



ZIWETO HOLDINGS LIMITED

LISTING PARTICULARS

ISSUE DATE: 18 OCTOBER 2024
LEC/P/06/2024

Issued in compliance with Chapter 21 of
the SEM Listing Rules pertaining to
High Growth Companies



Ziweto Holdings Limited
(Incorporated in the Republic of Mauritius)
(Company registration number: C210284/GBL)
Having its registered address at
c/o Rogers Capital Corporate Services Limited,
5, President John Kennedy Street,
Port Louis, Mauritius
LEC/P/06/2024
(“Ziweto Holdings” or the “Company” or the “Issuer”)

LISTING PARTICULARS

The definitions commencing on page 9 of these Listing Particulars have, where appropriate, been used on this cover page.

An application has been made for the listing of up to 6,150,000 Ordinary Shares of no par value of Ziweto Holdings Limited (“Ziweto Holdings shares”) on the High Growth Segment of the Main Market of the SEM (“High Growth Segment”). Accordingly, these Listing Particulars have been prepared and issued in compliance with Chapter 21 of the Listing Rules, being the rules governing the listing of securities on the High Growth Segment:-

- in respect of the listing of 3,150,000 issued Ziweto Holdings shares by way of Introduction;
- in respect of the issue and listing of up to 625,000 Ziweto Holdings shares following the Initial Private Placement;
- in respect of the issue and listing of up to an additional 2,375,000 Ziweto Holdings shares at a price to be decided by the Board, through various placings which may take place subsequent to the SEM listing and the Initial Private Placement; and
- to provide information to targeted investors with regard to the Company.

It is expected that dealings in Ziweto Holdings shares on the High Growth Segment will commence on or around 19 November 2024. On the first day of listing and trading on the SEM, the Market Maker will make Ziweto Holdings shares available for trading at an indicative price of USD 1.60 per share.

This document does not constitute an invitation to the public to subscribe for Ziweto Holdings shares.

	2024
Opening date of the Initial Private Placement at 09:00 (Mauritius time) on	21 October
Closing date of the Initial Private Placement at 12:00 (Mauritius time) on	5 November
Proposed date of listing on the High Growth Segment on or around	19 November

A copy of these Listing Particulars is available in English only, accompanied by the documents referred to under “Documentation available for inspection” as set out in section five, paragraph 13 of these Listing Particulars.

These Listing Particulars include particulars given in compliance with the Stock Exchange of Mauritius Ltd Rules Governing the Official Listing of Securities for the purpose of giving information with regard to the Issuer. The directors, whose names appear on page 11, collectively and individually, accept full responsibility for the accuracy or completeness of the information contained in these Listing Particulars and confirm, having made all reasonable

enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Admission to the High Growth Segment is primarily intended for high growth companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with a professional financial adviser.

The Legal Advisor as to Mauritian law, SEM Authorised Representative and Sponsor, Transaction Advisor, Auditors, Company Secretary, Registrar and Transfer Agent, Market Maker and Banker, whose names are included in these Listing Particulars, have consented in writing to the inclusion of their names in the capacity stated and have not withdrawn their written consent prior to publication of these Listing Particulars.

These Listing Particulars may include forward-looking statements. Forward-looking statements are statements including, but not limited to, any statements regarding the future financial position of the Company and its future prospects. These forward-looking statements have been based on current expectations and projections which, although the directors believe them to be reasonable, are not a guarantee of future performance.

The distribution of these Listing Particulars and the placing, sale or delivery of Ziweto Holdings shares are restricted by law in certain jurisdictions. Therefore, persons who may come into possession of these Listing Particulars are advised to consult their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. These Listing Particulars may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

Potential investors should not treat the contents of these Listing Particulars as advice relating to legal, taxation, investment or any other matters. Potential investors should inform themselves as to (i) the legal requirements within their own respective country for the purchase, holding, transfer or other disposal of shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of shares which they may encounter; (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares. Prospective investors must rely on their own representatives, including their own legal advisors and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. These Listing Particulars should be read in its entirety before making any application for shares.

These Listing Particulars have been approved by the Listing Executive Committee (“**LEC**”) of the SEM, in conformity with the Listing Rules, on 18 October 2024.

Neither the LEC, nor the SEM, nor the FSC assumes any responsibility for the contents of these Listing Particulars. The LEC, the SEM and the FSC make no representation as to the accuracy or completeness of any of the statements made or opinions expressed in these Listing Particulars and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof.

Permission has been granted by the LEC on 18 October 2024 for the listing of:-

- (a) 3,150,000 issued Ziweto Holdings shares by way of Introduction;
- (b) Up to 625,000 Ziweto Holdings shares (to be issued as part of the Initial Private Placement) by way of placing; and
- (c) up to an additional 2,375,000 Ziweto Holdings shares through various placings which may take place subsequent to the SEM Listing.

In these Listing Particulars, unless otherwise stated, an indicative USD : MUR exchange rate of USD1 : MUR45, and USD : MK exchange rate of USD1 : MK1,800 have been used.

A copy of these Listing Particulars has been filed with the FSC.

Company Secretary

Rogers Capital

**SEM Authorised Representative & Sponsor
and Transaction Advisor**

**Perigeum
Capital**

Legal Advisor as to Mauritian law

 **BOWMANS**
THE VALUE OF KNOWING

Auditors

 **bakertilly**

Market Maker

 **tuesday**
MARKETS LTD.

Date and place of incorporation of the Company: 1st July 2024, Mauritius

Date of issue of these Listing Particulars: 18 October 2024

CORPORATE INFORMATION

Registered office and postal address of the Company

C/o Rogers Capital Corporate Services Limited,
5, President John Kennedy Street,
Port Louis,
Mauritius
(Postal address same as physical address)

Company Secretary

Rogers Capital Corporate Services Limited,
5, President John Kennedy Street,
Port Louis,
Mauritius
(Postal address same as physical address)

**SEM Authorised Representative & Sponsor and
Transaction Advisor**

Perigeum Capital Ltd
Ground Floor, Alexander House
35 Cybercity, Ebene, 72201
Mauritius

(Postal address same as physical address)

Banker

AfrAsia Bank Limited
Bowen Square
10, Dr Ferriere Street
Port Louis
Mauritius

(Postal address same as physical address)

Auditors

Baker Tilly Mauritius
Level 2, Tribeca Central
Trianon 72261
Mauritius

(Postal address same as physical address)

Legal Advisor as to Mauritian Law

Bowmans (Mauritius)
3rd Floor, The Dot
Avenue De Telfair, Moka, 80829
Mauritius

(Postal address same as physical address)

Registrar and Transfer Agent

Intercontinental Secretarial Services Limited
Level 3, Alexander House
35 Cybercity, Ebene, 72201
Mauritius

(Postal address same as physical address)

Market Maker

Tuesday Markets Ltd
C/o Rogers Capital Corporate Services Limited,
5, President John Kennedy Street,
Port Louis,
Mauritius

(Postal address same as physical address)

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EXECUTIVE SUMMARY

About Ziweto Holdings Limited

Ziweto Holdings was incorporated in Mauritius on 1st July 2024, as a public company limited by shares, with its main business activity being that of a holding company. On 25 September 2024, the Company acquired 100% shareholding in Ziweto Enterprises Limited and as consideration, 3,149,900 Ziweto Holdings shares were issued to the sellers.

Since the Company will derive most of its revenue from outside of Mauritius (mainly through its subsidiary company), Ziweto Holdings applied for and obtained a Global Business License issued by the FSC.

The main rationale for the setting up of Ziweto Holdings in Mauritius is to take advantage of the country's business friendly infrastructure. Mauritius is positioned as an ideal international platform for trading activities based on the following benefits, namely the absence of exchange control and the long-standing social and political stability prevailing in the country. The SEM is one of the only African securities exchanges that presently offers a platform specifically designed for high-quality, fast growing profitable companies – not only with historically fast growth and profitability, but with continental growth potential.

The segment aims to provide a path for succeeding Sub-Saharan African based small and medium enterprises (“SMEs”) to tap into the public capital markets – a path that provides institutional investors and retail investors an opportunity to invest in EXPotential growth phase of African SMEs as they scale nationally, regionally and across the continent. The High Growth Segment was created specifically to showcase high-quality companies from across Sub-Saharan African that are likely to grow 10x or 100x or 1,000 x in size over the coming decade by expanding across both their home country and across the continent.

Targeting firms with a proven track record of swift revenue growth, the High Growth Segment of the SEM ensures that these companies meet both general listing requirements and more stringent criteria specific to high-growth entities such as the ability to demonstrate consistent revenue growth, maintaining specific shareholding structures, and adhering to particular financial and operational standards. These detailed requirements are designed to ensure that the companies listed in the High Growth Segment of the SEM are poised for continued high growth and offer a robust investment opportunity.

It is envisaged that a listing on High Growth Segment of the SEM will also provide Ziweto Holdings access to a global investor base of managed funds, high net worth individuals and other sources of capital who view Mauritius as an attractive investment destination. Any future capital raised by Ziweto Holdings will be streamed down into Ziweto Enterprises Limited to spur future growth of the latter entity.

As highlighted in **Annexure 1**, Ziweto Holdings is led by an experienced management team who collectively have almost 100 years of experience and a successful track record in the agricultural sector. The directors of Ziweto Enterprises Limited have also been appointed as directors of Ziweto Holdings, to oversee and act in the best interests of the Company.

The Company leverages on the track record of the revenue earning business of its subsidiary, Ziweto Enterprises Limited, which has been in operations for 8 years in Malawi. The main sources of income of Ziweto Holdings will be dividend income from its Malawi-based subsidiary, which will be used to cover its expenses.

About Ziweto Enterprises Limited (Malawi)

Ziweto Enterprises Limited (“**Ziweto Enterprises**”) is a Malawian business operating in the livestock sector , that is involved in the following services:

- veterinary and animal nutrition products, veterinary services and livestock production equipment through its network of Agrovet shops;
- production of poultry feed and concentrates, through its own feed mill; and
- breeding of chicks, through a chicken hatchery facility.

The company was founded by Messrs. Victor Chambayika Mhango and Byton Simwela in 2014 and started its operations in Malawi in 2016.

Ziweto Enterprises partners with leading veterinary products manufacturers to source quality products that are distributed through its network of veterinary shop outlets branded as “Ziweto Agro-vet Shops.” They also recruit, train and equip Livestock Lead Farmers (currently around 222), who, in turn, provide meat and other food supplies in rural areas. The company also provides farmers with livestock extension services and veterinary assistance.

Listing on additional exchanges

To broaden its investor base and source additional capital to fund the growth aspirations for Ziweto Holdings and the Ziweto Holdings Group as a whole, the Company may consider, when appropriate, listing its shares on other recognised international securities exchanges. Such cross listing(s) will also:-

- enhance potential investors’ awareness of the Ziweto Holdings Group;
- improve the depth and spread of the shareholder base of the Company, thereby improving liquidity in its shares;
- provide invited investors, both institutional and private, the opportunity to participate directly in the income streams and future capital growth of the Ziweto Holdings Group; and
- provide invited investors with an additional market for trading the Company’s shares.

DEFINITIONS

In these Listing Particulars and the annexures hereto, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column have the meanings stated opposite to them in the second column, as follows:

“ business day ”	any day other than a Saturday, Sunday or official public holiday in Mauritius;
“ certificated shares ”	shares in respect of which physical share certificates will be issued;
“ Constitution ”	the constitution of the Company dated 25 September 2024;
“ directors ” or “ the board ” or “ board of directors ”	the directors of the Company as at the date of these Listing Particulars, further details of whom appear in Annexure 1 of these Listing Particulars;
“ FSC ”	the Financial Services Commission of Mauritius;
“ High Growth Segment ”	The High Growth Segment of the Main Market of the SEM;
“ GBL ” or “ Global Business Licence ”	Global Business Licence issued under the Mauritian Financial Services Act 2007;
“ IFRS ”	International Financial Reporting Standards;
“ Initial Private Placement ”	An offer to targeted investors to subscribe for up to 625,000 new Ziweto Holdings shares at a price of USD 1.60 per share;
“ Introduction ”	3,150,000 Ziweto Holdings shares currently in issue which will be listed on the High Growth Segment on the Listing Date;
“ last practicable date ”	the last practicable date prior to the finalisation of these Listing Particulars, being 30 September 2024;
“ LEC ”	Listing Executive Committee of the SEM;
“ Listing Date ”	the date of listing of the Ordinary Shares of the Company on the High Growth Segment of the SEM, being on or around 19 November 2024;
“ Listing Particulars ”	this document and its annexures, dated 18 October 2024, which have been prepared in compliance with the Listing Rules;
“ Listing Rules ”	the Listing Rules of the SEM governing the Official Market;
“ management ”	the current management of the Company, as detailed in Annexure 1 ;
“ Mauritian Companies Act ”	the Mauritian Companies Act 2001 (Act 15 of 2001) as amended;
“ Mauritius ”	the Republic of Mauritius;
“ MK ”	Malawian currency;
“ MUR ” or “ Rs ”	the Mauritian Rupee;
“ Main Market ” or “ SEM Main Market ”	the list of all securities admitted for quotation on the SEM Official Market;

“ordinary shareholder” or “shareholder”	a holder of Ordinary Shares in the share capital of the Company;
“SEM”	the Stock Exchange of Mauritius Ltd established under the repealed Stock Exchange Act 1988 and now governed by the Securities Act 2005 of Mauritius;
“SEM Listing”	the listing of the Ziweto Holdings shares on the High Growth Segment of the SEM which shall take place on or around 19 November 2024;
“USD”	The official currency of the United States of America.
“Ziweto Enterprises”	Ziweto Enterprises Limited, a private company limited by shares incorporated under the laws of Malawi and headquartered at Kanengo Industrial Area, Plot 28/95, Lilongwe (Registration No: 1010159);
“Ziweto Holdings” or the “Company”	Ziweto Holdings Limited, a public company incorporated under the laws of Mauritius on 1 st July 2024 and holding a Global Business License issued by the FSC (Registration Number: C210284/GBL);
“Ziweto Holdings Group”	Ziweto Holdings and its subsidiary, Ziweto Enterprises Limited, as referred to in these Listing Particulars;
“Ziweto Holdings shares” or “Ordinary Shares”	a share in the capital of the Company designated as “Ordinary Share” and having the rights provided for under section 4.7 of the Constitution;



Ziweto Holdings Limited
(Incorporated in the Republic of Mauritius)
(Company registration number: C210284/GBL)
Having its registered address at
c/o Rogers Capital Corporate Services Limited,
5, President John Kennedy Street,
Port Louis, Mauritius
LEC/P/06/2024
(“Ziweto Holdings” or the “Company” or the “Issuer”)

Directors of the Company

Victor Chambayika MHANGO	<i>Executive Director</i>
Byton Mwira SIMWELA	<i>Executive Director</i>
Jumaane Akintola TAFAWA	<i>Non-Executive Director</i>
Veerha BHOGUN	<i>Non-Executive Director and Chairperson</i>
Madiihah Binte BEEGUM	<i>Non-Executive Director</i>
Tione Pascal Kaonga	<i>Independent Director</i>
Phyles Tatha Kachingwe	<i>Independent Director</i>
Dr. Patricia Mayuni	<i>Independent Director</i>

SECTION ONE - INFORMATION ON THE COMPANY

1. INTRODUCTION

The purpose of these Listing Particulars is to provide information to potential investors in relation to the Company and its activities.

2. DIRECTORS AND MANAGEMENT OF THE COMPANY

i. Ziweto Holdings’ board of directors

Annexure 1 contains the following information:

- (i) details of directors and executive management including their names, addresses, qualifications, occupations and experience;
- (ii) information concerning the appointment, remuneration, terms of office and borrowing powers of the directors;
- (iii) directors’ interests; and
- (iv) directors’ other directorships and partnerships.

ii. Key Service Providers

(i) Company secretary

The Board leverages off the existing operations within Rogers Capital Corporate Services Limited, its duly appointed Company Secretary.

Rogers Capital Corporate Services Limited is duly licensed by the FSC to provide a comprehensive range of financial and fiduciary services to international businesses. All administrative business functions of the Company will be carried out by Rogers Capital Corporate Services Limited in Mauritius.

(ii) SEM Authorised Representative & Sponsor and Transaction Advisor

The Company has appointed Perigeum Capital Ltd (“Perigeum Capital”) as its Transaction Advisor. Perigeum Capital is a corporate finance house which is geared towards providing businesses with the professional representation and insight they need to execute successful transactions within the precincts of their individual corporate objectives and beyond. It holds an Investment Advisor (Corporate Finance Advisory) license issued by the FSC, which allows the company to act as SEM Authorized Representative and Sponsor and advise companies listed on the SEM on their corporate actions.

As Transaction Advisor, Perigeum Capital has assisted the board of directors to restructure the Company in order to enable it to be fit for listing on the High Growth Segment of the SEM. Perigeum Capital has handled the listing application process with the SEM and has been engaged to advise the Company and its directors on compliance with ongoing SEM listing obligations.

(iii) Market Maker

Tuesday Markets Ltd (the “Market Maker”) has been appointed as market maker by the Company. The Market Maker has given an undertaking to the Company that it will provide liquidity to the market during pre-determined windows on specific trading days and will always, in normal market circumstances, endeavour to provide and maintain a reasonable bid and offer. In certain exceptional circumstances, the SEM may relieve the Market Maker from its responsibility to maintain a reasonable bid and offer until the issue is resolved. The Company reserves its right to appoint other market makers in addition to or in replacement of the Market Maker and under such terms as may be approved by the SEM.

(iv) Other Third-Party Service Providers

In addition, it is envisaged that the Company will outsource several key, but noncore functions to specialist third-party service providers. Such service providers may include without limitation: investor relations managers; company administrators; legal counsel; accountants and auditors; and bankers. In this regard, the Board will engage only with reputable, intentionally- recognized institutions with established track records for the provision of such services.

3. INCORPORATION, HISTORY AND NATURE OF BUSINESS

i. Incorporation, name and address

The Company was incorporated in Mauritius on 1 July 2024 and has its registered office at c/o Rogers Capital Corporate Services Limited, 5, President John Kennedy Street, Port Louis, Mauritius. The Company holds a Global Business Licence issued by the FSC.

ii. History

The Company has no major trading history since it has recently been incorporated.

Ziweto Holdings leverages on the track record of the revenue earning business of its sole subsidiary, Ziweto Enterprises Limited, which has been operating for 8 years in Malawi.

iii. Nature of the business

The purpose of Ziweto Holdings is mainly to act as the holding company of Ziweto Enterprises, and as a Group, it aims to provide access to quality and affordable veterinary and animal nutrition products and livestock production equipment to livestock farmers through its network of 21 “Ziweto Agro-vet Shops” reaching all regions of Malawi, as well as through its breeding operations.

Ziweto Holdings is led by an experienced board and management team with an extensive track record in the agricultural sector. The team brings a wealth of knowledge in the distribution of veterinary and animal nutrition products and livestock production equipment, while ensuring adherence to industry standards and sustainability practices.

No change in the nature of the Company’s business and no divestment whatsoever from its subsidiary company Ziweto Enterprises Limited, are being contemplated presently or for at least the next 3 years.

iv. Financial year-end

The financial year-end of the Company is 31 December each year.

4. ABOUT ZIWETO ENTERPRISES LIMITED

i. Inception of Ziweto Enterprises Limited

Ziweto Enterprises is a Malawian business operating in the **livestock sector offering animal health, nutrition, and breeding solutions to livestock farmers in Malawi.**

The company was founded by Mr. Victor Chambayika Mhango in 2014. Later in 2016, Mr. Byton Simwela left his employment with the Malawi government to join Ziweto Enterprises as a co-founder and full time COO in Ziweto Enterprises.

Victor and Byton met while working on their master’s degree at the University of Malawi’s Bunda College of Agriculture. Thereafter, they had both joined the Ministry of Agriculture, as field officers focused on animal husbandry by smallholder farmers in Northern Malawi.



Figure 1: Ziweto Enterprises Logo



Figures 2 and 3 (left to right):

Victor Chambayika Mhango, Co-founder, CEO and Executive Chairman of Ziweto Enterprises and;

Byton Simwela, Co-founder and COO of Ziweto Enterprises.

During their tenure with the Ministry of Agriculture, Victor and Byton made numerous farm visits, where they encountered the devastating effects of preventable diseases that had decimated farmers' livestock, including chickens, pigs, cows, and goats. Unfortunately, the Ministry did not have the financial resources to help the farmers with disease prevention, such as providing vaccines to those farmers.

Malawian **smallholder farmers were losing 30% of their farm animals to preventable diseases such as Newcastle disease in village chickens.** Farmers were having challenges to access reliable and affordable animal health services, often trekking long distances to find veterinary shops and purchase lifesaving drugs for their livestock.

After six years of waiting for the government to solve this problem, Victor and Byton stopped waiting. Using a USD 20,000 foreign development grant, in November 2015 they created Ziweto Enterprises as a for-profit company to fill in the gap. The company opened three small “agrovets” shops outside of Mzuzu in the northern part of the country. Each shop hired a veterinarian to visit the local farms, administer vaccines to prevent the preventable diseases, and to treat the treatable diseases.

Ziweto **currently operates a strategic network of 21 Ziweto Agrovets Shop outlets across all three regions of Malawi**. Recognizing the importance of accessibility, Ziweto has partnered with leading veterinary and animal nutrition product manufacturers to bring high-quality, affordable solutions directly to farmers. This initiative is part of a broader strategy to achieve both vertical and horizontal integration within the agricultural sector, ensuring that farmers have consistent access to essential products and services.



Figure 4: Ziweto Agrovets Shops. Currently there are 21 Ziweto Agrovets Shops, all of which are branded the same and sell similar products at standardized prices across Malawi.

As part of its **vertical integration strategy**, Ziweto has established a state-of-the-art animal nutrition products manufacturing facility in Lilongwe. This facility processes feed and feed concentrates, aiming to reduce livestock production costs for smallholder farmers. By controlling the production of essential inputs, Ziweto enhances its ability to deliver tailored solutions that meet the specific needs of local farmers.

In a move towards **horizontal integration**, Ziweto has also set up a hatchery to produce high-quality poultry chicks, including hybrid and improved village chickens (kuroiler). This expansion allows Ziweto to diversify its offerings, providing farmers with access to chicks more easily.

Ziweto’s strategic approach is rooted in the belief that **by improving livestock nutrition and health, smallholder farmers can raise more productive animals that will give them more meat, milk and eggs, resulting in increased food security, nutrition and boosting incomes**. By integrating these strategic decisions, Ziweto is creating a sustainable pathway out of poverty and hunger for smallholder farmers across Malawi, positioning itself as a key player in transforming the agricultural landscape.

KEY STATISTICS CREATION	2020	2021	2022	2023
Revenues (USD)	640,008	840,000	880,000	1,318,420
Revenue (MK)	482,710,767	665,504,146	822,081,728	1,393,839,467
Revenue Growth (YoY)	50%	38%	24%	70%
Number of Customer Visits	50,260	67,059	70,466	76,892
Number of Livestock Lead Farmers	130	176	200	222
Job creation	24	28	41	51*
Number of Shops	13	15	15	21

*56% of the workforce is female.

The revenue growth rate was calculated on the reported revenue of Ziweto Enterprises, which is in Malawian Kwacha. The revenue in USD factors in the devaluation of the Kwacha against the Dollar. In 2022, the Malawian central bank devalued the Kwacha by about 25% to address foreign exchange shortages. The trend of devaluation continued into 2023, when the Kwacha was depreciated by 44%.

*ii. **Ziweto Enterprises' Business Model***

Ziweto Enterprises operates a one stop shop integrating across value chains by offering animal health, nutrition, and poultry farm solutions to farmers through its 3 business units. Ziweto owns all aspects of the value chain through its business units listed below.

1. **Ziweto Agrovvet Shops (ZWA):** This business unit is the distribution arm of the company and supplies veterinary drugs, vaccines, and livestock production equipment through a network of 21 outlets across Malawi. Ziweto Enterprises has partnered with leading veterinary and animal nutrition products manufacturing companies such as Hester Biosciences (from India), Vetcare Africa (from Kenya) and Interchemie (from Netherlands), to bring quality and affordable solutions closer to farmers. In 2024, the Company has also secured the supply of products from Urban Farmer (from South Africa) and Cibus (from Kenya).
2. **Ziweto Nutrition Solutions (ZNS):** This business unit produces feed and feed concentrates distributed through the Ziweto Agrovvet Shops. Ziweto Enterprises has recently set up an animal nutrition products manufacturing facility in Lilongwe, for the production of feed and concentrates and aims to reduce the cost of livestock production among local farmers. ZNS is also planning to set up a soya bean processing plant to produce soya cake for its feed operation, to be sold on the local and export market.
3. **Ziweto Breeding Solutions (ZBS):** Ziweto started selling imported chicks in Malawi 2022. To meet the growing demand of chicks, the company has set up a hatchery to produce good-quality poultry chicks. It currently has 3 incubators and 3 hatcheries, which will be fully operation in 2025, with a weekly breeding capacity of ~21,000 chicks. The company has completed the set-up of parent stock housing and the building of a hatchery house. The company will invest in the building of more hatcheries and incubators, to produce more chicks by itself and sell them to local farmers, and eventually phase out the import of chicks. ZBS will also start commercial poultry production and chicken meat processing. The company is setting up an abattoir for chicken meat processing.

Each business unit sells directly to external clients. However, they are also interconnected, acting as a key component in the internal supply chain, providing essential inputs to other units. For instance, ZWP will use the output from ZNS in its production of livestock. This business model ensures quality control and reduces the cost of production and cost of sales thanks to the elimination of middlemen/salesforce. The three business units all report to the same senior management team and leverage the full-on shared services: human resource, information technology and accounting.

The figure below is a description of Ziweto Enterprises' business Model:



Support provided by Ziweto Enterprises – Integrated approach to empowerment

Ziweto is committed to empowering smallholder farmers by providing essential support services that enhance livestock productivity and sustainability. Central to this mission are two key initiatives: the ZWA Credit Facility and ZWA Technical Support.

- **ZWA Credit Facility:** Ziweto offers a credit facility to its customers. The company's credit policy offers customers a 30-day period to settle payments. Ziweto's credit facility is aimed at building relationships with customers while helping them to manage their cashflow.
- **ZWA Technical Support:** Ziweto offers technical support and training of livestock farmers, Livestock Lead farmers and frontline staff on feed making to ensure that farmers have the right knowledge on the use of animal nutrition products that Ziweto sells to enhance livestock production and productivity. Livestock Lead farmers and 'Assistant Veterinary Officers' act as last mile distributors of these animal nutrition products.



By integrating these services, Ziweto not only supports the immediate needs of farmers but also ensures a sustainable increase in livestock production, contributing to the broader goal of food security and economic growth in rural communities.

iii. Ziweto Enterprises' Mission and Vision

Ziweto Enterprises mission is to **boost livestock production, thereby contributing to increased incomes, food security and nutrition for Malawians and revolutionize the way that livestock and veterinary services are offered to smallholder farmers** in Malawi by creating a more sustainable and entrepreneurial model.

By 2025, Ziweto Enterprises aims to **reach 200,000 customer visits per year (up from 76,892 customer visits in 2023) across Malawi**. This vision of "reach" encompasses more than just contact; it signifies deep engagement with farmers, ensuring they have access to high-quality livestock products, veterinary services, and the necessary knowledge to improve their farming practices. Ziweto Enterprises plans to achieve this by expanding its network of Agrovet shops, enhancing marketing and promotional efforts, and implementing comprehensive outreach activities. These activities will include forming and supporting farmer groups, providing targeted training programs, and participating in trade centres to foster strong connections with the farming community.

By achieving this reach, Ziweto Enterprises envisions a future where through its 200,000 customer visits it has a thriving sustainable agricultural ecosystem that drives growth and prosperity in rural Malawi.

Ziweto Enterprises and its contribution to UN Sustainable Development Goals

Ziweto Enterprises is a pioneering agricultural company in Malawi, committed to transforming the livestock sector and improving the livelihoods of smallholder farmers. Through its innovative products and services, Ziweto plays a critical role in advancing several United Nations Sustainable Development Goals (UN SDGs), particularly those focused on eradicating hunger, alleviating poverty, and reducing inequalities.



Impact metrics

- 200,000 farmers reached per year by 2025
- Increased incomes, food security and better nutrition: more meat; milk and eggs
- 40% reduction in cost of livestock feed supplements
- New jobs created

iv. Ownership Structure

Ziweto Enterprises is currently 100% owned by Ziweto Holdings. The beneficial owners of Ziweto Enterprises are as follows:

Name of Beneficial Owners	Role in Ziweto Holdings Group	% Indirect Shareholding
Victor Chambayika Mhango	Co-founder, CEO and Executive Chairperson of Ziweto Enterprises	33.1%
Byton Simwela	Co-founder and COO of Ziweto Enterprises	14.2%
Africa Eats Ltd	Investment Partner	52.7%

v. Market Environment and Industry landscape

Located in Southern Africa, Malawi is a landlocked country that shares its borders with Mozambique, Zambia, and Tanzania. Despite substantial economic and structural reforms aimed at sustaining economic growth, Malawi remains one of the world's poorest countries.

Within this agricultural workforce, **a substantial proportion is concentrated in the cultivation of maize and tobacco, which are the main crops in Malawi. Maize, a staple food crop, and tobacco, a major cash crop, dominate the agricultural landscape.** However, the heavy dependence on these two crops exposes the population to significant risks, including market volatility, price fluctuations, and the impacts of climate change, which can severely affect both crop yield and income stability.

In terms of GDP contribution, **agriculture accounts for approximately 30% of Malawi's GDP**, with maize and tobacco collectively representing a large share of this contribution. The livestock sector, while smaller in scale, plays a crucial role in supporting rural livelihoods and food security. Livestock production, along with other sub-sectors such as horticulture, fisheries, aquaculture, irrigation, and agro-processing, forms the backbone of the agricultural economy.



The veterinary supply business in Malawi is fragmented, with a variety of small veterinary corner shops dominating the landscape. Key players in the sector include Lilongwe Livestock Centre, Femano in Lilongwe, and Sharevet in Blantyre. Despite this fragmentation, Ziweto Enterprises has emerged as the market leader in the distribution of veterinary products across Malawi, maintaining approximately 10% market share in a fragmented market. Through its network of Ziweto Agrovets, strategically located across all regions, Ziweto Enterprises has successfully consolidated its position as the dominant player in the sector. The acquisition of Alfa Medics in Mzuzu in 2017, along with the establishment of uniformly branded Ziweto Agrovets, has propelled Ziweto Enterprises' rapid growth over the last eight years. Ziweto Enterprises now holds the majority market share in the importation and distribution of essential veterinary and animal nutrition products in Malawi, solidifying its leadership in the industry.

In the livestock feed market, Ziweto Nutrition Solutions entered at a time when two dominant players, Proto Feeds and CP Feeds, primarily catered to broiler and layer poultry farmers. Ziweto Enterprises capitalized on this gap by focusing on other livestock species, such as piggery, indigenous poultry, dairy, and beef, which were previously

underserved. With the largest distribution network of one-stop livestock shops selling animal health and nutrition solutions, Ziweto Enterprises has a significant competitive advantage.

Ziweto Enterprises' strong position in the livestock sector, coupled with its expertise in animal health and feed, positions the company well for success in the poultry and soya processing industries. The planned poultry abattoir will be supplied with chickens raised using veterinary and feed products distributed by Ziweto Enterprises, ensuring a vertically integrated supply chain. Additionally, soya meal, a key ingredient in animal nutrition products, is in high demand on international markets, making it a strategic investment for the company. These initiatives will further reinforce Ziweto Enterprises' market leadership in the livestock sector in Malawi.

vi. Target Market

The key target market for Ziweto Enterprises includes smallholder livestock farmers; veterinary shops; assistant veterinary officers; commercial farmers; non-governmental organizations and academic institutions.

The agrovet shops are located at the district level, primarily targeting smallholder farmers.

Ziweto Enterprises' three distribution centers in Mzuzu, Lilongwe, and Blantyre target wholesale customers that include veterinary shops, commercial farmers, and institutions such as NGOs and academic/research centres.

Ziweto Enterprises' poultry abattoir and Soya processing operations will target local market (mostly retail, i.e., supermarkets, butcheries, restaurants, hotels, schools, hospitals) and export to countries such as Kenya, Tanzania, Mozambique, Zimbabwe, South Africa and Democratic Republic of Congo among others.

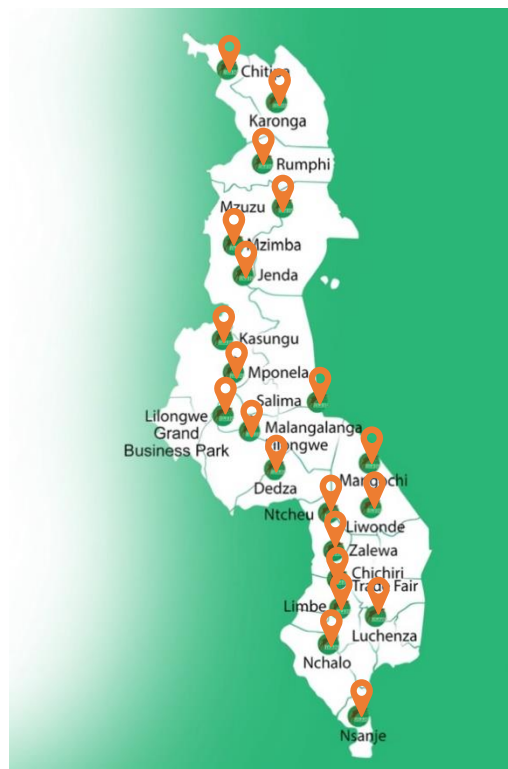


Figure 5: Map of Malawi with locations of Ziweto's Agrovet shops

vii. Competitor Analysis

The **veterinary services supply market in Malawi** is highly fragmented with several individual private veterinary service providers and small-scale veterinary shops, such as *GIL Vet Centre* and *Royal Veterinary*, amongst others. There are also a few notable players, such as the *Lilongwe Livestock Centre*, *Agricultural Trading Centre*, *Femano Veterinary Services* and *Share Vet* that would be considered as slightly larger and more established than the smaller individual providers in the sector. There is a growing influx of cross-border supplies of veterinary products from Zambia and Tanzania. However, Ziweto Enterprises is significantly larger than any other competitor in the market with 21 shops and ~10% market share.

As stated in the previous section, according to management, **Ziweto Enterprises is currently the market leader in the distribution of veterinary products in Malawi**, through its network of the Ziweto Agrovet shops spread around all regions of Malawi. The company has also successfully consolidated its position as a market leader in the importation and distribution of important veterinary and animal nutrition products.

Ziweto Enterprises' unique strategy to operate wholesale distribution centres in main cities and establish a network of franchised agrovet shops under a uniform brand, gives it a competitive advantage. Private veterinary shops are usually run by unqualified individuals who fail to offer support services to smallholder farmers hence farmers opt to work with Ziweto Agrovet Shops which are run by qualified professionals. Ziweto Enterprises is engaging in sole-distributor agreements with key manufacturers and distributors of quality veterinary products to replace

cross-border supply of products from Zambia and Tanzania and solidify its position as the main distributor of veterinary products in Malawi.

When Ziweto Enterprises started its **production of feed and concentrates**, there were 2 well-established players in the market, namely Central Poultry and Feeds (~35% market share) and Proto Feeds (Kelfoods) (~45% market share). Central Poultry and Feeds is one of the largest producer of poultry and poultry feed in Malawi. With more than 20 years of operations, it breeds and rears its own broiler livestock which is fed from its own feed mills. It also distributes fresh and frozen chicken as well as commercial eggs and exports day-old chicks and poultry feed to Mozambique. Proto Feeds is involved in the supply of table eggs, animal feed, day-old broiler chicks, and animal health products and services under several brand names.

Ziweto Enterprises intends to cover that gap with its nutrition solutions business unit. In addition, the Company has the largest distribution network of one-stop livestock shops in Malawi, allowing it to easily distribute what it produces. Ziweto Enterprises also recently started the breeding of day-old chicks. Its main competitors remain Central Poultry and Feeds, Kamponji Enterprises Limited (Kelfoods) and also include Glenae/Conforzi, as well as several small SMEs and rural households that breed chickens.

viii. Growth and Expansion Plans

Ziweto Enterprises has identified the overarching goals that it wants to achieve over a five-year period (2024 to 2028). The strategic goals and objectives will provide a framework for guiding Ziweto actions, decision-making and resource allocation. The strategic plan focuses on the following elements:

- Revenue Growth
- Market Leadership
- Innovation and Product Development
- Operational Efficiency
- Financial Stability
- Profitability

The goals and objectives have been identified to propel Ziweto forward and contribute to the fulfilment of its long-term strategies. The management believes that the goals and objectives are SMART in nature which means they are: **Specific, Measurable, Achievable, Relevant/Realistic, and Time-Bound**.

The growth and expansion plan of the company is built around investments in the following three areas:

I. Ziweto Agrovet Shops

- ✓ **Strengthen and expand Ziweto Agrovet Shops:** Ziweto Enterprises is raising funding to stabilize stock availability in its shops, maintain good relationships with its suppliers, and increase the profitability of each one of its units. The company plans to expand its shop network to 30 across Malawi by end of 2028 and serve over 200,000 customers across the breadth and width of Malawi.

	2024	2025	2026	2027	2028
Number of shops	21	25	30	30	30

The company will also invest in technology for inventory, customer management, and sales and marketing.

II. Ziweto Nutrition Solutions

- ✓ **Invest in scaling up production capacity at Ziweto Nutrition Solutions:** Ziweto Enterprises has commissioned its animal nutrition manufacturing facility in Lilongwe. The company will invest in bulk purchase raw materials (maize; soya; soya cake; vitamins and minerals) and will enter into produce purchase agreements with smallholder farmers to purchase soya and maize that are used in the production of animal nutrition products.

The company expects to produce up to 700 tons in 2024. Quantities produced have been escalated at a staggered growth rate, to match the increase in capacity in the feed mill. Production is expected to reach 3,000 tons by 2028.

- ✓ **Invest in Soya Processing Plant:** Ziweto will establish a soya extraction unit to produce soya cake for its feed operation, to be sold locally and exported. Venturing into soya processing will help the company secure foreign currency for its overall business operations. The extraction plant is expected to be operational as from 2026, with a production capacity of 30 tonnes per day.

III. Ziweto Breeding Solutions

- ✓ **Invest in Poultry Hatchery and Breeding Farm:** The aim is to improve smallholder livestock farmers access to improved breeds. The hatchery will primarily be used to produce poultry chicks (hybrid and improved village chickens) for the local market and own commercial poultry farming operation.
- ✓ **Invest in a Poultry Abattoir:** Ziweto Enterprises plans to venture into commercial poultry production for the export market as a means of **securing availability of foreign currency to keep all business divisions effective**. The company will invest in the establishment of commercial poultry farms, build a poultry abattoir warehouse, and purchase an international standard poultry abattoir.

In 2026, the company plans to open a farm and abattoir, initially operating six chicken houses. This number is expected to double to 12 houses in 2027 and increase further to 18 houses by 2028. Each chicken house will hold 10,000 chickens every quarter.

The *broiler chicks* will be raised to adulthood for slaughter, with revenue generated based on the number of chickens produced and the selling price per chicken. Ziweto anticipates a 5% mortality rate in chicks, leading to an estimated production of approximately 239,000 chickens in 2026, which is projected to grow to 718,000 chickens by 2028. While the chickens will initially be sold exclusively in Malawi in 2026, by 2028, only 30% of sales will be local, with the majority being exported to neighboring countries.

To remain competitive, local selling prices are expected to escalate by 10%, while export prices are projected to increase by 5%.

ix. Affiliation with Africa Eats Ltd

Africa Eats Ltd is a permanent capital investment company domiciled in Mauritius which invests in and helps to grow companies across Sub-Saharan Africa working in the food and agriculture supply chain. It has been founded and is managed by a strongly qualified team of individuals with extensive experience in investing and supporting young and growing companies, and in expanding companies across the continent of Africa.



The investees of Africa Eats are building the Food/Ag supply chain in Africa. None of them are direct food producers. Instead, they work with networks of smallholder farmers and co-ops of smallholder farmers. The majority of the investees buy from farmers, aggregating the supplies from across a whole region or country, then process the food before distributing it to dozens, hundreds, or thousands of customers.

These efforts solve the yield, post-harvest losses, and hunger problems all at the same time. Yields are improved as farmers have an incentive to follow those long-taught best practices once their outputs have a guaranteed buyer. Post-harvest losses are lowered with that same path from harvest to customer and then lowered further as Africa Eats' investees upgrade to refrigerated trucks, modern storage facilities, and cold storage. Hunger decreases when farmers have higher incomes and when the cost of quality food is lowered due to improved logistics and fewer middlemen.

In short, Africa Eats has identified that supply chains are the key leverage point toward improving the agricultural sector in Africa, ultimately turning the trade deficit into a trade surplus, and with that greatly reducing not only hunger but also poverty across the continent.

Africa Eats currently owns a minority equity ownership stake (on average 15%) in its portfolio companies. The maximum target ownership for each portfolio company is 25%.

As at the Last Practicable Date, Africa Eats ownership in Ziweto Enterprises Limited significantly exceeds its target ownership since it recently acquired the stake previously held by Hivos Impact Investments, which had to divest from Ziweto Enterprises Limited given that it had reached the maturity of its closed end fund and needed to exit. Africa Eats purchased the shareholding ahead of the listing of Ziweto Holdings and will work with Ziweto Holdings to dilute its shareholding to its target ownership over the next few years as the company raises additional capital to support its fast growth rate.

Each of the companies is run by its founder(s), and it is the belief of Africa Eats' management that the best way to grow the investee companies is to arm its founders with oversight, capital, and advice, letting them and their management teams to operate the companies as they think best.

This structure is proving to help the portfolio companies grow their revenues at a fast pace, be profitable, and seize opportunities as they are spotted. The expectation is that the investments in these companies will last for decades, if not longer, that they will continue growing quickly at least through 2030, and that new companies will be added to the portfolio over time that do the same.

The next two milestones are to grow the aggregate revenues of the portfolio companies to USD100 million (projected for 2025) and to grow the valuation of the portfolio companies above sufficient to list Africa Eats on the London Stock Exchange (projected for 2027).

All this while lowering hunger by lowering post-harvest losses and lowering poverty by increasing the incomes of smallholder farmers. Scalable solutions to hunger and poverty using for-profit capitalism.

x. Affiliation with Hivos Impact Investments

Hivos Impact Investments (through Hivos Foods & Lifestyle Fund B.V) invested in the development of Ziweto Enterprises in 2019 to help the company expand its micro-franchise operations, increase its supplies and inventory, improve on its logistics and distribution, and acquire more customer and shop management technology.



Hivos Impact Investments sets up and manages impact funds and direct investments that align with the humanistic principles of Hivos Foundation in order to support and create more open and green societies. The fund targets Southern Africa, particularly Malawi, South Africa, Zambia and Zimbabwe.

Hivos Impact Investments aims to create impact as well as financial return. They primarily invest in social enterprises, typically SMEs and early-stage growth start-ups. The organisation currently has two funds under management.

Hivos Mideast Creatives Fund, investing in creative industries in the MENA, particularly Egypt, Jordan, Lebanon and Tunis. Creative entrepreneurs contribute to more freedom of expression, freedom of speech, youth and female employment. Typically, Hivos Impact Investments holds its investments in portfolio companies for a period of 3 to 7 years – a timeframe that allows the impact fund to support early-stage companies as they scale and achieve both financial and social impact objectives.

Hivos Foods & Lifestyle Fund B.V began liquidating its portfolio in 2024 in advance of its end of operations. Its 28.4% shareholding in Ziweto Enterprises was bought by Africa Eats on 21 August 2024. At the USD 5.04 million valuation computed for Ziweto Enterprises, that 28.4% ownership has a value of approximately USD 1.4 million. The price paid was less than 20% of that value. When this transaction is marked to market, this transaction should add approximately US\$0.10 per share to the NAV of the Company.

xii. Other Investment Partners

Ziweto Enterprises partners with like-minded organisations to help the company grow its portfolio. Below is a snapshot of the partners affiliated with Ziweto Enterprises.



xii. Historical Revenues and Financial Highlights

A summary of the historical financial trend of Ziweto Enterprises is presented below. The directors of Ziweto Enterprises are responsible for the preparation and fair presentation of the historical financial information of the company in accordance with International Financial Reporting Standards. For further information on the audited financial statements of Ziweto Enterprises, reference may be made to **Annexure 5 – the Accountant’s Report**.

(MK 000s)	FY Dec 2021	FY Dec 2022	FY Dec 2023
Revenue	665,504	822,082	1,393,839
Cost of Sales	(192,469)	(354,024)	(634,412)
Gross Profit	473,035	468,058	759,428
Other income	20,330	4,239	214
Operating Expenses	(255,276)	(279,675)	(406,896)
EBITDA	238,089	192,622	352,745
Depreciation	(29,925)	(46,582)	(49,118)
EBIT	208,164	146,040	303,627
Finance Costs	(22,583)	-	(117,453)
Profit before tax	185,582	146,040	186,174
Tax	(69,046)	(49,289)	(64,541)
Profit after tax	116,536	96,751	121,633

*Figure 10: Historical financial performance of Ziweto Enterprises over the past 3 years
Source: Audited financial statements of Ziweto Enterprises*

The decrease in profit after tax margin is linked to an increase in expenses and cost of sales. This is because of the following:

- Ziweto Nutrition Solutions increased its production of feeds and concentrates.
- Ziweto Breeding Solutions started the import of chicks from Zambia, to be resold in Malawi. In 2022, it also invested in the set-up of chicken houses and incubators to breed the chicks directly in Malawi.

- Ziweto Enterprises also invested in 6 additional agrovet shops that started operations as from 2023.

Cost of sales increased by 184% in 2022 and by 179% in 2023, a contributing factor to this increasing cost of goods was the increase in global shipment prices across the world due to various global environmental, economic, and geopolitical factors such as climate change reducing water levels in the Panama Canal and the red sea crisis of a tax occurring affecting the Swiss canal, both contributing to a global backlog of shipments across the world. Consequently, gross profit margin has worsened, shifting from 71% in 2021 to 54% in 2023. Operating expenses have increased by 10% in 2022 and 45% in 2023 in part due to the expenses needed to manage the increased investment across the three business lines.

<i>In MK</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
<i>NAV</i>	<i>522,150,229</i>	<i>750,922,319</i>	<i>426,016,648*</i>
<i>No of shares</i>	<i>2,114,285</i>	<i>2,114,285</i>	<i>2,114,285</i>
<i>NAV/Share</i>	<i>247</i>	<i>355</i>	<i>201</i>
<i>Profit after Tax</i>	<i>116,535,683</i>	<i>96,751,180</i>	<i>121,633,241</i>
<i>No of shares</i>	<i>2,114,285</i>	<i>2,114,285</i>	<i>2,114,285</i>
<i>EPS</i>	<i>55</i>	<i>46</i>	<i>58</i>

*The NAV in 2023 was lower owing to prior year adjustments, that affected the company's retained earnings.

Revenue Growth

Over the past three years, Ziweto Enterprises has demonstrated significant growth in its total revenue, with an impressive average **compound annual growth rate (CAGR) of 42%**. In 2021, the company's revenue was primarily generated from the sale of veterinary supplies and livestock equipment through its Agrovet shops. By 2022, Ziweto Enterprises expanded its operations to include Ziweto Nutrition Solutions and Ziweto Breeding Solutions. The bulk of the revenue is still being generated by Agrovet Shops with **MK 846,900,307 in 2023**, which accounted for 61% of the total revenue (compared to 89% in 2022).

The significant **70% revenue growth in 2023** is largely driven by the expansion of Ziweto Breeding Solutions, and Ziweto Nutrition Solutions (see revenue breakdown chart at the beginning of section 2 for more details). Overall, Ziweto's revenue has increased year on year. Revenue growth rate fell to 16% in 2019, and this can be attributed to inventory shortages and delays in shipping of products. The following year however, operations picked up, with the opening of 6 additional shops in 2020. In 2021 and 2022, despite the expansion in its shop network (with the opening of 2 additional shops), the company's operations were affected by the Covid-19 restrictions in Malawi. Post pandemic, Ziweto refocused its resources and started expanding its 2 additional business units. Its revised business model enabled the company to continue its high growth as seen in 2023 high revenue growth of 70%.

Overall, Ziweto Enterprises' compounded annual growth rate for 2021 to 2023 was well above the listing threshold of 25%, with cumulative revenue growth over the last five years comfortably exceeding 100%.

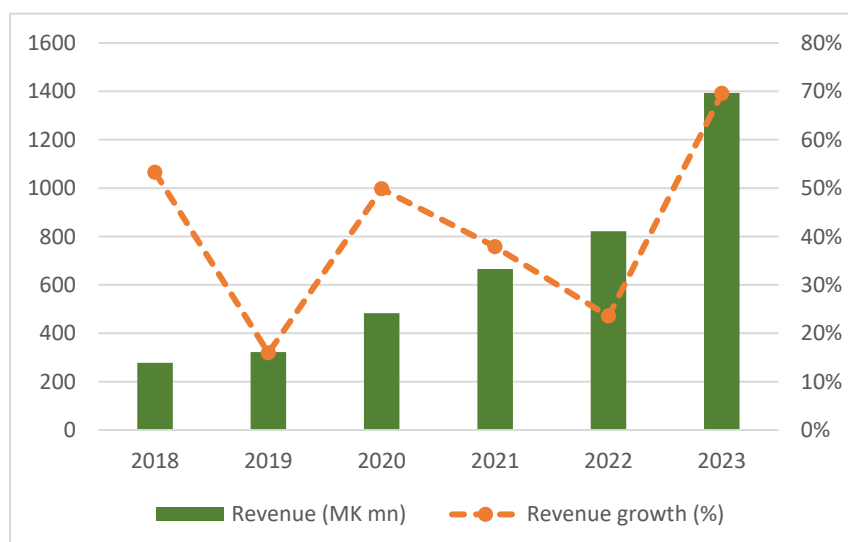


Figure 1:

Revenue growth of Ziweto Enterprises over the years, shown in its reporting currency MK (figures not converted into USD to avoid being distorted by fluctuations in the value of USD)

Profitability

Ziweto Enterprise demonstrated strong operating performance, highlighted by an average Gross Profit Margin of 54% and an EBITDA margin of 23%, from 2018 to 2023. In 2023, the company had a Gross Profit Margin of 54% and an EBITDA margin of 25%. This overall robust performance is further supported by an average asset turnover of 136%, indicating efficient asset utilisation.

However, the overall profit after tax levels have been fluctuating throughout the years. As mentioned earlier, in 2019 and 2020, EBITDA and PAT levels were affected by delays in shipments, inventory shortages and an overall increase in costs as a result of the global pandemic and unfavourable macroeconomic conditions. In 2022, Ziweto's profit levels were affected by the company's expansion into new business lines, animal feeds and concentrates business as well as the poultry business further reduced the profit margins due to increased operating expenses. The diversification of operations will gradually lead to an increase profit margins in the future.

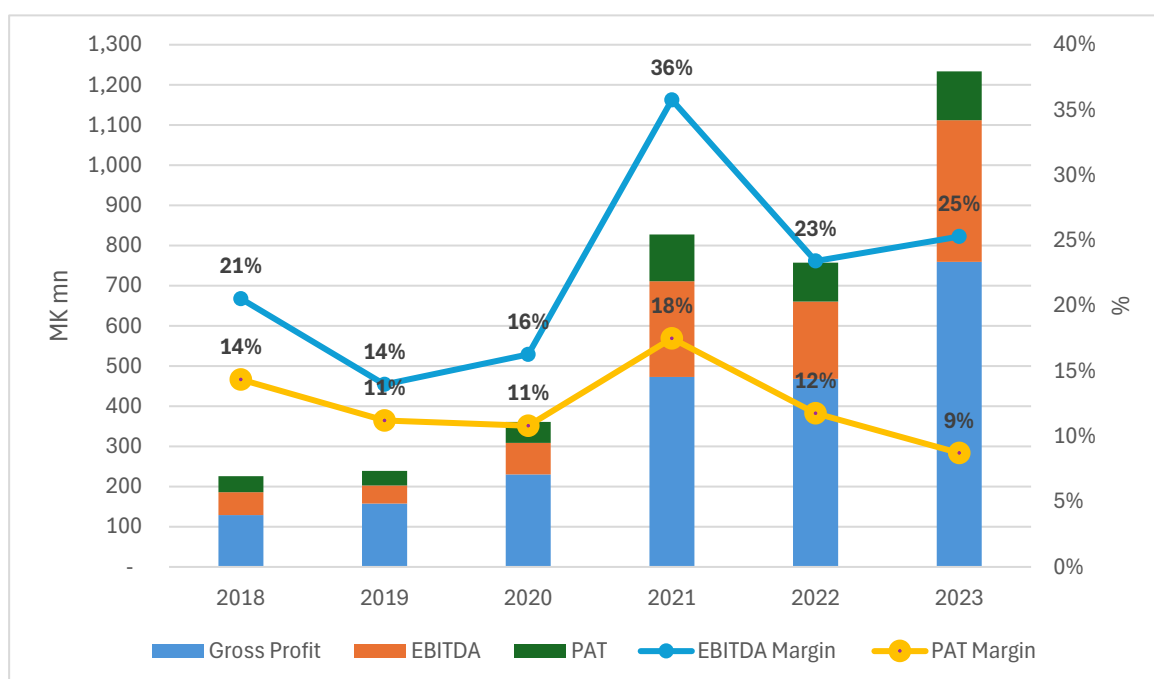


Figure 2: Profitability of Ziweto Enterprises over the years

Liquidity

The current ratio has shown a positive trend over the past three years, hovering between 3.6 and 1.6. In 2021, the ratio was higher, as current assets were affected by a rise in inventory levels, which management attributed to delays in selling inventory during that period. However, the situation improved overtime. In 2021, current ratio stood at 1.6, owing to an increase in current liabilities due to a short-term working capital loan.

Gearing

Over the past three years, Ziweto Enterprises has been financed through a mix of equity and debt, maintaining a gearing ratio (debt to equity) consistently below 2. In 2021 and 2022, the company was considered low-g geared, with equity primarily comprising a shareholder loan from the Hivos Food and Lifestyle Fund and capital investments from the Malawi Innovation Challenge Fund of the UNDP.

However, in 2023, Ziweto Enterprises' gearing ratio increased due to the company securing an additional loan facility from NBM Development Bank Limited and a short-term interest-bearing loan from an investment fund.

This rise in debt levels led to a higher gearing ratio of 1.65 in 2023. According to management accounts for the period ended June 30, 2024, the gearing ratio currently stands at 1.18.

xiii. Research and Development

Ziweto Enterprises works with **Livestock Lead Farmers** in the provision of other livestock extension services to increase adoption and use of modern solutions in livestock production among smallholder farmers. Ziweto Enterprises actively engages with its suppliers of veterinary and nutrition products to identify key challenges among livestock farmers in Malawi and influence development of new products to meet market demands in Malawi.

Ziweto Enterprises also worked with:

- i. **Hester Biosciences Limited** to start the distribution of a thermostable Newcastle disease (NCD) vaccine for poultry which is helping off-grid smallholder farmers reduce loss of chickens to NCD; and
- ii. **Interchemie** to redesign product packaging to invest in small units such as a 30g dewormer that is more affordable to low-income farmers.

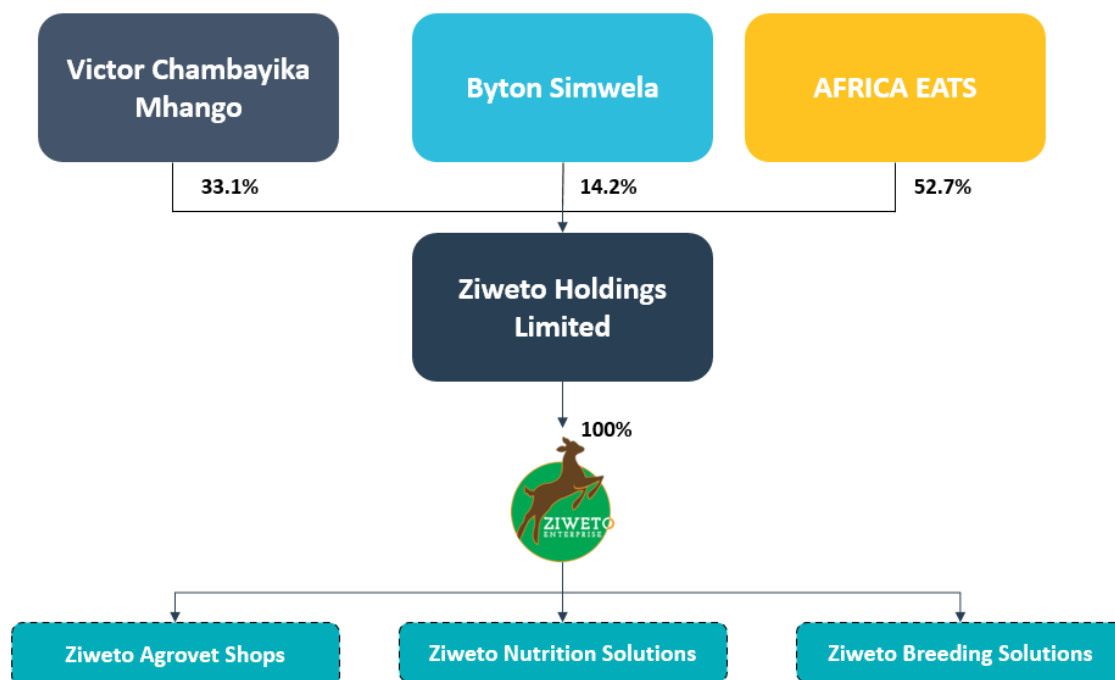
At Ziweto Nutrition Solutions, the company works with **Urban Farmer** and **Exchange Belgium** to actively come up with new formulations for feed and feed concentrates based on availability of raw materials in the local market.

In the future, Ziweto Enterprises plans to invest in a fully-fledged research and development unit to advance work in livestock sciences and practice.

5. COMPANY STRUCTURE

i. **Company structure**

The Company structure is set out below:-



ii. Share capital

Information regarding the issued share capital of the Company, the shareholders of the Company holding in excess of 5% of the voting shares immediately prior to the SEM listing, alterations of capital, a summary of offers of shares by the Company to the public since incorporation and ancillary information is set out in **Annexure 2**.

iii. Constitution

Extracts from the Company's constitution are set out in **Annexure 3**.

6. EMPLOYEES

As at the last practicable date, Ziweto Holdings did not have any employees.

Ziweto Enterprises on the other hand, has approximately 38 employees in direct employment and more than 12 employees in indirect employment. The employees are engaged in various roles, including veterinary services, retail as shop assistants, within the breeding business unit as production workers, managers. The company also employs farm and hatchery workers.

Ziweto is on a growth trajectory and will need to hire more staff going forward in order to meet the demands of the market and its customers.



Figure 3: Ziweto Enterprises Team

7. COMMISSIONS PAID AND PAYABLE

- i. No amount has been paid, or accrued as payable, since incorporation, as commission to any person, including commission so paid or payable to any sub-underwriter that is the holding company or a promoter or director or officer of the Company, for subscribing or agreeing to subscribe, or procuring, or agreeing to procure, subscriptions for any securities of the Company.
- ii. Since incorporation, there have been no commissions paid or are payable in respect of underwriting by the Company.
- iii. Since incorporation, the Company has not entered into any promoter's agreements and as a result no amount has been paid or is payable to any promoter.

8. MATERIAL CONTRACTS

The Company started its operations in July 2024, and there was no material contract entered into (other than contracts entered into in the ordinary course of business) by the Company since then.

9. DIRECTORS AND RELATED PARTIES' INTEREST IN SHARES

As at the last practicable date, Victor Mhango and Byton Simwela held 33.1% and 14.2% of the issued shares of the Company respectively. Jumaane Tafawa also holds an indirect interest of 1.47% in the issued shares of the Company, through his shareholding in Africa Eats.

None of the other directors or advisors of the Company have or have had an interest in any shares or options in respect of shares as at the last practicable date.

10. EXPENSES FOR THE SEM LISTING

The estimated expenses relating to the listing on the High Growth Segment of the SEM, which have been or are expected to be incurred are set out below. All expenses relating to the SEM Listing have been borne by Africa Eats.

Expenses	USD
SEM Listing	
Professional fees, including:-	
- Professional and advisory fees	10,000
- Legal fees	3,500
SEM application and listing fees	6,380
Total	19,880

The Company has not incurred any other preliminary expenses relating to the SEM listing.

SECTION TWO – DETAILS OF THE SEM LISTING ON THE HIGH GROWTH SEGMENT AND THE INITIAL PRIVATE PLACEMENT

1. REASONS FOR A LISTING ON THE HIGH GROWTH SEGMENT OF THE SEM

The High Growth segment of the SEM is a new and innovative platform tailored for high-growth companies seeking to access capital markets, enhance visibility, and unlock opportunities for expansion. Designed specifically for fast-growing and profitable enterprises, the High Growth Segment offers a unique avenue for companies to showcase their growth potential, attract a diverse investor base, and benefit from increased liquidity.

Ziweto Holdings (on the basis of the track records of its wholly owned operating subsidiary, Ziweto Enterprises) is well-positioned to take advantage of the opportunities presented by the High Growth segment of the Main Market of the SEM. As a leading player in Malawi's veterinary supply market, Ziweto Enterprises has demonstrated significant growth potential, driven by growing demand and consumption of animal source foods. The company's ongoing investments in high-quality products, efficient distribution networks, and superior customer service align perfectly with the objectives of the High Growth Segment, which seeks to support high-growth companies in accessing new capital and expanding their market reach.

Ziweto Enterprises is well-positioned to continue its growth and profitability, driven by the large and expanding agricultural market in Malawi. **With over 80% of the population employed in agriculture, and a significant reliance on livestock for income and food security, the demand for veterinary products and animal feed is expected to remain strong. Ziweto Enterprises' majority market share in these sectors provides a solid foundation for future growth, allowing the company to capitalize on market opportunities and expand its footprint both locally and potentially into neighboring countries.**

Moreover, Ziweto Enterprises' expected strategic investments in poultry and soya processing, along with the planned expansion of its farm and abattoir operations, are set to further enhance its profitability. By integrating vertically, Ziweto Enterprises can control costs, improve efficiency, and capture additional value across the supply chain, all of which contribute to sustainable long-term profitability.

By listing on the High Growth Segment of the Main Market of the SEM, Ziweto Holdings can unlock significant growth opportunities, gain access to essential new capital, and enhance its market visibility. This strategic move would not only support Ziweto Enterprises' expansion plans but also align with its mission of contributing to economic development in Malawi. The High Growth Segment offers a promising pathway for Ziweto Enterprises to thrive and succeed in the market, reinforcing its position as a leader in Malawi's veterinary supply market.

Furthermore, the capital that will be raised by Ziweto Holdings as part of the Initial Private Placement and through subsequent placings post listing of the Company on the SEM, will be channelled into its subsidiary, Ziweto Enterprises, which will in turn be used towards expansion of the latter company's business operations.

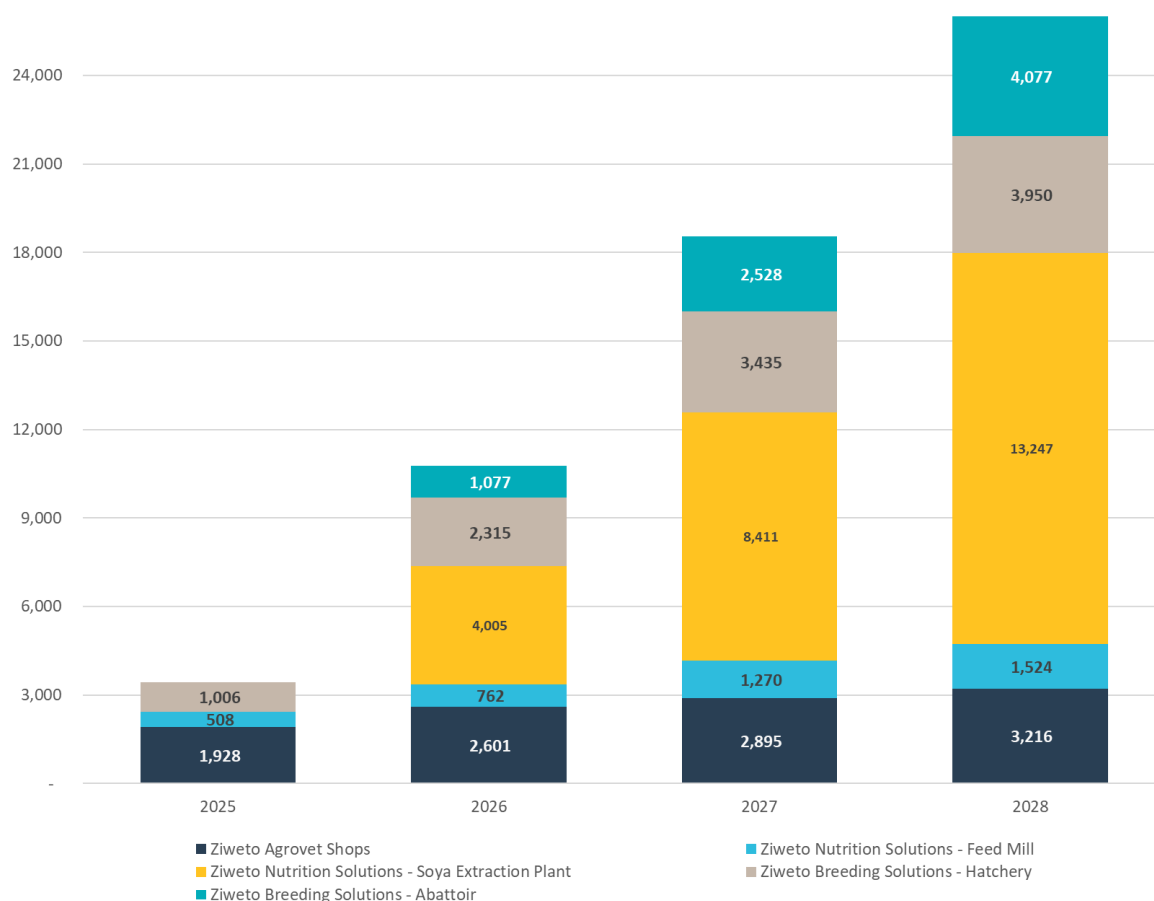


Figure 4: Forecasted revenue growth of Ziweto Enterprise, with a breakdown of expected revenue to be generated from each business unit

2. DETERMINATION OF THE PRICE PER SHARE

Valuation Approach

The share price of Ziweto Holdings has been determined by considering the value per share of its sole wholly owned operating company, Ziweto Enterprises. The following established methodologies were employed for the valuation of Ziweto Enterprises as of 31 December 2023, taking into consideration the most relevant market data, as applicable:

- Discounted Cash Flow (DCF)
- Enterprise Value to EBITDA (EV/EBITDA)

Valuation Results

As of 31 December 2023, the valuation of Ziweto Enterprises, based on the combined DCF and EV/EBITDA approaches, results in an estimated equity value of USD 5.04 million. This corresponds to a calculated value per share of USD 1.60.

Proposed Share Price

Based on discussions with Management, the share price proposed for the listing is USD 1.60 per Ordinary Share, which reflects the value of Ziweto Enterprises, the operating entity.

Prior to the SEM Listing, the Company will undertake an Initial Private Placement of up to 625,000 Ordinary Shares at an offer price of USD 1.60 per Ordinary Share.

3. PURPOSE OF THE INITIAL PRIVATE PLACEMENT

Prior to the SEM Listing, the Company will undertake a private placement of up to 625,000 Ziweto Holdings shares. This initiative will allow targeted investors to invest into the Company and the objective of the Initial Private Placement is also to allow the Company to meet the following conditions for listing on the High Growth Segment:-

- Minimum market capitalisation of at least MUR 20 million (c. USD 440,000)
- Minimum number of 100 shareholders by the Listing Date

4. ANTICIPATED APPLICATION OF THE PROCEEDS FROM THE INITIAL PRIVATE PLACEMENT, AND SUBSEQUENT PLACING(S)

The proceeds from the Initial Private Placement, as well as from the Subsequent Placings will be used to invest further into Ziweto Enterprises, thereby supporting the latter company's expansion plans. Part of the funds raised will be used as working capital by Ziweto Holdings.

In terms of the Initial Private Placement, Ziweto Holdings intends to use the proceeds to:

- Increase the number of shops to 30 Agrovét Shops;
- Expand the current feed production facilities;
- Invest in incubators and chicken houses for hatchery facilities; and
- Partly finance the building of a farm and a abattoir for chicken production.

5. SALIENT DATES AND TIMES FOR TARGETED INVESTORS

	2024
Opening date of the Initial Private Placement at 09:00 (Mauritian time) on	21 October
Closing date of the Initial Private Placement at 12:00 (Mauritian time) on	5 November
Notification of allotments	7 November
Payment of subscription amount and accounts at banks or broker updated on or before 12:00 (Mauritian time) on	13 November
Listing of Placement Shares on the SEM at commencement of trade on or around	19 November
Securities accounts updated in respect of shareholders that subscribed for shares in terms of the Initial Private Placement on or around	19 November

Notes: *The above dates and times are subject to amendment. Any such amendment will be published in the press in Mauritius.*

6. PARTICULARS OF THE INITIAL PRIVATE PLACEMENT

- i. The Initial Private Placement will be implemented by way of an offer to targeted investors to subscribe for up to 625,000 Ordinary Shares (the "**Placement Shares**") following which the shares will be issued and listed on the High Growth Segment of the SEM on the Listing Date.
- ii. The Placement Shares offered for subscription are targeted to selected institutions, high net worth individuals and business associates, in Mauritius and in selected jurisdictions.
- iii. No offer will be made to the public in respect of the Initial Private Placement. The Initial Private Placement shall be open to the above targeted investors only.

7. TERMS, CONDITIONS AND PAYMENT FOR SHARES

iv. Participation in the Initial Private Placement

Only targeted investors may participate in the Initial Private Placement. The Ziweto Holdings shares will be issued either in registered form or in dematerialised form.

v. Application and payment of shares

vi. Applicants will be required to pay for the shares *via* bank wire transfers. Shares may only be traded on the SEM in electronic form (dematerialised units). Trades will be settled on the basis of trade + 3 days on a strict ‘delivery-versus-payment’ basis. Final and irrevocable transfer of funds will occur through the central bank with same day funds on the settlement date. Settlement will be made through the CDS.

vii. If any applicant has any doubt as to the mechanics of the CDS, the applicant should consult with his investment dealer or other appropriate advisor and is also referred to the SEM website at www.stockexchangeofmauritius.com for additional information.

viii. Some of the principal features of the CDS are as follows:

- (i) electronic records of ownership replace share certificates and physical delivery of certificates;
- (ii) trades executed on the SEM are settled within 3 business days; and
- (iii) all investors owning dematerialised shares or wishing to trade their shares on the SEM are required to appoint an investment dealer to act on their behalf and to handle their settlement requirements.

ix. Issue and allocation of shares

Ordinary Shares will be issued subject to the provisions of the Constitution of the Company and will rank *pari passu* in all respects, including dividends, with any existing issued Ordinary Shares of that particular class. The Ordinary Shares will be issued either in registered form or in dematerialised form.

The basis of allocation of the Ordinary Shares will be determined on an equitable basis by the Board.

The Board shall, pursuant to applicable laws, these Listing Particulars and the Constitution of the Company, be entitled to refuse any application for subscription of Ordinary Shares at its sole discretion.

Successful applicants’ accounts with their broker will be credited with the allocated shares and shall be allocated on the settlement date and CDS accounts of successful applicants for shares shall be credited accordingly on the Listing Date.

x. Over-subscription

In the event of an over subscription, Ordinary Shares will be allocated and issued at the discretion of the directors on an equitable basis.

xi. Simultaneous issues

No shares of the same class will be issued simultaneously or almost simultaneously with the issue of Ordinary Shares for which application is being made.

xii. Anti-Money Laundering provisions

As part of its responsibility for the prevention of money laundering, the Company will require a detailed verification of each shareholder’s identity and the source of the payment. Depending on the circumstances of each shareholder, a detailed verification might not be required in the case of shareholders qualifying under the reduced or simplified due diligence regime based on the applicable laws.

The Company reserves the right to request such information as is necessary to verify the identity of a subscriber or shareholder and its source of income and wealth at any time after the application for subscription. In the event of delay or failure by the shareholder to produce any information required for verification purposes, the Company may refuse to accept the application and the subscription monies relating thereto.

8. UNDERWRITING

The Initial Private Placement shall not be underwritten and are not subject to an underwriting commission.

9. AUTHORITY TO ISSUE ADDITIONAL SHARES

On 25 September 2024, the shareholders of the Company passed a resolution authorising the Board to issue up to 3,000,000 new shares in terms of various placings of shares to be undertaken, subject to the Mauritian Companies Act 2001, the Mauritian Securities Act 2005, the SEM Listing Rules and the Company's Constitution, and that such authority given to the directors shall be valid for a period of twelve months from the date of the resolution, or until the Company's next annual meeting of shareholders.

10. PERCENTAGE HOLDING IN PUBLIC HANDS

It is anticipated that with the new investors joining through the Initial Private Placement, more than 10% of the issued Ordinary Shares will be in public hands by the Listing Date.

The Company also intends to carry out additional placings of shares following the SEM Listing, with the objective of raising further capital and at the same time increasing the percentage of shares in public hands to 20% by the third year of Listing (with 150 shareholders) and to 25% by the end of the fifth year of Listing (with 200 shareholders).

SECTION THREE – RISK FACTORS

A number of factors may affect the result of operations, financial conditions and prospects of the Company and Ziweto Enterprises. This section describes the risk factors which are considered by the Board to be material. However, these factors should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties.

Additional risks not presently known to the Board or that the Board currently considers to be immaterial may also adversely impact the Company's business operations. The business, growth prospects, financial condition, and/or results of operations of high-growth companies could be materially adversely affected by any of these risks.

The value of the shares could decline due to the materialisation of any of these risks and potential investors could lose part or all of their investment. However, the management of the Company possesses sufficient expertise to implement mitigating measures to manage the impact of such business risks. The management proactively reviews such risks periodically and remediates them through timely interventions.

Ziweto Enterprises is implementing a comprehensive risk management framework that assesses a wide variety of risk including financial risks (e.g., liquidity risk and foreign currency risk), environmental risks (e.g., climate change, environmental degradation and pollution, adherence to environmental and social standards at the level of local governments, industry specific and product specific standards and requirements), value chain risks (e.g., sourcing from small holder farmers, accessing various local and imported inputs, logistics and distribution, market risks), and governance risks (e.g., reputational, limited or ineffective controls within the company, ethical misconduct and failure to comply with local and global regulations and standards).

In order to protect the interests of the Company's shareholders, the Company has implemented a structured approach to identify and assess risks, develop and implement risk mitigation measures that are benchmarked against local and global standards, monitor and evaluate the effectiveness of the strategies, report to all relevant stakeholders and have both internal and external audit of the controls and outcome. Then repeat the entire process. This continuous process of improvement covers all risks identified in the previous paragraph.

Ziweto Enterprises seasoned team has 10 decades of combined experience, specializing in key areas such as leadership, financial management, business development, veterinary products, animal feed products and food processing. With a proven track record of successfully navigating the challenges of early-stage and growth-stage animal feed products and food processing companies, particularly in the Malawi market, Ziweto enterprises is well-equipped to identify the risks involved in growing its market share in the industry.

The following section identifies a few of the key risks and demonstrates some of the key risk mitigation measures that the company has implemented.

1. CAPITAL AND INVESTMENT RISK

Early and growth-stage companies carry specific risks. For Ziweto Holdings, whose primary asset is Ziweto Enterprises, the capital investment in the latter company is subject to various unpredictable factors. Many unforeseeable events, including actions by customers, vendors, government agencies, and competitors in addition to domestic/international economic and political developments may cause issues which adversely affect such companies in the short and longer terms.

While management of the Company endeavours to comply with legal and regulatory frameworks, there remains an investment risk that Ziweto Holdings could suffer a loss of capital. Given that Ziweto Holdings' sole investment is in Ziweto Enterprise, any downturn in Ziweto Enterprise's performance could severely impact shareholder returns, potentially resulting in a loss of part of an investor's capital.

A key risk mitigation factor for Ziweto Holdings is the support received from its largest shareholder (outside of the founder), Africa Eats. Africa Eats employs a number of risk assessment and mitigation tools to manage its portfolio companies. For example, Ziweto Enterprise is currently implementing a risk management framework that systematically identifies, assesses, resolves and monitors various internal and external risks.

2. PORTFOLIO DIVERSIFICATION RISK AND RELIANCE ON ZIWETO ENTERPRISES

The success of Ziweto Holdings is significantly dependent upon the ability of Ziweto Enterprises to consistently perform well financially, as the sole subsidiary of Ziweto Holdings. Therefore, there could be a significant negative impact on shareholders' equity should the performance of Ziweto Enterprises be unsatisfactory.

The Board of Ziweto Holdings will closely monitor this risk. To ensure effective oversight, several Board members of Ziweto Holdings also serve on the Board of Ziweto Enterprises. This overlap allows for direct supervision and comprehensive understanding of Ziweto Enterprises' performance and strategic decisions. These Board members are tasked with reviewing Ziweto Enterprises' business regularly and ensuring that any issues are addressed promptly to protect the interests of the shareholders of both Ziweto Holdings and Ziweto Enterprises.

An important risk mitigation is the diversification to multiple revenue streams. Ziweto Enterprises has already diversified its revenue in terms of three business units. Furthermore, Ziweto Enterprises is scaling its product diversification strategy through both local and regional expansion. This will help to increase diversification of revenues and operations, which will reduce concentration risk on Ziweto Enterprises in Malawi.

Ziweto Nutritions Solutions is planning to set up a soya bean processing plant to produce soya cake for its feed operation and sale to local and export market. Soya meal, a key ingredient in animal nutrition products, is in high demand on international markets, making it a strategic investment for Ziweto Enterprises. These initiatives will further reinforce Ziweto Enterprises market leadership in the livestock sector in Malawi. It is also expected that the majority of the revenues in the future will be derived from the soya production. It is also expected that 50% of revenues in 2028 will be derived from the sale of soya production. This success of the endeavour will therefore greatly affect the prospects of Ziweto Enterprises and Ziweto Holdings as well.

Ziweto Enterprises has experience in soya bean production and sales through its animal feeds and concentrate business, where it purchases soya meal and sells it to customers, and through its poultry business line, where it purchases its products and uses it to feed its chicks. Through this exposure Ziweto Enterprises is reducing its risk to relying on external third parties and building internal capacity to strengthen the value chain for both its internal production of poultry and being able to distribute and sell this product to its existing customer base and to add additional product lines that will be solved through the existing Agro-vet infrastructure. Collectively, this risk mitigation measure increases margins, decreases exposure to risks in the value chain and strengthens the brand and the presence of the company within Ziweto Enterprises in the neighbouring countries (particularly as Ziweto Enterprises will be exporting soya and poultry across the region).

3. HEALTH AND DISEASE OUTBREAKS

Livestock in Malawi are highly susceptible to various diseases and parasites due to the favorable environmental conditions that support the proliferation of pathogens and parasites. This poses a significant risk to the health and productivity of livestock, which can lead to major economic losses.

Inherent to Ziweto Enterprise, the company's business—particularly Ziweto Poultry—is largely exposed to potential loss of revenue if such outbreaks were to affect its livestock. To mitigate this risk, the company employs stringent health monitoring practices, collaborating closely with veterinarians to ensure early detection and prompt treatment of any health issues. Ziweto Enterprise also maintains a steady supply of essential medicines and vaccines, ensuring they are readily available when needed. Furthermore, the company actively engages in educating farmers and staff on best practices for disease prevention and management through workshops and extension services. These proactive measures are crucial in safeguarding livestock health and maintaining consistent productivity, despite the prevalent risks in the region.

On the other hand, the heightened risk of disease outbreaks also presents a potential opportunity for increased revenue through the Agrovets Shops, which supply veterinary products and animal health solutions. As disease risks heighten, the demand for veterinary medicines, vaccines, and preventive treatments typically rises among farmers who seek to protect their livestock. Ziweto Enterprises' well-established network of Agrovets Shops is well-positioned to meet this increased demand, offering a wide range of products and expert advice on livestock health management. This scenario not only helps in mitigating the impact of disease outbreaks on Ziweto Enterprises' own livestock but also strengthens its market presence and drives additional revenue through increased sales of veterinary products. By leveraging its extensive distribution network and expertise in animal health Ziweto Enterprises' can turn a potential threat into a growth opportunity, reinforcing its leadership in the agricultural sector.

Furthermore, Ziweto Enterprises has already begun the implementation of IFC's globally recognized Environmental and Social Management System (ESMS), which has a notable focus on the health and safety standards. The implementation of IFC's ESMS, not only constantly improves health and safety standards, but contribute towards increased sales from globally recognized companies that require global standards to purchase from Ziweto Enterprises (e.g., hotels, supermarkets and restaurants).

4. STOCK MARKET PRICE AND NEGATIVE VALUE CORRELATION RISK

Once listed, the value of the Company's shares could decrease as a result of a decline in both domestic and global stock markets. This risk is inherent to all publicly traded companies and can be influenced by a variety of factors, including economic downturns, geopolitical events, changes in interest rates, and market sentiment.

While these risks cannot be entirely eliminated, understanding the factors that influence stock market performance and employing strategic risk management practices can help mitigate their impact. Besides, the appointment of Tuesday Markets as Market Maker is also expected to help stabilize trading and enhance liquidity in the Company's shares.

An additional risk mitigation is Ziweto Holdings focusing on maintaining its growth rate in order to remain on the High-Growth Segment of the SEM. More specifically, as the number of companies listed on the High-Growth Segment increases, there are more examples/evidence/data points for investors to see the ability of high growth companies to absorb potential negative effects such as economic downturns or geopolitical events. The positive company performance or fast paced recovery will encourage investors to purchase shares; and thereby have the share price reflect the performance of the underlying portfolio.

5. LIQUIDITY RISK

There is the risk that the trading volume of Ziweto Holdings' shares on the SEM is low, and it might be difficult for the Company to raise capital through equity issuance or to use its shares as collateral for financing. This can limit the Company's ability to quickly access funds when needed, especially in times of financial stress or when significant investments or acquisitions are planned. The sale of illiquid securities takes more time and effort than the sale of publicly traded securities and the fair market value of private securities is often lower when sales are rushed.

In addition, the SEM has approved regulations for market makers to operate on the High-Growth Segment. Tuesday Markets has been appointed as market maker by the Company, who has undertaken to create liquidity in the shares of Ziweto Holdings to be listed on the High-Growth Segment of the SEM. Either directly through its broker or during the closing auction on Tuesdays, Tuesday Markets will always, in normal market circumstances, endeavor to provide and maintain a reasonable bid and offer.

6. COUNTRY AND POLITICAL RISKS

Ziweto Enterprises operates within the Malawian economy, an economically challenging but relatively politically stable environment compared to many Sub-Saharan African nations. However, like any business operating in Sub-Saharan Africa, Ziweto Enterprises remains exposed to potential economic and political uncertainties that could impact its operations. These risks include shifts in government policies, regulatory changes, and broader political instability, all of which can affect Ziweto Enterprises' ability to maintain consistent production and distribution.

To mitigate these risks, Ziweto Enterprises is strategically pursuing geographic diversification, expanding its sources of revenue both locally, regionally and internationally (e.g., poultry and soya meal, which will largely be export oriented). This diversification reduces dependency on any single market and helps the company navigate potential economic or political disruptions in Malawi by spreading its risk across multiple markets (e.g. exports of soy cakes to Kenya will account for almost 40% of total exports; meanwhile 20% will to Tanzania and 10% to Mozambique. DRC will account of 60% of poultry exports and Mozambique 40% of poultry exports).

Additionally, establishing strong relationships with local stakeholders, including government authorities and community leaders, will be critical in navigating potential political or economic changes that could disrupt business operations. One example in which this is achieved is through the Livestock Lead Farmer model which empowers a large number of indigenous small holder farmers who now will be advocates for defending the value chain for Ziweto Enterprises as it directly affects their livelihoods.

It is important to note that political risks are not uniform across Africa, and Malawi's political landscape, while stable, could still face challenges that affect individual sectors or projects of national importance, such as agriculture and food production. Political risk broadly refers to losses caused by the exercise or lack of political power, and this can be especially relevant in the context of shifting global markets, where political landscapes are increasingly unpredictable.

By actively engaging with political stakeholders, monitoring the regional landscape, and diversifying its market presence, Ziweto Enterprises is better positioned to manage these risks and continue its growth trajectory.

7. COMPETITOR AND NEW ENTRANTS RISK

Currently, Ziweto Enterprises holds approximately 10% of the market share in the supply of veterinary products, a sector that is fragmented and characterized by relatively high entry barriers. These barriers include the need for significant capital investment, regulatory compliance, and the establishment of a reliable distribution network. Despite these challenges, there is always a risk that new competitors could enter the market, potentially capturing a portion of Ziweto Enterprises' market share. Such competitive pressures could negatively impact Ziweto Enterprises' revenues and profitability, particularly if new entrants are able to offer similar products at lower prices or with greater convenience.

To counter this risk, Ziweto Enterprises is committed to continuously innovating and diversifying its product range. By introducing new and improved veterinary products, Ziweto Enterprises can meet the evolving needs of farmers and stay ahead of competitors. Additionally, the company places a strong emphasis on effective marketing strategies to raise awareness of its products and build brand loyalty among customers. Targeted marketing campaigns, coupled with a strong customer service ethos, help Ziweto Enterprises attract new customers while retaining existing ones.

Maintaining high standards of quality and fostering innovation are also critical components of Ziweto Enterprises' strategy. The company rigorously monitors the quality of its products to ensure they meet the highest standards, thereby enhancing customer satisfaction and trust. This commitment to quality not only helps Ziweto Enterprises maintain its competitive edge but also reduces the risk of losing customers to lower-quality alternatives offered by new entrants.

Furthermore, Ziweto Enterprises recognizes the importance of maintaining strong relationships with its suppliers. By building and sustaining good relationships with key suppliers, Ziweto Enterprises ensures a steady and reliable supply of high-quality raw materials and products. This reliability is crucial in maintaining consistent product availability in the market, which in turn helps prevent any potential market share erosion due to stockouts or supply chain disruptions.

In summary, while the threat of new competitors entering the market is real, Ziweto Enterprises' proactive strategies—ranging from innovation and product diversification to quality assurance and supplier relationship management—are designed to safeguard its market share and ensure continued growth and profitability. These efforts collectively position Ziweto Enterprises as a resilient and adaptable leader in the veterinary products sector.

8. KEY-PERSON RISK AND LACK OF SKILLED LABOUR

Key-person risk (sometimes called key-man risk) refers to the potential negative impact on business operations if a critical employee, particularly a founder, is absent for an extended period of time, which may affect business continuity and future performance. The Group recognizes the significant role of its co-founders Victor Mhango (18 years of experience) and Byton Simwela (15 years of experience) who are key figures in the Group's success. To mitigate this risk, Ziweto Enterprises has appointed several experienced and trained executives to run operations. The collective experience of the team excluding Victor and Byton is over 65 years of collective experience. Ziweto management team experience includes Jeffrey's Bauleni, Operations Manager (21 years), Emelea Yasin, Regional Manager South (11 years), Tadala Kulemeka, Regional Manager North (5 years), Ungweru Gondwe, Finance and Admin Officer (10 years), Paul, Production Manager, Feed Mill (18 years), and Pauline, Quality Assurance and Safety Officer (5 years).

Additionally, the Company is implementing good governance practices at the Board level. This includes maintaining a proper balance of independent non-executive directors and executive directors to ensure that strategic decisions and oversight are not dependent on both founders, and either of them can take the decisions in

the absence of the other. This governance structure aims to provide stability and continuity, even in the absence of key personnel.

Albeit most part of the population in Malawi are engaged in the agriculture sector, Ziweto Enterprise does face difficulty in finding skilled professionals in the veterinary field which can affect quality of service. In order to mitigate the risks, Ziweto Enterprise also actively invests in training and development programs for its employees, and has established partnerships with local educational institutions, such as the Lilongwe University of Agriculture and Natural Resources to recruit qualified veterinary personnel.

9. DELAYS IN CERTIFICATION OF THE AGROVET SHOPS

One of the significant operational risks faced by Ziweto Enterprises is the potential delay in obtaining certification for its Agrovet Shops from the Pharmacy Medicines and Poisons Board of Malawi (PMPB). This certification is crucial for the legal operation of the shops, which sell veterinary medicines, vaccines, and other animal health products. Delays in obtaining these certifications can have several negative consequences for Ziweto Enterprises.

Firstly, such delays could directly hinder the opening of new Agrovet Shops, slowing down Ziweto Enterprises' planned expansion and limiting its ability to capture new market opportunities. For instance, if Ziweto Enterprises plans to open a new Agrovet Shop in a high-demand area, but the certification process is delayed, the company may miss out on critical sales opportunities, allowing competitors to fill the gap and gain market share.

Secondly, delays in certification can also affect Ziweto Enterprises' financial performance. The company typically incurs significant upfront costs when setting up new shops, including investments in infrastructure, inventory, and staffing. If the certification process is delayed, these investments remain tied up without generating any revenue, leading to potential cash flow issues and reduced return on investment. This situation can be particularly challenging if Ziweto Enterprises has made substantial financial commitments based on the expected timely opening of these shops.

For example, suppose Ziweto Enterprises had planned to open five new Agrovet Shops within a fiscal year, anticipating that each shop would contribute to a specific revenue target. If certifications for these shops are delayed, Ziweto Enterprises would not only fail to meet its revenue projections but also face increased operational costs due to the prolonged preparation phase. This could lead to a shortfall in expected earnings, potentially impacting shareholder confidence and the company's overall financial stability.

To mitigate the risk of certification delays, Ziweto Enterprises adopts a proactive approach by submitting certification applications well in advance of the planned opening dates. This strategy ensures that any unforeseen delays in the approval process do not disrupt the company's expansion timeline. To date, implementation of this strategy has reduced certification delays to 30 days, which as stated earlier, Ziweto can submit this application before the agrovet shop is fully set up in order to reduce the timeframe to just a few days from the time Ziweto is ready to receive the certification.

10. FREQUENT AND EXTENDED POWER OUTAGE

In Malawi, frequent and extended power outages are a significant operational challenge that can severely impact the production capacity and financial performance of the different business units within Ziweto Enterprises. Power disruptions are common, and they can last for extended periods, posing multiple risks to Ziweto Enterprises' operations, particularly in its distribution, manufacturing facilities and poultry operations.

Ziweto Agrovet shops

Power outages also pose a risk to temperature-sensitive veterinary products. Many of these products require consistent refrigeration to remain effective. Extended periods without power can lead to temperature fluctuations, causing vaccines to spoil or expire prematurely. This not only leads to financial losses due to the need to discard ineffective products but also compromises the health of Ziweto Enterprises' livestock if compromised vaccines are administered.

To mitigate this risk, Ziweto Enterprises has implemented rigorous temperature monitoring protocols and equipped its storage facilities with backup power systems, including solar-powered refrigeration units. These systems ensure that vaccines and other sensitive products are kept at the required temperatures, even during prolonged power outages.

Ziweto Nutritions Solutions

One of the most immediate impacts of power outages is the loss of production capacity at Ziweto Enterprises' manufacturing facilities. These facilities are responsible for producing essential products such as animal feed, which is a critical input for Ziweto Enterprises' operations and for its customers. This interruption not only affects Ziweto Enterprises' ability to meet market demand but also results in wasted resources and increased operational costs due to the inefficiencies of restarting production processes.

To mitigate this risk, Ziweto Enterprises has taken proactive measures by installing standby generators and solar power systems at its key production sites. The standby generators provide immediate backup power, ensuring that production can continue even during prolonged power outages. Additionally, the installation of solar power systems offers a sustainable and cost-effective solution, reducing Ziweto Enterprises' reliance on the unstable national grid and ensuring a continuous power supply.

Ziweto Breeding Solutions

For Ziweto Enterprises' poultry operations, power outages present a particularly severe risk. Chickens are highly sensitive to changes in their environment, and power disruptions can lead to significant increases in mortality rates. For instance, without electricity, ventilation systems that regulate the temperature in poultry houses may fail, leading to overheating or inadequate air circulation. This can cause stress and increase the vulnerability of chickens to diseases, ultimately resulting in higher mortality rates and financial losses.

To address this risk, Ziweto Enterprises carefully plans its production schedules to ensure that critical operations, such as feeding and temperature regulation, can be managed even during power outages. The use of solar power systems in poultry houses is particularly beneficial, as it ensures that essential systems remain operational, maintaining a stable environment for the chickens.

11. REGULATORY RISKS

Legal or regulatory change may affect the Company and impose potential limits on the Company's flexibility in implementing its strategy. Any change to laws and regulations relating to the areas in which the Company operates may have an adverse effect on the Company. For example, changes in taxation laws could adversely affect Ziweto Holdings' financial prospects and shareholder returns. Ziweto Holdings must stay informed about potential regulatory changes and adapt its strategies accordingly to minimize the impact on its operations.

In order to mitigate these risks, the Company will employ local experts / consultants (in Mauritius and Malawi) to ensure compliance with updated regulations.

IFC's ESMS helps to manage regulatory risk by ensuring constant monitoring of changes in regulations. Furthermore, Ziweto Enterprises can leverage the collective resources of other Africa Eats' companies located within the same geographic location to mitigate the risk of changes in regulations (e.g., peer learning, shared policies, systems and staff). In addition, participation in industry bodies (i.e., private sector companies that come together to represent their collective interest and engage the government) can be an effective mechanism for engaging with government to address any adverse regulations. Finally, expansion of Ziweto Enterprises sales and eventually its operations across countries and regions is a further risk mitigating mechanism.

12. ENVIRONMENTAL AND SOCIAL RISK

These risks include environmental risks such as spills, accidents, dirty energy, effluents, water contamination, climate change, natural disasters, destruction of biodiversity, and social risk such as labour unrest, human accidents, ill health and diseases, child labour and displacement of people to name a few. The Company, at Group level, has a high standard for environmental and social risk management, and as such only invests with parties that have experience in addressing environmental and social risks and who also consider appropriate mitigants.

Ziweto Enterprises monitors environmental and social risks (E&S) through IFC's ESMS. More specifically, a risk assessment is conducted and reviewed annually, the highest risks are identified and an implementation plan is then followed, which Africa Eats oversees.

In addition, Ziweto Enterprises engages with all stakeholders within their value chain including staff, customers, farmers, and any other stakeholder. Through this process, avenues for risks and concerns are collected and shared with Ziweto Enterprises, and reviewed by Africa Eats. This ensures that the Company is not creating any negative impacts on both the environment and community. IFC's ESMS is a dynamic system that builds in constant improvement each year as Ziweto Enterprises grows in size and the complexity around managing environmental and social risk constantly increases.

13. TAX

The Company has structured the parent-subsidary relationship in a manner that is tax-efficient for its shareholders. However, there can be no assurance that the structure of the Company or any investment will be tax-efficient to any particular investor. Investors are urged to consult their tax advisors with reference to their specific tax situations with reference to any special issues that the investment in the Company may raise for investors.

14. CURRENCY RISKS

Due to the weak and unstable local currency in Malawi (MK), there are very often increases in the product prices which tend to scare farmers away. To counter this 'inflation' problem, Ziweto Enterprises is proceeding with bulk purchases most of the time.

The availability of foreign currency is also a big challenge in Malawi. There are difficulties accessing foreign currency to pay suppliers, resulting in stockouts and broken relationships with manufacturing partners, which might cause disruptions in the business of Ziweto Enterprises.

Ziweto Enterprises intends to mitigate this risk by buying its stock in bulk and negotiating fixed pricing agreements with suppliers. Furthermore, the company will also start exporting soya and commercial poultry. Export transactions are typically conducted in USD (specifically the price per soy cakes is quoted in USD hence it automatically hedges changes in currency), this will help Ziweto Enterprises to have access to foreign currency to purchase veterinary products. Some of the key markets targeted from exports include DRC, Mozambique, Kenya and Tanzania.

15. RISK OF WITHDRAWAL FROM THE SEM

The SEM will allow the Company to remain listed on the High-Growth Segment as long as it demonstrates at least 10% on a CAGR basis over the prior three financial years in audited consolidated revenue. Where the Company has not been able to demonstrate such growth, it will no longer be suitable for the High-Growth Segment and will only be listed on the Official Market provided it meets the relevant entry requirements of the Official Market. In the event that the Company fails to meet the entry requirements of the Official Market, it shall be withdrawn from the Official Market and investors will no longer be able to dispose of their shares using the SEM's trading platform.

In order to mitigate this risk, Ziweto Enterprises constantly assesses its performance. Furthermore, Africa Eats monitors and intervenes to address any potential growth challenges.

SECTION FOUR – STATEMENTS AND REPORTS REGULATING THE SEM LISTING

1. WORKING CAPITAL

The directors of the Company, are of the opinion that, following the SEM Listing, the working capital available to the Company will, from the date of the SEM Listing, be sufficient for its present requirements, i.e. at least for the next 12 months.

2. LISTING AND DEALINGS ON THE SEM

An application has been made for the listing of up to 6,150,000 Ordinary Shares of the Company on the High-Growth Segment of the SEM, out of which 3,150,000 issued Ordinary Shares will be listed by way of Introduction, and up to 625,000 additional Ordinary Shares (to be issued as part of the Initial Private Placement) will be listed by way of Placing. Dealings in the Ordinary Shares of the Company are expected to commence on or around 19 November 2024.

Irrespective of the amount raised as part of the Initial Private Placement, the Company will proceed with the SEM listing as long as it is able to meet the listing conditions as mentioned in Section Two Paragraph 3.

The Company does not intend to seek a listing on additional international Exchanges in the short to medium term.

3. SIGNIFICANT CHANGES

There has been no significant change in the financial or trading position of Ziweto Holdings, nor have there been any material changes in the business of Ziweto Holdings since incorporation. No change in the nature of the business of the Company is in contemplation.

Similarly, there has been no significant change in the financial or trading position of Ziweto Enterprises since its last audited financial statements. Reference can also be made to Annexure 5, which contains the Accountant's Report thereby summarising the audited financial statements of Ziweto Enterprises over the past three financial years (i.e. for the years ended 31 December 2021, 2022 and 2023).

SECTION FIVE – ADDITIONAL MATERIAL INFORMATION

1. HISTORICAL FINANCIAL INFORMATION

- i. Given that Ziweto Holdings is a newly incorporated company, there is no historical financial information available.
- ii. The unaudited interim financial statements of Ziweto Enterprises for the period starting 1 January 2024 to 30 June 2024 is set out in **Annexure 4**. The preparation of these financial information falls under the responsibility of the directors of Ziweto Enterprises.
- iii. An Accountant's Report prepared by Ziweto Enterprises' external auditors and covering the financial years ended 31 December 2021, 2022 and 2023 is set out in **Annexure 5** and falls under the responsibility of the board of directors of Ziweto Enterprises.

2. DIVIDENDS AND DISTRIBUTIONS

- i. There are no plans for the time being to distribute dividends or other forms of distributions to the Company's shareholders. All profits of the Company are expected to be re-invested into further growth initiatives. Investors and shareholders shall benefit from the increase in the price per Ziweto Holdings share, allowing them to realize profits through the sale of Ziweto Holdings shares at their discretion.
- ii. Subject to the laws of Mauritius, the directors have absolute discretion as to the payment of any dividends, including interim dividends, on the shares. In the event dividends are paid, payments will be made in accordance with the laws of Mauritius. In addition, the directors may, in their discretion, declare scrip dividends in the form of a bonus issue of additional shares in lieu of a cash dividend.
- iii. Once growth objectives have been achieved, the directors may reassess the situation and adjust the dividend policy to align with investors' expectations. No dividend shall be declared or paid unless the directors are satisfied or have reasonable grounds that immediately after the dividend, the value of the Company's assets will exceed its liabilities plus stated capital and the Company will be able to pay its debts as they fall due.
- iv. The amount of any dividend will be at the complete discretion of the Board and will depend on a number of factors, including expectation of future earnings, capital requirements, financial conditions, future prospects, laws relating to dividends, and other factors that the Board deems relevant.
- v. No dividends have been declared as of the last practicable date.
- vi. No shares of the Company are currently in issue with a fixed date on which entitlement to dividends arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

3. INFORMATION ON SUBSIDIARIES

As at the last practicable date, the sole subsidiary of Ziweto Holdings is Ziweto Enterprises Limited. The acquisition was made on 25 September 2024.

For further information relating to Ziweto Enterprises, reference can be made to Section One Paragraph 4, on page 13.

4. ACQUISITIONS

Other than the information disclosed in Section 3 above, no other material immovable properties, fixed assets, securities and/or business undertakings have been acquired by the Company since incorporation or are in the process of being or are proposed to be acquired by the Company (or which the Company has an option to acquire).

5. DISPOSALS

No material immovable properties, fixed assets, securities in subsidiaries and/or business undertakings have been disposed of by the company since incorporation nor are any of these to be disposed of in the first six months following the SEM Listing

6. ADVANCES, LOANS AND BORROWING

As at the last practicable date:-

- i. Ziweto Enterprises has 2 long-term loans with the **NBM Development Bank Limited**. The first loan, secured in 2020, bears an interest rate of 31.7%. The second loan, secured in 2023, has an interest rate of 11%.

In 2023, the Company also had a short-term loan from **BUILD II Malawi Sub-Fund S.A. SICAV-RAIF**, bearing an interest rate of 19.5%;

- ii. No other loans receivable is outstanding by the Company or Ziweto Enterprises;
- iii. No loan capital is outstanding in the Company or Ziweto Enterprises;
- iv. No loans have been made or security furnished by the Company to or for the benefit of any director or manager or associate of any director or manager of the Company; and
- v. There were no outstanding convertible debt securities.

7. CORPORATE GOVERNANCE

- i. Ziweto Holdings is committed to upholding the principles of the National Code of Corporate Governance for Mauritius (2016).
- ii. In so doing, the directors recognise the need to conduct the enterprise with integrity and in accordance with generally acceptable corporate practices. This includes timely, relevant and meaningful reporting to its shareholders and other stakeholders and providing a proper and objective perspective of the Company and its activities.
- iii. The directors shall, accordingly, establish mechanisms and policies appropriate to the Company's business according to its commitment with best practices in Corporate Governance in order to ensure the principles of the National Code of Corporate Governance for Mauritius (2016) are upheld to the fullest extent possible. The board will review these mechanisms and policies from time to time.

8. LITIGATION

The Company is not involved in any governmental, legal or arbitration proceedings and, in so far as the directors are aware, there are no governmental, legal or arbitration proceedings pending or threatened against them, or being

brought by the Company since incorporation which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

9. MATERIAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

The Company does not have any capital commitments, financial lease payments and contingent liabilities as at the last practicable date, other than in the ordinary course of business.

10. MATERIAL COMMITMENTS IN RESPECT OF ACQUISITION AND ERECTION OF BUILDINGS, PLANT AND MACHINERY

As at the last practicable date, the Company does not have any material commitments for the purchase and erection of buildings, plant or machinery.

11. PRINCIPAL IMMOVABLE PROPERTY LEASED OR OWNED

As at the last practicable date, the Company does not own any immovable property nor has the Company entered into any leases in respect of immovable property.

12. TAXATION

Mauritian taxation provisions

Ziweto Holdings is liable to income tax in Mauritius at the rate of 15% on its worldwide income and to a 2% Corporate Climate Responsibility (CCR) levy (if the company will have a turnover over MUR 50 million in a tax year). As from 1 January 2019, an income tax exemption of 80% (Partial Exemption Regime) applies to the following streams of income of all tax resident Companies in Mauritius including companies holding a Global Business Licence:

- a) Foreign source dividend, provided that the dividend has not been allowed as a deduction in the source country and the company satisfies the conditions relating to the substance of its activities as prescribed
- b) Interest derived by a company other than a bank, a non-bank deposit taking institution, a money changer, a foreign exchange dealer, an insurance company, a leasing company, a company providing factoring, hire purchase facilities, or credit sales facilities
- c) Profit attributable to a permanent establishment which a resident company has in a foreign country
- d) Income derived by a Collective Investment Scheme (CIS), Closed End Fund (CEF), CIS Manager, CIS Administrator, Investment Advisor or Asset Manager licensed or approved by the FSC. Interest income derived by a CIS or CEF is subject to an income tax exemption of 95%
- e) Foreign Income derived by a company engaged in the leasing of ships, aircrafts, locomotives and trains, including rail leasing
- f) Income derived by a company from reinsurance and reinsurance brokering activities
- g) Income derived by a company from leasing and provision of international fibre capacity
- h) Income derived by a company from the sale, financing arrangement, asset management of aircraft and its spare parts and aviation advisory services related thereto

The exemption on dividend shall be granted provided that Ziweto Holdings (a) complies with its filing obligations under the Companies Act or the Financial Services Act; and (b) has adequate resources for holding and managing share participations.

Other than the foreign source dividend, the partial exemption shall be granted provided that the Company:

- (i) Carries out its core income generating activities in Mauritius
- (ii) Employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and

- (iii) Incurs a minimum expenditure proportionate to its level of activities

It is to be noted that if a company claims the partial exemption with respect to any of the specified above-mentioned income, it will not be eligible to claim credit for actual foreign taxes suffered on such income. The nature and amount of tax payable by the company (actual foreign taxes) is dependent on the availability of relief under the various tax treaties in the jurisdictions in which the Board chooses to invest from time to time.

Under the Mauritius fiscal regime as at the last practicable date:

- There are no withholding taxes on dividends distributed by a company to its shareholders and no capital gains taxes. Accordingly, the capital gains realised by a non-resident shareholder on the disposal of its shares in the company are not subject to tax in Mauritius.
- Royalty paid to a non-resident by the company out of its foreign source income is tax exempt.

13. DOCUMENTATION AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office during business hours from the date of issue of the Listing Particulars for a minimum period of 14 calendar days:

- i. the signed Listing Particulars;
- ii. the Constitution of the Company;
- iii. the unaudited interim financial statements of Ziweto Enterprises for the period starting 1 January 2024 to 30 June 2024;
- iv. the Accountant's Report of Ziweto Enterprises dated 8 August 2024.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The directors whose names are given in **Annexure 1**:

- i. have considered all statements of fact and opinion in these Listing Particulars;
- ii. collectively and individually, accept full responsibility for the accuracy of the information given;
- iii. certify that, to the best of their knowledge and belief, there are no facts the omission of which would make any statement false or misleading;
- iv. have made all reasonable enquiries in this regard; and
- v. certify that, to the best of their knowledge and belief, these Listing Particulars contains all information required by law and the Listing Rules.

SIGNED ON 18 OCTOBER 2024 FOR AND ON BEHALF OF **ZIWETO HOLDINGS LIMITED**

Mr. Victor Chambayika Mhango,

who warrants that he is duly authorised thereto by resolution of the board of directors of Ziweto Holdings.

DIRECTORS, EXECUTIVE MANAGEMENT, FOUNDERS, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS

1. FULL NAMES, NATIONALITIES, AGES, BUSINESS ADDRESSES, ROLES, QUALIFICATIONS, OCCUPATIONS AND EXPERIENCE OF EACH DIRECTOR

The full names (including former names, if applicable), ages, nationalities, qualifications, roles, business addresses, occupations and experience of each of the directors of the Company and the proposed directors of the Company and executive management are set out below:

Directors of Ziweto Holdings			
Director name, age, nationality and qualification	Role	Business address	Occupation and experience (profile)
Victor Chambayika Mhango (43), Malawian Programme Development and Management Specialist with a BSc Agriculture from University of Malawi and MSc Development Studies from University of Leeds, Leeds, United Kingdom	Executive Director	Ziweto Enterprises Limited Kanengo Industrial Area, Bowler Beverages Compound, Plot 28/95 P.O. Box 30240 Lilongwe 3, Malawi	Victor is the founder of Ziweto Enterprises. Victor has over 20 years of work experience with both local and international organisations in Malawi. He worked with Heifer International, Land O' Lakes, Practical Action and TechnoServ. e. Victor has also mentored and advised several start-up agricultural social businesses in Malawi, specifically aimed at the economic empowerment of Malawi's youth and smallholder farmers. He is currently the Chief Executive Officer of Ziweto Enterprises.
Byton Simwela (40), Malawian BSc Agriculture form University of Malawi and MSc Community Sustainability from Michigan State University	Executive Director	Ziweto Enterprises Limited Kanengo Industrial Area, Bowler Beverages Compound, Plot 28/95 P.O. Box 30240 Lilongwe 3, Malawi	With about 15 years of experience in the fields of Agriculture Extension and Rural Development, Byton joined Victor in 2016 to develop Ziweto Enterprises. He has a Master of Science in Community Sustainability and was previously employed at the Ministry of Agriculture and Food Security in Malawi, where he worked on the implementation of agriculture extension development policies and organisation of agricultural extension programs and activities. He is the current COO of Ziweto Enterprises.
Tione Pascal Kaonga (46), Malawian <i>BSc. Agriculture Economics from Lilongwe University of</i>	Independent Non-Executive Director	UMODZI Consulting Limited, Dunduzu Street, Area 12 House No 3, Lilongwe, Malawi	Tione is the Founder and Managing Director of Umodzi Consulting, a leading development consulting firms in Malawi. He has extensive auditing and accounting and

Directors of Ziweto Holdings

Director name, age, nationality and qualification	Role	Business address	Occupation and experience (profile)
<p><i>Agriculture and natural Resources;</i> <i>Diploma in Accounting from the Public Accountants Examination Council of Malawi;</i> <i>ACCA Qualified;</i> <i>Certificate in Management Consulting Essentials and Diploma in Management Consulting from the Institute of Consulting/Chartered Management Institute;</i> <i>Certificate in New Business Development Tools from the Executive Solutions of United Kingdom;</i> <i>Diploma in Entrepreneurship and Innovative Management from Galilee International Management Institute;</i> <i>Master of Arts in Economics from the University of Malawi;</i> <i>PhD Candidate focusing on commercialisation of legume-based innovations through entrepreneurship from the National University of Ireland, Galway</i></p>			<p>management consulting experience and worked both locally and internationally with reputable organizations providing business planning, marketing, finance, human resources, business development service, feasibility studies, end of developmental project evaluations and various trainings.</p>
<p>Phyles Tatha Kachingwe (60), Malawian</p> <p><i>Bachelor of Commerce Accountancy Degree and a Diploma in Business Studies from the University of Malawi;</i> <i>Post graduate degree in Leadership and Change Management from Leeds Metropolitan University;</i> <i>Fellow of the Association of Chartered Certified Accountants (FCCA)</i></p>	Independent Non-Executive Director	Area 49, Plot 49/4/793, Lilongwe, Malawi	<p>Phyles is a Fellow of the Association of Chartered Certified Accountants (FCCA) (UK); a member of recognized accounting institutions in Malawi and beyond. She is a Chartered Insurer with the Chartered Insurance Institute in UK. She has worked in all sectors of the Malawi economy holding leadership positions such as General Manager, Director of Finance and Finance Manager in leading private, public and donor institutions in Malawi.</p>
<p>Dr. Patricia Mayuni (61), Malawian</p> <p><i>Bachelor of Science in Agriculture (Animal Science) from the University of Malawi-Bunda College of Agriculture;</i> <i>Graduate Diploma in Animal Studies from the University of Queensland;</i></p>	Independent Non-Executive Director	Unit 51, Chilota, Kanengo, Lilongwe, Malawi	<p>Dr. Patricia Mayuni is a dedicated animal scientist with over 30 years of experience in Livestock Management, Production, Extension, and Research. Throughout her career, she has passionately managed programs, collaborated with stakeholders, and mobilized resources for sustainable agriculture, driven by a commitment to positive</p>

Directors of Ziweto Holdings

Director name, age, nationality and qualification	Role	Business address	Occupation and experience (profile)
<p><i>Master of Animal Studies (Animal Science and Management) from the University of Queensland; Doctor of Philosophy in Animal Science from Lilongwe University of Agriculture and Natural Resources</i></p>			<p>change. A trailblazer in the dairy industry, she has led impactful research and development projects in Livestock Management, Sustainable Agriculture, Climate Change Impact Assessment, Stakeholder Collaboration, Resource Mobilization, Research Leadership, Training, and Industry Development.</p>
<p>Jumaane Akintola Tafawa (44), Nigerian</p> <p><i>BSc. in Business Management, Economics and Computer Science, MPA and International Development</i></p>	Non-Executive Director	6 Mzima Springs Road, Lavington, Nairobi, Kenya	<p>Jumaane Tafawa is a professional having over 20 years of experience in the domain of corporate growth. He has successfully established and expanded several multi-hundred-million-dollar African companies and played a key role in the growth of Fortune 1000 companies in Africa. He was also involved in the launch of Equity Afya.</p>
<p>Veerha Bhogun (46), Mauritian</p> <p><i>ACCA, STEP, FCCA, TEP</i></p>	Non-Executive Director and Chairperson	Rogers Capital Corporate Services Limited, 3 rd Floor, 5 President John Kennedy Street, Port Louis, Mauritius	<p>Veerha is currently the Senior Manager of Business Development at Rogers Capital Corporate Services Limited since January 2024. She currently lives in Mauritius after having spent 13 years in London and 7 years in Sydney. She is a qualified Chartered and Certified Accountant from London in December 1999 and is also a full member of the Society of Trust and Estate Practitioners (STEP) in April 2023 (FCCA and TEP).</p> <p>Veerha has over 20 years of experience in the industry with strong Leadership Skills with an enhanced financial and auditing background. Over the years, Veerha has worked with a variety of clients ranging from taxi drivers to large manufacturing companies, giving her a robust exposure to the financial and auditing industry. In her current position, Veerha works with a global portfolio of clients across various industries assisting with corporate management structuring and wealth planning. She sits on the board of multiple entities and provides value-added insights from a fiduciary and statutory perspective.</p> <p>Veerha gained international experience in the financial services, audit and business development sectors, working for Grant Thornton in London, KPMG in Sydney, Australia, GE Real Estate (Part of the General Electric group), Echo Entertainment Group which owns The Star Casino in Sydney, as a Senior</p>

Directors of Ziweto Holdings			
Director name, age, nationality and qualification	Role	Business address	Occupation and experience (profile)
			<p>Financial Accountant. She has been working in Mauritius for just over 9 years, starting with Geneva Management Group in Mauritius as a Manager in the Fiduciary sector, before moving on to Rogers Capital Corporate Services Limited. She has a robust skillset that includes Trust Accounting, IFRS, Management Accounting and more, Veerha Bhogun contributes valuable insights to the industry.</p> <p>Veerha is currently heavily involved in new business and business development within Rogers Capital.</p>
<p>Madiihah Binte Beegum (31), Mauritian</p> <p><i>Fellow Member of Associate of Chartered Certified Accountants; Member of Mauritius Institute of Professional Accountants</i></p>	Non-Executive Director	Rogers Capital Corporate Services Limited, 3 rd Floor, 5 President John Kennedy Street, Port Louis, Mauritius	<p>Madiihah is currently a Manager in the Fund Services department at Rogers Capital Corporate Services. She is a fellow member of the Association of Chartered Certified Accountant.</p> <p>She was a company administrator at Consilex Ltd. Subsequently, Consilex Ltd was acquired by Rogers Capital in 2015 and she rose through the ranks to become a Manager. Madiihah has over 10 years of professional experience in the global business sector. During her career, she has been managing a mixed portfolio of clients including GBC, Private Equity Funds, Open-End Funds and investment advisers.</p>

The table below lists the companies and partnerships of which each director of the Company is currently a director or partner as well as the companies and partnerships of which each director of the Company was a director or partner over the five years preceding these Listing Particulars:

Directors of Ziweto Holdings		
Director	Directorships currently held	Directorships held in past 5 years
Victor Chambayika Mhango	Ziweto Enterprises Limited; Honey Products Limited; Africa Eats Ltd	Heifer International Malawi
Byton Simwela	Ziweto Enterprises Limited	N/A
Tione Pascal Kaonga	UMODZI Consulting Ltd	Chipunga Farm Limited
Phyles Tatha Kachingwe	FinanceRite Limited; Microfinance NICO Pensions Limited; J F Investments Holdings Limited	Malawi College of Accountancy; Institute of Chartered Accountants in Malawi; Malawi Institute of Education; Art and Global Health Centre Africa (AGHCA); Malawi Accountants Board; Leopard Match Limited; (SOCAM) Lilongwe; Blantyre Print and Publishing;

Directors of Ziweto Holdings		
Director	Directorships currently held	Directorships held in past 5 years
		Transparency International Malawi Chapter; Malawi Export Promotion Council; Central Poultry Limited (PCL).
Dr. Patricia Mayuni	Heifer International Malawi; All Creatures Animal Welfare League Malawi; Sustainable Smallholder Beef Round Table in Malawi; Farm Radio Trust.	N/A
Jumaane Akintola Tafawa	Africo Management Ltd.; Tuesday Markets Ltd; Africa Eats Ltd; Elite Meat Processors Ltd; Heritage Connection	Griffin Energy Guyana Inc., Oil and Gas Solutions Guyana Inc., V and W Logistics.
Madiihah Binte Beegum	Tuesday Markets Ltd; Africa Eats Ltd; Elite Meat Processors Ltd	N/A
Veerha Bhogun	Africa Eats Ltd; Elite Meat Processors Ltd	Leselo Investments Limited; Amis Choisy Limited; TLS Contact (Mau) Limited; Láuberge du Nord Limited; AKR Properties Limited.

2. REMUNERATION OF THE DIRECTORS OF ZIWETO HOLDINGS

No remuneration and benefits are anticipated to be paid by the Company to the directors of Ziweto Holdings in their capacity as directors (or in any other capacity) for the financial year ending 31 December 2024. The Company is currently negotiating with the directors with regard to director's fees payable to them for the financial year ending 31 December 2025. This process is expected to be completed in first quarter of 2025.

3. DIRECTORS' INTERESTS IN SECURITIES

The table below sets out the direct and indirect interests of the directors in Ziweto Holdings' issued ordinary share capital as at the last practicable date, including any directors who may have resigned during the last 18 months:-

Directors	Number of shares		Total	% of issued ordinary share capital
	Indirect	Direct		
Victor Chambayika Mhango	78	1,042,650	1,042,728	33.1
Byton Simwela	78	447,300	447,378	14.2
Tione Pascal Kaonga	-	-	-	-
Phyles Tatha Kachingwe	-	-	-	-
Dr. Patricia Mayuni	-	-	-	-
Jumaane Akintola Tafawa	46,386	-	46,386	1.47
Madiihah Binte Beegum	-	-	-	-
Veerha Bhogun	-	-	-	-
Total	46,542	1,489,950	1,536,492	48.77

4. DIRECTORS' INTERESTS IN TRANSACTIONS

- i. As at the Last Practicable Date, besides Victor Chambayika Mhango and Byton Simwela (who were shareholders of Ziweto Enterprises prior to its acquisition by Ziweto Holdings), none of the other directors have had any material beneficial interest, direct or indirect, in transactions entered into by the Company:
 - during the current financial year; or
 - during the two preceding financial years; or
 - during any earlier financial year and which may still be outstanding.
- ii. No amount has been paid to any director (or to any Company in which he is interested (whether directly or indirectly) or of which he is a director or to any partnership, syndicate or other association of which he is a member) in the three years preceding the date of these Listing Particulars (whether in cash or securities or otherwise) by any person either to induce him to become or to qualify him as a director or otherwise for services rendered by him (or by the associate identity) in connection with the promotion or formation of the Company.

5. DIRECTORS' INTERESTS IN PROPERTY ACQUIRED OR TO BE ACQUIRED

None of the directors have had any material beneficial interest, direct or indirect, in any property acquired or proposed to be acquired by the Company or otherwise in the three years preceding the date of issue of these Listing Particulars and no amount has been paid during this period, or is proposed to be paid to any director.

6. TERMS OF OFFICE

None of the directors have entered into a service contract with the Company and accordingly the appointment of the directors is indefinite but remains subject to all applicable laws and the provisions of the Company's Constitution.

7. BOARD COMMITTEES

The Board has established an Audit and Risk Committee with the appropriate mix of Independent Directors and Executives in line with the Mauritian Code of Good Corporate Governance.

The Composition of the Board Committee is set out below:-

Audit and Risk Committee
Phyles Tatha Kachingwe (Chairperson)
Tione Pascal Kaonga
Jumaane Tafawa
Veerha Bhogun

The Audit and Risk committee's primary objective will be to provide the Board with additional assurance regarding the efficacy and reliability of the financial information used by the directors, to assist them in the discharge of their duties. The committee will be required to provide satisfaction to the Board that adequate and appropriate financial and operating controls are in place; that significant business, financial and other risks have been identified and are being suitably managed; and that satisfactory standards of governance, reporting and compliance are in operation.

8. CONSTITUTION

The relevant extracts of the Constitution of the Company providing for the appointment, qualification, retirement, remuneration and borrowing powers of the directors and the powers enabling a director to vote on a proposal, arrangement or contract in which he is materially interested are set out in **Annexure 3**.

9. BORROWING POWERS

As set out more fully in **Annexure 3**, the borrowing powers of the Company exercisable by the directors are unlimited and, accordingly, have not been exceeded since incorporation.

10. SUMMARY OF EXISTING OR PROPOSED CONTRACTS (WHETHER WRITTEN OR ORAL) RELATING TO DIRECTORS' AND MANAGERIAL REMUNERATION, RESTRAINT PAYMENTS, ROYALTIES AND SECRETARIAL AND TECHNICAL FEES

- i. There are no existing or proposed contracts (whether written or oral) relating to directors or managerial remunerations, restraint payments, royalties or secretarial and technical fees.
- ii. There were no other contracts or arrangements in which the directors were materially interested, and which were significant in relation to the business of the Company.

SHARE CAPITAL AND SHAREHOLDING

1. MAJOR AND CONTROLLING SHAREHOLDERS

As at the date of these Listing Particulars, the following shareholders held 5% or more of the issued Ordinary Shares in Ziweto Holdings:

Name of Shareholder	Number of shares held	Percentage of issued ordinary share capital
1. Victor Chambayika Mhango	1,042,650	33.1%
2. Africa Eats Ltd	1,660,050	52.7%
3. Byton Simwela	447,300	14.2%
Total		100%

As the Initial Private Placement will take place post the Last Practicable Date, the Company cannot confirm the details of ordinary shareholders of Ziweto Holdings who will (directly or indirectly) hold 5% or more of Ziweto Holdings shares immediately following the Initial Private Placement.

2. SHARES ISSUED OTHERWISE THAN FOR CASH

As part of the acquisition of the issued shares of Ziweto Enterprises by Ziweto Holdings, a total of 3,149,900 new Ziweto Holdings shares were issued to the existing shareholders of Ziweto Enterprises (being Victor Chambayika Mhango, Byton Simwela and Africa Eats Ltd) on 25 September 2024 in exchange for their shares held in Ziweto Enterprises.

3. COMPANY'S SHARE CAPITAL

The issued share capital of the Company, immediately before the SEM Listing is as follows:

Stated Capital	USD
<i>Issued shares</i>	
3,150,000 Ordinary Shares of no par value	5,040,000
Total	5,040,000

Assuming that all of the Ziweto Holdings shares to be offered in terms of the Initial Private Placement will be subscribed for, the issued share capital of the Company after the Initial Private Placement will be as follows:

Stated Capital	USD
<i>Issued shares</i>	
3,775,000 Ordinary Shares of no par value	6,040,000
Total	6,040,000

- i. The Company does not hold any treasury shares.
- ii. As per Clause 4 of the Constitution, the members in general meeting may authorise the Board to issue shares and/or grant options at any time to any person.

- iii. The capital of the Company shall consist of the following class of shares and confer the rights set out below:

(i) **Ordinary Shares**

The Ordinary Shares shall be no par value shares in the share capital of the Company, which shall be listed on the High Growth Segment of the Main Market of the SEM.

(ii) **Ordinary Shares shall confer on the holders thereof the rights as provided under the Companies Act 2001 and its Constitution, i.e.:-**

- the right to one vote on a poll at a meeting of the Company on any resolution;
 - the right to an equal share in dividends authorised by the Board; and
 - the right to an equal share in the distribution of the surplus assets of the Company.
- iv. All the Ordinary Shares to be issued in terms of these Listing Particulars will be of the same class and will rank *pari passu* with all other issued Ordinary Shares of the Company (if any).
- v. In terms of Mauritian law, the Company does not have an authorised share capital. Under Mauritian law, the stated capital of the Company is made up of the shares issued by the Company.

4. ALTERATIONS TO SHARE CAPITAL OF THE COMPANY

- i. The Company was incorporated on 1st July 2024 as a global business licensed company with a share capital of 100 Ordinary Shares of no par value (issued at USD 1 per share), and which were allotted to Victor Chambayika Mhango (70 Ordinary shares) and Byton Simwela (30 Ordinary shares).
- ii. As part of the acquisition of the issued shares of Ziweto Enterprises, a total of 3,149,900 new Ziweto Holdings shares were issued to the existing shareholders of Ziweto Enterprises on 25 September 2024 in exchange for their shares held in Ziweto Enterprises.
- iii. As at the date of this document, the total number of Ordinary Shares in issue is 3,150,000, and the Company intends to make up to 625,000 new Ordinary Shares available for subscription to targeted investors as part of the Initial Private Placement.
- iv. Other than the information provided above, since the last practicable date, there have been no further alterations to the Company's share capital. Accordingly:
- (i) there have been no issues or offers of securities of the Company since the last practicable date;
 - (ii) there have been no other consolidation or subdivision of shares in the Company since the last practicable date;
 - (iii) no offer for shares in the Company was made to the public since the last practicable date;
 - (iv) no share repurchases were undertaken by the Company since the last practicable date; and
 - (v) there has been no amount payable by way of premium on any share issued by the Company since the last practicable date.

5. FOUNDERS AND MANAGEMENT SHARES

Save for the details set out in paragraph 3 of **Annexure 1**:

- i. There are no deferred shares.
- ii. As at the last practicable date, Victor Chambayika Mhango (the founder of Ziweto Enterprises) held 33.1% of the issued shares of Ziweto Holdings and Byton Simwela (Co-founder of Ziweto Enterprises) held 14.2% of the issued shares of Ziweto Holdings. Jumaane Tafawa also holds an indirect interest of 1.47% in the issued shares of the Company, through his shareholding in Africa Eats.

- iii. As Ziweto Holdings does not own any physical property nor has entered into agreement to acquire any physical property as at the last practicable date, the directors of Ziweto Holdings do not have any material interest in any acquisition or disposal of any properties.

6. OPTIONS AND PREFERENTIAL RIGHTS

- i. There are no other preferential conversion, redemption and/or exchange rights in respect of any of the shares or other securities.
- ii. There are no contracts, arrangements or proposed contracts or arrangements whereby any option or preferential right of any kind was or is proposed to be given to any person to subscribe for or acquire any shares in the Company.

7. FRACTIONS

No fractions of shares have been or will be issued.

EXTRACTS FROM THE CONSTITUTION OF THE COMPANY

The following sections use the definitions as set out in the Constitution of the Company.

Extracts from the Constitution of the Company providing inter alia for the appointment, qualification, remuneration and borrowing powers, interests of Directors and dividends are set out below.

For a full appreciation of the provisions of the Constitution, shareholders are referred to the text of the Constitution, which is available for inspection, as provided for in Section Five Paragraph 13.

“

4. CAPITAL

- 4.1. Subject to the provisions of the Listing Rules of the Stock Exchange of Mauritius Ltd (“SEM Rules”), the requirements of any other exchange on which the company is listed and pursuant to Section 52 of the Mauritian Companies Act, 2001 (Act 15 of 2001) as amended (“Companies Act 2001”), the board of the company may only issue new shares where shares of that particular class are listed and/or grant options with the prior approval of the Shareholders. Such approval is not required if such shares have first been offered to existing Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the board may determine, or if, but only to the extent that, the existing shareholders of the company have by ordinary resolution in a general meeting of Shareholders given a general mandate to the directors of the Company, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such securities or to grant any offers, agreements or options which would or might require shares to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of shares allotted or agreed to be allotted shall not exceed 10 per cent of the existing stated capital of the Company. Notwithstanding the foregoing, any new issue of shares must comply with the SEM Rules issued by the Stock Exchange of Mauritius Ltd (“SEM”).
- 4.2. No shares or any interest or right to the shares shall be issued or granted by the company to bearer.
- 4.3. The company may by way of special resolution from time to time and in accordance with the Companies Act 2001:
 - 4.3.1. create any class of shares;
 - 4.3.2. increase or decrease the number of shares of any class of the company’s shares;
 - 4.3.3. consolidate and reduce the number of the company’s shares of any class;
 - 4.3.4. subdivide its shares of any class by increasing the number of its issued shares of that class without an increase of its capital;
 - 4.3.5. change the name of the company;
 - 4.3.6. convert one class of shares into one or more other classes, save where a right of conversion attaches to the class of shares created; or
 - 4.3.7. subject to paragraph 13.6, vary any preference rights, limitations or other terms attaching to any class of shares.
- 4.4. Where the company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares.
- 4.5. Where the company issues shares with different voting rights, the company shall designate each class of shares, other than those with the most favorable voting rights, by inserting the words “restricted voting” or “limited voting”.
- 4.6. The shares, shall unless otherwise stated, be fully paid up when issued and rank pari passu in all respects as amongst themselves including as to participation in the profits of the company.

- 4.7. The capital of the company shall consist of ordinary no par value shares and having attached to them the following rights: -
- 4.7.1. The right to one vote on a poll at a meeting of the company on any resolution;
 - 4.7.2. The right to an equal share in dividends authorised by the board; and
 - 4.7.3. The right to an equal share in the distribution of the surplus assets of the company.
- 4.8. Any shares proposed to be issued wholly for cash consideration (which shall include a release of a liability of the company for a liquidated sum or an undertaking to pay cash to the company at a further date) must be issued in accordance with paragraph 4.1.

[...]

9. TRANSFER OF SHARES

- 9.1.** Subject to the provisions of this Constitution, where shares are listed on the Main Market of the SEM or on another securities exchange, the shares of the company shall be freely transferable and free from any lien. Each Shareholder may transfer, without payment of any other charges, save Brokerage Fees payable in relation to such transfer, all or any of his shares which have been fully paid.
- 9.2.** For so long as the company shall be admitted for listing on the Main Market of the SEM, a Shareholder wishing to transfer its shares, shall where physical Share Certificates have been issued to that Shareholder, cause its shares to be dematerialised.
- 9.3.** For so long as the company shall be admitted for listing on the Main Market of the SEM, all shares transferred must be in the dematerialized form and must be conducted through the Automated Trading System in accordance with the Trading Procedures.
- 9.4.** In respect of shares held in certificated form and where such shares have not been listed on the Main Market of the SEM, every instrument of transfer shall be executed by or on behalf of the transferor. Every instrument of transfer shall be left at the registered office of the company (or such other place as the board may from time to time determine) at which it is presented for registration accompanied by the certificate of the shares so transferred, and/or such other evidence as the company may require, to prove the title of the transferor of his rights to transfer the shares. All authorities to sign instruments of transfer granted by Shareholders for the purpose of transferring shares which may be lodged, produced or exhibited with or to the company at its registered office (or such other place as the Board may from time to time determine) shall, as between the company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect and the company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the company's registered office (or such other place as the board may from time to time determine) at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notice, the company shall be entitled to give effect to any instrument signed under the authority to sign, and certified by any officer of the company, as being in order before the giving and lodging of such notices. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.
- 9.5.** Transmission of shares
- 9.5.1.** If title to a share passes to a Transmtee, the company may only recognise the Transmtee as having any title to that share.
 - 9.5.2.** A Transmtee who produces such evidence of entitlement to shares as the directors may properly require –
 - 9.5.2.1.** may, subject to the provisions of this Constitution choose either to become the holder of those shares or to have them transferred to another person; and
 - 9.5.2.2.** subject to the provisions of this Constitution, and pending any transfer of the shares to another person, has the same rights as the holder had.

9.5.3. Transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

9.6. The company shall not be bound to register more than four persons as the joint holders of any share or shares and in the case of a share held jointly by several persons. The company shall not be bound to issue more than one certificate therefor (where applicable), and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

9.7. The company shall not take any action to sell the shares of a shareholder who is untraceable unless: -

9.7.1. during a period of 12 years, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and

9.7.2. on expiry of the 12 years, the company gives notice of its intention to sell the shares by way of an advertisement published in at least two widely circulated daily newspapers in Mauritius and notifies the SEM of such intention.

[...]

11. DIRECTORS

[...]

11.2. Qualification

No director shall be required to hold shares in the company to qualify him for an appointment.

11.3. Appointment

The directors of the company shall be appointed by the company in general meeting or at meetings of the board provided that, in the case of director/s having been appointed by the board, such director/s appointment/s are approved by Shareholders at the next Annual Meeting if re-elected by the shareholders and if not re-elected, that director's appointment shall lapse. Section 137 of the Companies Act 2001 shall not apply in respect of the appointment of more than one person in a single resolution as directors of the company.

11.4. Retirement of directors

11.4.1. At each Annual Meeting of Shareholders all the directors shall retire from office and may make themselves available for re-election.

11.4.2. The company at the meeting at which a director retires under any provision of this Constitution may by ordinary resolution fill the office being vacated by electing thereto the retiring director or some other person eligible for appointment. In default, the retiring director shall be deemed to have been re-elected except in any of the following cases:

11.4.3. where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such director is put to the meeting and not approved by the requisite majority of directors;

11.4.3.1. where such director has given notice in writing to the company that he is unwilling to be re-elected;

11.4.3.2. where such director has attained any retiring age applicable to him as director.

11.4.4. The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring director or a resolution for his re-election is put to the meeting and not approved by the requisite majority of directors and accordingly a retiring director who is re-elected will continue in office without a break.

11.4.5. At least 7 days' notice shall be given to the company of any intention to propose a person for election as a director at a meeting of the Shareholders and the consent of such person in relation thereto shall be communicated to the company at least seven days before the date of the meeting.

11.4.6. Notwithstanding anything to the contrary contained herein and subject to as may otherwise be provided by law, any director, managing director or other executive director may, by ordinary resolution passed at a meeting of Shareholders called for purposes that include their removal or ceasing to hold office pursuant to section 139 of the Companies Act 2001, be removed from office before the expiry of their period of office subject however, to the right of any such director to claim damages under any contract.

[...]

11.6. Remuneration of directors

11.6.1. The remuneration of directors shall be proposed by the relevant Board Committee to board for approval

11.6.2. The board may determine the terms of any service contract with a managing director or other executive director.

11.6.3. The directors may be paid all travelling, hotel and other expenses properly incurred by them in attending any meetings of the board or in connection with the business of the company.

11.6.4. If by arrangement with the board any director shall perform or render any special duties or services outside his ordinary duties as a director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether, by way of salary, commission, participation in profits or otherwise) as the Corporate Governance Committee may, from time, to time determine.

11.6.5. A director shall not vote on any contract or arrangement or any other proposal in which he or his associates have a material interest nor shall he be counted in the quorum present at the meeting.

11.6.6. Notwithstanding paragraph 11.6.5 above, a director shall be entitled to vote and be counted in the quorum at the meeting in respect of the following matters: -

11.6.6.1. the giving of any security or indemnity either:

11.6.6.1.1. to the director in respect of money lent or obligations incurred or undertaken by him at the request of or for the benefit of the issuer or any of its subsidiaries;
or

11.6.6.1.2. to a third party in respect of a debt or obligation of the issuer or any of its subsidiaries for which the director has himself assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

11.6.6.2. any proposal concerning an offer of shares or debentures or other securities of or by the issuer or any other company which the issuer may promote or be interested in for subscription or purchase where the director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;

- 11.6.6.3. any proposal concerning any other company in which the director is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the director is beneficially interested in shares of that company, provided that he, together with any of his associates, is not beneficially interested in five percent or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights;
- 11.6.6.4. any proposal or arrangement concerning the benefit of employees of the issuer or its subsidiaries including:
- 11.6.6.4.1. the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which he may benefit; or
- 11.6.6.4.2. the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the issuer or any of its subsidiaries and does not provide in respect of any director as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- 11.6.6.5. any contract or arrangement in which the director is interested in the same manner as other holders of shares or debentures or other securities of the issuer by virtue only of his interest in shares or debentures or other securities of the issuer.

[...]

12. POWERS AND DUTIES OF DIRECTORS

12.1. Borrowing Powers

The directors may exercise all powers of the company to borrow or raise or secure the payment of money or the performances or satisfaction by the company of any obligation or liability and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue mortgages, charges, bonds, notes and other securities and other instrument whether outright or as security, for any debt liability or obligation of the company or of any third party. In addition, such power shall be exercised, in compliance with Section 143 of the Companies Act 2001.”

[...]

14. DIVIDENDS AND RESERVES

14.1. Declaration of Dividends

14.1.1. The company in general meeting may declare dividends but may not declare a larger dividend than that declared by the directors and no dividend shall be declared and paid except out of profits and unless the directors determine that immediately after the payment of the dividend:

14.1.1.1. the company shall be able to satisfy the solvency test in accordance with Section 6 of the Companies Act 2001;

14.1.1.2. the realisable value of the assets of the company will not be less than the sum of its total liabilities, other than deferred taxes, as shown in the books of account, and its capital; and

14.1.1.3. the provisions of the SEM Rules are complied with

14.1.2. Subject to the requirements of the Companies Act 2001 and the SEM Rules, the board of the company may authorise and declare a dividend or other distribution at such time and of such amount (subject to the solvency test) and to any shareholders as it thinks fit. No approval of the Shareholders shall be required before the board makes a distribution.

14.1.3. Dividends may be declared and paid in money, shares or other property.

14.1.4. The company may cease sending dividend warrants by post if such warrants have been left uncashed on two successive occasions.

14.1.5. Notwithstanding paragraph 14.1.4 above, the company may cease sending dividend warrants after the first occasion on which such warrant is returned undelivered where after reasonable enquiries, the company has failed to establish any new address of the registered holder.

14.2. Computation of Profit

In computing the profits for the purpose of resolving to declare and pay a dividend, the directors may include in their computation the net unrealised appreciation of the assets of the company.

14.3. Interim Dividends

The directors may from time to time pay to the Shareholders such interim dividends as appear to the directors to be justified by the surplus of the company.

14.4. Entitlement to dividends

14.4.1. Subject to the rights of holders of shares entitled to special rights as to dividends, all dividends shall be declared and paid equally on all shares in issue at the date of declaration of the dividend.

14.4.2. If several persons are registered as joint holders of any share, any of them may give effectual receipt for any dividend or other monies payable on or in respect of the share.

14.4.3. Any amount paid up in advance of calls on any share may carry interest, but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

14.5. Reserves

The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments as the directors may from time to time think fit.

14.6. Notice

Notice of any dividend that may have been declared shall be given to each Shareholder in the manner hereinafter mentioned and all dividends unclaimed for five years after having been declared may be forfeited by resolution of the directors for the benefit of the company. The company shall hold monies other than dividends due to Shareholders in trust indefinitely until lawfully claimed by such Shareholder.

14.7. Interest

No dividend shall bear interest against the company.”

UNAUDITED FINANCIAL STATEMENTS OF ZIWETO ENTERPRISES LIMITED FOR THE PERIOD STARTING 1 JANUARY 2024 TO 30 JUNE 2024

Balance Sheet as at 30 June 2024	MK	USD
<u>ASSETS</u>		
Non-Current Assets		
Property Plant and Equipment	507,066,632	484,865
Investment in Subsidiary	1,000,000	956
Total Non-Current Assets	508,066,632	485,821
Current Assets		
Inventories	762,643,181	729,251
Trade and Other Receivables	30,529,800	29,193
Cash and Cash Equivalents	33,172,122	31,720
Total Current Assets	826,345,103	790,164
TOTAL ASSETS	1,334,411,735	1,275,984
<u>EQUITY AND LIABILITIES</u>		
Equity		
Share capital	2,114,285	2,934
Loaned Capital	199,101,070	190,383
Capital Investments	156,605,044	149,748
FX Reserve	-	913
Retained Earnings	121,624,440	116,299
Total Equity	479,444,839	458,452
Non-Current Liabilities		
LT Loan	439,732,645	420,479
Deferred Tax Liability	17,627,417	16,856
	457,360,062	437,335
Current Liabilities		
Trade and Other Payables	253,042,735	241,963
Provision for Taxation	144,564,099	138,234
Total Current Liabilities	397,606,834	380,198
Total Liabilities	854,966,896	817,532
TOTAL EQUITY AND LIABILITIES	1,334,411,735	1,275,984

Income Statement for the period ended 30 June 2024	MK	USD
Revenue	825,592,500	471,498
Cost of Goods Sold	(356,425,678)	(203,555)
Gross Profit	469,166,822	267,942
Operating & Administrative Expenses	(385,004,305)	(219,877)
Profit before Interest and Tax	84,162,517	48,065
Interest Expense	-	-
Profit before Tax	84,162,517	48,065
Tax Charge	(30,734,328)	(17,552)
Profit after Tax	53,428,189	30,513
FX Gain/Loss		(913)
Total Comprehensive Income	53,428,189	29,600

Cash Flow Statement for the period ended 30 June 2024	MK	USD
<u>Operating Activities</u>		
Profit before tax	84,162,517	48,065
<i>Adjustment for:</i>		
Depreciation Charges	24,559,249	14,026
Cash flow before WC changes	108,721,766	62,091
<i>Changes in working capital</i>		
Change in receivables	14,413,920	8,232
Change in payables	(235,166,790)	(134,304)
Change in inventory	94,765,954	54,121
Cash Flow from Operating Activities	(17,265,150)	(9,860)
<u>Investing Activities</u>		
Cash Flow from Investing Activities	-	-
<u>Financing Activities</u>		
Movement In Long Term Loan	(27,340,328)	(15,614)
Cash Flow from Financing Activities	(27,340,328)	(15,614)
Net Change in Cash Flow	(44,605,478)	(25,474)
Cash at the start of the Period	77,777,600	44,419
Effects of FX translation		12,775
Cash at the end of the Period	33,172,122	31,720

Note: An average FX rate of USD1:MK1,751, a closing FX rate of USD1:MK1,046 and a historical FX rate of USD1:MK721 have been used to convert the interim unaudited financials to USD equivalent.

ACCOUNTANT'S REPORT OF ZIWETO ENTERPRISES LIMITED

ZIWETO ENTERPRISES LIMITED

**SUMMARY FINANCIAL STATEMENTS
FOR THE 3 YEARS ENDED 31 DECEMBER 2021, 31 DECEMBER 2022
AND 31 DECEMBER 2023**

**MM
& Co.**

ZIWETO ENTERPRISES LIMITED

**SUMMARY FINANCIAL STATEMENTS
FOR THE 3 YEARS ENDED 31 DECEMBER 2021, 31 DECEMBER 2022
AND 31 DECEMBER 2023**

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**MWENELUPEMBE
MHANGO
& COMPANY**

Chartered Accountants (Malawi)

Tel: +265 1 772 456

Fax: +265 1 771 831

St Martin's House

PO Box 30808

Lilongwe 3 Malawi

wilkinsonmwanelupembe@gmail.com

Offices in:

Blantyre, Lilongwe & Mzuzu

**HISTORICAL FINANCIAL INFORMATION OF ZIWETO ENTERPRISES LIMITED AND
ACCOUNTANT'S REPORT**

To

The Executive Chairman
Ziweto Enterprises Limited
Bowler Beverages Compound, Kanengo
P.O. Box 30240
**LILONGWE 3
MALAWI**

INTRODUCTION

Mwanelupembe, Mhango & Co Chartered Accountant – Malawi has been appointed by the Directors of Ziweto Enterprises Limited to report on the summary historical financial statements of the company, in the context of the contemplated listing on the Stock Exchange of Mauritius of the parent company of Ziweto Enterprises Limited (the “Purpose”).

OPINION

We refer to the accompanying summary historical financial statements, which comprise the summary Statements of Financial Position as at 31st December 2021, 31st December 2022 and 31st December 2023, summary statements of Profit or Loss and Other Comprehensive Income for the years then ended derived from the audited financial statements of Ziweto Enterprises for the respective years ended.

In our opinion, the accompanying summary financial statements are consistent, in all material aspects with the audited financial statements prepared in accordance with International Financial Reporting Standards and the requirements of the Malawi companies Act 2013.

SUMMARY FINANCIAL STATEMENTS

The audited summary financial statements have been prepared in both the functional currency the Malawi Kwacha and United States Dollars while the audited financial statements are prepared in Malawi Kwacha. They do not contain all the disclosures required by International Financial Reporting Standards (IFRS). Reading the summary financial and the accountant's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's reports thereon.

BASIS OF PREPARATION

The principal accounting policies of the company, which are set on pages 7 – 15 have been consistently followed in all material aspects. The summary financial statements are prepared based on the IFRS framework and such other requirements which were applicable at the time of each reporting period being referred to in our report. The historical financial information was not revised to reflect the impact of subsequently issued IFRS, amendments to IFRS and such other requirements which are currently applicable as at the date of our report.

The summary financial statements and the audited financial statements do not reflect the effect of events that occurred subsequent to the date of our report on the audited financial statements.



Partners: W B Mwanelupembe FCCA, CA (M); C L Mhango FCCA, CA (M), V Munkhondya Chimaliro FCCA, CA (M)

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the Company's financial statements in accordance with International Financial Reporting Standards and the requirements of the Malawi companies Act 2013 and for such internal control as the Directors determine as necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810. "Engagements to Report on Summary Financial Statements."

STATEMENTS IN ACCORDANCE WITH THE LISTING RULES

- The financial statements on which the accompanying financial statements were derived from were audited by Mwenelupembe, Mhango & Co, Chartered Accountants – Malawi.
- The most recent audited financial statements which have been issued are for the year ended 31st December 2023. There are no audited financial statements which have been issued since then up to the date of our report.
- The audited financial statements for the years 31st December 2021, 31st December 2022 and 31st December 2023 give a true and fair view of the results for the years then ended and of the assets and liabilities at the end of those years.
- We are not associate of and Directors or of any shareholders holding more than 5% of the number of shares issued by the Company.
- We have no relationship with the Company and its subsidiaries other than in our capacity as auditor of the Company.

OTHER MATTERS

"This report, including the opinion, has been prepared for and only for the Directors of Ziweto Enterprises Limited and for the stated Purpose. We do not, in giving this opinion, accept or assume responsibility for any other purposes or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing."



Wilkinson Booker Mwenelupembe
Chartered Accountant (MW)

Partner

Date.....08/08/2024.....

Lilongwe, Malawi.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER**

	2023	2022	2021
	MK	MK	MK
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	531,625,880	353,952,582	187,286,453
Investments - Subsidiary	1,000,000	1,000,000	1,000,000
Total Non-Current Assets	532,625,880	354,952,582	188,286,453
Current Assets			
Inventories	857,409,135	509,050,360	499,638,510
Trade and Other Receivables	44,943,720	390,684,866	35,020,749
Cash and Cash Equivalents	77,777,600	33,340,632	148,727,882
Total Current Assets	980,130,455	933,075,858	683,387,141
TOTAL ASSETS	1,512,756,335	1,288,028,440	871,673,594
EQUITY & LIABILITIES			
Equity			
Share Capital	2,114,285	2,114,285	2,114,285
Loaned Capital	199,101,070	199,101,070	199,101,070
Capital Investments	156,605,043	232,796,627	100,775,717
Retained Earnings	68,196,252	316,910,338	220,159,158
Total Equity	426,016,650	750,922,320	522,150,230
Non-Current Liabilities			
Long-Term Loan	467,072,973	211,065,676	141,000,000
Deffered Tax Liability	17,627,417	17,627,417	17,627,417
Total Non-Current Liabilities	484,700,390	228,693,093	158,627,417
Current Liabilities			
Trade and Other Payables	488,209,525	259,124,066	102,341,310
Provision for Taxation	113,829,770	49,288,961	88,554,637
Total Current Liabilities	602,039,295	308,413,027	190,895,947
TOTAL EQUITY & LIABILITIES	1,512,756,335	1,288,028,440	871,673,594

**STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER**

	<u>2023</u> MK	<u>2022</u> MK	<u>2021</u> MK
INCOME			
Revenue from Operations	1,393,839,467	822,081,728	665,504,146
Add: Other Income	213,851	4,239,009	20,329,858
Total Income	<u>1,394,053,319</u>	<u>826,320,737</u>	<u>685,834,004</u>
EXPENDITURE			
Cost of Sales	634,411,652	354,023,610	192,468,938
Operating Expenditure	406,896,341	279,674,801	255,276,326
Total Expenses	<u>1,041,307,993</u>	<u>633,698,411</u>	<u>447,745,264</u>
EBITDA	352,745,326	192,622,327	238,088,740
Less: Depreciation	49,118,498	46,582,185	29,924,544
EBIT	303,626,828	146,040,142	208,164,196
Less: Finance Costs	117,452,777	-	22,582,505
Profit Before Tax	186,174,051	146,040,142	185,581,691
Income Tax Expense	64,540,809	49,288,961	69,046,008
Profit For The Year After Tax	<u>121,633,242</u>	<u>96,751,180</u>	<u>116,535,683</u>
Net Profit Ratio	9%	12%	17%

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER**

	2023	2022	2021
	US\$	US\$	US\$
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	511,179	359,708	237,975
Investments - Subsidiary	962	1,016	1,271
Total Non-Current Assets	<u>512,140</u>	<u>360,724</u>	<u>239,246</u>
Current Assets			
Inventories	824,432	517,328	634,865
Trade and Other Receivables	43,215	397,037	44,499
Cash and Cash Equivalents	74,786	33,883	188,981
Total Current Assets	<u>942,433</u>	<u>948,248</u>	<u>868,345</u>
TOTAL ASSETS	<u><u>1,454,573</u></u>	<u><u>1,308,972</u></u>	<u><u>1,107,590</u></u>
EQUITY & LIABILITIES			
Equity			
Share Capital	2,033	2,149	2,687
Loaned Capital	191,443	202,338	252,987
Capital Investments	150,582	236,582	128,050
Retained Earnings	65,573	322,063	279,745
Total Equity	<u>409,631</u>	<u>763,132</u>	<u>663,469</u>
Non-Current Liabilities			
Long-Term Loan	449,109	214,498	179,161
Deffered Tax Liability	16,949	17,914	22,398
Total Non-Current Liabilities	<u>466,058</u>	<u>232,412</u>	<u>201,560</u>
Current Liabilities			
Trade and Other Payables	469,432	263,337	130,040
Provision for Taxation	109,452	50,090	112,522
Total Current Liabilities	<u>578,884</u>	<u>313,428</u>	<u>242,562</u>
TOTAL EQUITY & LIABILITIES	<u><u>1,454,573</u></u>	<u><u>1,308,972</u></u>	<u><u>1,107,590</u></u>

**STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER**

	2023 US\$	2022 US\$	2021 US\$
INCOME			
Revenue from Operations	1,340,230	835,449	845,622
Add: Other Income	206	4,308	25,832
Total Income	1,340,436	839,757	871,454
EXPENDITURE			
Cost of Sales	610,011	359,780	244,560
Operating Expenditure	391,246	284,222	324,366
Total Expenses	1,001,258	644,002	568,927
EBITDA	339,178	195,754	302,527
Less: Depreciation	47,229	47,340	38,024
EBIT	291,949	148,415	264,503
Less: Finance Costs	112,935	-	28,694
Profit Before Tax	179,014	148,415	235,809
Income Tax Expense	62,058	50,090	87,733
Profit For The Year After Tax	116,955	98,324	148,076
Net Profit Ratio	9%	12%	17%

**SIGNIFICANT PRINCIPAL ACCOUNTING POLICIES
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021**

1. SIGNIFICANT PRINCIPAL ACCOUNTING POLICIES**Statement of Compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for Small and Medium sized Entities (IFRS for SME's issued by the International Accounting Standards Board (IASB), and interpretations issued by the Standing Interpretations Committee of the International Financial Reporting and Interpretations Committee (IFRIC).

Basis of Preparation

The financial statements are prepared in terms of the historical cost convention with the exception of certain non-current assets, which are included at valuation and cost. No other procedures have been adopted to reflect the impact on the financial statements of specific price changes or changes in the general level of prices. The principal accounting policies of the company, which are set out below have been consistently followed in all material respects.

(1.1) Property and Equipment**Owned Assets**

Items of property and equipment are stated at cost or valuation less accumulated depreciation and impairment losses. The cost of self-constructed assets includes cost of materials, direct labour and an appropriate proportion of overheads. Where relevant, the cost of dismantling and removing the items and restoring the site on which the assets are located is also included in the cost of assets.

Where an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment.

Property that is being constructed or developed for future use as an investment property is classified as property and stated at cost until construction or development is complete, at which time it is remeasured to fair value and classified as investment property. Any gain or loss arising on re-measurement is recognized in the income statement.

**SIGNIFICANT PRINCIPAL ACCOUNTING POLICIES
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021**

SIGNIFICANT ACCOUNTING POLICIES (continued)**(1.2) Subsequent Expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment and the cost can be reliably measured. All other expenditure is recognized in the income statement as an expense as incurred.

(1.3) Revaluation

Revaluation of property and plant are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the statement of financial position date as economic conditions dictate, by independent valuers. The basis of valuation used is current market value. Surpluses on revaluations are transferred to revaluation reserve. On realization of the asset, the appropriate portion of reserves is transferred to retained earnings. Revaluation decreases are charged to the income statement except to the extent that they relate to revaluation surpluses previously transferred to the revaluation reserve. An amount equivalent to the additional depreciation arising from revaluations is transferred annually, net of deferred tax, from the revaluation reserve to retained earnings.

(1.4) Depreciation

Depreciation is charged to income statement on straight line basis over the estimated useful lives of items of property and equipment and major components that are accounted for separately. The estimated useful lives and residual values are estimated annually. Annual depreciation rates are used to reduce the cost of property, plant and equipment over their estimated residual values over their expected useful lives.

Depreciation Rates Used Are:

Motor Vehicles	20%
Office Furniture and Equipment	10%
Plant and Machinery	10%

**SIGNIFICANT PRINCIPAL ACCOUNTING POLICIES
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021**

SIGNIFICANT ACCOUNTING POLICIES (continued)

(1.5) Income Recognition

Income is measured at the fair value of the consideration received or receivable and represent amounts receivable from sales of Agrovet products provided in the normal course of the business.

Income is recognized when the significant risks and rewards of ownership have transferred to the buyer of the services and recovery of the consideration is probable.

(1.6) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Interest-bearing bank overdrafts are measured at fair value using the effective rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowing.

(1.7) Trade Payables

Trade payables are initially measured at fair value, being the amount expected to be incurred on settlement.

(1.8) Interest Income

Interest income is recognized as revenue using the effective rate method.

(1.9) Current Tax

Current tax is the expected tax payable on the income for the year, using tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

**SIGNIFICANT PRINCIPAL ACCOUNTING POLICIES
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021**

SIGNIFICANT ACCOUNTING POLICIES (continued)**(1.10) Deferred Tax**

Deferred income tax is recognized using the liability method, on temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates and tax laws enacted or substantively enacted at balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis. Income tax expense represents the sum of the tax currently payable and deferred tax.

(1.11) Interest Expense

Interest expense is recognized in the income statement using effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability (or, where appropriate, a short period) to the carrying amount of the financial liability. The effective interest rate is established on initial recognition of the financial liability and is not revised subsequently.

(1.12) Inventory

Inventories are stated at the lower of cost and net realizable value. The basis of determining cost is the average method.

**SIGNIFICANT PRINCIPAL ACCOUNTING POLICIES
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021**

SIGNIFICANT ACCOUNTING POLICIES (continued)**(1.13) Provisions**

Provisions are recognized when the company has a present obligation (constructive or legal) as a result of a past event, and it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the date of the statement of financial position. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(1.14) Foreign Currency Translation**a) Functional and Presentation Currency**

Items included in the financial statements of each Company's activities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Malawi Kwacha (MK), which is the Company's functional and presentation currency.

b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within "finance costs". All the other foreign exchange gains and losses are presented in profit or loss within "other / (losses)-net".

**SIGNIFICANT PRINCIPAL ACCOUNTING POLICIES
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021**

SIGNIFICANT ACCOUNTING POLICIES (continued)

The Average Exchange Rates and Inflation Rate as at 31st December 2023, 2022 and 2021 were as follows:

	2023	2022	2021
Malawi Kwacha/US Dollar	1,040	984	787
Inflation Rate	28.8%	25.5%	9.2%

(1.15) Financial Risk Management

(i) Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company does not have a formal risk management policy programme. Instead the susceptibility of the Company to financial risk such as foreign exchange risk, interest rate risk, credit risk and liquidity risk is monitored as part of its daily management of the business.

• **Credit Risk**

Credit risk is the risk of a financial loss to the company if a customer fails to meet its contractual obligations, and arises principally from the company's receivables and cash and deposits with financial institutions.

The Company does not have formal policies and procedures for the selection of banks and financial institutions. No individual credit limits and credit terms are set by the board. The credit quality of the customer is assessed taking into account its financial position, past experience and other factors. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

**SIGNIFICANT PRINCIPAL ACCOUNTING POLICIES
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021**

SIGNIFICANT ACCOUNTING POLICIES (continued)**(1.15) Financial Risk Management (continued)****• Liquidity Risk**

The Company will keep on maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management maintains flexibility in funding by maintaining availability under committed credit lines.

(ii) Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholders and benefits for the other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital as defined by management at 31st December 2023, 2022 and 2021 consists of equity as shown on the face of the statement of financial position.

(1.16) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

(i) Critical Accounting Estimates and Assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimate will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**SIGNIFICANT PRINCIPAL ACCOUNTING POLICIES
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021**

SIGNIFICANT ACCOUNTING POLICIES (continued)

- **Income Taxes**

Significant judgement is required in determining the provision for income taxes. There are transaction and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audits issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

- **Determination of Fair Value**

The Company determines the fair value for both financial and non-financial assets and liabilities, by using the market approach, the income approach and the cost approach.

(ii) **Critical Judgments in Applying the Company's Accounting Policies**

- **Related Party Transactions**

In the normal course of business, the Company enters into transactions with its related parties. Judgment is applied in determining if transactions are priced at the market or non- market rates, where there is no active market for such transactions.

**SIGNIFICANT PRINCIPAL ACCOUNTING POLICIES
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021**

SIGNIFICANT ACCOUNTING POLICIES (continued)

(1.17) Borrowings Outstanding as at 30th June 2024

MK

- Bamboo Capital**

127,661,250

The loan is repayable over three years in equal monthly instalments and matures on 31st January 2025. The loan bears interest at 19.5% per annum.

MK

- NBM FINES Loan**

252,324,576

- NBM Commercial Loan**

187,408,069

The loans which are due to National Bank of Malawi are secured against property including land on Title Number Mawelo 4/1/1 situated at Mpingu in Lilongwe district. The two loans are repayable over 5 years in equal monthly instalments and mature on 31st March 2029 and 31st August 2027 respectively. The loans bear fixed interests at 11% and 31% per annum respectively.

- Remaining Tenure (Difference between December 2023 and Maturity Date:**

Facility Name	Original Loan Term	Elapsed Time as at 31 st December 2023	Remaining Tenure
NBM FINES Loan	5 years (60 months)	Not Applicable (Loan Disbursed in April 2024)	5 years (60 months)
NBM Commercial Loan	5 years (60 months)	1 year and 4 months (16 months)	3 years and 8 months (44 months)

- Amount left to be paid on the NBM facilities for the remaining tenure:**

Loan Name	Total Principal Payable (MK)	Total Interest Payable (MK)	Total Payable (MK)
NBM FINES Loan	252,324,576	72,763,289	325,087,866
NBM Commercial Loan	187,408,069	111,812,506	299,220,575

NOTE: Amount left to be paid on NBM facilities is for remaining tenure from July 2024 to the maturity dates for both loans which is 31st March 2029 and 31st August 2027 respectively.

**SIGNIFICANT PRINCIPAL ACCOUNTING POLICIES
FOR THE YEARS ENDED 31 DECEMBER 2023, 2022 AND 2021**

SIGNIFICANT ACCOUNTING POLICIES (continued)

(1.18) Contingent Liabilities

There were no contingent liabilities as at the statement of financial position date.

(1.19) Subsequent Events

No events had occurred subsequent to the statement of financial position date, which require adjusting the financial statements as at 31st December 2023, 2022 and 2021.

(1.20) Going Concern

There is a commitment from the Directors to the imminent growth of the business and management has ascertained that there are no events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.