



MARKET CAPITALISATION METHOD

Market Capitalisation Methodology on ordinary shares published on www.zse.co.zw

ZSE publishes a market capitalisation for each ZSE listed entity on its reports and website. The market capitalisation is an approximation of the market value of the listed entity calculated by multiplying the previous trading day's last Volume Weighted Average price of its ordinary securities on ZSE by the number of ordinary securities on issue whether quoted on ZSE or not. The number of ordinary securities is calculated using the methodology below.

Number of ordinary securities

Generally, all of the ordinary securities issued by the listed entity will be included in the calculation of a listed entity's market capitalisation, whether quoted on ZSE or not. However, securities which are convertible into, or provide a right to, an ordinary equity security will not be included. Securities that are generally *excluded* from the market capitalisation calculation include, but are not limited to:

1. Partly paid securities
2. Preference shares
3. Convertible securities (of which the most common is options)
4. Rights and entitlements including those under deferred settlement trading
5. Debt securities

Market price

The market price used in the calculation of a listed entity's market capitalisation, is the previous trading day's closing Volume Weighted Average price of the entity's ordinary securities on ZSE. If the previous trading day's Volume Weighted Average price is not available (for example if the entity's securities did not trade the previous trading day), the previous Volume Weighted Average price will be used to calculate the market capitalisation.

Amendment

The total number of quoted or unquoted ordinary securities on issue and market capitalisation of a listed entity are updated at the close of each trading day and displayed the next trading day. The total number of ordinary securities on issue quoted or unquoted is based on information provided by listed entities in ZSE Listing Rule, Listing application form. If a listed entity is not required to lodge the form, ZSE will use other relevant announcements lodged by a listed entity to confirm the total number of ordinary securities on issue. This figure is adjusted on the date the ZSE grants quotation which is normally within three business days after lodgement of the form or relevant announcement (subject to any outstanding conditions, such as shareholder approval or incomplete corporate actions).

Dual-listed structures

For dual-listed entities listed i.e. one entity listed on two or more exchanges only the relevant securities issued by the entity listed on ZSE will be included in the calculation.

Suspended securities

In the case where a listed entity's securities or a class of securities that forms part of the market capitalisation calculation are suspended from trading, the market capitalisation field will display "S". The market capitalisation will be reinstated when the suspension is lifted or the affected class of securities is removed from official quotation.

As the market capitalisation is updated overnight, the market capitalisation will be displayed the next trading day after the entity's relevant securities are reinstated to trading.

Commencement of market capitalisation display

Market capitalisation is not provided for entities prior to the entity being admitted to the official list of ZSE and the commencement of quotation of the entity's main class of securities.

Further information

For further information about market capitalisation published on ZSE (including if you are a listed entity and have concerns about the market capitalisation or issued capital calculations for your entity), please contact ZSE on info@zse.co.zw.

Disclaimer

This methodology statement provides general information only and does not constitute financial advice. You should obtain independent advice from Securities and Exchange Commission of Zimbabwe licensee before making any financial decisions.

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