operations short term	ZAR	Prime	June 2024	34 849
Zimbabwe Operations short term	ZWL	85%	Aug 2023	297 173
Zimbabwe Operations: overdrafts	USD	8% fixed	On demand	124 865
Total borrowings				16 096 887
Repayable within one year (current borrowings)				13 422 038
Repayable within two to five years (non-current borrowings)				2 674 849
				16 096 887

Collateralised borrowings

As at 30 June 2024, the Group had no assets pledged in order to fulfil the collateral requirements for the borrowings (2023:USD Nil)

Short-term borrowings and overdrafts form part of the Group's core borrowings and are renewed in terms of ongoing facilities negotiated with the relevant financial institutions.

Notes to the Consolidated Financial Statements

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	30 June 2024 Audited USD	30 June 2023 Audited USD
27.2 Borrowings (continued)		
27.2.1 Reconciliation		
Balance at the beginning of the year	16 096 887	5 885 870
Drawdowns	13 478 306	17 458 421
Repayments	(16 853 160)	(5 623 845)
Exchange movements - Regional Operations	(174 149)	(1 623 559)
Balance at the end of the year	12 547 884	16 096 887

Borrowing powers

As per the Company's articles of association the borrowing powers are limited to the aggregate of i) the issued and fully paid share capital of the Company and ii) two times the EBITDA for the previous twelve (12) months on a rolling basis, except with the sanction and/or ratification of the Company at a general meeting.

28 Trade and other payables

	Group 30 June 2024 Audited USD	Group 30 June 2023 Audited USD
Trade payables	19 839 576	18 298 508
Accruals and other payables	6 390 430	8 601 300
Dividends payable to shareholders of the parent	17 822	234
Statutory liabilities	12 192 512	9 999 078
	38 440 340	36 899 120

Trade payables are non-interest bearing and are normally settled within 30 to 60 days. Other payables are non-interest bearing. Other payables have varying settlement terms between 1 month and 3 months.

Included in other payables are other creditors who provide goods and services which do not form part of the direct costs and services of the business.

Statutory liabilities comprise of employment taxes and statutory contributions, value added taxes and other levies and taxes payable in the different jurisdictions the Group operates in.

29 Business segments

29.1 Segmental analysis

Management has determined the Group's operating segments based on the information reviewed by the Group's Executive Management Committee for the purposes of allocating resources and assessing performance.

The revenue, operating profit, assets and liabilities reported to the Group's Executive Management Committee are measured consistently with that in the reported consolidated financial statements.

Business segments

The two reportable segments are as follows:

Zimbabwe QSR Operations - This operating segment comprises the Group's Zimbabwe Quick Service Restaurant operations.

Regional QSR Operations- This operating segment comprises the Group's Quick Service operations across the African continent , 'outside Zimbabwe.



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29 Business segments (continued)

	Zimbabwe Audited USD	Region Audited USD	Intersegment adjustments Audited USD	Total Audited USD
29.1 Segmental analysis				
Continuing Operations				
Year ended 30 June 2024				
Statement of profit or loss				
Revenue from external customers	205 756 260	80 690 696	—	286 446 956
Operating profit before depreciation and amortisation	25 115 136	16 429 926	—	41 545 062
Depreciation, amortisation and derecognition	10 931 753	7 967 343	—	18 899 096
Profit before tax	15 301 016	5 764 595	—	21 065 611
Interest expense	2 357 555	3 302 948	—	5 660 503
Interest income	214 792	19 905	—	234 697
Income tax expense	4 038 948	1 035 589	—	5 074 537
Statement of financial position				
Segment assets	123 230 420	66 932 957	(2 372 527)	187 790 850
Segment liabilities	63 127 400	36 461 754	1 247 106	100 836 260
Capital expenditure	25 225 263	5 440 007	—	30 665 270
Statement of cash flows				
Cash generated from operations	30 496 843	16 268 245	—	46 765 088
Cash flows from investing activities	(19 882 602)	(6 965 980)	—	(26 848 582)
Cash flows from financing activities	(9 374 254)	(4 803 664)	—	(14 177 918)
Entity-wide information				
Analysis of revenue by products and services:				
				USD
- Sale of goods				285 130 985
- Royalty and franchising income				1 315 971
				286 446 956

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	Zimbabwe Audited USD	Region Audited USD	Intersegment adjustments Audited USD	Total Audited USD
29.1 Segmental analysis (continued)				
Year ended 30 June 2023				
Statement of profit or loss				
Revenue from external customers	194 145 829	76 252 461		270 398 290
Operating profit before depreciation and amortisation	26 838 426	16 584 516	—	43 422 942
Depreciation, amortisation and derecognition	7 065 345	7 075 433		14 140 778
Profit before tax	17 110 904	9 589 277		26 700 181
Interest expense	1 820 973	4 010 993		5 831 966
Interest income	985 170	9 979		995 149
Income tax (credit)/expense	3 507 380	1 654 158	—	5 161 538
Statement of financial position				
Segment assets	113 244 848	77 046 609	(3 660 458)	186 630 999
Segment liabilities	58 804 823	53 031 915	52 247	111 888 985
Capital expenditure	19 333 931	10 603 975	—	29 937 906
Statement of cash flows				
Cash generated from operations	29 262 822	17 290 246	—	46 553 068
Cash flows from investing activities	(16 951 939)	(10 108 545)	—	(27 060 484)
Cash flows from financing activities	(3 259 265)	734 395	—	(2 524 870)
Entity-wide information				
Analysis of revenue by products and services:				
				USD
- Sale of goods				269 015 458
- Royalty income				1 382 832
				270 398 290

Information about major customers

The customer base of the Group is widely dispersed and no single external customer accounts for more than 10% of the Group's revenue.



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30 Pension funds

The Group makes pension contributions to the following defined contribution schemes:

Simbisa Brands Pension Fund

This is a self-administered, defined contribution fund. Contributions are at the rate of 10% of pensionable emoluments less NSSA of which members pay 5%.

National Social Security Authority (NSSA) - Zimbabwe

The scheme was established, and is administered , in terms of statutory instrument 393 of 1993. Introduced in 1994, the Pension and Other Benefits Scheme is a defined contribution plan based on a 50/50 contribution from the employers and employees and are limited to specific contributions legislated from time to time. These are presently 7% of pensionable emoluments of which the maximum monthly pensionable salary is USD700.

National Social Security Fund (NSSF) - Kenya

National Social Security Fund (NSSF) is a pension fund based on specific contributions legislated from time to time.

Eswatini

Kingdom of Eswatini National Provident Fund, where employees and the employer both contribute 5% of the basic salary.

	Group 30 June 2024 Audited USD	Group 30 June 2023 Audited USD
Pension costs recognised as an expense for the year:		
Simbisa Brands Pension Fund - Zimbabwe	929 584	782 953
National Social Security Authority - Zimbabwe	742 079	726 578
National Social Security Fund - Kenya	304 606	144 968
Kingdom of Eswatini National Provident Fund	22 972	—
	1 999 241	1 654 499

The Group and its employees does not participate in post employment benefit schemes.

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31 Financial risk management objectives and policies

The Group's principal financial liabilities comprise interest-bearing borrowings, overdrafts and trade and other payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group's principal financial assets comprise trade and other receivables and cash and cash equivalents that derive directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Board of Directors reviews and agrees the policies for managing each of these risks.

The following table summarises the carrying amount of financial assets and liabilities recorded at amortised cost based on IFRS 9 measurement categories:

	30 June 2024 Audited USD	30 June 2023 Audited USD
Financial assets		
At amortised cost		
Trade and other receivables (excluding prepayments) (note 23)	3 127 514	1 239 262
- Cash and cash equivalents (note 14.2)	10 135 979	14 577 870
- Loans receivable (Non-current Financial assets) (note 27.1)	7 640 917	12 762 144
- Short-term loan receivable (secured) - (Current Financial assets) (note 27.1)	—	7 000 022
	20 904 410	35 579 298
Financial liabilities		
At amortised cost		
- Borrowings (note 27.2)	12 547 884	16 096 887
- Trade and other payables (excluding statutory liabilities) (note 28)	26 247 828	26 900 042
- Lease liabilities (note 20)	34 543 506	25 710 868
	73 339 218	68 707 797

Below is the detail relating to the risks and the Board's risk management strategies.

The sensitivity analyses have been prepared on the basis that the amount of net debt , the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on the carrying values of the non-financial assets and liabilities of foreign operations.

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and liabilities held at 30 June 2022 and 30 June 2023.



Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

31 Financial risk management objectives and policies (continued)

31.1 Interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group's policy is to manage its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact of floating rate borrowings, as follows:

	30 June 2024 Audited USD	30 June 2023 Audited USD
Effect on profit before tax		
Decrease of 0.3% in interest rates	42 967	32 974
Increase of 0.3% in interest rates	(42 967)	(32 974)
Effect on equity		
Decrease of 0.3% in interest rates	32 346	24 823
Increase of 0.3% in interest rates	(32 346)	(24 823)

31.2 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As a result of significant investment operations in countries outside Zimbabwe, the Group's statement of financial position can be affected significantly by movements in foreign currency exchange rates.

The Group also has transactional currency exposures. Such exposure arises from the sale or purchase by an operating unit in currencies other than the unit's functional currency. The Group limits exposure to exchange rate fluctuations by either pre-paying for purchases or retaining stock until the foreign currency to settle the related liability has been secured.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

Currency	Liabilities USD equivalent Audited	Assets USD equivalent Audited	Net position USD equivalent Audited
30 June 2024			
South African Rand	(1 933 681)	175 715	(1 757 966)
Zimbabwe dollar	(786 650)	1 700 230	913 580

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

31.2 Foreign currency risk (continued)

The following table demonstrates the sensitivity of the Group's results to a reasonably possible change in the Zimbabwean Dollar (ZWL) and South African Rand (ZAR) exchange rates against the following currencies, with all other variables held constant.

	Change in rate	Effect on profit before tax USD Audited	Effect on Equity USD Audited
30 June 2024			
South African Rand	+15%	(263 695)	(198 510)
Zimbabwe dollar	+15%	137 037	103 161

31.3 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to debt impairment is not significant.

There is no concentration risk as the Group trades with a wide range of customers with different risk profiles. Credit limits are set by the Group to avoid exposure to a single customer.

An impairment analysis is performed at each reporting date using a provision matrix (simplified approach) to measure expected credit losses.

The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due without reasonable evidence of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the debtor to engage in a repayment plan with the Group, and failure to make contractual payments for a period of greater than 90 days past due. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as disclosed in Note 23. The Group does not hold collateral as security.

Notes to the Consolidated
Financial Statements

for the year ended 30 June 2024

31 Financial risk management objectives and policies (continued)

31.3 Credit risk (continued)

Financial instruments, cash deposits and other receivables

Credit risk from balances with banks and financial institutions is managed by the Group’s treasury department in accordance with the Group’s policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The general “3-stage” approach is used for all other financial assets measured at amortised cost not covered by the simplified approach. The Group assesses some financial assets individually and others collectively if they have similar credit risk and identical characteristics. The Group assesses for expected credit losses for loans receivable on an individual basis and uses the collective approach for rental deposits and staff loans.

The Group considers various factors when categorising the financial assets including borrower’s financial performance, compliance with debt covenants supporting collateral, economic conditions in which the borrower operates, regulation and borrower’s credit rating. The Group uses the above collected information and data to calculate the exposure at default (EAD), loss given default (LGD) and probability of default (PD). The Group also applies the rebuttable presumption for payments 30 days overdue on which the Group has reasonable evidence that credit risk has not increased significantly.

As required by IFRS 9, the Group used the simplified approach in calculating ECL for trade receivables and financial assets that did not contain a significant financing component.

There was no significant increase in credit risk for all of the Group’s financial assets. Additionally, the estimation techniques used in the ECL model were consistent with those used in the prior year. Refer to note 5m under significant accounting policies for the detailed disclosure on the methodology utilised for the Group’s ECL.

During the period, the following is the amount of credit losses determined:

Note	Gross carrying amount USD	12-month credit losses USD	Life-time credit losses USD	Net carrying amount USD
30 June 2024 - Audited				
Cash and cash equivalents	10 135 979	—	—	—
Financial assets	27.1 7 640 917	—	—	7 640 917
Trade and other receivables (excluding prepayments)	23 3 127 514	(109 258)	—	3 018 256
	20 904 410	(109 258)	—	10 659 173
30 June 2023 - Audited				
Cash and cash equivalents	14 577 870			
Financial assets	27.1 19 762 166	—	—	19 762 166
Trade and other receivables (excluding prepayments)	23 1 239 262	(346 671)	—	892 591
	35 579 298	(346 671)	—	20 654 757

Notes to the Consolidated
Financial Statements

for the year ended 30 June 2024

31.4 Liquidity risk

The Group’s objective is to maintain a balance between continuity of funding through management of cash resources and flexibility through the use of bank overdrafts and interest-bearing borrowings.

The table below summarises the maturity profile of the Group’s financial assets and liabilities:

	Less than 3 months USD	Between 3 and 1 year USD	Between 1 and 4 years USD	Over 4 years USD	Total USD
30 June 2024 - Audited					
Liabilities					
Interest-bearing borrowings	6 679 651	8 829 890	2 712 147	—	18 221 688
Lease liabilities	2 050 160	6 082 660	20 806 441	18 510 852	47 450 113
Trade and other payables	20 682 896	—	—	—	20 682 896
Total	29 412 707	14 912 550	23 518 588	18 510 852	86 354 697
30 June 2023 - Audited					
Liabilities					
Interest-bearing borrowings	7 090 903	1 947 096	1 934 941	—	10 972 940
Lease liabilities	1 676 458	4 846 338	17 598 094	21 985 462	46 106 352
Trade and other payables	29 128 990	—	—	—	29 128 990
Total	37 896 351	6 793 434	19 533 035	21 985 462	86 208 282

Notes to the Consolidated
Financial Statements

for the year ended 30 June 2024

32 Capital management

The primary objective of the Group's capital management is to ensure that all the companies within the Group maintain healthy capital ratios in order to support the business and maximise shareholder value.

The capital of the Group consists of interest-bearing borrowings, cash and cash equivalents and equity as disclosed in the statement of financial position.

The Group manages its capital and makes adjustment to it in light of changes in the economic environment. To maintain or adjust the capital structure the Group may adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares.

The Group has no externally imposed capital requirements.

The Group manages capital using a gearing ratio, which is calculated as net debt divided by the sum of net debt and equity.

	30 June 2024 Audited USD	30 June 2023 Audited USD
Total borrowings (note 27.2)	12 547 884	16 096 887
Less cash and cash equivalents (note 14.2)	(10 135 979)	(14 577 870)
Net debt	2 411 905	1 519 017
Total Equity	86 954 590	74 742 014
Net Gearing ratio	3%	2%

33 Translation Rates

The Group referred to the exchange rates derived from the Reserve Bank of Zimbabwe ("RBZ") (for Zimbabwe Dollar), Commercial Bank of Zimbabwe ("CBZ") (for South African Rand), Amalgamated Banks of South Africa Limited ("Absa") (for Kenya Shilling and Ghanaian Cedi), Mauritius Commercial Bank ("MCB") (for Mauritian Rupee) and Stanbic Bank (for Zambian Kwacha). The Group translated ZiG monetary assets and liabilities for Zimbabwean Operations to USD using atransactions-based exchange rate.

The table below provides the average and closing translation rates used for the purpose of consolidating foreign investments' financial statements to the Group's reporting currency:

	30 June 2024 Audited		30 June 2023 Audited	
	Statement of profit/loss and other comprehensive income USD 1 : FX	Statement of Financial position USD 1 : FX	Statement of profit/loss and other comprehensive income USD 1 : FX	Statement of Financial position USD 1 : FX
Zimbabwe Gold (ZiG/ZWG)	13.44	13.70	n/a	n/a
Zimbabwe Dollar (ZWL)	n/a	9,533.21	1,575.00	7,000.00
South African Rand	18.71	18.43	17.48	18.79
Swazi Lelangen	18.71	18.43	n/a	n/a
Kenya Shilling	144.33	129.25	122.55	140.55
Ghanaian Cedi	n/a	n/a	11.37	11.28
Mauritian Rupee	n/a	n/a	45.15	46.55
Zambian Kwacha	n/a	n/a	17.82	17.55

Notes to the Consolidated
Financial Statements

for the year ended 30 June 2024

34 Capital expenditure commitments

	Group 30 June 2024 Audited USD	Group 30 June 2023 Audited USD
Approved by the directors and contracted for	8 628 692	15 277 442
Approved by the directors but not contracted for	3 175 151	7 042 878
	11 803 843	22 320 320
The capital expenditure will be financed from the Group's own resources and existing borrowing facilities.		
35 Related party transactions		
35.1 Key management compensation		
Short-term employee benefits (note 10.2)	3 954 080	3 735 619
	3 954 080	3 735 619

35.2 Transactions with Directors

The Group receives loans from Directors or entities where Directors have a direct or beneficial interest from time to time. Interest rates on the loans are at 7% per annum based on the Group's average borrowing rate.

The Company's subsidiaries receive legal and professional services from firms in which a non-executive director has a direct interest. The services are provided at market related prices.

The aggregate of the above transactions is as follows:

	30 June 2024 Audited USD	30 June 2023 Audited USD
Statement of profit or loss		
Professional fees paid	580 626	707 854
Interest paid on loans from directors	80 092	22 107
Fee income received from associate company*	2 209 572	445 946
Statement of financial position		
Financial asset receivable from associate company - cash swap**	-	302 809
Financial liability payable to associate - cash swap	-	(302 809)
Loans from Director related entities	81 466	1 161 011

*Relates to fee income from the InnBucks product which is operated by Innbucks Microbank (Private)Limited from the Group's Zimbabwean operations.

The financial asset relates to a cash swap arrangement with Innbucks Microbank (Private) Limited to obtain the then ZWL currency to meet operational needs.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

36 Contingent liabilities

The Group operates in different geographies and was subject to a routine audit in certain jurisdictions. It is possible that disagreements may arise relating to the interpretation of tax laws and regulations applicable to the business of the Group in those jurisdictions. The resolution of such disagreements may result in an obligation to the Group. The Group had no contingent liabilities as at 30 June 2024 (2023: USD nil).

37 Going concern

The Board undertakes regular rigorous assessment of whether the Group is a going concern in the light of current economic conditions and all available information about future risks and uncertainties.

“The projections for the Group have been prepared, covering its future performance, capital and liquidity for a period of 12 months from the date of approval of these consolidated financial statements including performing sensitivity analyses.

In performing the sensitivity analysis, the following information regarding the Group and its operations were considered:

Financing

At 30 June 2024, the Group’s financing arrangements consisted of loan funding totalling USD12.5 million which are unsecured. There have been no changes to current debt repayment schedules, and we do not expect any liquidity and working capital shortfalls. We are confident that there are sufficient funds to meet our obligation as and when they become due. The Group has not breached any of its loan covenants and is still in a position negotiate for additional funding as and when it is required.

Zimbabwe

The operations’ financial position remains strong. Cash held as on 30 June 2024 was USD7.1 million and borrowings were USD12.5 million. Short-term maturities will be settled from available cash resources.

Region

As of 30 June 2024 the Region segment held USD3 million in cash balances and had borrowings of USD0.05 million, with the earliest maturity being in August 2023. The Group’s Regional Operations also has undrawn facilities of USD2.8 million in the Region which are available for utilisation on demand.

38 Events after reporting date

The were no significant events after the reporting date.

Company Statement of Financial Position

as at 30 June 2024

	Notes	30 June 2024 Audited USD	30 June 2023 Audited USD
ASSETS			
Non-current assets			
Investments in subsidiaries		19 078 266	19 048 266
Deferred tax assets		43 389	41 170
		19 121 655	19 089 436
Current assets			
Loans and receivables from Group companies	1	1 893 671	1 893 593
Other receivables			-
Cash and cash equivalents		18 873	43
		1 912 544	1 893 636
Total assets		21 034 199	20 983 072
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital and share premium		18 178 323	18 178 323
Other reserves		(3 398 438)	(1 624 123)
Distributable reserves		3 212 674	3 873 651
Total equity		17 992 559	20 427 851
Current liabilities			
Payables to Group Companies	2	2 923 127	13 608
Other payables	3	118 513	541 613
		3 041 640	555 221
Total liabilities		3 041 640	555 221
Total equity and liabilities		21 034 199	20 983 072



BASIL DIONISIO
Executive Director
Harare
30 September 2024



BALDWIN GUCHU
Executive Director

Company Statement of Changes in Equity

for the year ended 30 June 2024

	Ordinary Share Capital and share premium USD	Other Reserves USD	Retained Earnings USD	Total Equity USD
Balance at 1 July 2023	18 178 323	(1 624 123)	3 873 651	20 427 851
Profit for the year	-	-	5 506 247	5 506 247
Purchase of treasury shares	-	(1 774 315)	-	(1 774 315)
Dividends paid to Employee Share Trust	-	-	(295 991)	(295 991)
Dividends paid to Company shareholders	-	-	(5 871 233)	(5 871 233)
Balance at 30 June 2024	18 178 323	(3 398 438)	3 212 674	17 992 559
Balance at 1 July 2022	18 178 323	(1 624 123)	2 459 005	19 013 205
Profit for the year	-	-	9 982 166	9 982 166
Purchase of treasury shares	-	-	-	-
Dividends paid to Employee Share Trust	-	-	(411 603)	(411 603)
Dividends paid to Company shareholders	-	-	(8 155 917)	(8 155 917)
Balance at 30 June 2023	18 178 323	(1 624 123)	3 873 651	20 427 851

Notes to the Company Financial Statements

for the year ended 30 June 2024

	30 June 2024 Audited USD	30 June 2023 Audited USD
1 Loans and Receivables from Group Companies		
Loans receivable from Group Companies	1 893 671	1 893 593
Loans receivable from Group Companies bear interest at an average rate of 10% (2023: 8%) per annum and have no fixed repayment dates		
2 Payables to Group Companies		
Amounts due to Group Companies are non-interest bearing and are due in 30 to 60 days.	2 923 127	13 608
3 Other payables		
Other	118 513	541 613
	118 513	541 613



Shareholder Information

TOP 20 SHAREHOLDERS
as at 30 June 2024

COMPANY	SHARES	SHARES %
1. STANBIC NOMINEES (PVT) LTD - NNR	103,656,445	18.44
2. Z.M.D INVESTMENTS (PVT) LTD	102,963,664	18.31
3. H M BARBOUR (PVT) LTD	100,024,000	17.79
4. OLD MUTUAL LIFE ASS CO ZIM LTD	30,349,885	5.40
5. SARCOR INVESTMENTS (PVT) LTD	22,484,058	4.00
6. MINING INDUSTRY PENSION FUND	13,301,417	2.37
7. STONE HOUSE TRUST-NNR	10,800,000	1.92
8. MUSIC VENTURES PVT LTD	7,465,382	1.33
9. NSSA – WORKERS COMPENSATION IF	6,848,600	1.22
10. CITY AND GENERAL HOLDINGS P/L	6,822,598	1.21
11. MR WARREN JEREMY MEARES	4,741,972	0.84
12. AMZIM PENSION FUND-INVESCI	4,672,585	0.83
13. SIMBISA BRANDS LIMITED	4,098,760	0.73
14. NSSA - NATIONAL PENSION SCHEME	3,667,675	0.65
15. FBC HOLDINGS LIMITED	3,579,541	0.64
16. SIMBISA BRANDS LIMITED	3,469,160	0.62
17. J-SOFT (PVT) LTD	3,400,000	0.60
18. ROY TURNER TRUST	2,827,169	0.50
19. DELTA BEVERAGES PENSION FUND	2,756,623	0.49
20. FED NOMINEES (PVT) LTD	2,584,207	0.46
Selected Shares	440,513,741	78.35
Non-Selected Shares	121,671,047	21.65
TOTAL	562,184,788	100.00

Shareholder Information

SHARE ANALYSIS BY INDUSTRY
as at 30 June 2024

INDUSTRY	SHARES	SHARES %	SHAREHOLDERS	SHAREHOLDERS %
LOCAL COMPANIES	321,438,844	57.18	592	11.35
LOCAL NOMINEE	106,496,783	18.94	215	4.12
PENSION FUNDS	75,108,272	13.36	262	5.02
LOCAL INDIVIDUAL RESIDENT	20,698,110	3.68	3,707	71.06
NEW NON RESIDENT	11,892,231	2.12	112	2.15
FOREIGN COMPANIES	9,973,748	1.77	13	0.25
FUND MANAGERS	5,140,739	0.91	21	0.40
TRUSTS	4,073,201	0.72	27	0.52
INSURANCE COMPANIES	2,035,764	0.36	31	0.59
OTHER INVESTMENTS & TRUST	1,902,847	0.34	130	2.49
FOREIGN NOMINEE	1,606,709	0.29	08	0.15
FOREIGN INDIVIDUAL RESIDENT	987,847	0.18	18	0.35
BANKS	535,250	0.10	02	0.04
GOVERNMENT / QUASI	156,198	0.03	02	0.04
DECEASED ESTATES	74,534	0.01	59	1.13
CHARITABLE	63,257	0.01	17	0.32
UNKNOWN	454	0.00	01	0.02
TOTAL	562,184,788	100.00	5,217	100.00

SHARE ANALYSIS BY VOLUME
as at 30 June 2024

RANGE	SHARES	SHARES %	SHAREHOLDERS	SHAREHOLDERS %
1-5000	2,875,104	0.51	4,153	79.61
5001-10000	1,874,488	0.33	253	4.85
10001-25000	3,633,862	0.65	221	4.24
25001-50000	5,334,107	0.95	150	2.88
50001-100000	8,971,566	1.60	129	2.46
100001-200000	13,396,931	2.38	94	1.80
200001-500000	35,240,828	6.27	111	2.13
500001-1000000	34,792,299	6.19	48	0.92
1000001 and Above	456,092,603	81.12	58	1.11
TOTALS	562,184,788	100.00	5,217	100.00



Shareholder Information
(continued)

ANALYSIS BY DOMICILE
as at 30 June 2024

COUNTRY	SHARES	SHARES %	SHAREHOLDERS	SHAREHOLDERS %
ZIMBABWE	479,620,800	85.31	4,383	84.00
MAURITIUS	59,784,831	10.63	09	0.17
BERMUDA	11,390,290	2.03	02	0.04
BELGIUM	4,144,108	0.74	03	0.06
USA	2,330,313	0.41	17	0.33
BRITISH VIRGIN ISLANDS	2,124,862	0.38	01	0.02
WARRANT NOT PRESENTABLE	1,125,494	0.20	700	13.41
REPUBLIC OF SOUTH AFRICA	1,092,732	0.19	59	1.12
UNKNOWN	358,694	0.06	02	0.04
JAPAN	82,471	0.01	01	0.02
UNITED KINGDOM	38,955	0.01	11	0.21
GERMANY	23,282	0.00	02	0.04
HONG KONG	16,156	0.00	01	0.02
ZAMBIA	10,111	0.00	03	0.06
KENYA	8,717	0.00	03	0.06
AUSTRALIA	4,820	0.00	04	0.08
BOTSWANA	4,776	0.00	03	0.06
NEW ZEALAND	4,524	0.00	02	0.04
CAYMAN ISLANDS	4,300	0.00	01	0.02
CANADA	4,119	0.00	02	0.04
GHANA	3,565	0.00	01	0.02
NETHERLANDS	1,800	0.00	01	0.02
ISRAEL	1,575	0.00	01	0.02
CHINA	1,343	0.00	02	0.04
ETHIOPIA	1,150	0.00	01	0.02
ITALY	850	0.00	01	0.02
MOZAMBIQUE	150	0.00	01	0.02
TOTALS	562,184,788	100.00	5,217	100.00

Notice to Members

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Simbisa Brands Limited (the 'Company') will be held on 22nd November 2024 at 08:15hrs, at the Standards Association of Zimbabwe, Northend Close, Borrowdale Harare, as well as virtually on <https://escrowagm.com/eagmZim/Login.aspx> to transact the following ordinary and special business:

Ordinary Business

- 1. Financial Statements**

1.1 To receive and approve the Audited Financial Statements and the Reports of the Directors and Auditors for the twelve-month period ended 30 June 2024.
- 2 Board and Directors' matters**

2.1 To ratify the appointment of Mr. Nabil Mankarious as an Independent Non-Executive Director, appointed to the Board of Directors effective 23 February 2024.

Mr. Mankarious brings extensive experience and expertise as a co-founder, manager, and Director in the food and hospitality industry, with involvement in various food outlets and brands across the United Kingdom. His career includes key roles at Pizza Express and Clapham House Group's Gourmet Burger Kitchen, where he served as Managing Director, Commercial Director, and eventually CEO. He later co-owned and managed brands such as Meat Liquor restaurants, La Piccola Deli, and Rocca, an Italian restaurant concept. Mr. Mankarious also co-founded Fulham Shore, which operates Franco Manca and The Real Greek restaurants in the UK, Italy, Greece, and Spain. His expertise will play a vital role in supporting Simbisa's goal to elevate its operations and brands to world-class standards.

2.2 To re-elect Directors retiring by rotation in terms of Article 104 of the Articles of Association of the Company. Mr. A.B.C. Chinake and Mrs. J. Hussein retire by rotation and being eligible offer themselves for re-election.

2.2.1. Mr. Chinake is a founding Director and the current Independent Chairman of Simbisa Brands Limited, as well as the Independent Chairman of Innscor Africa Limited. With over 30 years of legal experience, he serves as the Senior Partner at Kantor and Immerman Legal Practitioners. Mr. Chinake is an expert in commercial law and mergers and acquisitions (M&A), with a proven track record of handling significant transactions across various sectors, including foreign direct investment (FDI), de-mergers, and mining M&As. Recognized by Chambers and Partners as a top-ranked commercial lawyer in Zimbabwe, he also brings over 15 years of experience as a board member for multiple publicly listed companies.

2.2.2. Mrs. Hussein is a Chartered Accountant CA (Z) and the founder of July28, a consulting firm specializing in public accounting, offering services in risk management, advisory, financial reporting, and taxation to a diverse range of clients. With over 20 years of experience, she has worked with Ernst & Young in both South Africa and Zimbabwe, as well as First Mutual Asset Management, and has gained expertise in the manufacturing and construction industries. Currently, she serves as a Non-Executive Director and Deputy Chairperson on the boards of FMC Finance Zimbabwe and Zambia, a microfinance institution. She is also actively involved in initiatives that support young and aspiring entrepreneurs.

The resolutions will be tabled separately.

- 2.3 To approve fees accrued to Directors for the twelve-month period ended 30 June 2024, in the amount of USD306 941.

2.4 To approve borrowings for the year ended 30 June 2024.

Note
The Acting Company Secretary shall make the Directors Remuneration Report available for inspection at the AGM. Thereafter, the Report shall be available for inspection at the Company's registered office.

- 3 Audit matters**

3.1 To approve the remuneration of the Independent Auditors for the twelve-month period ended 30 June 2024, in the amount of USD153 752.

3.2 To ratify the appointment of BDO Zimbabwe Chartered Accountants as the Auditors of the Company, in line with the authority given by the Shareholders, at the previous AGM held on 17 November 2023, which authorised the appointment of the new Auditors by 17 December 2023



Do hereby record my votes for the resolutions to be submitted as follows:	Tick "ü" or place and "X" inside the BOX. Please note that alterations made to your initial response should be signed for.		
	For	Against	Abstain
SPECIAL BUSINESS To consider and adopt, with or without amendment, the following resolution:			
4. Renewal of Share Buy-back Authority			

Signed this _____ day of _____2024

Signature of member _____

- Notes
1. In terms of the Companies and Other Business Entities Act [Chapter 24:31], a member who is entitled to attend and vote at a meeting may appoint one or more proxies to attend, vote and speak in their stead
 2. Article 93 of the Company’s Articles of Association provides that the instruments appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the appointed time for holding the meeting.

FOR OFFICIAL USE NUMBER OF SHARES HELD:

AFFIX STAMP
HERE



Registrars and Transfer Secretaries
Corpserve Transfer Secretaries
Private Limited

2nd Floor, ZB Centre
1st Street/Kwame Nkrumah Avenue
Harare
Zimbabwe

Email: enquiries@corpserve.co.zw



Domicile

The Company is incorporated and domiciled in Zimbabwe.

Core Business

Simbisa Brands Limited owns and operates restaurants across Africa.

Registered Office

Edward Building,
1st Street/Nelson Mandela Avenue,
Harare, Zimbabwe

Registrars and Transfer Secretaries

Corpserve Transfer Secretaries
(Private) Limited,
2nd Floor, ZB Centre,
First Street/Kwame Nkrumah Avenue,
Harare, Zimbabwe
Email:<https://escrowagm.com/eagmZim/Login.aspx>

Company Secretary

Ms. F H Obatolu

Independent Auditors

BDO Zimbabwe Chartered Accountants

Principal Bankers

Stanbic Bank Zimbabwe Limited
Ecobank Zimbabwe Limited

Sustainability Advisors

Institute for Sustainability Africa,
65 Whitwell Road, Borrowdale West
Harare, Zimbabwe
Email: admin@insafrica.org.zw

Legal Advisors

Lunga Mazikana Attorneys

Event Information

▪	Results for the 3 months ending 30 September 2023 published	November 2024
▪	Ninth Annual General Meeting	22 November 2024
▪	Interim financial results for the 6 months to 31 December 2024published	March 2025
▪	Results for the 9 months ending 31 March 2025 published	May 2025
▪	Abridged financial results for the year ended 30 June 2025 published	September 2025
▪	Annual report for the year ended 30 June 2025 published	October 2025
▪	Ninth Annual General Meeting	November 2025

ANNEXURES

GRI CONTENT INDEX

Statement of Use	Simbisa Brands Limited has reported the information cited in this GRI content index for the period 01 July 2023 and 30 June 2024 with reference to the GRI Standards.
GRI used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	Omission		
			Part Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organisational details	FC			
	2-2 Entities included in the organisation's sustainability reporting	9			
	2-3 Reporting period, frequency and contact point	IFC			
	2-4 Restatements of information	IFC			
	2-5 External assurance	IFC			
	2-6 Activities, value chain and other business relationships	6			
	2-7 Employees	92-96			
	2-8 Workers who are not employees	92			
	2-9 Governance structure and composition	36			
	2-10 Nomination and selection of the highest governance body	37			
	2-11 Chair of the highest governance body	32			



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GRI CONTENT INDEX Continued

GRI STANDARD	DISCLOSURE	LOCATION	Omission		
			Part Omitted	Reason	Explanation
	2-12 Role of the highest governance body in overseeing the management of impacts	36			
	2-13 Delegation of responsibility for managing impacts	39			
	2-14 Role of the highest governance body in sustainability reporting	IFC,39			
	2-15 Conflicts of interest	37, 207			
	2-16 Communication of critical concerns	37			
	2-17 Collective knowledge of the highest governance body	32-33			
	2-18 Evaluation of the performance of the highest governance body	37			
	2-19 Remuneration policies	-			
	2-20 Process to determine remuneration	-			
	2-22 Statement on sustainable development strategy	56, 118			
	2-23 Policy commitments	n/a			
	2-24 Embedding policy commitments	n/a			
	2-25 Processes to remediate negative impacts	50-53			
	2-26 Mechanisms for seeking advice and raising concerns	IFC, 37			



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GRI CONTENT INDEX Continued

GRI STANDARD	DISCLOSURE	LOCATION	Omission		
			Part Omitted	Reason	Explanation
	2-27 Compliance with laws and regulations	47			
	2-28 Membership associations	14			
	2-29 Approach to stakeholder engagement	58-60			
	2-30 Collective bargaining agreements	97			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	62			
	3-2 List of material topics	63			
	3-3 Management of material topics	-	See management approach for each topic		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	124, 136-211			
	201-2 Financial implications and other risks and opportunities due to climate change	87			
	201-3 Defined benefit plan obligations and other retirement plans	98			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	112, 119			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	123			
GRI 207: Tax 2019	207-1 Approach to tax	125-126			
	207-2 Tax governance, control, and risk management	125-126			



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GRI CONTENT INDEX Continued

GRI STANDARD	DISCLOSURE	LOCATION	Omission		
			Part Omitted	Reason	Explanation
	207-3 Stakeholder engagement and management of concerns related to tax	125			
	207-4 Country-by-country reporting	127			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	78			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	81			
	302-2 Energy consumption outside of the organisation	81			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	80			
	303-2 Management of water discharge-related impacts	80			
	303-5 Water consumption	80			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	88			
	305-2 Energy indirect (Scope 2) GHG emissions	88			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	82			
	306-2 Management of significant waste-related impacts	82			
	306-3 Waste generated	83			



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GRI CONTENT INDEX Continued

GRI STANDARD	DISCLOSURE	LOCATION	Omission		
			Part Omitted	Reason	Explanation
	306-5 Waste directed to disposal	83			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	94-96			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	97-98			
	401-3 Parental leave	97			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-	One month		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	98			
	403-2 Hazard identification, risk assessment, and incident investigation	99			
	403-3 Occupational health services	99			
	403-4 Worker participation, consultation, and communication on occupational health and safety	98			
	403-5 Worker training on occupational health and safety	100			
	403-6 Promotion of worker health	100			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	98,100			
	403-9 Work-related injuries	98			



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GRI CONTENT INDEX Continued

GRI STANDARD	DISCLOSURE	LOCATION	Omission		
			Part Omitted	Reason	Explanation
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	101			
	404-2 Programs for upgrading employee skills and transition assistance programs	101			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	36,92			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	Not Applicable		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	114, 118			
	413-2 Operations with significant actual and potential negative impacts on local communities	-	Not Applicable		



