

ABRIDGED CIRCULAR TO SHAREHOLDERS

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Directors: Themba Sibanda (Chairman)*, Gary Sharp (Chief Executive Officer), Oliver Kamundimu (Chief Financial Officer), Michael Fowler, Sternford Moyo*, Evelyn Mkondo*. (*Non-Executive)



(Incorporated in Zimbabwe on 5 August 2010 under Company Registration Number 2888/2010)

Abridged Circular to Shareholders

2. OVERVIEW OF PADENGA

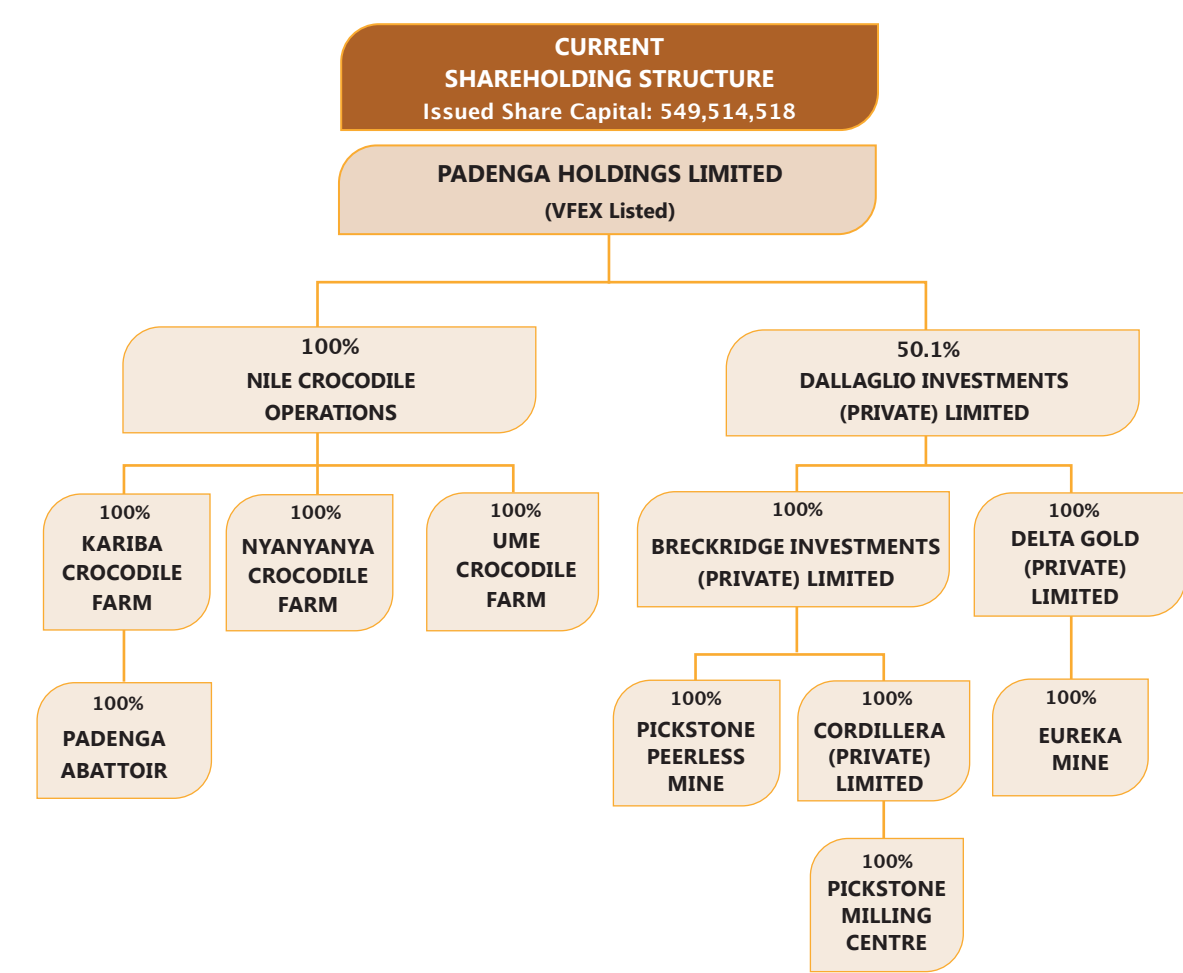
2.1. History of Padenga

Padenga is a public company listed on the Victoria Falls Stock Exchange, as from the 9th of July 2021. Initially, Padenga was listed on the Zimbabwe Stock Exchange. In this respect, it was the first listed company in Africa whose sole business is the production and sale of crocodilian skins and meat. The Company, formerly a division of the Innskor Africa Limited Group, listed in November 2010.

Today, Padenga is one of the world’s leading suppliers of premium quality crocodilian skins, accounting for nearly 85% of the supply of Nile crocodile (*Crocodylus niloticus*) skins to high end luxury brands globally. Padenga also has the capacity to produce crocodile meat from its export approved abattoir for sale to European markets, and opportunities for the export of crocodile meat are being vigorously pursued. The Company currently operates three crocodile farms in Zimbabwe, which are located on the shores of Lake Kariba. Padenga sold its interests in an alligator farm operation in the USA.

In September 2019, the Company acquired a 50.1% stake in a gold mining entity, Dallaglio Investments (Private) Limited, the holding Company to two large gold producing mines in the country, namely Pickstone Peerless and Eureka.

2.2. Group Structure



2.3. History of Padenga

2.3.1. Kariba Crocodile Farm

Kariba Crocodile Farm (“KCF”), established in 1965, is the oldest of the three farms and operates as the mother farm. It houses the Company’s main support facilities as well as Padenga’s export approved abattoir. The farm is situated on land leased from the Zimbabwe Parks & Wildlife Management Authority (“ZPWMA”). The farm employs approximately 98 (ninety-eight) employees in permanent roles and has the capacity to deliver up to 15,300 skins on an annual basis.

2.3.2. Nyanyanya Crocodile Farm

Contiguous with KCF and situated on land leased from Zimbabwe Parks and Wildlife Management Authority, Nyanyanya Crocodile Farm (“NCF”) represents the newest of Padenga’s farming operations in Zimbabwe. Construction of the farm started in 2005 and the infrastructure was designed against knowledge gained over many years. NCF employs 96 (ninety-six) staff members in permanent roles and has the capacity to deliver up to 15,300 (fifteen thousand three hundred) skins on an annual basis. This farm also carries the responsibility for the incubation of all the domestic and wild eggs collected each year.

2.3.3. Ume Crocodile Farm

Located 65km away from KCF and NCF, on the Ume River, this is the second oldest of the farms having been established in 1973. UCF is located on land leased from the Nyaminyami Rural District Council. UCF has the largest labour force with 145 (one hundred and forty-five) staff in permanent roles. The farm currently has an annual harvest capacity of around 15,300 (fifteen thousand three hundred) skins and also accommodates a major proportion of Padenga’s domestic breeder stock.

3. THE PROPOSED SCHEME OF RECONSTRUCTION AND RESTRUCTURING OF PADENGA

In 2019, Padenga acquired 50.1% of the issued share capital in Dallaglio which holds and operates gold mining assets. At the meeting held on 13 June 2023, the Board of Directors of Padenga considered and identified a potential opportunity for the restructuring of the Padenga group through the acquisition of the remaining 49.9% of the issued share capital in Dallaglio.

3. THE PROPOSED SCHEME OF RECONSTRUCTION AND RESTRUCTURING OF PADENGA (CONTINUED)

It was undertaken to conclude the Proposed Transaction via an issuance of 253,003,361 (two hundred and fifty-three million, and three thousand, three hundred and sixty-one) Padenga ordinary shares that are listed on the VFEX to the Dallaglio Minorities or their nominees in exchange for 8,982 (eight thousand nine hundred and eighty-two) ordinary shares in the Dallaglio Minorities. On successful completion of the transaction, Dallaglio will become a wholly owned subsidiary of Padenga. Appropriate valuation methods were applied to both companies to determine the aforementioned swap ratio and final terms were agreed following liaison between representatives of both the Padenga and Dallaglio Boards. The terms of the Proposed Transaction have been declared Fair and Reasonable by the Independent Financial Advisors.

4. BENEFITS OF THE PROPOSED TRANSACTION

The Proposed Restructuring of Padenga is expected to be value accretive to existing Padenga Shareholders based on the following merits:

- The acquisition of the remaining 49.9% shares in Dallaglio by Padenga will result in the Group having full (100%) control of the mining business and its investments resulting in the alignment of its operations with those of Padenga’s objectives.
- Dallaglio’s profits would fully accrue to Padenga’s Shareholders, potentially improving Padenga’s bottom line thus increasing Padenga’s consolidated earnings per share.
- The proposed structure would result in Padenga having a larger asset base that could be leveraged for capital raising for expansion.
- The new consolidated entity is anticipated to trade at a value higher than the current, resulting in increased value to Padenga Shareholders.

5. TIMETABLE FOR THE PROPOSED TRANSACTION

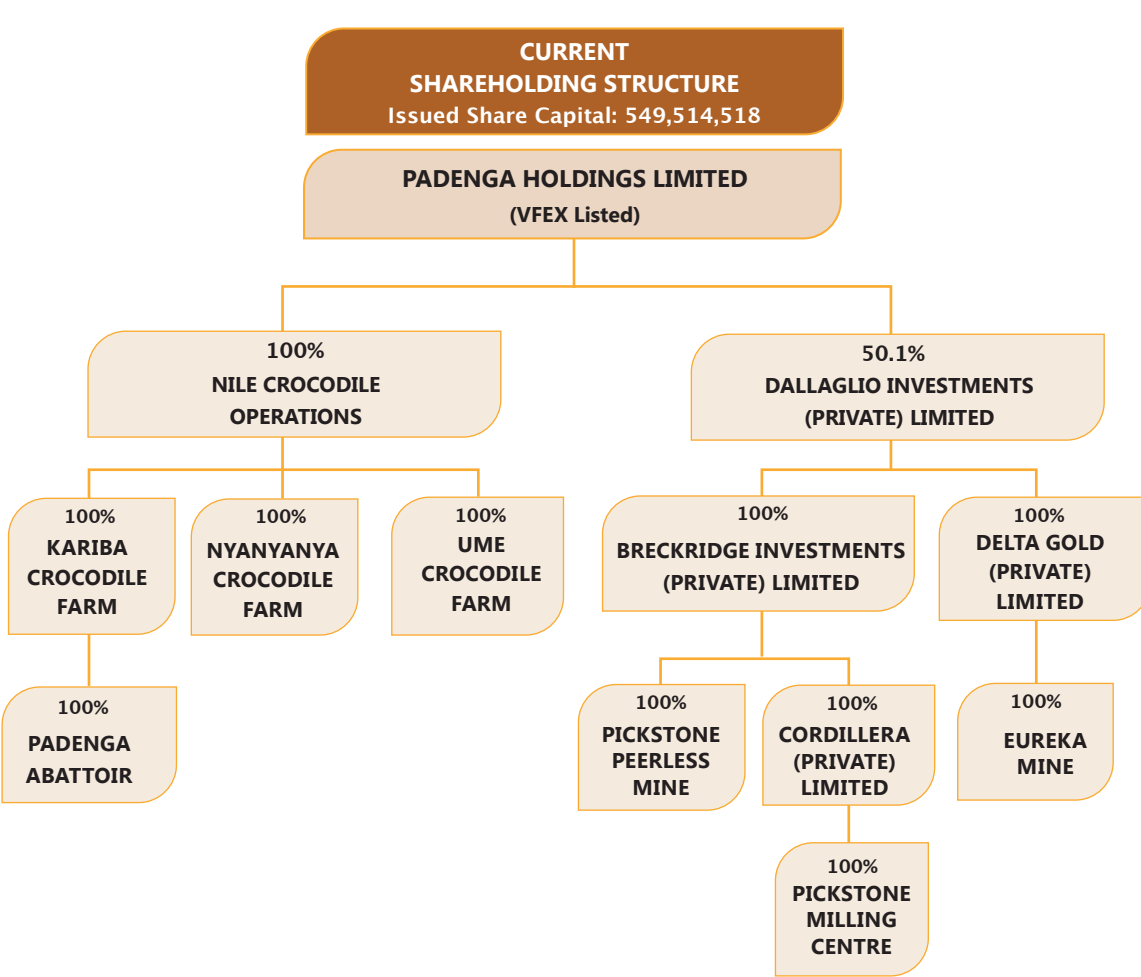
Important Dates	
Padenga EGM Notice and Circular published	Wednesday, 26 July 2023
Record Date, Padenga share register closed (at 1600 hours)	Wednesday, 9 August 2023
Last day of lodging Proxy Forms (at 1600 hours)	Thursday, 10 August 2023
Padenga EGM (at 1000 hours)	Wednesday, 16 August 2023
Publication of Results of Padenga EGM	Thursday, 17 August 2023

6. IMPACT ON SHARE CAPITAL

Indicative Padenga share capital structure before and after share issuance on the Effective Date of the Dallaglio acquisition			
	Before the New Shares are issued (reflecting NAV as at 31 December 2022)	New shares issued on the Effective Date of the Proposed Transaction	After new shares are issued (reflecting NAV as at 31 December 2022)
Authorised Share Capital	800,000,000	600,000,000	1,400,000,000
Issued share capital	549,514,518	253,003,361	802,517,879
Net asset value per share (Issued shares) (US\$)	0.1539	n/a	0.1052

Note that the impact reflected for the purposes of this Circular represents only the decrease in net asset value per share as a result of the shares issued at the Effective Date of the Dallaglio Acquisition and the related acquisition journals as reflected in the Unaudited Consolidated Proforma Statement of Financial Position detailed in paragraph 11.

The diagram below shows the structure of Padenga pre and post the Proposed Transactions, based on the current shares in issue and following the full issuance of the new shares.

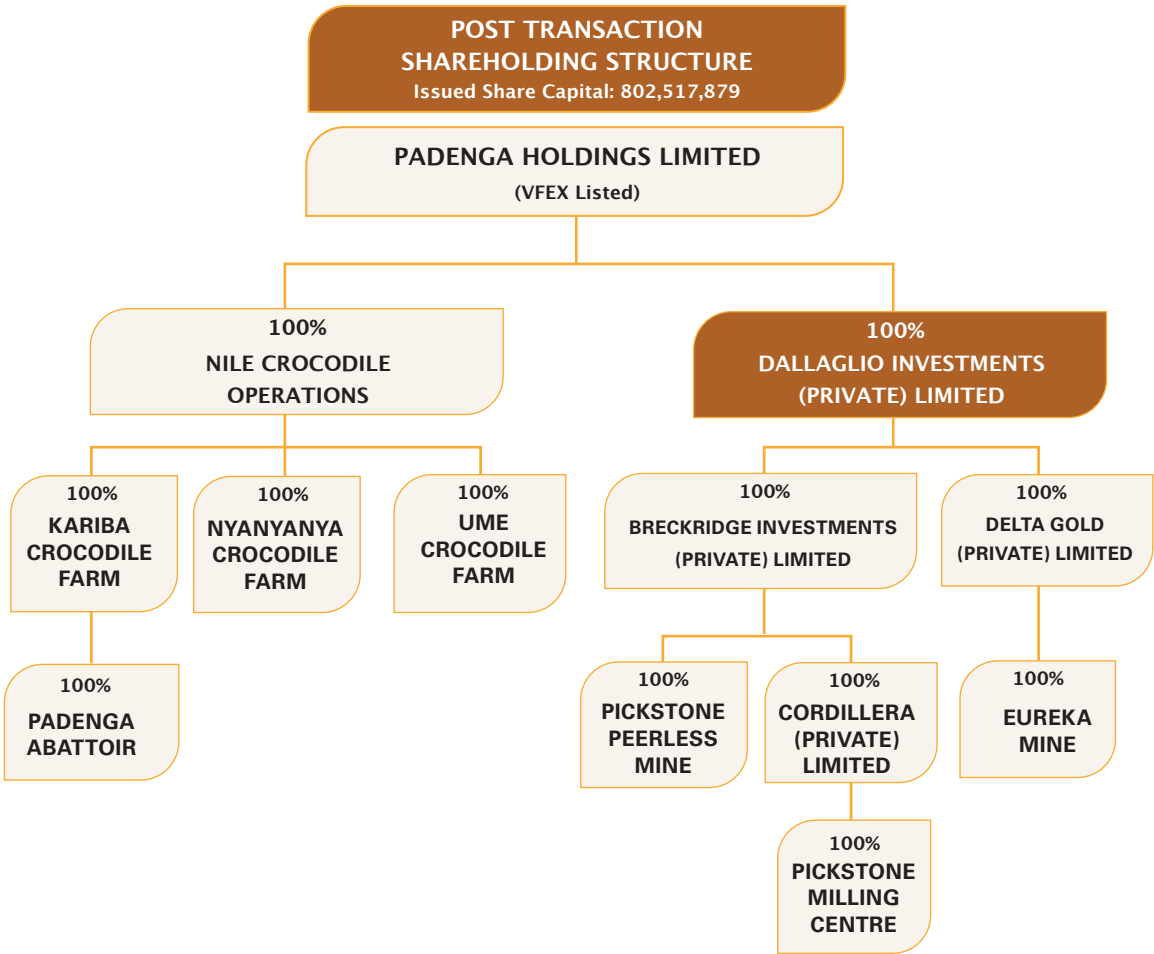




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Abridged Circular to Shareholders

6. IMPACT ON SHARE CAPITAL (CONTINUED)



7. CONDITIONS TO THE PROPOSED TRANSACTION

The implementation of the Proposed Transaction is conditional upon the following:

- The passing by Padenga’s Shareholders of the Resolutions, by the requisite majority, at an EGM to be held on Wednesday, 16 August 2023 in terms of the Notice of the EGM published in the national press dated Wednesday, 26 July 2023;
- Padenga’s Director, Mr. Michael Fowler, not being permitted to vote at the EGM to avoid any potential conflict of interest, given his directorship and shareholding in both Padenga and Dallaglio.
- ZIMRA approval of the Proposed Transaction in terms of section 15 (1) (b) of the Capital Gains Tax Act, [Chapter 23:01];
- The Offer being accepted by the Dallaglio Minorities;
- The Restructuring Agreement for the scheme of reconstruction and restructuring of Padenga Holdings Limited through the acquisition of the 49.9% shareholding in Dallaglio becoming unconditional in accordance with the respective terms and conditions therein; and
- Obtaining all such other necessary regulatory approvals as may be required.

8. CORPORATE GOVERNANCE

8.1. Introduction

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

Board of Directors

The Board comprises three executive Directors and three independent non-executive Directors. The Board is made up of individuals with proven track records and a wide range of skills and experience which they employ for the benefit of the Company. The Directors are allocated responsibilities in Sub-committee’s where they have strategic strengths. The Non-Executive Directors also provide crucial independence to the Company’s strategic decision-making process and corporate governance practices. The primary responsibility of the Board is to discharge its fiduciary duty to the Shareholders and the Company. The Board is the highest policy organ of the Company and directs strategy. The Board meets quarterly to provide input and oversight to the strategic planning process and monitor operational performance. Padenga has adopted several practices to regulate the division of responsibilities between the Board and management.

8.2. Directors’ Interests

As at 31 December 2022 no Directors had, during or at the end of the year, any material interest in any contract of significance in relation to the Group’s businesses.

As at the date of the publication of this Circular the following Directors held shares directly in the Company;

Directors	Direct and Indirect shareholding	%
Oliver Kamundimu	531,164	0.10%
Gary Sharp	1,826,783	0.34%
Michael Fowler	113,006,196	20.76%
Anne Madzara (in memoriam)	150,000	0.03%
Thembinkosi (“Themba”) Sibanda	175,001	0.03%
Total	115,689,144	21.26%

As at 13 July 2023, the Directors interest in the Dallaglio Minorities were as follows:

Directors	Direct and Indirect shareholding
Michael Fowler	12%

9. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors, whose names appear below, 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 inquiries) that investors and their professional advisors would reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer, and of the rights attaching to the securities to which the listing particulars relate.

10. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

Between Thursday, 27 July 2023 and Friday, 11 August 2023, copies of the following documents will be available for inspection, during normal working hours, at the Sponsoring Brokers, Financial Advisors and Padenga Registered Offices at the addresses set out in the “Corporate Information” section at the beginning of this document:

- The approval of the Proposed Transaction by the Padenga Board of Directors
- The Memorandum of Association of the Company;
- The Articles of Association of the Company;
- The written consents detailed in paragraph 10 of the full Circular;
- The signed Directors’ Responsibility Statement
- The Restructuring Agreement;
- The Independent Reporting Accountant’s Report on the Unaudited Consolidated Proforma Statement of Financial Position, set out in the full Circular;
- The Independent Financial Advisors’ Report dated 20 June 2023;
- The audited financial statements for the three financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 for Padenga;
- The audited financial statements for the three financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 for Dallaglio and its subsidiaries; and
- The Dallaglio Competent Person’s Report.

11. PADENGA UNAUDITED CONSOLIDATED PROFORMA FINANCIAL INFORMATION

Proforma Statement of Financial Position 31 December 2022	Padenga Post Acquisition Unaudited US\$	Adjustments US\$	Padenga Pre Acquisition Audited US\$
ASSETS			
Non-current assets			
Property, plant, and equipment	70 509 518		70 509 518
Mine Development assets	6 716 003		6 716 003
Exploration and evaluation assets	148 104		148 104
Rehabilitation assets	1 532 414		1 532 414
Goodwill	4 594 571		4 594 571
Intangible assets	175 662		175 662
Right of use of assets	4 068 915		4 068 915
Other receivables	500 000		500 000
Biological assets	11 868 447		11 868 447
	100 113 634		100 113 634
Current assets			
Biological assets	28 087 096		28 087 096
Mines Inventories	10 091 079		10 091 079
Inventories	16 786 979		16 786 979
Trade and other receivables	23 053 113		23 053 113
Current tax receivable	1 865 815		1 865 815
Cash and cash equivalents	1 064 386	(200,000)	1 264 386
	80 948 468	(200,000)	81 148 468
Total assets	181 062 102	(200,000)	181 262 102
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	79 730	25,300	54 430
Share premium	84 968 093	57,963,070	27 005 023
Retained earnings	39 703 571	(200,000)	39 903 571
Share based payment reserve	563 768		563 768
Change in ownership reserve	(39 222 704)	(39,158,841)	(63 863)
Equity attributable to equity holders of the parent	86 092 458	18,629,529	67 462 929
Non-controlling interest	(1 707 817)	(18,829,529)	17 121 712
Total shareholders’ equity	84 384 641	(200,000)	84 584 641
Non-current liabilities			
Interest-bearing borrowings	7 932 747		7 932 747
Lease liabilities	2 758 424		2 758 424
Mine rehabilitation provisions	2 701 799		2 701 799
Deferred tax liability	16 353 126		16 353 126
	29 746 096		29 746 096
Current liabilities			
Bank overdraft	5 842 018		5 842 018
Interest-bearing borrowings	45 045 053		45 045 053
Trade and other payables	12 336 862		12 336 862
Lease liabilities	1 710 470		1 710 470
Provisions	1 444 669		1 444 669
Tax Payable	552 293		552 293
	66 931 365	-	66 931 365
Total liabilities	96 677 461	-	96 677 461
Total equity and liabilities	181 062 102	(200,000)	181 262 102



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PADENGA
HOLDINGS
LIMITED

(Incorporated in Zimbabwe on 5 August 2010 under Company Registration Number 2888/2010)

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of the Shareholders of Padenga Holdings Limited is to be held physically at the Royal Harare Golf Clube situated at 5th Street Extension and virtually, by electronic means via the link, “https://escrowagm.com/eagmZim/Login.aspx”, on Wednesday, 16 August 2023, at 10:00 hours, 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

RESOLVED

INCREASE OF THE AUTHORISED SHARES OF THE COMPANY

“**THAT** in terms of clause [50] of the Company’s Articles, the authorised shares of the Company be and is hereby increased, from 800,000,000 (eight hundred million) ordinary shares to 1,400,000,000 (one billion four hundred million) ordinary shares.

ORDINARY RESOLUTIONS

The Shareholders hereby approve the scheme of reconstruction and restructuring of the Company to allow for a share swap with the meaning and effect that at the end of it, minority shareholders in Dallaglio Investments (Private) Limited (“*Dallaglio Minorities*”) or their nominees will be issued with shares in Padenga Holdings Limited, in consideration for their Dallaglio Investments (Private) Limited (“*Dallaglio*”) shares, resulting in Dallaglio being a 100% owned subsidiary of Padenga.

RESOLVED

1 – RESTRUCTURING OF THE COMPANY THROUGH THE ACQUISITION OF 49.9% OF THE ISSUED SHARES OF DALLAGLIO

“**THAT** the Company be and is hereby authorized to undertake a scheme of reconstruction and restructuring of the company in terms of which 253,003,361 (two hundred and fifty-three million, and three thousand, three hundred and sixty-one)ordinary shares in the Company will be issued and allotted to the Dallaglio Minorities, or their nominees, constituting 46.04 percent (%) of the issued and outstanding shares of the Company, in return for the Company taking transfer of 8,982 (eight thousand nine hundred and eighty-two thousand ordinary shares in Dallaglio representing the Dallaglio Minorities’ entire shareholding in Dallaglio, being forty-nine point nine percent (49.9%) of the issued shares in Dallaglio, as and by way of a share swap, with the result and purpose that Dallaglio would become a wholly owned subsidiary of the Company.”

2 – PLACEMENT OF THE BALANCE OF AUTHORISED BUT UNISSUED SHARES UNDER THE CONTROL OF DIRECTORS

“**THAT** in terms of clause [4] of the Company’s Articles of Association, the balance of the authorised but unissued shares of the Company, after the share swap transaction with the Dallaglio Minorities, be placed under the control of the Directors, to be issued in compliance with the terms of the Memorandum and Articles of Association of the Company and the Victoria Falls Stock Exchange Listing Requirements, provided that no issue will be made which would effectively transfer the control of the Company without the prior approval of the Shareholders in a general meeting.”

3 – 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 or desirable to give effect to the above resolutions.”

BY ORDER OF THE BOARD

[Signed on Original]

ANDREW LORIMER
COMPANY SECRETARY

FORM OF PROXY

I / We

Of.....

Being member/members of Padenga Holdings Limited hereby appoint:

Mr. / Mrs. / Ms. / Dr

Or failing him or her/the Chairman of the EGM

Of.....

As my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held on Wednesday, 16 August 2023, at 10:00 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:

SPECIAL RESOLUTION	FOR	AGAINST	ABSTAIN
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SPECIAL RESOLUTION 1 – INCREASE OF THE AUTHORISED SHARES OF THE COMPANY
“**THAT** in terms of clause [50] of the Company’s Articles, the authorised shares of the Company be and is hereby increased, from 800,000,000 (eight hundred million) ordinary shares, to 1,400,000,000 (one billion four hundred million) ordinary shares.”

ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
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ORDINARY RESOLUTION 1 – RESTRUCTURING OF THE COMPANY THROUGH THE ACQUISITION OF 49.9% OF THE ISSUED SHARES OF DALLAGLIO
“**THAT** the Company be and is hereby authorized to undertake a scheme of reconstruction and restructuring of the company in terms of which 253,003,361 (two hundred and fifty-three million, and three thousand, three hundred and sixty-one)ordinary shares in the Company will be issued and allotted to the Dal-laglio Minorities or their nominees, constituting 46.04 percent (%) of the issued and outstanding shares of the Company, in return for the Company taking transfer of 8,982 (eight thousand nine hundred and eighty-two thousand ordinary shares in Dallaglio representing the Dallaglio Minorities’ entire shareholding in Dallaglio, being forty-nine point nine percent (49.9%) of the issued shares in Dallaglio, as and by way of a share swap, with the result and pur-pose that Dallaglio would become a wholly owned subsidiary of the Company.”

ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
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ORDINARY RESOLUTION 2 – PLACEMENT OF THE BALANCE OF AUTHORISED BUT UNISSUED SHARES UNDER THE CONTROL OF DIRECTORS
“**THAT** in terms of clause [4] of the Company’s Articles of Association, the balance of the authorised but unissued shares of the Company, after the share swap transaction with the Dallaglio Minorities, be placed under the control of the Directors, to be issued in compliance with the terms of the Memorandum and Articles of Association of the Company and the Victoria Falls Stock Exchange Listing Requirements, provided that no issue will be made which would effectively transfer the control of the Company without the prior approval of the Shareholders in a general meeting.”

ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
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ORDINARY RESOLUTION 3 – 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 or desirable to give effect to the above resolutions.”

Signed this day of2023

Signature(s) of member

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.
- Regulation 74 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.

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, but any deletion must be initialed by the Shareholder. 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.
- A Shareholder’s instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space/s provided as well as by means of a cross 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 initialed. Any alteration or correction must be initialed by the signatory or signatories.
The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
i. under a power of attorney
ii. on behalf of a company
unless 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.

Directors: Themba Sibanda (Chairman)*, Gary Sharp (Chief Executive Officer), Oliver Kamundimu (Chief Financial Officer), Michael Fowler, Sternford Moyo*, Evlyn Mkondo*. (*Non-Executive)