



# Simbisa Brands LIMITED

(Incorporated in Zimbabwe on 5<sup>th</sup> August 2015 under Company Registration Number 5733/2015)

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## PRE-LISTING STATEMENT

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**Relating to a Listing by introduction of the entire issued share capital of Simbisa Brands Limited of 541,593,440 ordinary shares of US\$0.0001 nominal value on the Zimbabwe Stock Exchange**

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### Financial Advisors



### Sponsoring Broker



### Reporting Accountants



### Legal Advisors

GILL, GODLONTON & GERRANS  
LEGAL PRACTITIONERS

### Transfer Secretaries



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This Pre-Listing Statement is neither a prospectus nor an invitation to the public to subscribe for shares in the Company but is issued in compliance with the Listing Requirements of the ZSE, for the purpose of giving information to the public with regard to the Company as more fully set out in this Pre-Listing Statement. The Pre-Listing Statement is only available in English. Additional copies of this Pre-Listing statement may be obtained from the Company Secretary at the Registered Office of Simbisa Brands Limited.

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

All the Directors of Simbisa Brands Limited, whose names are given in paragraph 11.2 of the Pre-Listing Statement, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement in the Pre-Listing Statement false or misleading and that they have made all reasonable enquiries to ascertain such material facts and that this Pre-Listing Statement contains all information required by law.

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

Each of the Company's lead financial advisors, sponsoring broker, legal advisors, transfer secretaries and reporting accountants have consented in writing to act in the capacity stated and to their names being stated in the Pre-Listing Statement and have not withdrawn their consents prior to the publication of this Pre-Listing Statement.

Date of issue of this document: 12<sup>th</sup> of October 2015

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## CORPORATE INFORMATION

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The information below is given in compliance with the requirements of the Zimbabwe Stock Exchange. Simbisa Brands Limited derives professional services from the following:

***Company Secretary and Registered Office***

Andrew Lorimer  
Edward Building  
Corner 1st Street & Nelson Mandela Avenue  
Harare  
Zimbabwe

***Financial Advisors***

Inter-Horizon Advisory (Private) Limited  
4 Fleetwood Road  
Alexandra Park  
Harare  
Zimbabwe

***Sponsoring Brokers***

Inter-Horizon Securities (Private) Limited  
4 Fleetwood Road  
Alexandra Park  
Harare  
Zimbabwe

***Independent Auditors & Reporting Accountants***

Ernst & Young Chartered Accountants (Zimbabwe)  
Angwa City  
Corner Julius Nyerere Way  
Kwame Nkrumah Avenue  
Harare  
Zimbabwe

***Legal Advisors***

Gill, Godlonton & Gerrans  
Beverley Court  
100 Nelson Mandela Avenue  
Harare  
Zimbabwe

***Transfer Secretaries***

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

***Principal Bankers***

Barclays Bank of Zimbabwe Limited  
Barclays House  
1st Street/Jason Moyo Avenue  
Harare  
Zimbabwe

## FORWARD LOOKING STATEMENTS

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This Pre-Listing Statement includes forward looking statements regarding Simbisa. Forward looking statements are those other than statements of historical facts, included in this Pre-Listing Statement, and include without limitation, those regarding Simbisa's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Simbisa's products and services). Any statements preceded by, followed by or including the words "believes", "expects", "aims", "estimates", "anticipates", "may", "will", "should", "could", "intends", "plans", "seeks", or similar expressions, are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause Simbisa's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such forward looking statements are inherently based on numerous assumptions regarding Simbisa's present and future business strategies and the environment in which Simbisa will operate in the future. The important factors that could cause Simbisa's actual results, performance or achievements to differ materially from those in forward looking statement include, but are not limited to, those discussed under Section 10. These forward looking statements speak only as at the date of this Pre-Listing Statement. The Directors of Simbisa expressly disclaim any obligation or undertaking to disseminate after the distribution of this Document any updates or revisions to any forward looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such forward looking statement is based, unless required to do so by any legal obligation.

## INTERPRETATION AND DEFINITIONS

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

"Agreement" or "the Agreement"	The terms of the Agreement which is effective on the 1 <sup>st</sup> of October 2015 stipulated that Simbisa would acquire through a scheme of reconstruction the QSR Business as a going concern, including all assets and liabilities and an obligation to employ all employees of the QSR Business, in exchange for issuing 541,593,440 shares in Simbisa to Innscor;
"Articles"	The Articles of Association of Simbisa;
"Auditors" or "Independent Reporting Accountants"	Ernst & Young Chartered Accountants (Zimbabwe), Independent Auditors of the Company and Independent Reporting Accountants in connection with the Unbundling and Listing;
"Benvenue"	Benvenue Investments (Private) Limited;
"Board" or "Directors"	The Board of Directors of Simbisa;
"CAGR"	Compound Annual Growth Rate;
"Cash Realisation Rate"	The cash generated by operations as a percentage of EBITDA that reflects the proportion of cash operating profit realised after working capital movements;
"Companies Act"	The Companies Act of Zimbabwe, Chapter 24:03, as amended;
"Dividend <i>in Specie</i> "	Dividend <i>in Specie</i> of Simbisa's shares as a specific payment to Innscor's shareholders registered as such on the Record Date in return for the assets and liabilities held by Innscor QSR Business;
"Distribution Ratio"	The basis of the Dividend <i>in Specie</i> of shares in Simbisa to Innscor shareholders registered as such on the Record Date, which ratio comprises one (1) ordinary share in Simbisa for every one (1) existing Innscor ordinary share held;
"DRC"	Democratic Republic of Congo;
"EBITDA"	Earnings before Interest, Taxation, Depreciation, Amortisation and Impairment loss;
"EGM"	The Extraordinary General Meeting of the shareholders of Innscor to be held at Royal Harare Golf Club, Fifth Street Extension, Harare on the 2 <sup>nd</sup> of November 2015 at 0900 hours, for the purpose of considering for approval the proposed Dividend <i>In Specie</i> of Simbisa's shares;
"EGM Notice" or "Notice"	The notice which was published in accordance with the Companies Act and the Articles on the 12 <sup>th</sup> of October 2015, advising Innscor shareholders of the EGM;
"Exchange Control Regulations"	The Exchange Control Regulations in force in Zimbabwe;
"EPS"	Earnings Per Share;
"Financial Year"	The fiscal year for the Company which runs from 1 July to 30 June;
"FY"	Financial Year;

## INTERPRETATION AND DEFINITIONS (CONTINUED)

"HEPS"	Headline Earnings Per Share;
"IFRS"	International Financial Reporting Standards;
"IH Advisory"	Inter-Horizon Advisory (Private) Limited, the financial advisors to the Unbundling and Listing;
"IH Securities"	Inter-Horizon Securities (Private) Limited, the sponsoring brokers for the Unbundling and Listing;
"Innscor"	Innscor Africa Limited, a public Company incorporated in Zimbabwe and listed on the ZSE;
"Interest Cover"	Measures the capability to service borrowing obligations from current profits;
"IPR"	Intellectual Property Rights of Simbisa;
"Legal Advisors"	Gill, Godlonton & Gerrans Legal Practitioners, the legal advisors on the proposed Unbundling and Listing;
"Listing"	The proposed listing of Simbisa shares by way of Introduction on the Main Board of the ZSE on the 6 <sup>th</sup> of November 2015;
"NAV"	Net Asset Value;
"Non-Resident Shareholder(s)"	A holder(s) of Innscor shares who is designated as "non-resident" in terms of the Exchange Control Regulations;
"Pre-Listing Statement" or "Document"	This Pre-Listing statement dated 12 <sup>th</sup> of October 2015, including the appendices hereto;
"QSR"	Quick Service Restaurant;
"QSR Business" or "QSR Operations"	The Quick Service Restaurants business of Innscor's operations;
"RBZ"	Reserve Bank of Zimbabwe;
"Record Date"	The date on which the register of Innscor Shareholders will be closed to determine the eligibility of Shareholders for participation in the Dividend <i>in Specie</i> , which date is expected to be on the 30 <sup>th</sup> of October 2015;
"Region"	Any jurisdiction outside of Zimbabwe, but primarily within Africa;
"Return On Equity"	Measures the return earned on the capital provided by shareholders;
"Return On Total Assets"	Measures the effectiveness of which the total assets were utilised;
"Shares"	The issued and/or authorised share capital of Simbisa Brands Limited.
"Simbisa" or "the Company" or "the Group"	Simbisa Brands Limited, a public company incorporated in Zimbabwe on the 5 <sup>th</sup> of August 2015 under company registration number 5733/2015. Simbisa's entire issued share capital of 541,593,440 ordinary shares is held by Innscor effective 1 <sup>st</sup> of October 2015. Innscor intends to distribute these shares to Innscor Shareholders by way of a Dividend <i>In Specie</i> , following which these shares will be listed on the ZSE on the 6 <sup>th</sup> of November 2015;
"Simbisa Brands Limited Employee Share Trust"	A trust to be established for the purposes of empowering qualifying employees of Simbisa;
"Transfer Secretaries"	Corpserve Registrars (Private) Limited who will provide share transfer secretarial services to Simbisa;

## INTERPRETATION AND DEFINITIONS (CONTINUED)

"UK"	The United Kingdom of Great Britain and Northern Ireland;
"Unbundling" or "the Transaction"	The acquisition by Simbisa of the assets and liabilities held by Innscor QSR Business on the 1 <sup>st</sup> of October 2015 and the subsequent distribution of the entire issued share capital of Simbisa by way of a Dividend <i>In Specie</i> to shareholders of Innscor;
"US\$"	The United States dollar, allowable trading currency under the multicurrency trading system in Zimbabwe;
"Y-o-Y"	Year on year;
"ZIMRA"	The Zimbabwe Revenue Authority;
"ZSE"	The Zimbabwe Stock Exchange, a stock exchange that is established in terms of the Securities Act of 2004 (Chapter 24:25) and regulates the conduct of companies whose shares are listed on the Official List and traded on the Zimbabwe Stock Exchange;

## SALIENT FEATURES OF THE LISTING

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This summary presents the salient information in relation to the proposed Listing of Simbisa Brands Limited. The detailed information on the Company together with the terms and conditions of the proposed Listing is fully set out in this Pre-Listing Statement. Accordingly, this Pre-Listing Statement should be read in its entirety for a full appreciation of the proposed Listing of Simbisa.

### Terms of the Listing

At a meeting of the Board of Directors of Innscor, held on the 22<sup>nd</sup> of May 2015, the Directors of Innscor approved the Unbundling and Listing of the QSR Business from Innscor to become a stand-alone business to capitalise on its achievements to date and for it to benefit from renewed and specific focus.

Simbisa acquired through a scheme of reconstruction the assets and liabilities of the QSR Business of Innscor under the terms of the Agreement effective on the 1<sup>st</sup> of October 2015, in exchange for issuing 541,593,440 shares in Simbisa to Innscor. The proposed Unbundling, which is subject to the approval of the Shareholders of Innscor, will be effected through a distribution of the entire issued share capital of Simbisa, being 541,593,440 ordinary shares of nominal value US\$0.0001 each, to the Shareholders of Innscor registered as such at the end of business day on the 30<sup>th</sup> of October 2015 through a Dividend *in Specie*. The basis of the Dividend *in Specie* of shares in Simbisa to Innscor shareholders registered as such on the Record Date, which ratio comprises one (1) ordinary share in Simbisa for every one (1) existing Innscor ordinary share held.

The Directors also agreed to seek a Listing of the Company on the ZSE by way of introduction.

The Innscor shareholders have been notified of the proposed Unbundling and Listing through a press announcement published in the national press on the 12<sup>th</sup> of October 2015 and will vote on the relevant resolution at an EGM to be held on the 2<sup>nd</sup> of November 2015.

The ZSE has approved the distribution of the Pre-Listing Statement as well as the Listing of the entire issued share capital of Simbisa.

Simbisa's Articles provide for the issuance and trading of shares in dematerialised form. Shareholders with Central Securities Depository (CSD) accounts will therefore have their CSD accounts credited with the respective entitlements while shareholders without CSD accounts will receive physical share certificates. The new ZSE platform trades securities that are dematerialised only, shareholders should contact their Stockbrokers for further information.

### Rationale for the Unbundling and Listing

The principal reasons for the Unbundling and Listing are as follows:

- To unlock shareholder value;
- The ability for the Company to pursue strategies that maximise shareholder value is enhanced, enabling a clear operational focus that is attractive to investors;
- To establish investment flexibility for investors;
- Financial independence and enhanced transparency for the Company so it can report independently to its shareholders, allowing accurate valuation of the business;
- To enable the Company to gain direct access to capital markets;
- The Company will have the ability to undertake mergers with and acquisitions of entities in complementary spheres of operation, without competing internally with other divisions for capital;
- Trading relationships can be secured and entrenched by allowing customers access to the company's performance and sustainability; and
- Stream line the Company's focus, core competencies and enhance operational efficiencies.

### Tax implications of the Listing

In terms of existing legislation on dividends, Innscor is obliged to deduct ten per cent (10%) withholding tax and remit this to ZIMRA in respect of the Simbisa shares being issued in accordance with this Dividend *in Specie* to all individuals, trusts and non-resident shareholders. In settlement of this withholding tax liability, Innscor will withhold ten per cent (10%) of the ordinary shares issued to all individuals, trusts and non-resident shareholders by way of the Dividend *in Specie* and remit this to ZIMRA. The Listing itself is not taxable.

For the purposes of this Transaction shares withheld from shareholders for tax purposes will be rounded to the nearest whole number.

### Costs of the Listing

The cost of the Listing amounts to approximately US\$300,000.



## SALIENT FEATURES OF THE LISTING (CONTINUED)

### Overview of the Business

Simbisa is a company that owns, operates and franchises IPR of a basket of brands. It was incorporated in Zimbabwe on the 5<sup>th</sup> of August 2015 and is soon to be Listed on the Zimbabwe Stock Exchange. Simbisa is a Pan-African QSR operator, with 388 QSR restaurants in 11 countries across Africa as at the 31<sup>st</sup> of August 2015.

Before its incorporation on the 5<sup>th</sup> of August 2015, and effective transfer on the 1<sup>st</sup> of October 2015 of the assets and liabilities according to the Agreement, the QSR Business of Innscor carried out all of Simbisa's operations. The QSR Business was founded in 1987 when the first Chicken Inn outlet was opened in Harare, Zimbabwe. Since then, the Innscor QSR Business has grown to be the largest QSR service provider in Zimbabwe. Since Innscor's listing in 1998 on the ZSE, the QSR Business footprint has expanded regionally into Kenya, Zambia and Ghana. To accelerate further growth into the region, the QSR Business has grown to own and franchise its successful QSR brands in DRC, Mauritius, Malawi, Namibia, Botswana, Swaziland and Lesotho.

The Group owns the following brands:

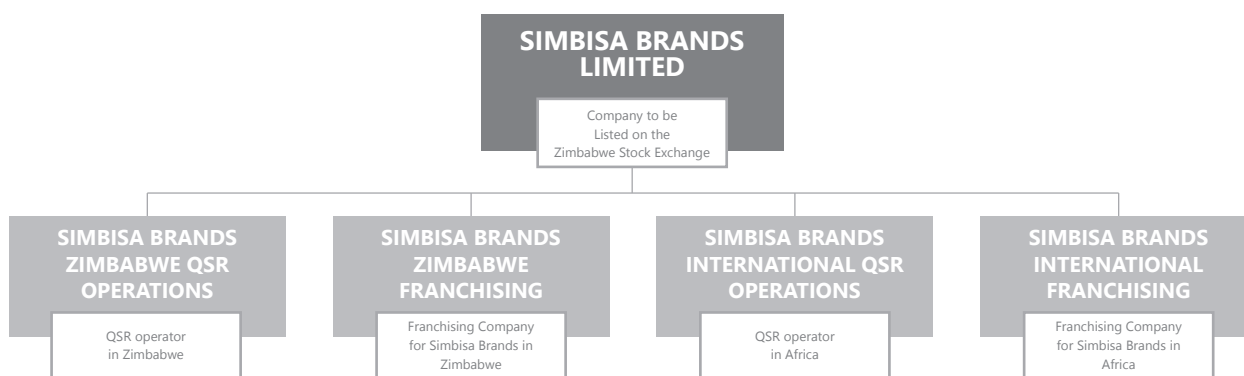
- Chicken Inn;
- Pizza Inn;
- Creamy Inn;
- Baker's Inn;
- Fish Inn; and
- Dial-a-Delivery.

The Group has the following third-party licences:

- Galito's
- Steers (Zimbabwe only);
- Nando's (Zimbabwe only); and
- Vida E Caffè (Mauritius only).

### Business Units

Simbisa operates 4 business units, each operating as an independent profit centre.



*Note: A detailed Group Structure can be found in Annexure 2*

### Share Capital

The share capital of Simbisa is summarised below:

#### Authorised:

999,999,000 ordinary shares of nominal value US\$0.0001 each.

1,000 non-voting Class "A" ordinary shares of nominal value US\$0.0001 each.\*

*\*Note Class "A" shares are non-voting ordinary shares that will be used for Simbisa Brands Limited Employee Share Trust*

#### Issued: (1<sup>st</sup> October 2015)

541,593,440 ordinary shares of nominal value US\$0.0001 each.

## SALIENT FEATURES OF THE LISTING (CONTINUED)

### Financial Highlights

The following abridged financial information has been extracted from the audited financial statements of Innscor, in respect of the QSR Business, under which Simbisa has been reported for the periods ended 30 June 2011, 2012, 2013, 2014 and 2015.

	30 Jun-15 US\$	30 Jun-14 US\$	30 Jun-13 US\$	30 Jun-12 US\$	30 Jun-11 US\$
<b>Statement of profit or loss and other comprehensive income and cash flows</b>					
Revenue	153 137 863	152 890 418	147 518 250	139 037 533	117 226 791
EBITDA	16 926 435	14 799 739	15 269 280	18 321 710	15 997 240
EBITDA margin	11%	10%	10%	13%	14%
Operating profit before impairment losses	10 847 746	8 923 057	10 750 463	14 693 520	13 491 133
Operating profit margin	7%	6%	7%	11%	12%
Profit after taxation	7 512 642	6 137 496	7 967 760	10 740 435	10 068 965
Cash generated from operating activities	15 840 674	16 397 602	15 181 078	20 329 592	17 367 010
Cash realisation rate	94%	111%	99%	111%	109%
<b>Statement of financial position</b>					
Total assets	62 793 462	62 219 563	55 666 011	47 737 147	41 460 198
Total equity	26 003 949	24 953 405	23 594 813	19 455 852	16 144 982
Net debt	11 641 941	10 133 153	8 252 413	6 445 438	5 296 584
<b>Profitability and asset management</b>					
Return on total assets	17%	15%	21%	33%	33%
Return on equity	29%	25%	37%	60%	62%
Interest cover	12x	10x	14x	16x	19x
Net debt/equity	45%	41%	35%	33%	33%

### Timetable of the Listing

Important Dates	
Innscore EGM Notice and announcement published	Monday, 12 <sup>th</sup> October, 2015
Simbisa abridged Pre-Listing Statement published	Monday, 12 <sup>th</sup> October, 2015
Simbisa Pre-Listing statement posted to shareholders	Monday, 12 <sup>th</sup> October, 2015
Innscore Announcement posted to shareholders	Monday, 12 <sup>th</sup> October, 2015
Last day of lodging Proxy Forms (at 0900 hours)	Thursday, 29 <sup>th</sup> October, 2015
Record Date, Innscore share register closed (end of day)	Friday, 30 <sup>th</sup> October, 2015
Innscore EGM (at 0900 hours)	Monday, 2 <sup>nd</sup> November, 2015
Innscore share register reopens (After EGM)	Monday, 2 <sup>nd</sup> November, 2015
Publication of Innscore EGM resolution results	Tuesday, 3 <sup>rd</sup> November, 2015
Simbisa shares issued and Listing on the ZSE	Friday, 6 <sup>th</sup> November, 2015

The above dates may be subject to change and any such change will be published in the Zimbabwe national press. All times indicated above and elsewhere in the Pre-Listing Statement are Zimbabwean local times.

# PRE-LISTING STATEMENT

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## 1. OVERVIEW OF SIMBISA

### 1.1 Naming of Simbisa

Simbisa means “to strengthen” or “to empower”. It is a Shona word that embodies a rally for strength and power to an object. The name represents what the business and its people stand for; the endeavour to create and sustain a strong, empowered brand that is recognised across all regions of operation.

### 1.2 History of the QSR Business

The QSR Business opened its inaugural Chicken Inn outlet in Harare, Zimbabwe in 1987. Since then the QSR Business has expanded to 179 outlets in Zimbabwe and 209 outlets in the region through the addition of new brands and the franchising of existing brands through third-party licenses..

In 1998 Innscor listed on the ZSE, utilising the QSR Business to spread its footprint into Africa as a diversified Pan-African operation. In the process QSR outlets were opened in Zambia, Kenya and Ghana. Since then the QSR Business has grown to own and franchise outlets all across Africa, including Zimbabwe, Zambia, Kenya, DRC, Ghana, Malawi, Namibia, Botswana, Mauritius, Swaziland and Lesotho.

A major contributing factor to the success of the QSR Business has been the strategic and well thought out location of outlets. Simbisa stores can be found along busy traffic routes, in central business districts, in urban areas and in food courts, all of which ensure consistent access to large volumes of consumers.

The Company is unique in that it not only owns the IPR's of the brands within its portfolio but also owner-operates some of the outlets of the QSR brands. Furthermore, Simbisa owns the master license to other successful brands such as Galito's Africa, Nando's (Zimbabwe only), Steers (Zimbabwe only), and Vida E Caffè (Mauritius only).

At a meeting of the Board of Directors of Innscor, held on the 22<sup>nd</sup> of May 2015, the Directors of Innscor approved the Unbundling and Listing of the QSR Business from Innscor to become a stand-alone business to capitalise on its achievements to date and for it to benefit from renewed and specific focus. The proposed Unbundling, which is subject to the approval of the Shareholders of Innscor, will be effected through a distribution of the entire issued share capital of Simbisa to the Shareholders of Innscor registered as such at the end of the business day on the 30<sup>th</sup> of October 2015 through a Dividend *in Specie*. The basis of the Dividend *in Specie* of shares in Simbisa to Innscor shareholders registered as such on the Record Date, which ratio comprises one (1) share in Simbisa for every one (1) existing Innscor share held. The Directors also agreed to seek a Listing of the Company on the ZSE by way of introduction.

On the 5<sup>th</sup> of August 2015 Simbisa was incorporated as a wholly owned subsidiary of Innscor. Effective 1<sup>st</sup> of October 2015 Simbisa acquired through a scheme of reconstruction, in accordance with the Agreement, all the assets and liabilities of the QSR Business from Innscor in exchange for 541,593,440 shares in the company. As at the 31<sup>st</sup> of August 2015, Simbisa operates 388 QSR outlets in 11 countries across Africa.

### 1.3 The Industry

Despite the challenges faced within the countries in which the Business operates, it has managed to grow significantly. The Company is a leading market player within the countries in which it operates, with 179 counters across Zimbabwe and 209 counters in the region and a record customer base of over 46 million consumers per annum as at the 31<sup>st</sup> of August 2015.

## PRE-LISTING STATEMENT (CONTINUED)

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### 1.4 Vision and Mission

#### 1.4.1 Vision

- To establish and operate world class intellectual property that can be franchised globally.

#### 1.4.2 Mission

- To be the largest QSR retail network in Africa through its portfolio of brands;
- To deliver real shareholder return through profitable operations;
- To invest in quality people and their talents; and
- To create opportunities in all markets through easy access to our intellectual property.

### 1.5 Operations

#### 1.5.1 Brands

##### 1.5.1.1 Chicken Inn

Simbisa's flagship brand, Chicken Inn, was opened on Speke Avenue, Harare in 1987. The brand is renowned for its fresh, quality menu items such as fried chicken pieces, fried chicken burgers, rotisserie chicken, beef burgers and other favourites such as hand cut chips made fresh daily, spicy wingz, chicken bites and the 2-piecer meal. Twenty-eight years on, Chicken Inn continues to offer value for money not only to the individual but also to the family as a whole, with a broad and diverse menu. Chicken Inn ensures that only the best A-grade chicken and premium spices are used to provide the uniquely flavoured, quality fried chicken that they have become famous for. The proudly Zimbabwean brand boasts 86 outlets across Africa, including Kenya, Zambia, Ghana, Malawi and DRC.

##### 1.5.1.2 Pizza Inn

Established in 1994, the first Pizza Inn opened in Harare, Zimbabwe. As one of the leading pizza brands in Zimbabwe, Pizza Inn continues to deliver the best tasting pizza using only the freshest ingredients, which has contributed to its success locally and across Africa. The pizza dough is made fresh daily in-store, and the all-natural tomato sauce is a blend of sun-ripened tomatoes, herbs and spices. Pizza Inn has 83 outlets across Africa and is one of the first choices in quick service pizza in Zimbabwe, Kenya, Ghana, Zambia, DRC and Malawi.

##### 1.5.1.3 Creamy Inn

Creamy Inn is renowned for its delicious, creamy ice cream that is available in a delectable selection of cones, cups, sundaes, milkshakes and waffles. Creamy Inn's flexibility allows it to have a diverse footprint of varying types of outlets, from a stand-alone store in a shopping mall to a kiosk on a high street. The brand operates 70 outlets across Africa.

##### 1.5.1.4 Baker's Inn

Baker's Inn offers on-the-go customers a wide range of freshly baked bread, rolls, confectionery and pies. Baker's Inn opened its first retail outlet in Harare, Zimbabwe and later expanded successfully to have a footprint across Africa, with outlets in Zimbabwe, Kenya and Zambia. The brand has consistently updated its offering to suit the changing needs of its customers, and now offers a selection of bread including white, brown, whole-wheat, seed and low GI. Baker's Inn operates 60 outlets across Africa.

##### 1.5.1.5 Fish Inn

The first Fish Inn outlet was opened in 2013 at the Fife Avenue shops in Harare, Zimbabwe. The establishment of this outlet marked a quantum leap for the region as the first of its kind in the Zimbabwean market. Fish Inn provides its customers with an affordable, healthy and tasty QSR option that is unique to the market. There are currently 4 Fish Inn outlets in Zimbabwe.

##### 1.5.1.6 Other

Other brands include Haefalis, Vasilis and Convenience stores and there are currently 28 other brand outlets

## PRE-LISTING STATEMENT (CONTINUED)

### 1.5.2 Franchised Brands

#### 1.5.2.1 Galito's

Galito's offers 100% flame grilled chicken which has a unique, traditional marinade that is made from only the freshest natural ingredients and is infused with a selected herbs and spices. Each chicken is carefully marinated for at least 24 hours and then flame grilled to perfection. There are currently 34 stores across the region.

#### 1.5.2.2 Steers

Steers is known for its warm, friendly atmosphere, great service and quality food and is best known for its flame grilled burgers and handmade chips. Steers is a Famous Brands franchise and Innscor Africa Limited is the Master Licensee for the Steers brand in Zimbabwe with outlets trading in Harare and Bulawayo. Currently there are 5 Steers franchise outlets.

#### 1.5.2.3 Nando's

Nando's is an Afro-Portuguese themed restaurant known for its flame grilled peri-peri chicken. The original restaurant opened in Avondale, Zimbabwe in 1995. After the revamp in 2011 it remains one of the most popular restaurants in Zimbabwe with a devoted local client-base. The brand has grown significantly, boasting 11 restaurants in Zimbabwe.

#### 1.5.2.4 Vida E Caffè

Vida E Caffè is a coffee shop chain that is based on a European espresso bar concept, aiming to serve high quality espresso and pastries. Vida E Caffè means "life and coffee" in Portuguese and this is reflected in the Vida E Caffè brand in that coffee shops are Portuguese themed. There are currently 7 Vida E Caffè outlets operated in the region with future store openings planned across all regions.

### 1.5.3 Summary

A summary of Simbisa brands as at the 31<sup>st</sup> of August 2015 is found in the table below:

Brands	Zimbabwe	Region	Total
Chicken Inn	50	36	86
Pizza Inn	28	55	83
Creamy Inn	28	42	70
Baker's Inn	44	16	60
Fish Inn	4	-	4
Other	9	19	28
Galito's	-	34	34
Steers	5	-	5
Nando's	11	-	11
Vida E Caffè	-	7	7
<b>Total</b>	<b>179</b>	<b>209</b>	<b>388</b>

## PRE-LISTING STATEMENT (CONTINUED)

### 2. BUSINESS UNITS

Simbisa currently operates 4 business units. The 4 business units are Simbisa Brands Zimbabwe QSR Operations, Simbisa Brands Zimbabwe Franchising, Simbisa Brands International QSR Operations and Simbisa Brands International Franchising. Each business unit is managed as an independent profit centre, with a dedicated management team that is overseen by a centralised management team which includes a Chief Executive Officer and Group Finance Director who ensure that the business units are operating at their optimal capacity as well as identifying any areas where there is growth potential and allotting resources into those areas respectively.



Note: Detailed Group Structure can be found in Annexure 2

### 3. SHARE CAPITAL

The share capital of Simbisa is shown below:

#### Authorised:

999,999,000 ordinary shares of nominal value US\$0.0001 each.

1,000 non-voting Class "A" ordinary shares of nominal value US\$0.0001 each.\*

\*Note Class "A" shares are non-voting ordinary shares that will be used for Simbisa Brands Limited Employee Share Trust

#### Issued: (1<sup>st</sup> of October 2015)

541,593,440 ordinary shares of nominal value US\$0.0001 each

#### 3.1 Authorised but unissued share capital

The authorised but unissued share capital of the Company is under the control of the Directors.

#### 3.2 Variation of Rights

According to the Company's Articles, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), may be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a resolution passed by a majority of not less than three-fourths of the members of that class present at a separate general meeting of the holders of the shares of the class.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

#### 3.3 Summary of Issues and Offers

Since the date of incorporation of Simbisa, there has been no additional issue of shares, other than the 541,593,440 shares issued to Innscor.

## PRE-LISTING STATEMENT (CONTINUED)

### 3.4 Voting Rights

The authorised but unissued and issued Simbisa ordinary shares are the same class and rank *pari passu* in every respect.

The authorised but unissued Class "A" shares are non-voting ordinary shares that will be used for Simbisa Brands Limited Employee Share Trust to ensure the Company adheres to the requirements of the Indigenisation and Empowerment Act of the Republic of Zimbabwe.

### 3.5 Adequacy of Capital, Working Capital and Cash Flow

The Directors are of the opinion that the Company's share capital and working capital are adequate for the foreseeable future. The Directors are of the opinion that the available working capital is sufficient to cover the cash flow requirements of the Company.

## 4. INDIGENISATION

In line with Innscor's indigenisation transaction, approved by shareholders on the 24<sup>th</sup> of January 2014, Innscor entered into the following two Share Option Agreements:

- 1) The first option agreement is with an indigenous company, Benvenue. The terms of the Benvenue Share Option are as follows:

<b>Benvenue Share Option</b>	
Number of Innscor Ordinary shares	Fifty million (50 000 000)
Tenure	Ten years
Pricing	The higher of - 75% of the volume weighted average price of Innscor shares over the previous 60 trading days, or for the first five years, USD 1.37 per share and for the second five years, USD 2.01 per share

- 2) The second option is with the Innscor Africa Limited Employee Share Trust. The terms of the Innscor Africa Limited Employee Share Trust are as follows:

<b>Employee Share Trust</b>	
Number of Innscor Ordinary shares	Thirty million (30 000 000)
Tenure	Ten years
Pricing	At the volume weighted average price of Innscor shares over the previous 60 trading days
Discretionary income	At the sole discretion of the Innscor Board, the Trust would be entitled to receive discretionary income equivalent to up to 5% of any ordinary dividends declared by the Board.

## PRE-LISTING STATEMENT (CONTINUED)

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Clause 5 in both of the above Share Option Agreements caters for eventualities where an adjustment to either the number of shares under option or the exercise price of such option shares can be effected. One such eventuality included therein was that of a share dividend (i.e. Dividend *in Specie*). Therefore the Unbundling and Listing of Innscor's QSR Business interests will result in the following positions with regard to the indigenisation transactions of both Innscor and Simbisa:

- 1) Benvenue will now have options over fifty million shares in both Innscor and Simbisa. The minimum exercise prices of these two separate options will be underpinned by reference to the volume weighted average price of Simbisa shares in their first 60 trading days and the relevant proportion of Innscor earnings and equity which the QSR Business represents. Once the first 60 days trading in Simbisa shares have elapsed, the Board of Directors of Innscor and Simbisa will determine the split of the minimum exercise prices for the periods ending on the 23<sup>rd</sup> of January 2019 (the first five years from original granting) and the 23<sup>rd</sup> of January 2024 (the second five years from original granting) for the Benvenue Share Option agreement.
- 2) Innscor Africa Limited Employee Share Trust will continue to have options over thirty million Innscor shares at the volume weighted price of Innscor shares over the preceding 60 trading days and similarly Simbisa Brands Limited Employee Share Trust will have options over thirty million Simbisa shares at the volume weighted average price of Simbisa shares over the preceding 60 trading days. An applicable portion of the discretionary income earned by the Innscor Africa Limited Employee Share Trust will be transferred to the Simbisa Brands Limited Employee Trust on or around the date of the Unbundling.
- 3) All other terms and conditions of the two Innscor Share Option agreements will be retained in the Simbisa Share Option agreements.

### 5. REORGANISATION AND RESTRUCTURING

Simbisa acquired through a scheme of reconstruction the assets and liabilities of the QSR Business of Innscor, under the terms of the Agreement effective on the 1<sup>st</sup> of October 2015, in exchange for issuing 541,593,440 shares in Simbisa to Innscor. The terms of the Agreement stipulated that Simbisa would acquire the QSR Business as a going concern, including all assets and liabilities and an obligation to employ all employees of the QSR Business.

As part of Simbisa reorganisation and restructuring activities, the Company is in advanced discussions to buy-out minority interests within the QSR Business.



## PRE-LISTING STATEMENT (CONTINUED)

### 6. FINANCIAL INFORMATION

Below are extracts from the financial statements of Innscor relating to the QSR Business. Information in this paragraph should be read in conjunction with Annexure 1 – The Independent Reporting Accountants' Report.

#### 6.1 Statement of Comprehensive Income of the QSR Business extracted from Innscor Audited Financial Statements

	30-Jun-15 US\$	30-Jun-14 US\$	30-Jun-13 US\$	30-Jun-12 US\$	30-Jun-11 US\$
<b>Revenue</b>	<b>153 137 863</b>	<b>152 890 418</b>	<b>147 518 250</b>	<b>139 037 533</b>	<b>117 226 791</b>
Other income	1 722 693	1 936 609	4 589 920	4 499 452	3 901 172
	<b>154 860 556</b>	<b>154 827 027</b>	<b>152 108 170</b>	<b>143 536 985</b>	<b>121 127 963</b>
Operating expenses	(144 468 405)	(145 992 036)	(141 357 707)	(128 843 465)	(107 636 830)
<b>Profit before interest, equity accounted earnings and tax</b>	<b>10 392 151</b>	<b>8 834 991</b>	<b>10 750 463</b>	<b>14 693 520</b>	<b>13 491 133</b>
Net interest expense	(919 155)	(927 109)	(752 302)	(928 638)	(726 726)
Equity accounted earnings	188 582	158 877	143 843	101 483	93 594
<b>Profit before tax</b>	<b>9 661 578</b>	<b>8 066 759</b>	<b>10 142 004</b>	<b>13 866 365</b>	<b>12 858 001</b>
Income tax expense	(2 148 936)	(1 929 263)	(2 174 244)	(3 125 930)	(2 789 036)
<b>Profit for the year</b>	<b>7 512 642</b>	<b>6 137 496</b>	<b>7 967 760</b>	<b>10 740 435</b>	<b>10 068 965</b>
<b>Other comprehensive income</b>					
Exchange differences arising on the translation of foreign operations	(907 605)	(436 717)	(67 738)	(139 455)	333 560
<b>Other comprehensive income for the year, net of tax</b>	<b>(907 605)</b>	<b>(436 717)</b>	<b>(67 738)</b>	<b>(139 455)</b>	<b>333 560</b>
<b>Total comprehensive income for the year</b>	<b>6 605 037</b>	<b>5 700 779</b>	<b>7 900 022</b>	<b>10 600 980</b>	<b>10 402 525</b>
<b>Profit for the year attributable to:</b>					
Equity holders of the parent	5 677 149	5 550 456	5 894 710	8 430 273	7 267 171
Non-controlling interests	1 835 493	587 040	2 073 050	2 310 162	2 801 794
	<b>7 512 642</b>	<b>6 137 496</b>	<b>7 967 760</b>	<b>10 740 435</b>	<b>10 068 965</b>
<b>Total comprehensive income for the year:</b>					
Equity holders of the parent	4 991 291	5 155 510	5 844 596	8 320 813	7 507 914
Non-controlling interests	1 613 746	545 269	2 055 426	2 280 167	2 894 611
	<b>6 605 037</b>	<b>5 700 779</b>	<b>7 900 022</b>	<b>10 600 980</b>	<b>10 402 525</b>

## PRE-LISTING STATEMENT (CONTINUED)

### 6.1.1 Statement of Comprehensive Income Review

Despite significant economic challenges in the period, including deflationary pressures (annual inflation in Zimbabwe closed June 2015 at -2.81%) and subdued economic growth (Gross Domestic Product ("GDP") revised downward to 1.5% for 2015 by the International Monetary Fund ("IMF")) the QSR Business achieved moderate revenue growth of 0.2% Y-o-Y to US\$153,137,863 in FY2015. In the face of diminishing income levels in Zimbabwe, the QSR Business undertook a number of strategic initiatives in order to boost customer growth and increase market share. As such, the business succeeded in increasing Zimbabwe's customer count by 6% Y-o-Y, from 31.9 million in FY2014 to 33.8 million in FY2015. Despite currency depreciation across the region, average regional spend in US\$-terms increased 3% Y-o-Y and the customer count increased from 12.1 million in FY2014 to 12.8 million in FY2015. Growth was also achieved through the opening of 21 new counters in the period; 3 were opened in Zimbabwe and 18 regionally. To improve operating and cost efficiencies, the QSR Business in Zimbabwe was consolidated in the period resulting in the closure of 10 counters and the opening of 7 successful new counters, the discontinuation of bread distribution in Manicaland Province and the consolidating of the 3 Zimbabwe regional head offices into one country head office. Compounded annual growth rate (CAGR) for revenue over the 5 year period 2011 - 2015 was a healthy 5%.

The rationalisation exercise has already begun to yield results, with operating margins improving from 5.8% in FY2014 to 6.8% in FY2015. Operating profit before interest, equity accounted earnings and tax grew 17.6% from US\$8,834,991 recorded in FY2014 to US\$10,392,151 in FY2015. A reconciliation of EBITDA and Profit before Interest, Equity Accounted Earnings and Taxation is shown below:

	30-Jun-15 US\$	30-Jun-14 US\$	30-Jun-13 US\$	30-Jun-12 US\$	30-Jun-11 US\$
Earnings before interest, tax, depreciation and amortisation (EBITDA)	16 926 435	14 799 739	15 269 280	18 321 710	15 997 240
Depreciation and amortisation	(6 078 689)	(5 876 682)	(4 518 817)	(3 628 190)	(2 506 107)
Impairment of property, plant and equipment	(455 595)	(88 066)	-	-	-
<b>Profit before interest, equity accounted earnings and taxation</b>	<b>10 392 151</b>	<b>8 834 991</b>	<b>10 750 463</b>	<b>14 693 520</b>	<b>13 491 133</b>

The QSR Business recorded a profit before taxation of US\$9,661,578 and US\$8,066,759 in FY2015 and FY2014 respectively. Profit after tax grew by a more pronounced 22.4% from US\$6,137,496 in FY2014 to US\$7,512,642 in FY2015, on the back of a 4.0% Y-o-Y decrease in interest costs and an 18.7% Y-o-Y increase in equity accounted earnings. Due to softness in currencies in most regions in which the business operates, the exchange loss of US\$907,605 was double that of prior year (US\$436,717 in FY2014). Despite depreciating currencies affecting regional businesses and liquidity challenges in Zimbabwe, the QSR Business still managed to achieve 15.9% growth in net income, from US\$5,700,779 in FY2014 to US\$6,605,037 in FY2015.

## PRE-LISTING STATEMENT (CONTINUED)

### 6.2 Statement of Financial Position of the QSR Business extracted from Innscor Audited Financial Statements

	30 Jun-15 US\$	30 Jun-14 US\$	30 Jun-13 US\$	30 Jun-12 US\$	30 Jun-11 US\$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	46 388 202	45 577 691	40 552 864	33 574 076	26 815 513
Intangible assets	480 551	512 807	587 685	679 932	705 830
Investments in associates	394 667	288 585	284 708	285 865	294 129
Deferred tax assets	605 763	463 151	767 670	352 646	133 479
	<b>47 869 183</b>	<b>46 842 234</b>	<b>42 192 927</b>	<b>34 892 519</b>	<b>27 948 951</b>
<b>Current assets</b>					
Inventories	4 536 204	4 633 696	5 249 797	4 635 082	5 365 405
Trade and other receivables	6 661 314	5 991 475	5 629 330	3 632 453	4 116 967
Cash and cash equivalents	3 726 761	4 752 158	2 593 957	4 577 093	4 028 875
	14 924 279	15 377 329	13 473 084	12 844 628	13 511 247
<b>Total assets</b>	<b>62 793 462</b>	<b>62 219 563</b>	<b>55 666 011</b>	<b>47 737 147</b>	<b>41 460 198</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Ordinary share capital	-	-	-	-	-
Non-distributable reserves	(900 476)	(214 618)	3 003 489	3 053 603	3 163 063
Distributable reserves	21 951 790	20 241 467	15 881 044	11 127 690	8 210 428
	<b>21 051 314</b>	<b>20 026 849</b>	<b>18 884 533</b>	<b>14 181 293</b>	<b>11 373 491</b>
Non-controlling interests	4 952 635	4 926 556	4 710 280	5 274 559	4 771 491
<b>Total equity</b>	<b>26 003 949</b>	<b>24 953 405</b>	<b>23 594 813</b>	<b>19 455 852</b>	<b>16 144 982</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	3 714 326	3 801 976	3 433 040	2 354 934	1 782 862
Interest-bearing borrowings	369 788	-	-	-	-
	4 084 114	3 801 976	3 433 040	2 354 934	1 782 862
<b>Current liabilities</b>					
Interest-bearing borrowings	14 998 914	14 885 311	10 846 370	11 022 531	9 325 459
Trade and other payables	16 298 791	17 271 849	16 310 180	14 209 902	12 999 826
Provisions	1 272 562	1 393 503	1 294 743	1 052 227	859 346
Current tax liabilities	135 132	(86 481)	186 865	(358 299)	347 723
	32 705 399	33 464 182	28 638 158	25 926 361	23 532 354
<b>Total liabilities</b>	<b>36 789 513</b>	<b>37 266 158</b>	<b>32 071 198</b>	<b>28 281 295</b>	<b>25 315 216</b>
<b>Total equity and liabilities</b>	<b>62 793 462</b>	<b>62 219 563</b>	<b>55 666 011</b>	<b>47 737 147</b>	<b>41 460 198</b>

#### 6.2.1 Statement of financial position review at 30<sup>th</sup> June 2015

##### Fixed Assets (US\$46,388,202)

The net book value of fixed assets of US\$46,388,202, comprises mainly of property, plant and equipment. Fixed assets have grown over the five year period showing Simbisa's investment and capital expenditure into counters both in Zimbabwe and across the region.

##### Intangible Assets (US\$480,551)

Intangible assets comprise mainly of goodwill arising from acquisitions.

## PRE-LISTING STATEMENT (CONTINUED)

### 6.2.1 Statement of financial position review at 30<sup>th</sup> June 2015 (continued)

#### Inventories (US\$4,536,204)

Inventories have remained constant over the period.

#### Trade and Other Receivables (US\$6,661,314)

The majority of trade receivables constitutes trade receivables, pre-payments and other receivables.

#### Interest Bearing Borrowings (US\$15,368,702)

Due to the capital expenditure requirements of Simbisa, the Company required borrowing to fund its expansion. The average cost of borrowings for Simbisa Group is 7.5% per annum. Total secured interest bearing debt amount to US\$369,788.

#### Trade Payables (US\$16,298,791)

Trade payables are all within normal business terms.

### 6.3 Statement of Cash Flows of the QSR Business extracted from Innscor Audited Financial Statements

	30-Jun-15 US\$	30-Jun-14 US\$	30-Jun-13 US\$	30-Jun-12 US\$	30-Jun-11 US\$
<b>Cash generated from operating activities</b>	15 840 674	16 397 602	15 181 078	20 329 592	17 367 010
Interest income	230 540	270 642	193 867	194 165	159 616
Interest expense	(1 149 695)	(1 197 751)	(946 169)	(1 122 803)	(886 342)
Taxation paid	(989 056)	(825 147)	(1 002 767)	(2 922 411)	(2 443 445)
<b>Total cash generated from operations</b>	<b>13 932 463</b>	<b>14 645 346</b>	<b>13 426 009</b>	<b>16 478 543</b>	<b>14 196 839</b>
<b>Investing activities</b>	(8 897 649)	(11 697 399)	(11 524 426)	(10 529 399)	(15 826 624)
<b>Net cash flow before financing activities</b>	<b>5 034 814</b>	<b>2 947 947</b>	<b>1 901 583</b>	<b>5 949 144</b>	<b>(1 629 785)</b>
<b>Financing activities</b>	(6 060 211)	(789 746)	(3 884 719)	(5 400 926)	1 126 652
Dividends paid to parent company	(3 946 904)	(4 013 194)	(3 367 723)	(5 513 011)	(2 347 575)
Dividends paid to subsidiaries to non-controlling interests	(1 105 875)	(441 750)	(302 063)	(1 151 186)	(1 906 097)
(Decrease)/Increase in borrowings	(612 544)	3 324 167	(165 781)	1 367 807	5 416 975
Cash paid to non-controlling interests	(394 888)	341 031	(49 152)	(104 536)	(36 651)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1 025 397)</b>	<b>2 158 201</b>	<b>(1 983 136)</b>	<b>548 218</b>	<b>(503 133)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4 752 158</b>	<b>2 593 957</b>	<b>4 577 093</b>	<b>4 028 875</b>	<b>4 532 008</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3 726 761</b>	<b>4 752 158</b>	<b>2 593 957</b>	<b>4 577 093</b>	<b>4 028 875</b>

## 7. MATERIAL CHANGES

There have been no material changes in the trading and financial position of Simbisa since acquiring through a scheme of reconstruction the assets and liabilities of the QSR Business effective on the 1<sup>st</sup> of October 2015.

## 8. AVAILABLE FOR SALE FINANCIAL ASSETS

The Company has no material assets available for sale.

## PRE-LISTING STATEMENT (CONTINUED)

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### 9. BUSINESS RISK FACTORS

#### 9.1 Financial Risk Management

The Company's principle financial instruments comprise interest-bearing borrowings, overdrafts, financial assets, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Company's operations or to achieve a return on surplus short-term funds. The Company has various other financial assets and financial liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk.

The Board of Directors reviews and agrees policies for managing each of these risks.

#### 9.2 Interest Rate Risk

The Group's exposure to risk for changes in market interest rates relates primarily to variable short-term overdraft rates. The Group's policy is to manage its interest cost by limiting exposure to overdrafts and where borrowings are required, and to borrow at favourable and fixed rates of interest.

#### 9.3 Foreign Currency Risk

Foreign currency risk is the risk that that 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 in operations in countries outside Zimbabwe, the Group's statements of financial position can be affected significantly by movements in foreign currency exchange rates.

The Group also has transactional currency exposures. Such exposures arise 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 stocks until the foreign currency to settle the related liability has been secured.

#### 9.4 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 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, receivables 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.

Where it sees fit, the Group can from time to time ask for collateral security from debtors. This is done by assessing the customers' ability to honour their obligations and the level of exposure. Collateral can be properties, listed shares or other assets.

## PRE-LISTING STATEMENT (CONTINUED)

### 9.5 Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding through a well-managed portfolio of short-term investments and/or flexibility through the use of bank overdrafts and interest-bearing borrowings.

The table below summarises the maturity profile of the QSR Business' financial assets and liabilities at the 30<sup>th</sup> of June 2015.

	<b>Within 3 months US\$</b>	<b>Between 4-12 months US\$</b>	<b>More than 12 months US\$</b>	<b>Total US\$</b>
<b>Liabilities</b>				
Interest bearing borrowings	(4 168 894)	(11 933 611)	(369 788)	(16 472 293)
Trade and other accounts payable	(14 385 859)	(1 912 932)	-	(16 298 791)
<b>Total</b>	<b>(18 554 753)</b>	<b>(13 846 543)</b>	<b>(369 788)</b>	<b>(32 771 084)</b>
<b>Assets</b>				
Cash and cash equivalents	3 726 761	-	-	3 726 761
Trade and other accounts receivable (excluding prepayments)	4 126 981	-	-	4 126 981
<b>Total</b>	<b>7 853 742</b>	<b>-</b>	<b>-</b>	<b>7 853 742</b>

## PRE-LISTING STATEMENT (CONTINUED)

### 10. FACTS AND EVENTS WHICH MAY HAVE A MATERIAL ADVERSE EFFECT ON SIMBISA

As a QSR Business operating in Zimbabwe and the region, Simbisa is exposed to various risks. These include, but are not limited to:

Risk	Mitigate
<p>10.1 The QSR market could be considered a luxury rather than necessity and so during times when the market conditions are depressed (high unemployment, high cost of living resulting in lower disposable income), as is the situation in Zimbabwe the demand for takeaway meals is depressed in favour of necessity products as well as, given Zimbabwe has been experiencing deflation this further has an impact on prices. Furthermore, recent currency weakness across Simbisa's key markets has resulted in higher inflation and lower disposable income limiting the amount households spend on luxuries in favour of basic necessities.</p>	<p>Simbisa has managed to combat this risk to some extent by ensuring prices are set at reasonable levels to make their products affordable to consumers.</p>
<p>10.2 Zimbabwe operates in a multi-currency market mainly using the US\$. Whilst the US\$ is strong, the weakness in other currencies can make sourcing of produce locally less competitive and fluctuations in currencies can affect the price of imports. In the region, Simbisa is exposed to local currency fluctuation risks impacting pricing to consumer and purchase of inputs.</p>	<p>Simbisa opts to reduce currency risk by buying as far as possible the raw materials for their products from the local market to ensure matching of buying and selling currencies.</p>
<p>10.3 Changes in the cost of raw material supplies can significantly impact the business making its pricing less competitive. If the changes are a country-wide issue, all competitors would be impacted to the same extent.</p>	<p>Simbisa uses core supplier networks and relationships to ensure that supplies are sourced at the most affordable rates possible and that the supply chain is robust to prevent outages.</p>
<p>10.4 Local government policies impacting the QSR industry could include taxes on raw materials, taxes on QSR products, and changes to industry standards, among others.</p>	<p>Simbisa has an experienced management team, including in-house legal team to manage the impact of changes in government policies on the business.</p>
<p>10.5 Natural disasters such as floods and drought can impact on both the cost and availability of raw materials for the food retail industry.</p>	<p>Simbisa has limited control in such circumstances but does manage relationships with multiple suppliers to avoid circumstances of non-availability of inputs.</p>
<p>10.6 Expansion plans into the African market exposes the Company to unfamiliar market dynamics and preferences. This may result in the Company not achieving the desired return.</p>	<p>Simbisa is cognisant of diverse cultures, palate preferences in the market places that we plan to expand into. Our experience comes from learning's on the ground and the twenty eight (28) years Simbisa has successfully operated on the African continent.</p>
<p>10.7 The quality and safety of food is critical in the food service industry. Sub-standard food products may result in customers becoming ill from Simbisa products. The adverse impact on the community also results in financial loss to the business and significant reputational damage to the Company's brands.</p>	<p>Simbisa adheres to high food safety standards. The Company continues to recognise the importance of health and wellness of its employees and customers. The Company also has public liability policies in place to mitigate this risk.</p>

## PRE-LISTING STATEMENT (CONTINUED)

### 11. CORPORATE GOVERNANCE

#### 11.1 Introduction

Simbisa is committed to a Code of Corporate Practices and Conduct based on the principles laid out in the King Reports and the Principles of Corporate Governance in Zimbabwe as laid out in the Manual of Best Practice. The Directors recognise the need to conduct the affairs of the Group with principles of transparency, integrity, accountability and in accordance with generally accepted corporate practices, in the interests of its shareholders, employees and other stakeholders. This process enables the Company's shareholders and stakeholders to derive the assurance that, in protecting and adding value to Simbisa's financial and human capital investment, the Company is being managed ethically, according to prudently determined risk parameters and in compliance with the best international practices.

#### 11.2 Board of Directors

The primary responsibility of the Board is to discharge its fiduciary responsibility to the shareholders and the Company. The Board is accordingly the highest policy organ of the Company and also acts to direct strategy. The Board meets regularly to monitor the performance of management and to ensure proper control over the strategic direction of the Company.

The Board comprises 3 Executive and 4 Non-Executive Directors. The Directors comprise of individuals with proven track records and a wide range of different skills and experience, which they employ for the Company's benefit. The Non-Executive Directors also provide crucial independence and guidance to the Company's strategic decisions making process and corporate governance practices.

The full names, ages, addresses and positions of the Directors of Simbisa are set out below:

Full Name	Age	Residential Address	Position
Addington Chinake	45	47 Basset Crescent, Alexandra Park, Harare, Zimbabwe	Independent Non-Executive Chairman
Basil Dionisio	51	11 Glanmore Road, Colne Valley, Harare, Zimbabwe	Group Chief Executive Officer
Zinona (Zed) Koudounaris	51	20 Basset Crescent, Alexandra Park, Harare, Zimbabwe	Non-Executive Director
Salim Eceolaza	33	6 Reigate Close, Rietfontein, Harare, Zimbabwe	Group Finance Director
Amit Gupta	42	Flat No. 508 Gateway Complex, St. Jean Road, Quatre Bornes, Mauritius	Independent Non-Executive Director
Emmanuel (Manoli) Vardas	45	4 Villa Santika, 40 Arborath Road, Bedfordview, Johannesburg, South Africa	Executive Director
Johnny Tomazos	30	Apartment 1602 Marinascape, Avant Tower, Dubai Marina, Dubai, United Arab Emirates	Independent Non-Executive Director
Leighton Shaw*	44	2 Skuilkloof Road, Broederstroom, North West, South Africa	Executive Director

\*Alternate to Emmanuel (Manoli) Vardas



## PRE-LISTING STATEMENT (CONTINUED)

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### **Addington Chinake – Non-Executive Chairman**

Addington Chinake has been in practice 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. He has specialised in corporate and commercial law, including mining and competition law and all aspects of tax law and litigation, mergers and acquisitions, leverage buy-outs and capital raising.

He is a former Non-Executive Director of four ZSE listed counters. Addington is a trustee of the National Gallery of Zimbabwe and a resource person to the Law Society of Zimbabwe, and a recognised mediator. He is a published contributor to the Zimbabwe Independent Newspaper (Annual Quoted Companies Survey), and The Zimbabwe Stock Exchange Hand Book. He has acted for a significant number of Fortune 100 Companies who have operations in Zimbabwe and the region. He was involved in a number of significant FDI transactions, including handling a bank merger on the ZSE, the biggest single FDI investment by an investment bank in a Zimbabwean company and a number of other multi-million dollar acquisitions, which included disposals by foreign companies of equity in ZSE listed entities and greenfield mining projects.

Addington is a sought after Zimbabwe counsel by certain international law firms who are involved in Zimbabwean transactions and thus he has continued to attract important corporate mandates in Zimbabwe and within the SADC region.

### **Basil Dionisio – Group Chief Executive Officer**

Basil Dionisio has been with Innscor since its inception. Born and raised in Zimbabwe, a former Prince Edward School scholar, Basil is a founder shareholder of Innscor and helped create the Group's culture and value system. Basil has extensive operational knowledge of Innscor's business and has been instrumental in the Group's success in its regional QSR expansion program. Starting as operations manager for Chicken Inn, Basil has also served as the Executive Director of the QSR Business of Innscor, as Chief Executive Officer for Bakeries and QSR and an Executive Director of Innscor Africa Limited.

Basil served as a Member of the Finance and Investment Committee of Innscor. Throughout his time with the organisation, he has been responsible for SPAR, Bakers Inn Manufacturing and the QSR Business. Reducing his responsibilities for Bakers Inn and SPAR, Basil has focused his efforts entirely on the QSR Business in Zimbabwe and the greater African region.

### **Zinona (Zed) Koudounaris – Non-Executive Director**

Born in Zimbabwe, Zinona (Zed) Koudounaris completed his tertiary education at Rhodes University in South Africa where he attained a Bachelor of Commerce degree, majoring in Business and Computer Sciences. Zed is a founder shareholder of Innscor. He was the driving force behind the initial creation and success of the Innscor's core QSR brands. Zed has held a number of positions within Innscor, including Chief Executive Officer upon Innscor's listing in 1998. Zed remains highly active in pursuing strategic growth opportunities for Innscor and providing guidance to its management team.

### **Salim Eceolaza – Group Finance Director**

Prior to this appointment Salim co-founded Inter-Horizon Group (IH Group), a leading brokerage firm and capital markets advisory business based in Harare, Zimbabwe. Salim worked as an Executive Director, with principal responsibility for the firm's corporate finance and advisory activities. Prior to co-founding IH Group, Salim was a manager at KPMG in London, where he worked in the firm's investment management and funds assurance and advisory department for a number of years. Before his time in the United Kingdom, Salim also worked for PwC alternative investments, in New York, United States. Salim completed his articles with PwC, Harare, Zimbabwe. Salim is a Chartered Accountant and holds a Bachelor in Commerce in Financial Accounting (CA route) from the University of Cape Town.

### **Amit Gupta – Non Executive Director**

Amit is a seasoned professional with 18 years of varied experience. A Chartered Accountant and law graduate from India, he started his career with audit in 1997. Soon thereafter, he moved to tax advisory and litigation, representing clients at various appellate stages and at the High Court. Amit worked with big four chartered accountants: KPMG, E&Y and PwC, in tax advisory, tax litigation and finally in Mergers and Acquisition and International tax structuring, as well as handling commercial law and advisory matters. He then joined Abax Corporate Services ('Abax') in 2009 as a Senior Executive. More recently, he started his own advisory firm, with focus on business consulting, including operational efficiency, structural efficiency, tax advisory and structuring commercial legal matters. He acted as Independent Director on the Board of several large companies and funds and continues to do so.

## PRE-LISTING STATEMENT (CONTINUED)

### Emmanuel (Manoli) Vardas – Executive Director (Franchising)

Manoli's career in QSR started with his appointment in 1992 in the capacity of Training and Operations Manager at Steers Holdings (now Famous Brands). During his time at Famous Brands he was appointed into various brand leadership roles which included Regional Managing Director portfolio for the KwaZulu-Natal and Eastern Cape Regions. Manoli's current portfolio within Innscor is that of Chief Executive Officer of Innscor International Franchising Limited and Innscor Franchising Zimbabwe. The key responsibilities of these business units is to serve as the custodian of all the brand intellectual property namely: Chicken Inn, Pizza Inn, Creamy Inn, Baker's Inn, Fish Inn, Vasilis, Galito's and Steers.

### Johnny Tomazos – Non-Executive Director

Johnny Tomazos a business graduate, has been the Chief Executive Officer of Food Fund International (FFI) since April 2013, after serving as Head of International Development. Johnny has been instrumental in leading the evolution and expansion of the company's flagship steakhouse brand The Meat Co, Bentley Bistro & Bar and Eat Greek brands.

Before Johnny was CEO of FFI he spent time gaining practical experience in the food and hospitality industry. He worked in the scullery and kitchen and served guests at front of house. From there he went off to Australia and Europe, earning his way by taking casual jobs. He worked in Michelin-rated restaurants in Paris and later worked in 5-star hotels in London. It gave him invaluable insight into how a company can best meet the expectations of today's well-informed restaurant clientele and this helped Johnny make huge strides with FFI's growth strategy by expanding into the UK, Middle East and Europe.

### Leighton Shaw – Executive Director (Alternate to Manoli Vardas)

Leighton is an MBA graduate with 23 years' experience in Operations Management and Business Development within corporate environments in Africa, encompassing South Africa, Kenya, Zambia, Zimbabwe, Mauritius, Mozambique, Ghana, Senegal, Nigeria and the Democratic Republic of Congo. Leighton is the incumbent Operations Director of Innscor Retail Africa Limited and is responsible for the operational and financial performance of the Quick Service Restaurant, Bakery Production, Wholesale and Retail, and Convenience Store businesses in Kenya, Zambia, Ghana, Democratic Republic of Congo and Mauritius, together with overseeing the growth in these markets and future potential markets.

### 11.3 Directors Interests

As at the 17<sup>th</sup> of September 2015, the Directors directly and/or indirectly, held beneficial interests aggregating approximately 132,459,537 Innscor shares representing 24% of the issued share capital of the Group. These holdings will entitle the Directors to the same shareholding in Simbisa following the Dividend *in Specie*. The details of the direct and indirect interests held by the Directors are summarised below:

Directors	Direct shareholding	Indirect shareholding	Total
Addington Chinake	-	-	-
Basil Dionisio	-	22 484 058	22 484 058
Salim Eceolaza	-	-	-
Emmanuel (Manoli) Vardas	-	-	-
Zinona (Zed) Koudounaris	-	109 973 843	109 973 843
Amit Gupta	-	-	-
Johnny Tomazos	-	-	-
Leighton Shaw	1 636	-	1 636

The Group leases properties from various companies in which some of the Directors have either a financial or custodial interest, partly or wholly. The leases are undertaken on an arm's length basis.

2015  
US\$

Lease payments 1 633 376

## PRE-LISTING STATEMENT (CONTINUED)

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### 11.4 Other interests

Leighton Shaw is a 20 per cent (20%) minority shareholder in Simbisa's Regional business. Simbisa is in advanced discussions in regards to acquiring this shareholding.

Salim Eceolaza in the previous 12 months to this Transaction was a Director at IH Group. Total fees to be paid to IH Group amount to US\$150,000. All fees for this Transaction were agreed on commercial terms.

Except as disclosed in this Document, none of the Directors of Simbisa have an interest in any contracts of significance relating to services provided to Simbisa by third parties.

### 11.5 Governance Committee

Simbisa is an organisation built on the pillars of transparency and accountability, efficiency, integrity, and sustainability. The Simbisa Board of Directors are committed to ensuring that these values, standards and principles are held and practiced at the highest level. In support of this pledge, the organisation's executive leadership utilises firm corporate governance to guide all aspects of the organisation's business, it's never ending development and its application of best practices.

### 11.6 Audit and Risk Committee

The Company has an audit and risk committee that assists the Board in the fulfilment of their duties. The audit committee of the Board deals, *inter-alia* with compliance, internal control and risk management. The committee currently comprises of Amit Gupta (Chairman) and Addington Chinake, with Salim Eceolaza and Basil Dionisio as invitees. The committee will meet regularly and responsibilities include but are not limited to the following:

- Ensuring that financial reporting across the organisation is transparent, accurate and reliable;
- Overseeing and managing the performance, functioning and effectiveness of the organisation's finance and risk functions and the internal audit functions;
- Assisting the Board in fulfilling its corporate governance oversight responsibility in regards to the identification, evaluation and mitigation of operational, strategic and external risks;
- Monitoring and reviewing the organisations risk management practices;
- Reviewing and approving risk related disclosures; and
- Appointing external auditors and ensuring that the roles and functions of both internal and external audit are lucid and synchronized.

### 11.7 Remuneration and Nomination Committee

The remuneration and nomination committee comprises Addington Chinake, Zinona Koudounaris and Johnny Tomazos with Basil Dionisio as an invitee. The remuneration and nomination committee's mandate has two primary responsibilities. It is to evaluate and sanction the appointment of, and remuneration packages for, all Board members, Executive Directors and senior management. In doing so, it will assemble a structure and strategy related to the terms of employment for employees, management and board members, as well as any compensation that aims to reward in a manner that attracts and retains talented individuals, and motivates employees to constantly seek to elevate and contribute to the Group's success. It is to assure that Executive Directors and staff receive remuneration packages that are consistent with market reality. The committee is also responsible for orchestrating succession planning within the Company, particularly that of the chief executive and executive management. The responsibilities of the Committee include but are not limited to the following:

- Evaluating and determining the appointment of suitable candidates to the Board, as well as terminations;
- Evaluating, directing and determining human resource policies and systems;
- Annual performance reviews that will determine any changes to the remuneration package of Chairman, Executive Directors and Senior Management;
- Producing annual reports that ensure that all statutory requirements concerning disclosure of remuneration, pensions and share options are met;
- Assessing the performance, value and effectiveness of the Board, Board Committees and Directors;
- Development of the remuneration policy which will seek to provide a structured and balanced remuneration package that incorporates performance based variable rewards; core fixed elements, pension, terms of service contracts and/or compensation payments; and
- Approving remuneration packages for high-performing executives.

## PRE-LISTING STATEMENT (CONTINUED)

### 11.8 Finance and Investment Committee

The finance and investment committee comprises of a representative management team, including Directors Basil Dionisio and Salim Eceolaza. The committee is tasked with applying the Boards action plans and policies, as well as establishing and evaluating risks within the organisation and establishing new business opportunities. The committee will also be tasked with evaluating cash forecasts and overseeing both long and short term investments to manage liquidity within the Company. Diversity of the organisations investments among the various financial establishments is also part of its responsibilities, as it is to maximize returns on investments within the Board's scope of work. The responsibilities of the Committee include but are not limited to the following:

- Systematically assessing business risks, and implementation of mitigation measures;
- Constructing and implementing risk management strategies and policies;
- Constructing operational plans, strategies, guidelines and budgets for consideration by the Board;
- Administering capital allocation across the Company;
- Engineering the Company's strategy;
- Engineering and managing the Company's operational activities.

### 11.9 Dealing in Shares

The Company has a policy in line with the ZSE Listing Requirements prohibiting dealings in shares by Directors, officers and executive management for a designated period, which is one month prior to the end of the reporting period and the preliminary announcement of the Company's interim and year end results, or when they are in possession of price sensitive information not within the public domain.

### 11.10 Ethics and Business Integrity

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

## 12. MANAGEMENT

The executive management team are extremely professional and committed to the future growth and profitability of Simbisa. The key members of the executive management team are included in the table below:

Management	Position
Basil Dionisio	Group Chief Executive Officer
Salim Eceolaza	Group Finance Director
Divine Chikobvu	Group Finance Manager
Emmanuel (Manoli) Vardas	Chief Executive Officer Franchising
Warren Mearas	Managing Director – Zimbabwe QSR Operations
Onias Moyo	Financial Director – Zimbabwe QSR Operations
Misheck Muleya	Human Resources Director – Zimbabwe QSR Operations
Fortunate Masendeke	Financial Manager - Zimbabwe Franchising
Leighton Shaw	Operations Director – International QSR Operations
Hendrik Louw	Financial Manager – International QSR Operations

## 13. DIVIDEND POLICY

According to the Articles of Simbisa, the Company in a general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors. The Directors may from time to time declare and pay to members such dividends and interim dividends as appear to the Directors to be justified by the profits of the Company. No dividends shall be payable except out of profits of the Company, and no dividend shall carry interest against the Company.

## PRE-LISTING STATEMENT (CONTINUED)

### 14. SKILLS RETENTION ARRANGEMENTS AND REMUNERATION

#### 14.1 Share Option Scheme

Currently there is no management share option scheme in place. The Directors of Simbisa do intend to introduce such a scheme and Shareholders will be notified as to the contents of the scheme in due course.

### 15. FUTURE PROSPECTS FOR THE COMPANY

Following the Unbundling and Listing of Simbisa from Inncor, the Company will offer a unique value proposition for both existing and future local and international investors as Simbisa will be the only Pan-African focused listed QSR organisation outside of South Africa. Following the Listing, the Company will be able to:

- Establish itself as a strong stand alone business;
- Have clear operational focus and strategy, taking Simbisa in the direction to increase shareholder value;
- Undertake mergers and acquisitions with entities in the same and complimentary spheres of operations;
- Have financial independence enabling it to report independently and transparently to its shareholders so that it may be valued appropriately; and
- Strengthen the Simbisa brand both in the local and regional market to become the strongest food network across Africa.

The QSR Business currently holds a significant market share in Zimbabwe as well as the other regions operated in. In line with the current international diversification strategy Simbisa has identified Mauritius as a new high growth region to introduce the Company's brands into and will keep investigating high growth, high potential regions across Africa where Simbisa can introduce their brands. Furthermore, Simbisa's overall goal is to ensure revenue contribution of Simbisa International to be a significant percentage of the Groups' revenue by 2020. Other countries under consideration are as follows:

- Nigeria;
- Tanzania; and
- Uganda.

### 16. CAPITAL COMMITMENTS, LEASE COMMITMENTS AND CONTINGENT LIABILITIES

#### 16.1 Capital Commitments

The QSR Business had the following capital commitments as of the 30<sup>th</sup> of June 2015:

**2015**  
**US\$**

#### Capital expenditure commitments

Authorised and contracted	1 372 212
Authorised but not yet contracted	6 564 413
	<u>7 936 625</u>

#### 16.2 Operating Lease Commitments

The QSR Business had the following material operating leases as of the 30<sup>th</sup> of June 2015.

	<b>2016</b> <b>US\$</b> <b>Forecast</b>	<b>2017</b> <b>US\$</b> <b>Forecast</b>
Long term leases	13 207 907	11 325 125

## PRE-LISTING STATEMENT (CONTINUED)

### 16.3 Finance Lease Commitments

As at the 30<sup>th</sup> of June 2015, the QSR Business had no material Finance Lease Commitments.

### 16.4 Contingent Liabilities

As at the 30<sup>th</sup> of June 2015, the QSR Business had no material Contingent Liabilities.

## 17. INTEREST-BEARING LOANS AND BORROWINGS

### 17.1 Borrowing Power

In terms of the Company's Articles, the Directors may from time to time at their discretion, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company subject to the statutes. The borrowing powers of the Directors have not been exceeded since the Company's incorporation on the 5<sup>th</sup> of August 2015.

### 17.2 Material Borrowings

As at the 30<sup>th</sup> of June 2015, the QSR Business has the following material borrowings:

	2015 US\$	2014 US\$	2013 US\$	2012 US\$	2011 US\$
<b>Long-term financing</b>					
Secured	369 788	-	-	-	-
<b>Total long-term financing</b>	<b>369 788</b>	-	-	-	-
<b>Short-term financing</b>					
Unsecured	14 173 960	13 908 560	10 317 070	9 520 591	8 244 239
Short-term portion of long-term financing	108 231	-	-	-	-
Overdraft	716 723	976 751	529 300	1 501 940	1 081 220
<b>Total short-term financing</b>	<b>14 998 914</b>	<b>14 885 311</b>	<b>10 846 370</b>	<b>11 022 531</b>	<b>9 325 459</b>
<b>Total interest bearing borrowings</b>	<b>15 368 702</b>	<b>14 885 311</b>	<b>10 846 370</b>	<b>11 022 531</b>	<b>9 325 459</b>

### 17.3 Loans Receivable

As at the 30<sup>th</sup> of June 2015, the QSR Business had no material Loans Receivable.

## 18. MATERIAL CONTRACTS

As at the 30<sup>th</sup> of June 2015, the QSR Business had not entered into any material contracts, other than in the ordinary course of business.

## 19. LITIGATION STATEMENT

The Company is not involved in any material litigation or arbitration proceedings which may have, or which have had, during the twelve months preceding the date of this Pre-Listing Statement, a significant effect on the financial position of the QSR Business, nor is the Company aware that any such proceedings are pending or threatening.

## 20. ARTICLES AND MEMORANDUM OF ASSOCIATION OF SIMBISA

The ZSE has reviewed the Articles and Memorandum of Association of the Company and has confirmed that they comply with the ZSE Listing Requirements.

## PRE-LISTING STATEMENT (CONTINUED)

### 21. MAJOR SHAREHOLDERS

#### 21.1 Details of the Dividend *in Specie*

The Dividend *in Specie* of Simbisa shares will be on a one (1) ordinary share in Simbisa with a nominal value of US\$0.0001 each for every one (1) Innscor ordinary share already held.

Holders of Innscor ordinary shares registered as such at the close of business on the 30<sup>th</sup> of October 2015 being the Record Date, will be entitled to receive Simbisa shares less shares withheld from non-resident shareholders, individuals and trusts for withholding tax purposes. Shareholders with CSD accounts will therefore have their CSD accounts credited with the respective entitlements while shareholders without CSD accounts will receive physical share certificates. The new ZSE platform trades securities that are dematerialised only, shareholders should contact their Stockbrokers for further information. The Simbisa shares will be listed on the 6<sup>th</sup> of November 2015 on the ZSE.

#### 21.2 Innscor/Simbisa Shareholding Structure

The table below details the top twenty shareholders of Innscor as at the 17<sup>th</sup> of September 2015 and these shareholders will have approximately the same initial shareholding in Simbisa:

Rank	Name	Shares as at the 17 <sup>th</sup> of September 2015	Percentage
1	ZMD Investments (Private) Limited	102 829 853	18.99%
2	H M Barbour (Private) Limited	100 000 000	18.46%
3	Old Mutual Life Assurance Company Zimbabwe Limited	34 111 705	6.30%
4	Sarcor Investments (Private) Limited	22 484 058	4.15%
5	Stanbic Nominees 1300430040031	14 386 705	2.66%
6	Pharaoh Limited - NNR	12 939 921	2.39%
7	Stanbic Nominees 120024430134	11 110 584	2.05%
8	SCB Nominees ZW0000010862	11 043 271	2.04%
9	Stanbic Nominees 130043040022	10 526 667	1.94%
10	City & General Holdings (Private) Limited	9 822 598	1.81%
11	Stanbic Nominees 110008180010	9 598 364	1.77%
12	Stanbic Nominees 120024430200	9 252 037	1.71%
13	Music Ventures (Private) Limited	7 465 382	1.38%
14	Mining Industry Pension Fund	6 975 660	1.29%
15	Stanbic Nominees 108092505	6 250 528	1.15%
16	SCB Nominees 033667800001	5 269 179	0.97%
17	General Electronics (Private) Limited	4 742 942	0.88%
18	Schutex Investments (Private) Limited	4 465 319	0.82%
19	Old Mutual Zimbabwe Limited	4 424 008	0.82%
20	J-Soft (Private) Limited	4 243 246	0.78%
	<b>Total Top Twenty Shareholders</b>	<b>391 942 027</b>	<b>72.37%</b>
	Other Shareholders	149 651 413	27.63%
	<b>Total Issued Shares</b>	<b>541 593 440</b>	<b>100.00%</b>

The Directors of the two (2) largest shareholders, ZMD Investments (Private) Limited and H M Barbour (Private) Limited, who between them own 37.45% of Simbisa, have provided written undertakings not to sell their shares for a period until at least after the first audited results of Simbisa are published.

The Transfer Secretaries have provided a letter dated the 2<sup>nd</sup> of September 2015 which shows that the shareholders spread according to the ZSE Listing Requirements are met.

The above documents are available for inspection at Simbisa Registered Offices.

## PRE-LISTING STATEMENT (CONTINUED)

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### 22. WITHHOLDING TAX PAYABLE ON THE DISTRIBUTION OF SIMBISA SHARES

In terms of existing legislation, Innscor is obliged to deduct ten per cent (10%) withholding tax and remit this to ZIMRA in respect of the Simbisa shares being issued to all individuals, trusts and non-resident shareholders. In settlement of this withholding tax liability, Innscor will withhold ten per cent (10%) of the ordinary shares issued to all individuals, trusts and non-resident shareholders by way of the Dividend *in Specie* and remit this to ZIMRA.

For the purposes of this Transaction shares withheld from shareholders for withholding tax purposes will be rounded to the nearest whole number.

### 23. EXCHANGE CONTROL APPROVAL FOR THE DIVIDEND *IN SPECIE*

An application for approval for the Dividend *in Specie* to Non-Resident Shareholders is under consideration by the RBZ.

### 24. EXPERTS' CONSENTS

The Financial Advisors, Sponsoring Brokers, Legal Advisors, Transfer Secretaries, Auditors and Independent Reporting Accountants have submitted their written consents to act in the capacities stated and to their names being stated in this Pre-Listing Statement which consents have not been withdrawn as at the date of this Pre-Listing Statement. The above mentioned consents are available for inspection by interested parties in terms of Paragraph 27 below.

### 25. CONDITIONS PRECEDENT

- The proposed Listing is subject to the approval by the shareholders of Innscor at an EGM to be held on Monday the 2<sup>nd</sup> of November 2015 in terms of the Notice of the EGM of Innscor shareholders published in the national press dated the 12<sup>th</sup> of October 2015;
- Simbisa acquiring the assets and liabilities of the QSR Business of Innscor, under the terms of the Agreement effective 1<sup>st</sup> of October 2015, in exchange for issuing 541,593,440 shares in Simbisa to Innscor; and
- RBZ approval of the Dividend *in Specie* to Non-Resident shareholders

### 26. REGULATORY ISSUES

This Pre-Listing statement is being issued in compliance with the ZSE Listing Requirements. The ZSE approved the distribution of this Pre-Listing Statement and Listing of Simbisa on the 2<sup>nd</sup> of October 2015.

### 27. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

Between the 12<sup>th</sup> of October 2015 and the 6<sup>th</sup> of November 2015, copies of the following documents will be available for inspection, during normal working hours, at the Sponsoring Brokers, Financial Advisors and Simbisa Registered Offices at the addresses set out in the "Corporate Information" section at the beginning of this document:

- The Articles and Memorandum of Association of the Company;
- The written consents detailed in Paragraph 24 of the document;
- The written undertakings from ZMD Investments (Private) Limited and H M Barbour (Private) Limited;
- The Agreement effective the 1<sup>st</sup> of October 2015;
- The written letter from Corpserve showing that the shareholders spread is met according to the ZSE Listing Requirements;
- The Independent Reporting Accountant's Report on the historical information for the five financial years ended 30<sup>th</sup> of June 2015, which is set out in Annexure 1; and
- A letter summarising the terms of the Simbisa Board of Directors service agreements.



## PRE-LISTING STATEMENT (CONTINUED)

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### 28. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

**Signed on the 12<sup>th</sup> of October 2015:**

Director's Name	Position	Signature
Addington Chinake	Non-Executive Chairman	[Signed on original]
Basil Dionisio	Group Chief Executive Officer	[Signed on original]
Salim Eceolaza	Group Finance Director	[Signed on original]
Emmanuel (Manoli) Vardas	Executive Director	[Signed on original]
Zinona (Zed) Koudounaris	Non-Executive Director	[Signed on original]
Amit Gupta	Non-Executive Director	[Signed on original]
Johnny Tomazos	Non-Executive Director	[Signed on original]

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# ANNEXURE 1 – INDEPENDENT REPORTING ACCOUNTANT’S REPORT ON THE HISTORICAL FINANCIAL INFORMATION



**Ernst & Young**  
Chartered Accountants (Zimbabwe)  
Registered Public Auditors  
Angwa City  
Cnr Julius Nyerere Way/  
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12<sup>th</sup> October 2015

## **The Directors**

Simbisa Brands Limited  
Edward Building  
Corner 1st Street /Nelson Mandela Avenue  
**HARARE**

Dear Sirs,

## **INDEPENDENT REPORTING ACCOUNTANTS’ REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE QUICK SERVICE RESTAURANT BUSINESS (“QSR”) OF INNSCOR AFRICA LIMITED FOR THE FIVE FINANCIAL PERIODS TO 30 JUNE 2015.**

(Simbisa Brands Limited (“Simbisa”) was incorporated in the Republic of Zimbabwe in 2015 under company registration number 5733/2015).

### **1. Introduction**

At your request and for the purposes of the Pre-Listing Statement to Simbisa Brands Limited (“Simbisa”) shareholders, to be dated 12<sup>th</sup> of October 2015, we present our report on the historical Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow (collectively referred to as “The historical financial information”) as set out on pages 27 to 30 of the Pre-Listing Statement, issued in compliance with the Listing Requirements of the Zimbabwe Stock Exchange (“ZSE”). Simbisa was incorporated as a wholly-owned subsidiary of Innscor on the 5<sup>th</sup> of August 2015 and on the 1<sup>st</sup> of October 2015 it acquired through a scheme of reconstruction the entire assets and liabilities of the QSR business from Innscor Africa Limited.

The Directors of Simbisa are proposing to list the entire share capital of Simbisa on the Zimbabwe Stock Exchange by way of introduction.

This report is prepared in terms of the Listing Requirements of the Zimbabwe Stock Exchange.

In accordance with Section 8.2 of the Zimbabwe Stock Exchange Listing Requirements, we confirm that the engagement partner is a registered accountant and auditor, and, together with the firm, is independent of Simbisa, the issuer of the Statement containing the historical financial information.

### **2. Responsibilities**

The directors are solely responsible for the preparation of the Pre-Listing Statement to which this report relates and the information contained therein. Our responsibility is to express an opinion on the historical financial information set out on pages 27 to 30 of the Pre-Listing Statement.

It is our responsibility to form an opinion on the basis used for the compilation of the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the financial information beyond that owed to those to whom those reports were addressed at their dates of issue.

# ANNEXURE 1 - INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

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## 3. Scope

Previously the QSR Business (transferred to Simbisa) was not consolidated as a business segment. The financial information included in this report was that compiled by management basing on the historical performance of the units transferred to Simbisa. Our work involved agreeing the historical financial statements prepared by management to the underlying Innscor divisional reporting packs as well as verifying the accuracy of the aggregation computations. The underlying financial information from which the historical financial information was prepared is based on accounting policies that comply with International Financial Reporting Standards. The entities that were part of the QSR Business and were transferred to Simbisa are:

- I. Fast Foods Northern
- II. Fast Foods Southern
- III. Fast Foods Manicaland
- IV. Franchising Zimbabwe
- V. Zambia QSR Operations
- VI. Kenya QSR Operations
- VII. Ghana QSR Operations
- VIII. DRC QSR Operations
- IX. Mauritius QSR Operations
- X. Innscor International Franchising Limited
- XI. Innscor Retail Africa Limited

We audited the historical financial information for the years ended 30<sup>th</sup> of June 2011 to 30<sup>th</sup> of June 2015 for all these entities while they were under Innscor.

We conducted our audits in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform that audit to obtain reasonable assurance whether the historical financial information relating to the financial years ended 30<sup>th</sup> of June 2011 to 30<sup>th</sup> of June 2015 are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

From our enquiries of Simbisa management, we understand that:

- I. There are no material assets included in the financial information that are not owned by Simbisa
- II. There are no material contingent liabilities and commitments relating to Simbisa, and
- III. There have been no material subsequent events arising which have, or that could reasonably be expected to have a material impact on the statement of financial position as at the 30<sup>th</sup> of June 2015.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 4. Opinion

The financial statements for Innscor Africa Limited for the years ended 30<sup>th</sup> of June 2011 to 2015 from which the financial information for Simbisa were compiled were issued without qualification.

In our opinion the aggregation of the historical results of the QSR Business was based on audited financial information and is appropriate for purposes of the historical financial information of Simbisa.

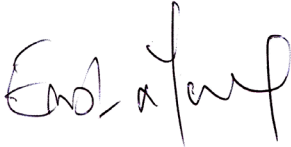
# ANNEXURE 1 - INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION (CONTINUED)

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## 5. Distribution and Assurances

This report is prepared solely for the Directors of Simbisa Brands Limited. Any uses that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Ernst & Young', written in a cursive style.

**ERNST & YOUNG**  
Chartered Accountants (Zimbabwe)  
Harare

## Statement of Comprehensive Income of the QSR Business extracted from Inncor Audited Financial Statements

	30-Jun-15 US\$	30-Jun-14 US\$	30-Jun-13 US\$	30-Jun-12 US\$	30-Jun-11 US\$
<b>Revenue</b>	<b>153 137 863</b>	<b>152 890 418</b>	<b>147 518 250</b>	<b>139 037 533</b>	<b>117 226 791</b>
Other income	1 722 693	1 936 609	4 589 920	4 499 452	3 901 172
	<b>154 860 556</b>	<b>154 827 027</b>	<b>152 108 170</b>	<b>143 536 985</b>	<b>121 127 963</b>
Operating expenses	(144 468 405)	(145 992 036)	(141 357 707)	(128 843 465)	(107 636 830)
<b>Profit before interest, equity accounted earnings and tax</b>	<b>10 392 151</b>	<b>8 834 991</b>	<b>10 750 463</b>	<b>14 693 520</b>	<b>13 491 133</b>
Net interest expense	(919 155)	(927 109)	(752 302)	(928 638)	(726 726)
Equity accounted earnings	188 582	158 877	143 843	101 483	93 594
<b>Profit before tax</b>	<b>9 661 578</b>	<b>8 066 759</b>	<b>10 142 004</b>	<b>13 866 365</b>	<b>12 858 001</b>
Income tax expense	(2 148 936)	(1 929 263)	(2 174 244)	(3 125 930)	(2 789 036)
<b>Profit for the year</b>	<b>7 512 642</b>	<b>6 137 496</b>	<b>7 967 760</b>	<b>10 740 435</b>	<b>10 068 965</b>
<b>Other comprehensive income</b>					
Exchange differences arising on the translation of foreign operations	(907 605)	(436 717)	(67 738)	(139 455)	333 560
<b>Other comprehensive income for the year, net of tax</b>	<b>(907 605)</b>	<b>(436 717)</b>	<b>(67 738)</b>	<b>(139 455)</b>	<b>333 560</b>
<b>Total comprehensive income for the year</b>	<b>6 605 037</b>	<b>5 700 779</b>	<b>7 900 022</b>	<b>10 600 980</b>	<b>10 402 525</b>
<b>Profit for the year attributable to:</b>					
Equity holders of the parent	5 677 149	5 550 456	5 894 710	8 430 273	7 267 171
Non-controlling interests	1 835 493	587 040	2 073 050	2 310 162	2 801 794
	<b>7 512 642</b>	<b>6 137 496</b>	<b>7 967 760</b>	<b>10 740 435</b>	<b>10 068 965</b>
<b>Total comprehensive income for the year:</b>					
Equity holders of the parent	4 991 291	5 155 510	5 844 596	8 320 813	7 507 914
Non-controlling interests	1 613 746	545 269	2 055 426	2 280 167	2 894 611
	<b>6 605 037</b>	<b>5 700 779</b>	<b>7 900 022</b>	<b>10 600 980</b>	<b>10 402 525</b>

## Statement of Financial Position of the QSR Business extracted from Inncor Audited Financial Statements

	30 Jun-15 US\$	30 Jun-14 US\$	30 Jun-13 US\$	30 Jun-12 US\$	30 Jun-11 US\$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	46 388 202	45 577 691	40 552 864	33 574 076	26 815 513
Intangible assets	480 551	512 807	587 685	679 932	705 830
Investments in associates	394 667	288 585	284 708	285 865	294 129
Deferred tax assets	605 763	463 151	767 670	352 646	133 479
	<b>47 869 183</b>	<b>46 842 234</b>	<b>42 192 927</b>	<b>34 892 519</b>	<b>27 948 951</b>
<b>Current assets</b>					
Inventories	4 536 204	4 633 696	5 249 797	4 635 082	5 365 404
Trade and other receivables	6 661 314	5 991 475	5 629 330	3 632 453	4 116 967
Cash and cash equivalents	3 726 761	4 752 158	2 593 957	4 577 093	4 028 875
	14 924 279	15 377 329	13 473 084	12 844 628	13 511 247
<b>Total assets</b>	<b>62 793 462</b>	<b>62 219 563</b>	<b>55 666 011</b>	<b>47 737 147</b>	<b>41 460 198</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Ordinary share capital	-	-	-	-	-
Non-distributable reserves	(900 476)	(214 618)	3 003 489	3 053 603	3 163 063
Distributable reserves	21 951 790	20 241 467	15 881 044	11 127 690	8 210 428
	<b>21 051 314</b>	<b>20 026 849</b>	<b>18 884 533</b>	<b>14 181 293</b>	<b>11 373 491</b>
Non-controlling interests	4 952 635	4 926 556	4 710 280	5 274 559	4 771 491
<b>Total equity</b>	<b>26 003 949</b>	<b>24 953 405</b>	<b>23 594 813</b>	<b>19 455 852</b>	<b>16 144 982</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	3 714 326	3 801 976	3 433 040	2 354 934	1 782 862
Interest-bearing borrowings	369 788	-	-	-	-
	4 084 114	3 801 976	3 433 040	2 354 934	1 782 862
<b>Current liabilities</b>					
Interest-bearing borrowings	14 998 916	14 885 311	10 846 370	11 022 531	9 325 459
Trade and other payables	16 298 791	17 271 849	16 310 180	14 209 902	12 999 826
Provisions	1 272 562	1 393 503	1 294 743	1 052 227	859 346
Current tax liabilities	135 132	(86 481)	186 865	(358 299)	347 723
	32 705 399	33 464 182	28 638 158	25 926 361	23 532 354
<b>Total liabilities</b>	<b>36 789 513</b>	<b>37 266 158</b>	<b>32 071 198</b>	<b>28 281 295</b>	<b>25 315 216</b>
<b>Total equity and liabilities</b>	<b>62 793 462</b>	<b>62 219 563</b>	<b>55 666 011</b>	<b>47 737 147</b>	<b>41 460 198</b>

## Statement of Cash Flows of the QSR Business extracted from Innskor Audited Financial Statements

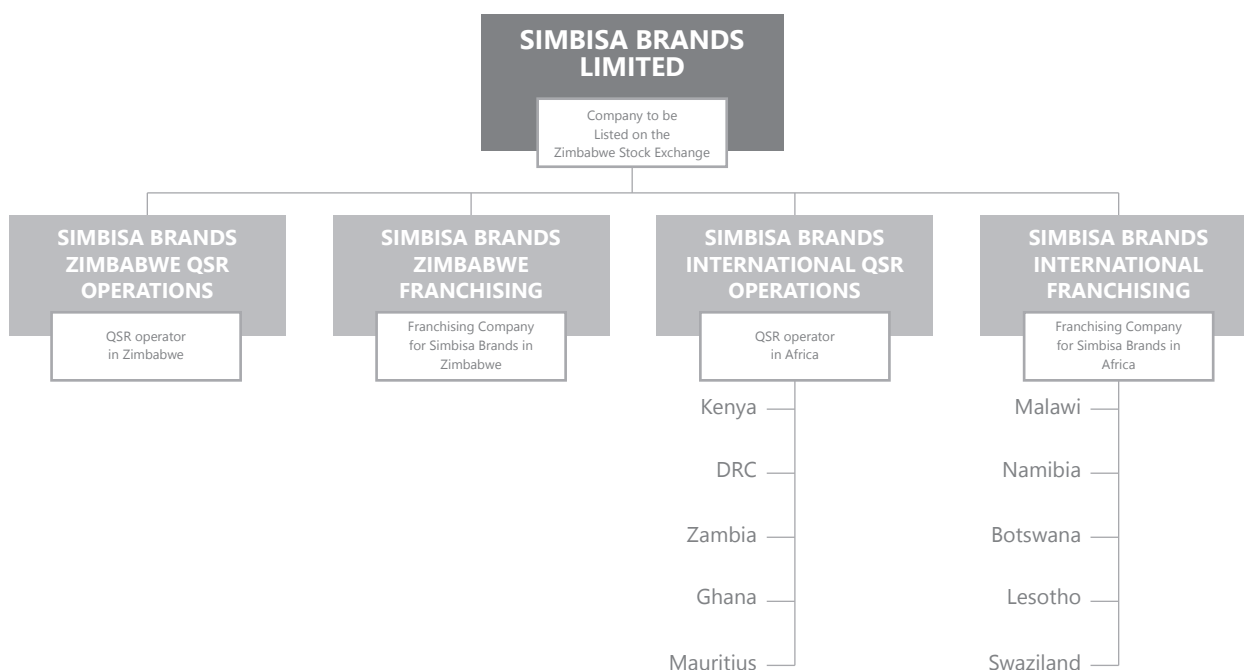
	30-Jun-15 US\$	30-Jun-14 US\$	30-Jun-13 US\$	30-Jun-12 US\$	30-Jun-11 US\$
<b>Cash generated from operating activities</b>	15 840 674	16 397 602	15 181 078	20 329 592	17 367 010
Interest income	230 540	270 642	193 867	194 165	159 616
Interest expense	(1 149 695)	(1 197 751)	(946 169)	(1 122 803)	(886 342)
Tax paid	(989 056)	(825 147)	(1 002 767)	(2 922 411)	(2 443 445)
<b>Total cash generated from operations</b>	<b>13 932 463</b>	<b>14 645 346</b>	<b>13 426 009</b>	<b>16 478 543</b>	<b>14 196 839</b>
<b>Investing activities</b>	(8 897 649)	(11 697 399)	(11 524 426)	(10 529 399)	(15 826 624)
<b>Net cash flow before financing activities</b>	<b>5 034 814</b>	<b>2 947 947</b>	<b>1 901 583</b>	<b>5 949 144</b>	<b>(1 629 785)</b>
<b>Financing activities</b>	(6 060 211)	(789 746)	(3 884 719)	(5 400 926)	1 126 652
Dividends paid to parent company	(3 946 904)	(4 013 194)	(3 367 723)	(5 513 011)	(2 347 575)
Dividends paid to subsidiaries to non-controlling interests	(1 105 875)	(441 750)	(302 063)	(1 151 186)	(1 906 097)
Increase/(Decrease) in borrowings	(612 544)	3 324 167	(165 781)	1 367 807	5 416 975
Cash paid to non-controlling interests	(394 888)	341 031	(49 152)	(104 536)	(36 651)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1 025 397)</b>	<b>2 158 201</b>	<b>(1 983 136)</b>	<b>548 218</b>	<b>(503 133)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4 752 158</b>	<b>2 593 957</b>	<b>4 577 093</b>	<b>4 028 875</b>	<b>4 532 008</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3 726 761</b>	<b>4 752 158</b>	<b>2 593 957</b>	<b>4 577 093</b>	<b>4 028 875</b>

# Statement of Changes in Equity of the QSR Business extracted from Inncor Audited Financial Statements

	Attributable to equity holders of the parent				Non Controlling Interest US\$	Total US\$
	Share Capital US\$	Non Distributable Reserves US\$	Distributable Reserves US\$	Total US\$		
<b>Balance at 30 June 2011</b>	-	<b>3 163 063</b>	<b>8 210 428</b>	<b>11 373 491</b>	<b>4 771 491</b>	<b>16 144 982</b>
Profit for the year	-	-	8 430 273	8 430 273	2 310 162	10 740 435
Other comprehensive income	-	(109 460)	-	(109 460)	(29 995)	(139 455)
Total comprehensive income	-	(109 460)	8 430 273	8 320 813	2 280 167	10 600 980
Dividends	-	-	(5 513 011)	(5 513 011)	(1 151 186)	(6 664 197)
Transactions with owners in their capacity as owners	-	-	-	-	(625 913)	(625 913)
<b>Balance at 30 June 2012</b>	-	<b>3 053 603</b>	<b>11 127 690</b>	<b>14 181 293</b>	<b>5 274 559</b>	<b>19 455 852</b>
Profit for the year	-	-	5 894 710	5 894 710	2 073 050	7 967 760
Other comprehensive income	-	(50 114)	-	(50 114)	(17 624)	(67 738)
Total comprehensive income	-	(50 114)	5 894 710	5 844 596	2 055 426	7 900 022
Dividends	-	-	(3 367 723)	(3 367 723)	(302 063)	(3 669 786)
Transactions with owners in their capacity as owners	-	-	2 226 367	2 226 367	(2 317 642)	(91 275)
<b>Balance at 30 June 2013</b>	-	<b>3 003 489</b>	<b>15 881 044</b>	<b>18 884 533</b>	<b>4 710 280</b>	<b>23 594 813</b>
Profit for the year	-	-	5 550 456	5 550 456	587 040	6 137 496
Other comprehensive income	-	(394 946)	-	(394 946)	(41 771)	(436 717)
Total comprehensive income	-	(394 946)	5 550 456	5 155 510	545 269	5 700 779
Dividends	-	-	(4 013 194)	(4 013 194)	(441 750)	(4 454 944)
Transactions with owners in their capacity as owners	-	-	-	-	112 757	112 757
Transfers of foreign currency conversion reserve	-	(2 823 161)	2 823 161	-	-	-
<b>Balance at 30 June 2014</b>	-	<b>(214 618)</b>	<b>20 241 467</b>	<b>20 026 849</b>	<b>4 926 556</b>	<b>24 953 405</b>
Profit for the year	-	-	5 677 149	5 677 149	1 835 493	7 512 642
Other comprehensive income	-	(685 858)	-	(685 858)	(221 747)	(907 605)
Total comprehensive income	-	(685 858)	5 677 149	4 991 291	1 613 746	6 605 037
Dividends	-	-	(3 946 904)	(3 946 904)	(1 105 875)	(5 052 779)
Transactions with owners in their capacity as owners	-	-	(19 922)	(19 922)	(481 792)	(501 714)
<b>Balance at 30 June 2015</b>	-	<b>(900 476)</b>	<b>21 951 790</b>	<b>21 051 314</b>	<b>4 952 635</b>	<b>26 003 949</b>



## ANNEXURE 2 – SIMBISA GROUP STRUCTURE



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

### Groups Effective Ordinary Shareholding %

	%
<b>Zimbabwe QSR Operations</b>	
Invercharge Investment Services (Pvt) Ltd	100.00%
Paxtime Investments (Pvt) Ltd	67.00%
Quiet Properties (Pvt) Ltd	100.00%
Plex Green Investments (Pvt) Ltd	100.00%
Belsynch Investments (Pvt) Ltd	67.00%
Edusky Investments (Pvt) Ltd	75.00%
Axeaq Investments (Pvt) Ltd	100.00%
Matabeleland Inns (Pvt) Ltd*	68.50%
Hardwhite Trading (Pvt) Ltd*	51.38%
Moledo Trading (Pvt) Ltd #	48.16%
Adringa Trading (Pvt) Ltd #	48.16%
<b>International QSR Operations and Franchising</b>	
Innscor Retail Africa Ltd*	80.00%
Food Inns (Ghana) Ltd #	40.08%
Innscor Congo SARL #	40.80%
Innscor International Franchising Ltd	100.00%
Innscor Kenya Ltd	80.00%
Innscor Investments Kenya Ltd	100.00%
Innscor Retail Africa Pty Ltd (South Africa) #	80.00%
Galitos Africa Franchising Ltd #	50.00%
Innscor International Franchising SA Pty Ltd #	100.00%
Simbisa Shared Services Pty Ltd #	100.00%
Innscor Zambia Ltd #	100.00%
Innscor Foods Zambia Ltd	80.00%

# Subsidiaries of subsidiary

\*As at the date of publication of the Pre-Listing Statement Simbisa is in advanced discussions to buy-out minority interests within the Business.

