



EDGARS STORES  
LIMITED

**Directors:** T.N. Sibanda (Chairman), C.F. Dube, S. Mushosho\* (CEO), C. Mutevhe\* (CFO), P. Mnyama\*, M. Hosack, C. Claassen, M. Robb. \*Executive  
**Registered address:** 15th Floor, ZB Life Towers, Corner Sam Nujoma Street & Jason Moyo, Harare, Zimbabwe.

ABRIDGED CIRCULAR TO SHAREHOLDERS

Relating to and seeking approvals for:

The Termination of the Listing of Edgars Stores Limited on the Zimbabwe Stock Exchange and the simultaneous Listing by Introduction of Edgars Stores Limited on the Victoria Falls Stock Exchange and Incorporating a

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Notice of an Extraordinary General Meeting of the members of Edgars Stores Limited, to be held virtually by electronic means, at 1000 hours on Friday, 22 March 2024. The notice was published on Friday, 1 March 2024 in accordance with the Listings Requirements of the Zimbabwe Stock Exchange (“ZSE”) and the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe, as set out at the end of this Document. Shareholders are asked to complete and return the attached form of proxy in accordance with the instructions printed thereon as soon as possible, but not later than 1000 hours, on Wednesday, 20 March 2024.

Financial Advisors



Sponsoring Brokers



Legal Advisors



Transfer Secretaries



Action Required by Edgars Shareholders

- Read this Document in its entirety. If you are in doubt as to the action you should take, you should immediately seek advice from an independent stockbroker, bank manager, legal practitioner, accountant, or any other professional advisor of your choice;
- Attend and vote at the EGM to be held on Friday, 22 March 2024; and
- Shareholders who cannot attend the EGM but wish to be represented thereat should complete and sign the Proxy Form included with this Document and ensure it is lodged at the Transfer Secretaries' registered office being 2nd Floor ZB Centre Corner First Street & Kwame Nkrumah Avenue, Harare, Zimbabwe or emailed to: corpserve@escrowgroup.org.
- The Proxy Form should be received by the Transfer Secretaries by no later than 1600 hours on Wednesday, 20 March 2024. Proxy Forms may, however, be accepted at the discretion of the Chairman up to 1 (one) hour before the commencement of the EGM. Shareholders may attend the meeting virtually, notwithstanding the completion and return of a Proxy Form.

Date of issue of this document: Friday, 1 March 2024

OVERVIEW OF THE PROPOSED TRANSACTION

On Friday, the 2nd of February 2024, the Board of Directors of Edgars Stores Limited (“Edgars”, “the Company” or “the Group”) passed a resolution in support of the termination of Edgars' Zimbabwe Stock Exchange (“ZSE”) Listing, with the intent to list the Company's shares on the Victoria Falls Stock Exchange (“VFEX”) by way of Introduction (“the Proposed Transaction”).

The Rationale for Edgars Stores Limited's Migration from the ZSE to the VFEX

- Enhanced accessibility to USD capital and expansion of investor base:** Edgars will gain an enhanced capacity to raise capital in foreign currency, supporting the Company's foreign currency needs. The potential development of the VFEX into a regional exchange strengthens Edgars' position of attracting a more extensive investor base, aiding the Company in its endeavors for domestic and regional expansion. Additionally, the USD reporting mandate on VFEX will contribute to a reduced risk perception for Edgars. This, in turn, will afford the Company greater leverage to access alternative forms of financing on favourable terms.
- Reduced trading costs:** The VFEX's reduced trading costs of 2.31%, in contrast to the 4.63% on the ZSE, allows Shareholders to preserve more value upon the disposal of shares.
- Greater liquidity of shares:** Lower trading costs and reduced risk perception on the VFEX, attributed to USD pricing of Edgars' stock and the capability to provide foreign currency dividends, can stimulate liquidity for Edgars shares.
- Less restrictions on the repatriation of dividends for foreign shareholders:** The VFEX provides foreign shareholders with the freedom to repatriate dividends and proceeds from share disposals without hindrance, compared to the ZSE which faces exchange control challenges due to its trading in local currency and the widespread shortage of foreign currency nationwide.
- Additional tax incentives:** The VFEX provides tax incentives for Shareholders, encompassing a 5% withholding tax on dividends for foreign investors and exemption from capital gains tax on share disposal. This results in improved earnings for Shareholders compared to the ZSE.
- Mitigated valuation volatility and improved performance benchmark:** The VFEX's de facto third-party USD valuation of the Company facilitates Edgars' current Shareholders in realising the actual value of their investment and establishes a more precise benchmark for the stock's performance. Additionally, the USD valuation safeguards the Company's value, minimizing valuation volatility by acting as a hedge to the ZWL. This not only offers greater investor protection compared to the ZSE but also serves as a mechanism to preserve the Company's value.
- Efficient financial reporting:** Companies listed on the VFEX are required to present their financial results in USD. This facilitates a more effective assessment of the Company's performance compared to the ZWL, which foreign investors may find challenging to fully comprehend due to its volatility. Additionally, VFEX-listed firms are obligated to adhere to specific governance and reporting standards, contributing to enhanced overall management and Company performance.

TIMETABLE FOR THE PROPOSED TRANSACTION

ACTIVITY	ESTIMATED DATES
Edgars EGM Notice and announcement published	Friday, 01 March 2024
Voting Record Date, Edgars share register closed (at 1600hrs)	Tuesday, 19 March 2024
Last day of trading Edgars Shares prior to the EGM	Tuesday, 19 March 2024
Last day of lodging Proxy Forms (at 1600hrs)	Wednesday, 20 March 2024
Edgars EGM (at 1000 hours)	Friday, 22 March 2024
Publication of results of Edgars EGM	Monday, 25 March 2024
Trading of Edgars shares resumes following the EGM	Monday, 25 March 2024
Last day of trading Edgars Shares on the ZSE	Wednesday, 27 March 2024
Transfer of Edgars share register from the ZSE to the VFEX	Thursday, 04 April 2024
Estimated completion of Edgars VFEX Listing	Friday, 05 April 2024
First day of trading of Edgars shares on the VFEX	Monday, 08 April 2024

CONDITIONS PRECEDENT

A cautionary announcement has been issued to the Shareholders of Edgars, informing them of the Company's intention to delist from the ZSE. The ZSE has granted authority to delist Edgars' shares from the ZSE subject to the conditions listed below:

- Edgars Board approval of the listing of the Company's ordinary shares on the VFEX;
- The passing by Shareholders of Edgars of the resolutions, by the requisite majority, at an EGM to be held on Friday, 22 March 2024, in terms of the Notice of the EGM published in the national press dated Friday, 1 March 2024; and
- Obtaining all such necessary regulatory approvals as may be required, including the issue of a letter of good standing by the ZSE to Edgars.

OVERVIEW OF EDGARS STORES LIMITED

Edgars Stores Limited is a Zimbabwe-based retailer offering clothing and merchandise for the middle to upper income at competitive prices. It offers a range of casual wear clothing, footwear and accessories for children, ladies and gents in branded stores in Zimbabwe. Edgars manufactures clothing, as well as distributing and selling clothing, footwear, textiles and accessories through a network of stores in Zimbabwe. The Company is organized into four operating segments: Edgars Stores, which sells fashion apparel and accessories; Jet Stores, which sells clothing, footwear, cosmetics, household textiles and school uniforms; and Carousel that manufactures for the chains and exports to the region. Additionally, Edgars has a micro finance business unit, Club Plus and Financial Services, which provides a credit facility as an alternative to cash, to provide their customers with value for their spend.

The Company was founded by Sydney Press in 1946 and opened its first store in Bulawayo. The Company was then publicly listed in 1974. The clothing retail giant boasts of operations countrywide through its 58 stores. Spanning over (7) decades of existence, the Company's vision is to provide their customers an opportunity to experience and enjoy the complete Edgars lifestyle. The Company's core business includes the retailing of clothing, footwear, textiles and accessories.

Company Structure



The Edgars Stores Limited is organised into strategic business units: namely retailing, manufacturing and financial services.

Retailing

Edgars Stores retails their products through the following established brands:

- Edgars:** The brand provides quality fashion, and convenient shopping at competitive prices tailored for the middle to upper-income groups. It offers a range of fashion merchandise without compromising on quality, ensuring affordability for the entire family. Competitive credit options are extended to customers. The brand's pleasant and convenient stores are designed to provide customers with a superior shopping experience. The Edgars brand currently has 24 stores countrywide.
- Jet:** The brand seamlessly integrates clothing and various items from general dealers, including white goods, kitchenware, and hardware. It delivers good quality commercial fashion at competitive value, featuring attractive opening price points that cater to the lower to middle-income demographic. The stores create pleasant and economical shopping environments, designed for self-service, while also offering assisted service when needed. Jet currently has 36 branches across Zimbabwe with plans for expansion.

Manufacturing

Carousel is the manufacturing division of Edgars Stores Limited that produces a wide range of denim, ladies, men's, kids, corporate and work wear. Carousel's merchandise is mostly manufactured for our in-house retail chains, independent retailers and corporates. Carousel also manufactures in-house brands which include:

- Quote urbanwear (ladies' and men's casual wear);
- Poise (ladies' formal wear); and
- Magnifique (mature ladies' occasion wear).

Club Plus and Financial Services

Club Plus (Private) Limited is the Group's micro finance business unit. Club Plus offers micro finance loans to the lower to middle income customer group at competitive interest rates.

The financial services arm manages the retail debtors' book and insurance products including the Hospital Cash Plan. The Edgars Club Zimbabwe is a loyalty program designed to benefit Edgars stores customers.

THIS ABRIDGED CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Edgars Stores Limited, Incorporated in Zimbabwe in 1948 under Company Registration Number 379/1948)



EDGARS STORES  
LIMITED

ABRIDGED CIRCULAR TO SHAREHOLDERS

5. CORPORATE GOVERNANCE

5.1. Introduction

The Board of Directors is responsible for leadership, strategy formulation and implementation, governance and performance of Edgars Stores Limited. The Board discharges this obligation directly in meetings and through delegation to its sub-committees and management.

The Board’s responsibilities are well defined and adhered to. These are based on a predetermined assessment of materiality and include amongst others:

- Compliance with corporate governance principles (National Code of Governance in Zimbabwe);
- Evaluating and reviewing the Company’s strategic direction;
- Reviewing the Company’s risk universe and placing risk management responses;
- Reviewing the performance of executive management against business plans, budgets and industry standards;
- Ensuring that an effective and efficient internal control system through a comprehensive system of policies and procedures;
- Setting the correct tone on ethical behaviour and ensuring compliance with relevant laws and regulations;
- Evaluating on a regular basis material economic political, social and legal matters in the environment that impact the business and its various stakeholders, and directing appropriate responses;
- Taking external expert advice in the discharge of its duties; and
- Relevant and reliable financial reporting.

5.2. Board of Directors

The size and experience of the Board of Directors is dictated by the Articles of Association of the Company which permit a maximum of 12 directors. The Board currently has 8 members and is chaired by an Independent non-executive Chairman. Non-executive directors introduce an independent view to matters under consideration and add to the breadth and depth of experience of the Board. All the non-executive directors are independent in character and judgment. Adequate ‘directors’ and officers’ insurance cover has been purchased by the Company to meet any material claims against directors. Board meetings are held at least quarterly and whenever else circumstances necessitate. Directors are invited to add items to the agendas for Board meetings.

Additionally, the Board of Directors has two committees, namely the Audit and Risk Committee as well as the Remuneration and Nominations Committee.

5.3. Directors Interests

As at 9 July 2023, the interests, direct and indirect of the Directors in office in the shares of the Company, aggregated as to beneficial interest and non-beneficial interest are as follows:

	July 2023		July 2023		January 2023		January 2023	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
C. F. Dube	-	100	-	-	-	100	-	-
T. N. Sibanda	-	100	-	-	-	100	-	-
Total	-	200	-	-	-	200	-	-

No changes in Directors’ shareholdings have occurred between the financial year end and the date of publishing of this Circular.

During the period, no Director of the Company had any material interest in any contract of significance with the Company or any of its subsidiaries which would have given rise to a related conflict of interest.

5.4. Directors Remuneration and Service Contracts

There are no material particulars of an abnormal nature in respect of Edgars Directors’ service contracts which require specific disclosure, nor any Directors’ service contracts entered into during the period of six (6) months prior to the publishing of this Circular.

6 MATERIAL CONTRACTS

As of 9 July 2023, Edgars had not entered into any material contracts, other than in the ordinary course of business.

7 LITIGATION

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

8 DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

The public may inspect this Circular and the documents available as listed below between 0800 hours and 1600 hours from Friday, 1 March 2024 to Thursday, 21 March 2024 at the Sponsoring Brokers registered address being Block 3, Tunsgate Business Park, 30 Tunsgate Road, Mount Pleasant, Harare, Zimbabwe or Edgars’ registered office provided on the first page of this document.

- The substituted Memorandum and Articles of Association of the Company;
- Edgars Board Approval of the Proposed Transaction;
- Consent Letters from all Experts on the Proposed Transaction;
- The Audited Financial Statements and including the Independent Reporting Accountant’s Report on the historical information of Edgars for the three financial years ended 10 January 2021, 8 January 2022 and 9 January 2023, which is set out in the full Circular;
- The Reviewed Half Year Financial Statements including the Independent Reporting Accountant’s Report on the historical information of Edgars for the half year ended 9 July 2023 which is set out in the full Circular; and
- The ZSE approval letter for the distribution of the Circular.

9 DIRECTORS’ RESPONSIBILITY STATEMENT

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

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

10 ABRIDGED EDGARS HISTORICAL FINANCIAL STATEMENTS

ABRIDGED GROUP STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period Figures are in Zimbabwe dollars (ZWL)	INFLATION ADJUSTED			
	Six months to 09 July 2023	Full Year to 08 January 2023	Full Year to 09 January 2022	Full Year to 10 January 2021
	Reviewed	Audited	Audited	Restated
Revenue	50,679,043,338	35,924,064,749	23,675,762,649	3,771,794,989
Sale of merchandise	39,108,103,150	26,163,668,276	19,121,594,110	3,266,907,014
Cost of Sales	(9,801,947,723)	(13,884,135,489)	(9,169,397,908)	(2,213,488,075)
Gross profit	29,306,155,427	12,279,532,787	9,952,196,202	1,053,418,939
Revenue from micro-lending and debtors accounts	11,400,740,070	9,660,985,212	4,502,787,462	497,209,664
Other revenue	170,200,118	99,411,261	51,381,077	7,678,311
Other income	225,466,265	77,191,217	96,854,620	-
Other expenses	(7,220,098,531)	(4,713,360,050)	(3,768,100,381)	(773,155,676)
Movement in credit losses	(196,672,320)	(562,012,624)	(81,253,601)	(7,683,832)
Selling expenses-store expenses	(14,276,247,284)	(5,968,210,266)	(3,973,048,204)	(1,166,442,930)
Financial Services expenses	(1,774,906,510)	(3,186,487,394)	(909,455,937)	(96,197,926)
Trading profit / (loss)	17,634,637,235	7,687,050,143	5,871,361,238	(485,173,450)
Other operating gains/losses	3,556,062,593	231,201,197	(1,762,245,859)	89,552,784
Operating profit / (loss)	21,190,699,828	7,918,251,340	4,109,115,379	(395,620,666)
Finance income	-	-	67,356,352	228,485
Finance costs	(3,588,857,658)	(4,321,861,379)	(1,988,682,065)	(293,251,892)
Net monetary (loss) / gain	(3,620,736,937)	(1,683,399,464)	(159,359,819)	398,186,728
Profit / (loss) before taxation	13,981,105,233	1,912,990,497	2,028,429,847	(290,457,345)
Taxation	(8,017,800,114)	(1,718,542,228)	(107,314,797)	(31,665,018)
Profit/(loss) for the year	5,963,305,119	194,448,269	1,921,115,050	(322,122,363)
Other comprehensive income: Items that will not be reclassified to profit or loss:				
Revaluation/(Impairment) of property, plant and equipment	-	-	(420,162,868)	44,676,506
Deferred tax arising on (revaluation)/impairment	-	103,864,262	-	(11,044,032)
Total items that will not be reclassified to profit or loss	-	(316,298,606)	-	33,632,474
Other comprehensive gain/(loss) for the year net of taxation	-	(316,298,606)	-	33,632,474
Total comprehensive income/(loss) for the year	5,963,305,119	194,448,269	160,481,644	(288,489,889)
Earnings per share (cents):				
Basic	1040.23	33.92	335.13	-78.89
Diluted	1034.75	33.74	333.34	78.89

For the period Figures are in Zimbabwe dollars (ZWL)	HISTORICAL			
	Six months to 09 July 2023	Full Year to 08 January 2023	Full Year to 09 January 2022	Full Year to 10 January 2021
	Reviewed	Audited	Audited	Restated
Revenue	39,314,262,913	24,046,227,856	5,731,273,425	1,705,035,879
Sale of merchandise	32,091,866,676	17,739,993,527	4,647,929,630	1,503,110,782
Cost of Sales	(7,096,522,908)	(6,406,338,726)	(2,209,600,469)	(547,583,572)
Gross profit	24,995,343,768	11,333,654,801	2,438,329,161	955,527,210
Revenue from micro-lending and debtors accounts	7,147,316,172	6,243,010,355	1,070,955,091	198,353,924
Other revenue	75,080,065	63,223,974	12,388,704	3,571,173
Other income	144,450,418	59,396,045	23,303,952	-
Other expenses	(22,516,927,683)	(468,805,094)	(925,408,814)	(289,835,068)
Movement in credit losses	(1,054,264,373)	(441,263,186)	(25,075,105)	(4,465,197)
Selling expenses-store expenses	(13,274,371,542)	(6,579,589,426)	(781,973,969)	(292,676,109)
Financial Services expenses	(3,651,694,650)	(2,150,358,402)	(217,021,621)	(45,798,229)
Trading profit / (loss)	(8,135,067,825)	8,059,269,067	1,595,497,399	524,677,704
Other operating gains/losses	15,349,764,537	(547,944,870)	(436,397,335)	51,206,829
Operating profit / (loss)	7,214,696,712	7,511,324,197	1,159,100,064	575,884,533
Finance income	-	-	5,119,103	83,547
Finance costs	(2,994,499,968)	(3,410,371,948)	(460,279,215)	(53,840,600)
Net monetary (loss) / gain	-	-	-	-
Profit / (loss) before taxation	4,220,196,744	4,100,952,249	703,939,952	522,127,480
Taxation	(5,757,700,529)	(759,575,046)	6,911,460	(132,516,410)
Profit/(loss) for the year	(1,537,503,785)	3,341,377,203	710,851,412	389,611,070
Other comprehensive income: Items that will not be reclassified to profit or loss:				
Revaluation/(Impairment) of property, plant and equipment	30,308,438,819	-	223,218,023	472,085,951
Deferred tax arising on (revaluation)/impairment	(7,492,246,076)	-	(55,178,970)	(116,699,647)
Total items that will not be reclassified to profit or loss	22,816,192,743	-	168,039,053	355,386,304
Other comprehensive gain/(loss) for the year net of taxation	22,816,192,743	-	168,039,053	355,386,304
Total comprehensive income/(loss) for the year	21,278,688,958	3,341,377,203	878,890,465	744,997,374
Earnings per share (cents):				
Basic	268.2	-	-	-
Diluted	266.79	-	-	-



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ABRIDGED CIRCULAR TO SHAREHOLDERS

ABRIDGED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at	INFLATION ADJUSTED			
	9 July 2023	8 January 2023	9 January 2022	10 January 2021
Figures are in Zimbabwe dollars (ZWL)	Audited	Audited	Audited	Restated
<b>Non-Current Assets</b>				
Property, plant and equipment	7,575,260,540	2,425,054,880	2,558,110,412	955,169,198
Right-of-use assets	7,637,785,859	2,445,071,001	1,603,069,165	487,456,641
Intangible assets	733,014,483	234,658,642	247,382,774	85,004,537
Deferred tax	162,954,749	52,166,418	-	-
<b>Total non-current assets</b>	<b>16,109,015,631</b>	<b>5,156,950,941</b>	<b>4,408,562,351</b>	<b>1,527,630,376</b>
<b>Current Assets</b>				
Inventories	12,681,064,070	4,059,566,816	6,280,107,048	883,554,240
Loans and advances to customers	2,180,307,035	697,977,870	521,076,657	48,815,968
Trade and other receivables	27,200,535,681	8,707,659,816	6,560,513,362	726,054,161
Current tax receivable	-	-	17,901,997	-
Bank and cash Balances	7,160,432,664	2,292,256,766	1,542,929,004	451,173,727
Total current assets	<b>49,222,339,470</b>	<b>15,757,461,268</b>	<b>14,922,528,068</b>	<b>2,109,598,096</b>
<b>Total Assets</b>	<b>65,331,355,101</b>	<b>20,914,412,209</b>	<b>19,331,090,419</b>	<b>3,637,228,472</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share Capital	2,847,009,569	911,408,184	911,408,184	265,129,308
Reserves	2,896,388,449	927,215,758	927,215,758	362,307,519
Retained Income	21,064,965,712	6,743,490,553	6,549,042,287	1,345,699,142
<b>Total equity</b>	<b>26,808,363,730</b>	<b>8,582,114,495</b>	<b>8,387,666,229</b>	<b>1,973,135,969</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Borrowings	214,135,720	68,550,893	-	144,499,585
Lease liabilities	2,570,088,172	-	604,692,795	242,580,440
Deferred tax	-	822,757,822	934,885,409	389,081,398
<b>Total non-current liabilities</b>	<b>2,784,223,892</b>	<b>891,308,715</b>	<b>1,539,578,204</b>	<b>776,161,423</b>
<b>Current Liabilities</b>				
Trade and other payables	11,029,834,125	3,530,961,468	3,468,934,547	481,140,677
Borrowings	12,441,023,454	4,853,258,253	5,199,721,235	248,690,519
Lease Liabilities	7,913,571,364	2,533,357,732	585,252,772	92,059,691
Current tax payable	1,046,990,615	335,171,271	-	57,125,338
Dividend payable	6,387,313	2,044,759	2,044,759	594,822
Contract Liabilities	581,627,885	186,195,516	147,892,673	8,320,033
Bank overdrafts	2,719,332,723	-	-	-
<b>Total current liabilities</b>	<b>35,738,767,479</b>	<b>11,440,988,999</b>	<b>9,403,845,986</b>	<b>887,931,080</b>
<b>Total Liabilities</b>	<b>38,522,991,371</b>	<b>12,332,297,714</b>	<b>10,943,424,190</b>	<b>1,664,092,503</b>
<b>Equity and Liabilities</b>	<b>65,331,355,101</b>	<b>20,914,412,209</b>	<b>19,331,090,419</b>	<b>3,637,228,472</b>

As at	HISTORICAL			
	9 July 2023	8 January 2023	9 January 2022	10 January 2021
Figures are in Zimbabwe dollars (ZWL)	Audited	Audited	Audited	Restated
<b>Non-Current Assets</b>				
Property, plant and equipment	34,297,818,106	1,049,886,231	739,661,982	531,433,029
Right-of-use assets	7,360,949,988	884,926,748	259,406,142	190,301,662
Intangible assets	733,014,483	1,731,080	1,732,648	1,936,727
Deferred tax	-	276,935,761	-	-
<b>Total non-current assets</b>	<b>42,391,782,577</b>	<b>2,213,479,820</b>	<b>1,000,800,772</b>	<b>723,671,418</b>
<b>Current Assets</b>				
Inventories	11,510,054,518	2,555,239,917	1,271,883,112	386,034,460
Loans and advances to customers	3,140,856,954	697,977,870	151,581,581	30,370,053
Trade and other receivables	50,455,255,439	8,707,659,817	1,908,140,441	451,702,682
Current tax receivable	7,878,887,234	-	5,207,682	-
Bank and cash Balances	12,198,154,554	2,292,256,766	448,839,177	280,690,330
Total current assets	<b>85,183,208,699</b>	<b>14,253,134,370</b>	<b>3,785,651,993</b>	<b>1,148,797,525</b>
<b>Total Assets</b>	<b>127,574,991,276</b>	<b>16,466,614,190</b>	<b>4,786,452,765</b>	<b>1,872,468,943</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share Capital	2,847,009,569	73,411,672	73,411,672	73,411,672
Reserves	25,712,581,192	551,200,508	551,200,508	371,141,103
Retained Income	19,527,461,927	4,512,797,247	1,171,420,044	473,570,611
<b>Total equity</b>	<b>48,087,052,688</b>	<b>5,137,409,427</b>	<b>1,796,032,224</b>	<b>918,123,386</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Borrowings	437,037,182	68,550,893	-	89,898,046
Lease liabilities	-	-	90,685,040	150,917,440
Deferred tax	19,685,208,211	-	175,905,576	163,647,548
<b>Total non-current liabilities</b>	<b>20,122,245,393</b>	<b>68,550,893</b>	<b>266,590,616</b>	<b>404,463,034</b>
<b>Current Liabilities</b>				
Trade and other payables	22,104,505,913	3,530,961,468	1,009,115,600	299,333,777
Borrowings	27,262,125,578	4,853,258,253	1,512,602,715	154,718,725
Lease Liabilities	7,349,623,381	2,533,357,732	170,250,461	57,273,426
Current tax payable	287,039,933	335,171,271	-	35,539,592
Dividend payable	6,387,313	370,059	370,059	370,059
Contract Liabilities	231,690,599	7,535,087	31,491,090	2,646,944
Bank overdrafts	2,124,320,478	-	-	-
<b>Total current liabilities</b>	<b>59,365,693,195</b>	<b>11,260,653,870</b>	<b>2,723,829,925</b>	<b>549,882,523</b>
<b>Total Liabilities</b>	<b>79,487,938,588</b>	<b>11,329,204,763</b>	<b>2,990,420,541</b>	<b>954,345,557</b>
<b>Equity and Liabilities</b>	<b>127,574,991,276</b>	<b>16,466,614,190</b>	<b>4,786,452,765</b>	<b>1,872,468,943</b>

ABRIDGED CONSOLIDATED STATEMENTS OF CASHFLOWS

For the period	INFLATION ADJUSTED			
	Six months to 09 July 2023	Full Year to 08 January 2023	Full Year to 09 January 2022	Full Year to 10 January 2021
Figures are in Zimbabwe dollars (ZWL)	Reviewed	Audited	Audited	Restated
<b>Cash flows from operating activities</b>				
Profit/(loss) before taxation	13,981,105,233	1,912,990,499	2,028,429,847	(290,457,345)
<b>Adjustments for:</b>				
Finance income	(11,400,740,070)	(9,660,985,212)	(4,570,143,814)	(448,494,527)
Finance costs	3,588,857,658	4,321,861,379	1,988,682,065	293,251,892
Non-cash items	4,766,726,470	(1,985,743,176)	764,484,288	162,911,563
<b>Changes in working capital:</b>				
(Increase)/decrease in inventories	(10,459,554,042)	2,220,540,232	(3,363,097,976)	733,891,337
(Increase)/decrease in trade and other receivables	(2,916,422,993)	(2,147,146,454)	(4,187,358,009)	128,391,140
Decrease/(increase) in loans and advances to customers	373,922,600	(176,901,213)	(368,803,166)	(2,269,697)
Increase in trade and other payables	2,546,077,022	62,026,921	1,814,965,947	(652,181,358)
Increases/(decrease) in contract liabilities	668,905,190	38,302,843	119,291,738	3,716,934
<b>Cash generated from/(utilised in) operations</b>	<b>1,148,877,068</b>	<b>(5,415,054,181)</b>	<b>(5,773,549,080)</b>	<b>(71,240,061)</b>
Tax paid	(1,331,093,124)	(987,219,709)	(556,358,861)	(140,516,884)
Finance income received	892,327,418	9,067,260,649	3,926,628,620	421,288,287
Finance costs paid	(2,885,090,799)	(3,663,151,604)	(1,102,013,833)	(177,052,702)
Lease interest paid	(285,466,687)	(701,500,610)	(473,967,858)	(116,199,190)
<b>Net cash utilised in operating activities</b>	<b>(2,460,446,124)</b>	<b>(1,699,665,455)</b>	<b>(3,979,261,012)</b>	<b>(83,720,550)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(1,114,200,284)	(811,549,565)	(414,518,637)	(64,767,325)
Proceeds from disposal of property, plant and equipment	-	5,533,080	-	539,351
<b>Net cash utilised in investing activities</b>	<b>(1,114,200,284)</b>	<b>(811,549,565)</b>	<b>(408,985,557)</b>	<b>(64,227,974)</b>
<b>Cash flows from financing activities</b>				
Proceeds from rights issue	-	-	-	131,053,771
Proceeds from exercise of share options	-	-	-	732,754
Proceeds from borrowings	12,409,523,933	19,205,171,306	11,986,407,386	1,309,866,167
Repayment of borrowings	(10,877,017,636)	(14,178,106,466)	(7,575,241,660)	(863,035,707)
Payment on lease liabilities	(229,764,123)	(780,862,161)	(326,071,053)	(84,136,999)
<b>Net cash generated from financing activities</b>	<b>1,302,742,174</b>	<b>4,246,202,679</b>	<b>4,085,094,673</b>	<b>494,479,986</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,271,904,234)</b>	<b>1,734,987,659</b>	<b>(303,151,896)</b>	<b>346,531,462</b>
Cash and cash equivalents at the beginning of the year	4,819,721,522	754,373,495	1,118,964,131	(21,023,978)
Effect of exchange rate fluctuations on cash held	(438,315,992)	(1,067,639,607)	(61,438,740)	-
<b>Cash and cash equivalents at the end of the period</b>	<b>2,109,501,296</b>	<b>1,421,721,547</b>	<b>754,373,495</b>	<b>325,507,484</b>

For the period	HISTORICAL			
	Six months to 09 July 2023	Full Year to 08 January 2023	Full Year to 09 January 2022	Full Year to 10 January 2021
Figures are in Zimbabwe dollars (ZWL)	Reviewed	Audited	Audited	Restated
<b>Cash flows from operating activities</b>				
Profit/(loss) before taxation	4,220,196,744	4,100,952,249	703,939,952	522,127,480
<b>Adjustments for:</b>				
Finance income	(7,147,316,172)	(6,243,010,355)	(1,076,074,194)	(177,978,986)
Finance costs	2,994,499,968	3,410,371,948	460,279,215	53,840,600
Non-cash items	23,525,816,275	5,107,006,932	12,336,621	159,552,941
<b>Changes in working capital:</b>				
(Increase)/decrease in inventories	1,171,009,551	(1,283,356,805)	(885,848,652)	(246,900,121)
(Increase)/decrease in trade and other receivables	(23,254,719,754)	(6,799,519,375)	(1,456,437,759)	(315,851,554)
Decrease/(increase) in loans and advances to customers	(960,549,918)	(546,396,289)	(121,211,528)	(24,110,247)
Increase in trade and other payables	11,074,671,783	2,521,845,868	709,781,823	118,787,264
Increases/(decrease) in contract liabilities	(349,937,286)	(23,956,003)	28,844,146	2,008,545
<b>Cash generated from/(utilised in) operations</b>	<b>11,273,671,191</b>	<b>243,938,170</b>	<b>(1,624,390,376)</b>	<b>91,475,922</b>
Tax paid	(1,542,982,082)	(873,839,843)	(161,846,022)	(63,266,360)
Finance income received	8,412,538,235	5,357,134,251	1,263,273,235	140,320,709
Finance costs paid	(3,024,834,388)	(3,333,312,091)	(228,949,604)	(55,315,371)
Lease interest paid	(255,078,921)	(596,051,381)	(111,274,770)	(34,844,152)
<b>Net cash generated from/(utilised in) operating activities</b>	<b>14,863,314,035</b>	<b>797,869,106</b>	<b>(863,187,537)</b>	<b>78,370,748</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(94,492,892)	(598,012,718)	(106,523,428)	(36,190,005)
Proceeds from disposal of property, plant and equipment	-	-	1,606,900	335,548
<b>Net cash utilised in investing activities</b>	<b>(94,492,892)</b>	<b>(598,012,718)</b>	<b>(104,916,528)</b>	<b>(35,854,457)</b>
<b>Cash flows from financing activities</b>				
Proceeds from rights issue	-	-	-	69,888,507
Proceeds from exercise of share options	-	-	-	240,522
Proceeds from borrowings	11,768,305,908	10,574,981,198	3,486,854,686	401,695,886
Repayment of borrowings	(8,009,019,447)	(7,806,918,611)	(2,370,015,595)	(283,316,865)
Payment on lease liabilities	(308,869,062)	(698,005,626)	(70,357,623)	(25,599,407)
Net cash generated from financing activities	3,450,417,399	2,070,056,961	1,046,481,468	162,908,643
<b>Net increase in cash and cash equivalents</b>	<b>18,219,238,542</b>	<b>2,269,913,349</b>	<b>78,377,403</b>	<b>205,424,934</b>
Cash and cash equivalents at the beginning of the year	1,421,721,547	219,447,802	202,509,139	(2,915,795)
Effect of exchange rate fluctuations on cash held	(9,567,126,013)	-	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>10,073,834,076</b>	<b>1,421,721,546</b>	<b>219,447,802</b>	<b>202,509,139</b>

THIS ABRIDGED CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Edgars Stores Limited, Incorporated in Zimbabwe in 1948 under Company Registration Number 379/1948)



ABRIDGED CIRCULAR TO SHAREHOLDERS

(Edgars Stores Limited, Incorporated in Zimbabwe in 1948 under Company Registration Number 379/1948)



NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of the Shareholders of Edgars Stores Limited (“the Company”) is to be held on Friday, 22 March 2024 at 1000 hours virtually by electronic means on <https://escrowagm.com/eagmZim/Login.aspx>, for the purpose of transacting the following business:

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

**SPECIAL RESOLUTION 1 – DELISTING OF EDGARS STORES LIMITED FROM THE ZIMBABWE STOCK EXCHANGE**  
**THAT** the Company’s shares be removed from the Main Board of the Zimbabwe Stock Exchange (“ZSE”) through a voluntary termination of the listing on the ZSE in terms of section 11 of the ZSE Listing Requirements.

**SPECIAL RESOLUTION 2- LISTING OF EDGARS STORES LIMITED ON THE VICTORIA FALLS STOCK EXCHANGE**  
**THAT** the Company’s ordinary shares be listed on the Victoria Falls Stock Exchange (“VFEX”) in accordance with the VFEX Listing Requirements.

**ORDINARY RESOLUTION 1 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS**  
**THAT** the Directors be and are hereby authorised to do any and all such things as may be necessary to give effect to the above resolutions and that any and all such actions already taken by the Directors in connection therewith be and are hereby ratified.

- NOTES:**
- a) Members are hereby advised to contact our Transfer Secretaries, Corpserve on +263 772 289 768 or +263 779 145 849 or e-mail at [corpserve@escrowgroup.org](mailto:corpserve@escrowgroup.org) for any assistance with any matter relating to the online EGM process.
  - b) **Audited financial statements and Annual Report:**  
Electronic Copies of the Company’s 2023 Annual Report, the financial statements and the Directors’ and Independent Auditors’ Reports for the year ended 8 January 2023, 2022, 2021 and half year ended 9 July 2023 are available on the Company’s website [www.edgars.co.zw](http://www.edgars.co.zw).
  - c) **Special and Ordinary Resolutions**  
A detailed Circular incorporating the transaction to be considered was published on Friday, 1 March 2024 is available on the Company’s website: [www.edgars.co.zw](http://www.edgars.co.zw)

BY ORDER OF THE BOARD

(Edgars Stores Limited, Incorporated in Zimbabwe in 1948 under Company Registration Number 379/1948)



FORM OF PROXY

I / We .....

Of.....

Being member/members of Edgars Stores Limited hereby appoint:

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

Or failing him or her/ Mr./Mrs./Ms./Dr.....

Of.....

As my/our proxy to vote for me/us on my/our behalf at the EGM of Edgars Stores Limited (“the Company”) to be held on Friday, 22 March 2024, at 1000 hours and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

Resolutions	For	Against	Abstain
<b>SPECIAL RESOLUTION 1 – DELISTING OF EDGARS STORES LIMITED FROM THE ZIMBABWE STOCK EXCHANGE (“ZSE”)</b> <b>THAT</b> the Company’s shares be removed from the Main Board of the Zimbabwe Stock Exchange through voluntary termination of the listing on the Zimbabwe Stock Exchange in terms of section 11 of the ZSE Listing Requirements.			
<b>SPECIAL RESOLUTION 2- LISTING OF EDGARS STORES LIMITED ON THE VICTORIA FALLS STOCK EXCHANGE (“VFEX”)</b> <b>THAT</b> the Company’s ordinary shares be listed on the Victoria Falls Stock Exchange in accordance with the VFEX Listing Requirements.			
<b>ORDINARY RESOLUTION 1 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS</b> <b>THAT</b> the directors be and are hereby authorised to do any and all such things as may be necessary to give effect to the above resolutions.			

Signed this..... day of ..... 2024

Signature(s) of member.....

FORM OF PROXY (CONTINUED)

NOTE

- In terms of Section 171 of the Companies and Other Business Entities Act (Chapter 24:31), members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not also be a member of the Company. A Director or Officer of the Company shall not be appointed as a proxy for a Shareholder.
- Regulation 80 of the Company’s Articles of Association provides that the instrument appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the time appointed for holding the meeting.
- Shareholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity; this authority must take the form of a resolution of the corporate body.
- According to the approval granted by the ZSE, Special Resolutions 1 and 2 may be passed by a threshold of 75 (seventy-five) per centum of the votes of all Shareholders present or represented by proxy at the EGM excluding the controlling shareholders, Annunaki Investments (Private) Limited, Bellfield Limited and their associates. Ordinary Resolution 1 may be passed by a threshold of 50 (fifty) per centum plus one ordinary share of the votes of all Shareholders present or represented by proxy at the EGM excluding the controlling shareholders, Annunaki Investments (Private) Limited, Bellfield Limited and their associates.

FOR OFFICIAL USE  
NUMBER OF SHARES HELD

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

- A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder’s choice in the space provided. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as a proxy to the exclusion of those whose names follow. No Director of the Company, nor any officer of the Company, may be appointed as a proxy.
- A Shareholder’s instruction to the proxy must be indicated by means of a cross/tick whether the Shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of all the Shareholder’s votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy or cast them in the same way.
- Deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration or correction must be initialled by the signatory or signatories.
- The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
  - under a power of attorney
  - on behalf of a companyunless that person’s power of attorney or authority is deposited at the offices of the Company’s transfer secretaries, or the registered office of the Company, not less than 48 hours before the meeting.
- If two or more proxies attend the meeting, then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted shall be regarded as the validly appointed proxy.
- When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
- The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
- In order to be effective, completed proxy forms must reach the Company’s Transfer Secretaries or the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM.
- Please ensure that name(s) of the member(s) on the form of proxy and the voting form are the same as those on the share register.