INNSCOR AFRICA LIMITED

Audited Abridged Group Financial Results

FOR THE YEAR ENDED 30 JUNE 2024

INNSCOR Africa Limited

Our passion for **value creation**

Salient Features

		USD
Revenue	**13%**	**910 065 313**
Operating profit before depreciation, amortisation and fair value adjustments, net of of financial gains or losses ("EBITDA")	**14%**	**86 048 048**
Profit for the year	**27%**	**48 160 024**
Total cash available from operations	**1%**	**86 870 424**
Headline earnings per share (cents)	**15%**	**6.46**
Final dividend (cents)	**19%**	**1.25**

DIRECTORS' RESPONSIBILITY

The Holding Company's Directors are responsible for the preparation and fair presentation of the Group's consolidated audited annual financial statements, of which this press release represents an extract. These audited, abridged Group consolidated financial statements are presented in accordance with the disclosure requirements of the Victoria Falls Stock Exchange ("VFEX") Listing Requirements and, except where stated otherwise, in accordance with the measurement and recognition principles of International Financial Reporting Standards ("IFRS") and the manner required by the Companies and Other Business Entities Act [Chapter 24:31]. Except where stated otherwise, the principal accounting policies applied in the preparation of these audited, abridged Group consolidated financial statements are consistent with those applied in the previous year's financial statements. There is no impact arising from revised IFRS, which became effective for the reporting period commencing on or after 1 January 2023, on the Group's audited consolidated financial statements.

UNCERTAIN TAX POSITIONS

The local market has experienced significant currency and legislative changes since 2018, which have created numerous uncertainties in the tax treatment of transactions due to the absence of clear guidelines and transitional measures.

In addition, there are further complications arising from the wording of the legislation concerning the currency of settlement of certain taxes for the periods 2019 to 2021, which give rise to interpretations that may differ from those of the tax authorities, thereby creating uncertainties in tax positions. In the last few years, the Zimbabwe Revenue Authority ("ZIMRA") assessed additional Income Taxes, penalties and interest amounting to USD 11.749m for the periods 2019 to 2021 against the Group's divisions and subsidiaries for amounts that had already been settled in Zimbabwe Dollars, but which ZIMRA deemed should have been paid exclusively in foreign currency, or for matters on which the Group believes it has no tax liability. No credit has been given by ZIMRA to the equivalent amounts already paid in the Country's legal tender.

These assessments have been objected to and challenged at the courts and are at various stages of appeal. Should the Group's divisions' and subsidiaries' various appeals not be successful, the historical Zimbabwe dollars paid towards the settlement of these taxes could be refunded. Due to the effect of inflation, these amounts would likely be paid at extremely low values in today's terms.

The Group continues to engage the relevant authorities while these assessments are being objected to and challenged through the courts. Tax payments that have been made with respect to the revised assessments have been accounted for as taxation prepayments on the Group's Statement of Financial Position, in anticipation of a successful appeal process, as the Group believes that the settlements it previously made to fully expunge its tax liabilities for these historical periods were in line with the legal requirements prevailing at the time of settlement.

The Group's divisions and subsidiaries have so far paid a total of USD 9.262m under the "pay now, argue later" principle out of the total amounts assessed. The legislative gaps giving rise to differences in interpretations remain.

Shareholders are further advised that the above update on uncertain tax positions has been issued prior to the Finance Bill, 2024 becoming law; this Bill is currently in the Senate for debate, and might have a material effect and consequences on the tax position of the Group.

EXTERNAL AUDITOR'S STATEMENT

These audited, abridged Group consolidated annual financial statements should be read in conjunction with the complete set of the Group consolidated audited annual financial statements for the year ended 30 June 2024. The Group's consolidated annual financial statements have been audited by Messrs BDO Zimbabwe Chartered Accountants, who have issued an "except for" audit opinion as a result of non-compliance with the provisions of International Accounting Standard ("IAS") 21 (The Effects of Changes in Foreign Exchange Rates), relating to the translation of comparative financial information. The External Auditor's Report on the Group's consolidated audited annual financial statements, from which these audited, abridged Group consolidated annual financial statements are extracted, is available for inspection at the Company's registered office. The Engagement Partner responsible for the audit was Mr Martin Makaya, PAAB Practice Number 0407.

SUSTAINABILITY REPORTING AND PRACTICES

Sustainability principles are embodied in the Group's overall business strategy. The Group remains committed to sustainable development by mitigating and managing the environmental and social risks of its operations, and the environment in which the Group operates. The Group applies a combination of ISO 26000 and GRI Standards for Sustainability Reporting, and continues to strengthen its sustainability practices and values across its operations to ensure long-term business success.

OPERATING ENVIRONMENT AND OVERVIEW

The operating environment during the financial year under review remained challenging and complex. Local currency inflationary pressure and volatile currency dynamics persisted for much of the financial year under review, and this, coupled with material changes to key policy frameworks, necessitated careful navigation and adaptation by the Group's various business units.

The first quarter of the financial year under review saw improved business sentiment following a progressive policy stance toward addressing inefficient market distortions, coupled with the extension of the multi-currency regime to 2030. This was quickly overtaken by rapid local currency devaluation in quarters two and three, and significant adjustments to both fiscal and monetary policy in the new calendar year.

Substantial changes to fiscal policy were instituted on 1 January 2024 by the Ministry of Finance in an effort to broaden the Country's tax base; these changes included adjustments to the Value Added Tax ("VAT") status of most basic commodities and the imposition of a new Sugar Excise Duty levied on added sugar in manufactured beverages. Basic commodities and beverages are two of the Group's core product categories, and these changes had a substantial effect on the trading models of the business units operating within these segments.

The new measures adopted resulted in the VAT status of many basic foods (including bread, milk, maize meal, flour, stockfeed and salt) being changed from "Zero-Rated" to "Exempt". This change meant that although VAT is not charged when selling the product, the manufacturer can no longer claim the VAT input costs incurred in the production of these goods, causing a substantial and direct growth in the monthly operating costs of entities involved in the manufacture of these products.

The protein segment was also severely affected by the changes in VAT legislation, with products moving from "Exempt" status to "Standard-Rated" status; these changes had unintended consequences, with formal, compliant producers being crowded out by unregistered, non-compliant protein producers. The Group remains hopeful that the authorities will move to address these distortions, to ensure a sustainable supply of protein products from compliant, formal manufacturers to the market.

The final quarter of the year under review saw currency reform measures instituted by the monetary authorities through the introduction of a new structured currency, the Zimbabwe Gold ("ZWG"). Notwithstanding these progressive steps to broaden the multi-currency basket, market liquidity in the form of access to local debt facilities and foreign exchange via the Willing Buyer, Willing Seller ("WBWS") platform remains severely constrained. In addition, the market remains limited in its ability to transact with the ZWG, with many key commodities such as fuel, power, raw materials, as well as human capital and certain statutory payments, mostly requiring settlement in United States Dollars. Whilst the Group welcomes the addition of the ZWG to the multi-currency basket, the success of this initiative will be dependent on further supportive measures being implemented, which amongst other things, will allow users to seamlessly interchange between currencies; this will naturally result in greater market acceptance, and use, of the new local currency.

The 2023/2024 summer agricultural season was severely impacted by a devastating drought, as a result of the prevailing El Nino weather conditions. Harvests were generally poor across the sub-region, although South Africa did hold sufficient carry-through stock from the preceding season to augment the requirements of neighbouring territories. The Group has secured a solid pipeline of its key raw materials to cover the deficit period through to the next harvest, and does not anticipate any challenges in terms of product availability during this period.

The Group's efforts to secure local grain supply remain central under the "A-Growth" contract farming scheme; this scheme received USD 19.400m of investment toward 7,800 hectares of summer plantings in the 2023/24 agricultural season, and 4,540 hectares of winter wheat in the 2024 agricultural season.

Pricing distortions in certain channels, most notably in formal retail, persisted throughout the financial year under review. These pricing distortions continue to cause significant trading complexities within the formal retail sector, and many consumers now choose to shop in the informal sector. It is hoped that an enduring solution to this longstanding problem can be found to the benefit of both the formal retail sector, as well as consumers.

The price of power increased considerably during the year, and this resulted in a substantial growth in the operating cost profile of the Group. In an effort to ensure more consistent power at rates that support the mass production of low-margin basic commodities, the Group will be pursuing various solar power investments across its manufacturing sites in the period ahead.

Despite the complex trading environment, positive volume growth was registered across all core Group manufacturing units, underpinned by a firm recovery within the Mill-Bake segment, combined with increased contribution and capacity uptake in both the beverage and other light manufacturing segments. Volumes within the protein segment closed marginally ahead of last year on aggregate. Overall volume growth has been supported by the extensive investment programme undertaken between 2021 and 2024, which has seen expansion of existing capacities, extension of manufacturing capabilities into adjacent product categories, and investment into new products for the Group.

FINANCIAL REVIEW

The Group recorded revenue of USD 910.065m during the financial year under review, representing growth of 13.2% over the comparative year; this performance was driven primarily by pleasing volume growth across the entire portfolio.

Operating profit, before depreciation, amortisation, and fair value adjustments, net of financial gains or losses ("EBITDA") for the current financial year under review came in at USD 86.048m, and represented a growth of 13.7% over the USD 75.656m recorded in the comparative financial year.

Depreciation and Amortisation increased by 22% compared to the prior year, driven by the significant investment across the Group during the previous three financial years. The net interest expense of USD 9.238m recorded in the current year under review represented a 31% reduction compared to the USD 13.443m incurred in the comparative year; with a portion of that period having contained extremely expensive local currency borrowings.

Fair value adjustments in the current financial year under review of USD 12.008m arose mainly from the Group's significant biological asset holdings in the Protein Segment, and the application of the full provisions of IAS 41 (Agriculture).

The Group's associate businesses delivered a positive earnings contribution of USD 4.990m in the current year through the Equity Accounted Earnings line, and this compared with earnings of USD 1.723m in the prior year.

The Group recorded a Profit Before Tax ("PBT") of USD 65.188m for the financial year under review, representing growth of 35% over the comparative year; this was a very pleasing overall result.

The increase in the level of comprehensive income attributable to non-controlling interests' in the current year was driven by the relative improvement in the profitability performance over the prior year, of entities with minority interests.

Headline Earnings Per Share ("HEPS") for the current financial year under review amounted to 6.46 US cents per share, representing 15% growth over the comparative year.

The Group's Statement of Financial Position remained robust, with a strong fixed asset base, supported by efficient working capital positions and negligible net debt; net gearing closed at 9.2% at the end of the current financial year under review. The Group's current year cash generation was outstanding, with cash generated from operating activities of USD 106.103m being recorded. The strong operating cash flows enabled the Group to continue its extensive investment programme, with a total of USD 72.774m invested in the year under review.

OPERATIONS REVIEW

MILL-BAKE

This reporting segment comprises the Group's Bakery division, National Foods, Nutrimaster, and the Group's non-controlling interest in Profeeds.

Current year loaf volumes within the **Bakery** division closed 12% ahead of the comparative year, supported by additional capacity, enhanced loaf quality, stable flour pricing, improved distribution efficiency, and an acute focus on ensuring convenient and efficient pricing to the consumer.

The division commissioned its new, state-of-the-art, and fully automated production line in Bulawayo during the second quarter of the year under review. This new line has operated extremely well since commissioning, significantly enhancing the manufacturing efficiency, quality, and consistency of the loaf in the operation's Southern region market.

Further automation initiatives are underway in the business in both the Harare and Bulawayo production sites, and, in addition, a new, fully automated production line will be added to the Harare site in the latter part of the new financial year. These initiatives to grow and enhance the manufacturing base will be supported by continued optimisation of the bakery distribution business.

National Foods recorded an overall volume growth of 6% over the comparative year, driven by a strong recovery across the mature milling operations and supported by pleasing volume uptake in the new FMCG business cluster.

- Current year volumes in the **Flour** division were similar to those achieved in the prior year, with intensified competition and somewhat muted demand in the category. Pleasingly, there has been a recovery of volume momentum heading into the new financial year. The new state-of-the-art flour mill in Bulawayo, which has been operating for just over a year, has delivered very pleasing results in terms of product quality and operating efficiencies.
- **The Stockfeed** division delivered volume growth of 8% over the comparative year, with this performance largely driven by the poultry category, which continued on its positive growth trajectory. The division continues to progressively invest in enhancing efficiencies at the Harare Aspindale plant, with an upgrade of the ruminant plant to be undertaken in the new financial year.
- Volumes in the **Maize** division grew 21% year on year, with volumes being driven by the lower local maize harvest, and the consequent reduced household maize stocks. The Pearlenta and business-to-business segments continue to grow steadily in line with the strategic plan of the division.
- Current year volumes in the **Downpacking** division, which primarily packs rice and salt, were disappointing, declining by 21% over the prior year. The decline was primarily driven by the ban on rice exports out of India, and the imposition of VAT on rice sales locally, both of which led to increased prices in the category, and as a result reduced demand.
- Current year volumes in the **Cereals** unit grew by 8% over the prior year. The division's portfolio continues to grow on the back of the strategy to offer a full range of breakfast cereals to the consumer; pleasingly, some of the new products introduced have started to make some in-roads in regional markets, albeit at low volumes at this point.
- **Biscuit** volumes in the current year were disappointing, declining by 23% compared to the prior year. The division's new state-of-the-art biscuit line, which can produce a wide range of biscuits, was successfully commissioned in August 2024, and this represents an exciting growth opportunity for the category in the period ahead.
- The newly-created **Pasta** division commissioned its new production facility in February 2024. This investment represents the first ever large-scale commercial pasta line to have been commissioned in Zimbabwe, and will result in the localisation of the production of pasta, a product which has typically been imported into the Country. The investment should be complementary to the strong recovery in local wheat production and means that the country can potentially save substantial foreign currency by value-adding flour from locally-grown wheat. The new, locally produced product is being marketed under the "Better Buy" and recently launched "Primo" brands, and the initial market response to the quality of the product has been extremely positive.

As previously reported, the **Profeeds** Harare factory operation incurred a material silo collapse in November 2023, rendering one of its two production lines inoperable for the second half of the financial year under review. The business successfully sought to recover volumes through outsourcing arrangements, and as a result, volumes closed 2% ahead of the comparative year; this was an exceptional result, given the severe production disruptions.

The construction of a fully automated stockfeed plant in Bulawayo is at an advanced stage of development and is scheduled for commissioning in the first half of the forthcoming financial year.

The retail arm of the business, operating under the "Profarmer" brand through its network of 57 outlets countrywide, continued its pleasing volume growth trajectory, with current year stockfeed volumes through the channel closing 9% ahead of the comparative year. The sales of seed, fertilisers, veterinary products, and ancillaries, recorded an increased contribution of 23% over the comparative year; this was a very encouraging performance.

At **Nutrimaster**, overall current year fertiliser volumes increased by 34% over the comparative year on the back of increased product supply into the commercial row cropping, horticulture and tobacco sectors. Growth in the core fertiliser category was complemented by a 17% increase in agrochemical volumes under the "OptiChem" brand. The business continues to enhance its fertiliser production capabilities and reduce reliance on imported raw materials via an investment into a new Granulation plant, due for commissioning during the second quarter of the new financial year. This business has been consolidated into the Group with effect from 1 July 2023.

PROTEIN

This reporting segment comprises the Colcom division, Irvine's Zimbabwe, and Associated Meat Packers Group ("AMP"), which includes the "Texas Meats" branded store network.

The **Colcom** Division comprises Colcom Foods and the Triple C Pigs production operations. At Colcom Foods, sustained demand for fresh pork during the first half of the financial year resulted in an overall 5% volume growth over the comparative year; the processed product categories also performed well, with a marked improvement in volumes of polonies, bacons, hams and sausages.

Although overall pig volumes at Triple C remained at the same levels as the comparative year, the overall volume of pork supplied improved against the comparative year on the back of increased pig weights and improved efficiency of the upstream piggery operations.

The expansion programme will continue at Colcom in the year ahead, with the establishment of additional upstream breeding and pig production facilities, as well as further factory capacity and capability enhancements.

At **Irvine's**, current year volume growth was muted against the comparative year, with the Table Egg, Day-Old-Chick and Frozen Chicken categories all operating at similar levels to the comparative year. Investment activities targeted at further optimising production in all core product categories are planned for the year ahead.

AMP delivered an overall current year volume growth of 7% over the comparative year, driven by a 35% volume recovery in the beef category. The business continues to explore options to expand its upstream beef operations, with a recently concluded investment into a new abattoir and feedlot operation, complemented by continued optimisation initiatives across its existing processing facilities. The business had 35 of the popular "Texas Meats" branded stores in operation at the end of the current year under review.

BEVERAGE AND OTHER LIGHT MANUFACTURING

This reporting segment comprises Prodairy, Mafuro Farming, Probottlers, The Buffalo Brewing Company ("TBBC"), Natpak, and the Group's non-controlling interest in Probrands.

Prodairy delivered overall volume growth of 26% over the comparative year on the back of a significant investment programme across the entire product portfolio. The core dairy blend and maheu product categories, operating under the popular "Revive" brand, drove the overall volume performance of the business, whilst the steri and cultured milk categories also delivered solid volume growth. The "Life" range of milks, butter and cream continued to contribute positively to the operation.

BEVERAGE AND OTHER LIGHT MANUFACTURING (continued)

The business has concluded this phase of its investment programme, and the focus will now turn to ensuring optimal capacity utilisation and production efficiencies are attained.

At **Mafuro Farming**, overall current year milk volumes closed substantially ahead of the comparative year, following the investment to expand the operation's milking herd and dairy operations across the three farming sites; this business is now well placed to ensure that there is a sustainable and efficient supply of high quality, raw milk into the downstream manufacturing operation.

Probottlers continued to operate under challenging market dynamics during the financial year under review, with the introduction of the new Sugar Excise Duty; this required significant adjustment to the overall business model of the operation. Notwithstanding these regulatory changes, the business registered an overall volume growth of 12% over the comparative year, supported by the introduction of four new product categories, including a sports drink offering marketed under the "Activ8" brand, bottled water under the "H2go" brand, an energy drink under the "Mammoth" brand, and a dairy blend cordial, under the "Bally House" brand. All these products had very positive market uptake.

The performance of the "Bally House" cordials category continued to be very pleasing, whilst the "Fizzi" CSD category saw a marginal overall contraction in volumes for the year under review.

TBBC launched its sorghum beer offering in December 2022 under the "Nyathi" brand, and the year under review saw increasing market acceptance of the product as well as a consistent, and pleasing, improvement in overall plant capacity utilisation.

At **Natpak**, overall volumes in the current year under review grew 13% over the comparative year. The Sacks division recorded firm volume growth of 12% over the comparative year, whilst the Flexibles division saw muted volume growth due mainly to subdued demand in the local sugar and rice categories. The Rigids division recorded excellent volume growth of 33% against the comparative year, driven by demand across the beverage segment and supported by capacity extensions into its preform and injection moulding capabilities. The Corrugated division recorded overall volume growth of 13% over the comparative year.

Investment activity across all four divisions is set to reach finality in the early part of the new financial year, with additional printing capacity in Flexibles recently operationalised.

Volumes at **Probrands** continued to lag against the comparative year, largely due to the deliberate refocus of the operation away from commoditised products and towards niche FMCG products.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Group strives to create impactful change, supporting the growth of sustainable communities and nurturing the spirit of entrepreneurship; in support of this theme, it launched its "Empower Tomorrow" CSR initiative during August; this is a Group-wide co-ordinated, and all-encompassing, programme focused to support the communities in which it operates.

A total CSR investment of USD 3.8m was made by the Group during the year under review, targeting a range of community projects. The scope of the investments included education, inclusive business and economic development, farming initiatives, food and nutrition, sports, health and wellbeing, and animal welfare.

PROSPECTS

Notwithstanding the extremely turbulent and complex market conditions under which the Group operated during the year, solid and encouraging volume growth was registered across the portfolio, and this was key in delivering the improvement in overall profitability. Earnings quality remained excellent, with strong free cash generation; the Group is now well positioned for sustainable growth in the period ahead.

The Group has undergone a three-year period of intensive and significant investment into factory expansion and in doing so has also entered a number of exciting new categories. Many of these investments are now complete, or nearing completion, and as a result, focus will now be deployed by management in ensuring that these new investments generate the targeted returns.

As a manufacturing entity, the attainment of critical volume mass is vital to ensure that the necessary operating efficiencies and economies of scale can be achieved. Volume performance will therefore be a key area of focus for management in the year ahead; pricing decisions will be undertaken scientifically and precisely, with the overall objective of ensuring convenient and affordable product availability to the consumer.

Persistent change in policy application, coupled with the cost-push pressure emanating from the rebasing of the operational cost base has been exacerbated by the carry-forward effects of the 2023/2024 El Nino drought and diminishing disposable incomes; in this regard management will focus heavily on ensuring that its bills of materials and operating costs are managed to optimum levels.

The Group remains cautiously optimistic on the medium to long-term prospects for the economy, and is hopeful that the authorities will pursue a pathway of implementing consistent and clear policies that encourage more market-determined outcomes which in turn will allow for improved capital allocation decisions by industry.

FINAL DIVIDEND

The Board is pleased to declare a final dividend of 1.25 US cents per share, payable in respect of all ordinary shares of the Company. This final dividend will be payable to all shareholders of the Company registered at the close of business on 11 October 2024. This brings the total dividend to shareholders for the current year under review to 2.65 US cents per share; this is unchanged from the total dividend paid in the comparative year.

The payment of this final dividend will take place on or around 6 November 2024. The shares of the Company will be traded cum-dividend on the VFEX up to the market day of 8 October 2024, and ex-dividend from 9 October 2024.

The Board has also declared a final dividend totalling USD 365,000 to Innscor Africa Employee Share Trust (Private) Limited. This brings the total dividend in respect of the 2024 financial year to USD 765 000 (2023: USD 765 000). Innscor Africa Employee Share Trust (Private) Limited supports all qualifying beneficiaries with both dividend flow and various loan schemes.

APPRECIATION

I wish to record my sincere appreciation to the Executive Directors, Management, and Staff for their considerable efforts during the year under review. I also wish to thank the Non-Executive Directors for their wise counsel and the Group's customers, suppliers, and other stakeholders for their continued support and loyalty.

ABC CHINAKE
Independent, Non-Executive Chairman
26 September 2024

Audited Abridged Group Statement of Profit Or Loss and Other Comprehensive Income

	Note	Year Ended 30 June 2024 Audited USD	Year Ended 30 June 2023 Audited USD
REVENUE		**910 065 313**	**804 039 805**
Operating profit before financial gain/(loss), depreciation, amortisation and fair value adjustments		**85 291 504**	**91 061 123**
financial gain/(loss)	4	756 544	(15 404 704)
Operating profit before depreciation, amortisation and fair value adjustments, net of financial gains or losses		**86 048 048**	**75 656 419**
depreciation on property, plant and equipment and right-of-use assets and amortisation on intangible assets		(28 619 818)	(23 443 245)
Operating profit before interest, equity accounted earnings and fair value adjustments		**57 428 230**	**52 213 174**
fair value adjustments on livestock and listed equities		12 008 390	7 822 468
Profit before interest, equity accounted earnings and tax		**69 436 620**	**60 035 642**
net interest expense		(9 238 963)	(13 443 180)
equity accounted earnings		4 990 548	1 722 897
Profit before tax		**65 188 205**	**48 315 359**
tax expense		(17 028 181)	(10 471 340)
Profit for the year		**48 160 024**	**37 844 019**
Profit for the year attributable to:			
equity holders of the parent		36 854 128	32 146 774
non-controlling interests		11 305 896	5 697 245
		48 160 024	**37 844 019**
Other comprehensive income for the year that will not be reclassified subsequently to profit or loss			
Revaluation Surplus		81 759	—
Revaluation surplus, net of deferred tax		**81 759**	**—**
Revaluation surplus attributable to:			
equity holders of the parent		81 759	—
Other comprehensive income for the year that will not be reclassified subsequently to profit or loss, net of tax		81 759	—
Total comprehensive income for the yearattributable to:			
equity holders of the parent		36 935 887	32 146 774
non-controlling interests		11 305 896	5 697 245
		48 241 783	**37 844 019**
EARNINGS PER SHARE (CENTS)			
Basic earnings per share	11	6.49	5.63
Headline earnings per share	11	6.46	5.63
Diluted basic earnings per share	11	6.49	5.63
Diluted headline earnings per share	11	6.46	5.63

Audited Abridged Group Statement of Financial Position

	Note	30 June 2024 Audited USD	30 June 2023 Audited USD
ASSETS			
Non-current assets			
property, plant and equipment		358 237 394	312 855 810
right-of-use assets		3 596 086	4 514 119
intangible assets		8 951 633	8 918 541
investments in associates		52 666 921	51 407 711
other assets		22 661 167	15 303 142
biological assets		5 673 961	5 193 699
		451 787 162	**398 193 022**
Current assets			
other assets		3 400 304	7 296 590
biological assets		27 268 306	25 609 066
inventories	5	99 303 600	105 550 510
trade and other receivables	6	111 148 910	88 020 712
cash and cash equivalents		35 687 044	29 173 106
		276 808 164	**255 649 984**
Total assets		**728 595 326**	**653 843 006**
EQUITY AND LIABILITIES			
Capital and reserves			
ordinary share capital		1 171 521	1 171 521
class 'A' ordinary shares		2	2
share premium		4 080 962	4 080 962
other reserves		113 387 339	116 179 828
distributable reserves		192 139 250	169 907 567
attributable to equity holders of the parent		**310 779 074**	**291 339 880**
non-controlling interests		140 331 980	126 330 986
Total shareholders' equity		**451 111 054**	**417 670 866**
Non-current liabilities			
deferred tax liabilities		38 537 497	33 214 938
lease liability	7	3 274 226	3 453 576
interest-bearing borrowings	8	15 859 527	19 263 994
		57 671 250	**55 932 508**
Current liabilities			
lease liability	7	966 283	1 240 212
interest-bearing borrowings	8	65 690 401	48 839 823
trade and other payables	9	142 229 463	121 421 194
provisions		3 402 417	2 548 848
current tax liabilities		7 524 458	6 189 555
		219 813 022	**180 239 632**
Total liabilities		**277 484 272**	**236 172 140**
Total equity and liabilities		**728 595 326**	**653 843 006**

Audited Abridged Group Statement Of Cash Flows

	Note	Year Ended 30 June 2024 Audited USD	Year Ended 30 June 2023 Audited USD
Cash generated from operating activities		**106 103 291**	**112 070 442**
interest expense		(9 238 963)	(13 443 180)
tax paid		(9 993 904)	(12 611 657)
Total cash available from operations		**86 870 424**	**86 015 605**
Net cash used in investing activities		**(70 803 769)**	**(85 811 556)**
Net cashflows before financing activities		**16 066 655**	**204 049**
Net cash used in financing activities		**(9 552 717)**	**(3 892 089)**
Net increase/(decrease) in cash and cash equivalents		**6 513 938**	**(3 688 040)**
Cash and cash equivalents at the beginning of the year		**29 173 106**	**32 861 146**
Cash and cash equivalents at the end of the year		**35 687 044**	**29 173 106**

Group Statement Of Changes In Equity

	attributable to equity holders of the parent											
				Other Reserves								
	Ordinary Share Capital USD	Class A Ordinary Share Capital USD	Share Premium Reserve USD	Restructure Reserve USD	Revaluation Reserve USD	Foreign Currency Translation Reserve USD	Treasury Shares Reserve USD	Total Other Reserves USD	Distributable Reserves USD	Total Attributable to Equity Holders of the Parent USD	Non-Controlling Interests USD	Total Shareholders' Equity USD
Balances at 30 June 2022	**1 171 521**	**2**	**4 080 962**	**(2 130 813)**	**89 515 824**	**29 673 031**	**(721 715)**	**116 336 327**	**156 719 610**	**278 308 422**	**127 155 610**	**405 464 032**
Profit for the year	—	—	—	—	—	—	—	—	32 146 774	32 146 774	5 697 245	37 844 019
Dividends paid	—	—	—	—	—	—	—	—	(18 958 817)	(18 958 817)	(6 746 279)	(25 705 096)
Transactions with owners in their capacity as owners	—	—	—	—	—	—	(156 499)	(156 499)	—	(156 499)	224 410	67 911
Balances as at 30 June 2023	**1 171 521**	**2**	**4 080 962**	**(2 130 813)**	**89 515 824**	**29 673 031**	**(878 214)**	**116 179 828**	**169 907 567**	**291 339 880**	**126 330 986**	**417 670 866**
Profit for the year	—	—	—	—	—	—	—	—	36 854 128	36 854 128	11 305 896	48 160 024
Dividends paid	—	—	—	—	—	—	—	—	(14 622 445)	(14 622 445)	(3 533 282)	(18 155 727)
Transactions with owners in their capacity as owners	—	—	—	—	—	—	(2 874 248)	(2 874 248)	—	(2 874 248)	6 228 380	3 354 132
Revaluation surplus net of deferred tax	—	—	—	—	81 759	—	—	81 759	—	81 759	—	81 759
Balances as at 30 June 2024	**1 171 521**	**2**	**4 080 962**	**(2 130 813)**	**89 597 583**	**29 673 031**	**(3 752 462)**	**113 387 339**	**192 139 250**	**310 779 074**	**140 331 980**	**451 111 054**

Supplementary Information

1 **Corporate Information**

The Company is incorporated and domiciled in Zimbabwe.

2 **Basis of Preparation**

The Group's abridged consolidated statements for the year ended 30 June 2024 have been prepared in accordance with the requirements of the Victoria Falls Stock Exchange ("VFEX") Requirements and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24.31). The listing requirements require financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as a minimum, contain the information required by international Accounting Standards ("IAS"). The Group's abridged audited consolidated financial statements have been prepared based on statutory records that are maintained under the historical cost basis, except for Property Plant and Equipment, equity investments and some biological assets that have been measured at fair value.

The financial statements are presented in United States Dollars (USD); all values are rounded to the nearest dollar, except where otherwise indicated.

The principal accounting policies applied in the preparation of the Group's annual financial statements are in terms of IFRS, except where otherwise stated, and applicable amendments to IFRS and the accounting policies have been applied consistently in all material respects with those of the previous consolidated annual financial statements.

3 **Operating Segments**

The Group's operations comprise of the Mill-Bake, Protein, Beverage and Other Light Manufacturing and Head Office and Other Services Segments explained as follows:

Mill-Bake Segment - the segment reports the results of the Group's interests in National Foods Holdings Limited, the Bakery Division, Superlinx (Private) Limited t/a Baker's Inn Sales & Distribution, Baker's Inn Logistics (Private) Limited, Nutrimaster (Private) Limited and the Group's non-controlling interest in Profeeds (Private) Limited.

Protein Segment - this segment reports the results of the Group's interests in the Colcom Division, Irvine's Zimbabwe (Private) Limited, Associated Meat Packers (Private) Limited and Intercane Investments (Private) Limited.

Beverage & Other Light Manufacturing Segment - this segment reports the results of the Group's interests in Prodairy (Private) Limited, Probottlers (Private) Limited,The Buffalo Brewing Company (Private) Limited, Prodistribution (Private) Limited, Natpak (Private) Limited, Saxin Enterprises (Private) Limited, Sabithorn (Private) Limited, and the Group's non-controlling interests in Probrands (Private) Limited.

Head Office Services & Other Services Segment - this segment reports the Group's shared services functions namely treasury, internal audit, legal, company secretarial services, Properties, Providence Human Capital (Private) Limited, Syntegra Solutions (Private) Limited, MyCash Financial Services (Private) Limited and the Group's non-controlling interests in Paperhole Investments (Private) Limited and Afrigrain Trading Limited.

	Mill-Bake USD	Protein USD	Beverage & Other Light Manufacturing USD	Head Office Services & Other Services USD	Inter-Segment Adjustments USD	Total USD
Revenue						
30 June 2024	508 615 000	255 142 364	224 406 986	10 509 937	(88 608 974)	910 065 313
30 June 2023	435 061 375	235 373 146	213 246 940	9 169 963	(88 811 619)	804 039 805
Operating profit before depreciation, amortisation and fair value adjustments, net of financial gains or losses						
30 June 2024	49 583 397	12 448 156	17 475 661	6 540 834	—	86 048 048
30 June 2023	35 559 092	15 815 108	15 104 482	9 177 737	—	75 656 419
Depreciation and amortisation						
30 June 2024	11 120 089	8 079 318	8 379 799	1 040 612	—	28 619 818
30 June 2023	8 060 586	8 232 479	6 407 416	742 764	—	23 443 245
Equity accounted earnings						
30 June 2024	850 926	—	212 050	3 927 572	—	4 990 548
30 June 2023	1 786 483	—	(505 934)	442 348	—	1 722 897
Profit before tax						
30 June 2024	35 381 444	13 173 801	3 312 291	13 320 669	—	65 188 205
30 June 2023	23 652 109	11 048 636	2 514 052	11 646 541	(545 979)	48 315 359
Segment assets						
30 June 2024	321 604 577	148 827 574	159 087 302	212 563 916	(113 488 043)	728 595 326
30 June 2023	273 573 788	137 807 157	135 786 263	210 116 702	(103 440 904)	653 843 006
Segment liabilities						
30 June 2024	138 332 418	59 699 267	99 098 789	1 899 437	(21 545 639)	277 484 272
30 June 2023	116 310 703	54 295 884	80 351 478	1 620 107	(16 406 032)	236 172 140
Capital expenditure						
30 June 2024	31 805 316	16 957 916	21 647 464	2 363 481	—	72 774 177
30 June 2023	42 877 282	12 717 317	16 444 773	5 922 874	—	77 962 246
Cash flow from operating activities						
30 June 2024	51 144 022	23 109 739	21 053 613	6 085 826	4 710 091	106 103 291
30 June 2023	219 827 783	15 820 260	11 380 831	40 337 734	(175 296 166)	112 070 442
Cash flow from Investing activities						
30 June 2024	(30 756 422)	(17 595 683)	(21 047 039)	(3 289 437)	1 884 812	(70 803 769)
30 June 2023	(27 234 222)	(15 417 618)	(25 057 109)	(9 374 203)	(8 728 404)	(85 811 556)
Cash flow from Financing activities						
30 June 2024	7 402 459	3 446 389	14 239 541	(3 220 394)	(31 420 712)	(9 552 717)
30 June 2023	18 864 165	1 360 713	15 057 005	2 309 449	(41 483 421)	(3 892 089)

Audited Abridged Group Financial Results

FOR THE YEAR ENDED 30 JUNE 2024

INNSCOR Africa Limited

Our passion for **value creation**

Supplementary Information (continued)

		30 June 2024 Audited USD	30 June 2023 Audited USD
4	**Financial gain/(loss)**		
	Exchange losses	(175 263)	(16 002 654)
	Profit on disposal of plant and equipment	153 912	14 096
	Dividend income	777 895	581 395
	Other	—	2 459
		756 544	(15 404 704)
5	**Inventories**		
	Consumable stores	30 173 057	22 320 389
	Finished products, net of allowance for obsolescence	20 287 313	20 152 330
	Raw materials and packaging	47 653 408	62 504 133
	Work in progress	1 189 822	573 658
		99 303 600	105 550 510
6	**Trade and other receivables**		
	Trade receivables	78 130 352	59 614 362
	Prepayments	17 873 341	12 700 784
	VAT receivable	3 578 734	2 131 420
	Other receivables	13 534 640	14 950 542
		113 117 067	89 397 108
	Allowance for credit losses	(1 968 157)	(1 376 396)
		111 148 910	88 020 712
7	**Lease liability**		
	Analysis		
	Non-current	3 274 226	3 453 576
	Current	966 283	1 240 212
		4 240 509	4 693 788
8	**Interest-Bearing Borrowings**		
	Interest-bearing borrowings constitute bank loans from various local financial institutions which accrued interest at an average rate of 12% during the year.		
	These facilities expire at different dates and will be reviewed and renewed when they mature.		
9	**Trade and other payables**		
	Trade payables	106 189 951	59 658 218
	Accruals	7 846 134	18 993 639
	Other payables	28 193 178	42 769 337
		142 229 263	121 421 194
10	**Commitments for capital expenditure**		
	Contracts and orders placed	39 068 806	7 394 316
	Authorised by Directors but not contracted	16 438 666	76 118 727
		55 507 472	83 513 043

The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

11 Earnings per share

Basic earnings basis

The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue for the year.

Diluted earnings basis

The calculation of diluted earnings per share 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 conversion of share options. The potential conversion is possible when the average market price of ordinary shares during the year exceeds the exercise price of such options.

Headline earnings basis

Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects and share of non-controlling interests as applicable.

11 Earnings per share (continued)

The following reflects the income data used in the basic, headline and diluted earnings per share computations:

		Year Ended 30 June 2024 Audited USD	Year Ended 30 June 2023 Audited USD
a	**Net profit attributable to equity holders of the parent**	36 854 128	32 146 774
b	**Reconciliation of basic earnings to headline earnings**		
	Profit for the year attributable to equity holders of the parent	36 854 128	32 146 774
	Adjustment for non-headline items (gross of tax):		
	Profit on disposal of property, plant and equipment	(153 912)	(14 096)
	Tax effect on adjustments	39 632	3 485
	Non-controlling interests' share of adjustments	(43 760)	—
	Headline earnings attributable to ordinary shareholders	36 696 088	32 136 163
c	**Reconciliation of weighted average number of ordinary shares**		

	No. of shares issued	No. of shares issued
Number of shares in issue at the beginning of the year	575 926 450	575 926 450
Less: Weighted Average number of Treasury Shares acquired in the current year	(2 692 408)	(238 520)
Less: Weighted Average number of Treasury Shares from prior years	(5 020 201)	(4 639 901)
Weighted Average Number of Shares	568 213 841	571 048 029
Weighted average number of ordinary shares before effect of dilution	568 213 841	571 048 029
Effect of dilution from share options:	—	—
Weighted average number of ordinary shares adjusted for the effect of dilution	568 213 841	571 048 029
Basic earnings per share (cents)	6.49	5.63
Headline earnings per share (cents)	6.46	5.63
Diluted basic earnings per share (cents)	6.49	5.63
Diluted headline earnings per share (cents)	6.46	5.63

12 Uncertain tax positions

The local market has experienced significant currency and legislative changes since 2018, which have created numerous uncertainties in the tax treatment of transactions due to the absence of clear guidelines and transitional measures.

In addition, there are further complications arising from the wording of the legislation concerning the currency of settlement of certain taxes for the periods 2019 to 2021, which give rise to interpretations that may differ from those of the tax authorities, thereby creating uncertainties in tax positions. In the last few years, the Zimbabwe Revenue Authority ("ZIMRA") assessed additional Income Taxes, penalties and interest amounting to USD 11.749m for periods 2019 to 2021 against the Group's divisions and subsidiaries for amounts that had already been settled in Zimbabwe Dollars, but which ZIMRA deemed should have been paid exclusively in foreign currency, or for matters on which the Group believes it has no tax liability. No credit has been given by ZIMRA to the equivalent amounts already paid in the Country's local tender.

These assessments have been objected to and challenged at the courts and are at various stages of appeal. Should the Group's divisions' and subsidiaries' various appeals not be successful, the historical Zimbabwe dollars paid towards the settlement of these taxes could be refunded. Due to the effect of inflation, these amounts would likely be paid at extremely low values in today's terms.

The Group continues to engage the relevant authorities while these assessments are being objected to and challenged through the courts. Tax payments that have been made with respect to the revised assessments have been accounted for as taxation prepayments on the Group's Statement of Financial Position, in anticipation of a successful appeal process, as the Group believes that the settlements it previously made to fully expunge its tax liabilities for these historical periods were in line with the legal requirements prevailing at the time of settlement.

The Group's divisions and subsidiaries have so far paid a total of USD 9.262m under the "pay now, argue later" principle out of the total amounts assessed. The legislative gaps giving rise to differences in interpretations remain.

Shareholders are further advised that the above update on uncertain tax positions has been issued prior to the Finance Bill, 2024 becoming law; this Bill is currently in the Senate for debate, and might have a material effect and consequences on the tax position of the Group.

13 Going Concern

The Directors have assessed the ability of the Group to continue as a going concern and have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in existence for the foreseeable future. Accordingly, they believe that the preparation of these consolidated financial statements on a going concern basis is appropriate.