

Life is digital



Fintech



Insurtech



Agritech



Edutech



CHAIRPERSON'S STATEMENT

A new beginning
I am delighted to present the inaugural financial results of Cassava Smartech Zimbabwe Limited's ("CSZL" or "the Group") for the 4 months ended 28 February 2019. CSZL owes its existence to the dedication and leadership of the Econet Wireless Zimbabwe ("EWZL") Group, board and management, and the unwavering support of our shareholders and customers.

The phenomenal growth of Econet Wireless Zimbabwe since 1999, the introduction of EcoCash in 2011, the acquisition of the Digital Bank in 2012 and the subsequent launch of the Insurtech business, culminated in the decision by the EWZL board to recommend the demerger of CSZL from EWZL.

Following the approval by EWZL shareholders at an Extraordinary General Meeting on 22 November 2018, the Smart Technology (Smartech) business within EWZL was demerged, giving birth to Cassava Smartech Zimbabwe Limited.

CSZL was listed on the Zimbabwe Stock Exchange on 18 December 2018 and made history as the first standalone listed fintech company in Africa and the most valuable listing by introduction on the Zimbabwe Stock Exchange. Our mandate is to develop digital solutions that drive socio-economic development, and improve the overall quality of life for all Zimbabweans.

Our Reach
For the period under review, 9.8 million individuals were using our mobile money platform to transact, representing almost 90% of Zimbabwe's adult population, while Steward Bank now boasts 1.3 million bank accounts, representing 37% of Zimbabwe's banked population. In addition, 2.6 million individuals subscribe to our micro-insurance packages. The Group is focused on driving the financial inclusion agenda and increasing access to financial services especially among previously excluded segments.

Our promises to our stakeholders are "Doing well by doing good" and "Serving where the need is greatest". We strive to differentiate ourselves through our relentless innovative culture and constantly tapping into new opportunities to address everyday challenges through innovative, inclusive, stable and reliable digital solutions. We are grateful to our customers and channel partners who have embraced our platforms and services. To date we have processed more than ZWL\$78.4 billion in value since the introduction of our flagship product, EcoCash. This is one demonstration of the extent to which our technology solutions are making the lives of ordinary Zimbabweans easier.

CSZL continues to develop broad based, diversified sources of income in mobile money, transactional banking, Insurtech, Healthtech, On-Demand Services and Agritech which provide a solid base for sustainable, long-term growth of our business.

Financial Review

Cautionary statement – reliance on financial statements prepared in Zimbabwe for 2018/2019
The audit report to these results has been modified by the independent auditors, Deloitte & Touche, in line with the guidance issued on all regulated Auditors in Zimbabwe by the Public Accountants and Auditors Board in respect of non-compliance with the requirements of IAS 21- The Effects of Changes in Foreign Exchange Rates. The Zimbabwe Stock Exchange (ZSE) issued a statement on the modified opinions for listed entities reporting in Zimbabwe for the similar period that the Company is currently reporting. The statement notes that: "...it was not the Listed Companies' volition not to comply with International Financial Report Standards but rather a matter of complying with the obtaining laws of the Country as prescribed by SI 33 of 2019." The Directors thus elected to comply with SI33 of 2019 and not the respective accounting standard regulating the same.

Given the disparity between the requirements of the local legislation and the International Financial Report Standards regarding the way the change in functional currency should be accounted for, and taking into account the significant differences in the resultant underlying figures coming from the adoption of the two different methods, the Board has specifically not commented on the financial performance and position of the business. The Directors would like to advise users to exercise caution in their use of these financial statements due to the material and pervasive impact of the changes brought about by the change in functional currency and its consequent impact on the usefulness of financial statements of companies reporting in Zimbabwe.

Debentures
According to the legal advice received by the Board, debentures held by local members converted into RTGS Dollars at US\$1: ZWL1 immediately prior to 22 February 2019 in accordance with Statutory Instrument 33 of 2019. As at 21 June 2019, being the last practicable date prior to the publication of these financial results, 1 US\$ was trading at 6.3 ZWL on the interbank market.

These market changes have in effect eroded the value of debentures held by local shareholders.

On the other hand the value of debentures held by foreign shareholders including Econet Global Limited who paid for their debentures offshore in US dollars are not affected.

Pending further consultation, with all relevant stakeholders on how to treat the Company's debentures, the directors decided to account for all debentures as though they were all US Dollar denominated instruments. This position may change in future to enable the Company to comply with monetary authority policy and regulations.

Revaluation of property plant and equipment
Most of the Group's assets are procured in foreign currency. Previously, under EWZL, the Directors have applied historic cost accounting for accounting for the assets of the business. For the period under review, property and equipment was revalued as the change in functional currency has resulted in the replacement value of assets being grossly understated. The Directors believe that Zimbabwe's current unique environment is not one that was contemplated by International Financial Reporting Standards and that the approach we have taken provides a more meaningful basis to measure the value of the assets.

Product Innovations
CSZL has remained focused in introducing innovative products to customers, especially in digital payments, micro-insurance, short-term insurance, On-Demand services and healthtech services.

We have continued to enhance our product offering through launches of strategic digital products that have been well received by our various target market segments. The key products launched in the year, and which are testament of our commitment to provide solutions to meet our customers' needs, include;

- **Moovah** - Our short-term motor and non-motor insurance products provided through digital platforms
- **EcoCash Business Wallet** - Zimbabwe's first dedicated wallet for business-to-business and business-to-consumer payments
- **VAYA Mobility** - An exciting ride-hailing app for passenger transportation
- **VAYA Logistics** - An app based logistics service linking transporters to businesses and individuals who want to move goods from one point to another
- ***236# Digital Accounts** - Zimbabwe's first digital account opening platform done end-to-end on the mobile phone
- **KaShagi** - Zimbabwe's first micro-credit application utility for nano loans on your mobile device
- **Enda Education Cover** - Insurance cover offering school fees benefit in the event of death of a student's parent or guardian
- **EcoCash FCA Wallet** - Prepaid Debit Card that facilitates local and international USD transactions

Big data analytics will continue to play a critical role in informing cross-selling, up-selling opportunities, as well as product development and customer retention plans.

VAYA On Demand Services
As CSZL, we managed to transform the transport sector through the launch of VAYA. VAYA is an on-demand mobile and web application focusing on moving goods and people from one point to another. Trips requests are paired with the most suitable driver taking into account distance to customer as well as driver rating. The VAYA app is targeted for use by corporate and individual users. The service comes in two service categories; Vaya Mobility which targets individuals, corporates, and groups of individuals and Vaya Logistics which provides a convenient solution for individuals and corporate organizations to move goods.

VAYA now has more than 500,000 app downloads and 17,000 partners (drivers). Our on demand services journey will not only end with the above services. Management plans to extend Vaya's solutions to Air Services, School Shuttle, Haulage and Borehole Drilling Services.

Social Investment - Project Reboot
On 15 March 2019, Cyclone Idai made landfall into the Chimanimani Mountains that form the border between Zimbabwe and Mozambique. It is estimated that more than 2,250 houses were washed away or damaged, leaving more than 4,000 people displaced. In response to this natural disaster, CSZL together with EWZL led the initial efforts to respond to this calamity. CSZL achieved this through Project Reboot which saw the business assisting through;

- Crowd funding and raising more than ZWL270,000
- Providing vehicles, a helicopter, ambulances, tractors for transportation, rescue and clearing of roads
- Funeral assistance through disbursements of EcoSure claims, goodwill assistance to affected communities, whether insured or not, through availing coffins, tents and many other necessities
- Funds to assist EcoCash and Steward Bank Agents and Merchants affected to re-open their businesses

- Compiling a missing persons database

Future Prospects – Technology Driven Services
CSZL is a smartech-driven business, committed to continued investment in technology platforms that enhance transactional capacity, ensures convenient usage and improves customer experience. As such, it relies heavily on its digital platforms which provide much needed services to millions of Zimbabweans. With our integrated business model that is strongly centred on high technology platforms and data analytics, this has resulted in significantly lower customer acquisition, retention and communication costs.

We will continue to deploy solutions that are available through multiple channels. The business is on a drive to scale-up and leverage on artificial intelligence and machine learning, big data, block-chain, chatbots and social media banking and payments to reduce operational costs and improve customer experience. Customer convenience is the backbone of our success. Reflecting on this, research and development is a key component of our strategy, as we continuously innovate around providing total solutions to our customers. We believe there are opportunities for growth, in spite of the current macro-economic challenges and will, therefore, continue to make a concerted effort to turn these challenges into success stories.

Committed Corporate Governance
As part of our commitment to create clear lines of authority and accountability, the Board of Directors established four Board committees working under delegated authority. The committees in operation are the Audit Committee, Remuneration Committee, Social and Ethics Committee and Risk Committee.

Appreciation
On behalf of the Board of Directors, I wish to express my sincere gratitude to the shareholders and directors of Econet Wireless Zimbabwe Limited for approving the demerger of Cassava Smartech out of Econet Wireless Zimbabwe Limited. Without this, the Group would not be known to Zimbabwe and the rest of the world.

To our management and staff, our utmost appreciation goes towards your dedicated efforts in growing the brand, despite the unpredictable terrain we are traversing in.

I take this opportunity to thank our shareholders, financiers, business partners and regulatory authorities for all their support and their continued trust in the Group.

Dividend declaration
Cognisant of the prevailing macro-economic fundamentals and the Group's capital expenditure requirements, the Board has decided not to declare a dividend for the four months ended 28 February 2019.

On behalf of the Board

Tracy Mpofu
Board Chairperson
21 June 2019

Abridged Consolidated Statement of Comprehensive Income
For the 4 month period ended 28 February 2019

(All figures in RTGSS\$ 000)	Audited 28 February 2019
Revenue	173,037
Earnings before interest, taxation, depreciation and amortisation	47,607
Depreciation, amortisation and impairment	(5,632)
Profit from operations	41,975
Unrealised foreign exchange losses	(28,508)
Finance income	366
Finance costs	(2,298)
Profit before taxation	11,536
Taxation	(2,243)
Profit for the year	9,293
Other comprehensive income	
Other comprehensive income net of tax	70
Total comprehensive income for the year	9,363
Profit for the year attributable to:-	
Equity holders of the parent	8,788
Non-controlling interest	505
Profit for the year	9,293
Total comprehensive income for the year attributable to:-	
Equity holders of the parent	8,858
Non-controlling interest	505
Total comprehensive income for the year	9,363
Earnings per share	
Basic and diluted earnings per share (cents)	0.4
Number of shares in issue	2,590,577,241
Weighted average number of shares in issue	2,590,577,241

Abridged Consolidated Statement of Financial Position
As at 28 February 2019

(All figures in RTGSS\$ 000)	Notes	Audited 28 February 2019
Assets		
Property, plant and equipment, intangible assets and goodwill		140,026
Other non-current assets		50,504
Deferred taxation		1,216
Financial instruments - long term		264,341
Financial instruments - short term		245,128
Financial instruments - short term-MMT	4	441,548
Other current assets		377,673
Total assets		1,520,588
Equity and Liabilities		
Equity		
Share capital and share premium		2,591
Retained earnings		7,688
Other reserves		183,485
Attributable to equity holders of the parent		193,764
Non-controlling interests		1,910
Total equity		195,674
LIABILITIES		
Financial Instruments:		
Long-term interest-bearing debt	7	63,228
Deposit due to banks and other customers		495,950
Other financial instruments - short term-MMT	4	441,548
Other current liabilities		324,189
Total liabilities		1,324,915
Total equity and liabilities		1,520,588

Audited Abridged Financial Statements

For the four months ended 28 February 2019

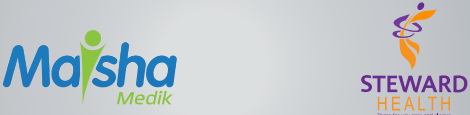
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Healthtech



eCommerce



On-Demand Services



Social Payments



Abridged Consolidated Statement of Cashflows

For the 4 month period ended 28 February 2019

(All figures in RTGS\$ 000)	Audited 28 February 2019
Cash generated from operations	274,540
Income tax paid	(41,423)
Net cash generated from operating activities	233,117
Investing activities	
Acquisition of property, equipment and intangible assets	(23,306)
Net acquisition of financial instruments	(80,454)
Other investing activities	(6,059)
Net cash used in investing activities	(109,819)
Cash flows from financing activities	
Financing costs paid	(5,004)
Dividend paid	(1,100)
Proceeds from borrowings	1,751
Proceeds from issue of shares	1,000
Net cash flows used in financing activities	(3,353)
Net increase in cash and cash equivalents	119,945
Cash and cash equivalents at the beginning of the period	529,847
Cash and cash equivalents as at February	649,792
Comprising:	
Cash and cash equivalents restricted	441,700
Cash and cash equivalents non-restricted	208,092
Cash and cash equivalents as at February	649,792

Consolidated Statement of Changes in Equity

For the 4 month period ended 28 February 2019

(All figures in RTGS\$ 000)	Share capital and share premium	Retained earnings	Other reserves	Attributable to equity holders of the parent	Non-controlling interest	Total
Balance at 1 November 2018	-	-	185,006	185,006	1,405	186,411
Profit for the year	-	8,788	-	8,788	505	9,293
Other comprehensive income for the year	-	-	-	-	-	-
Dividends paid	-	(1,100)	-	(1,100)	-	(1,100)
Issue of shares	1,000	-	-	1,000	-	1,000
Revaluation reserve	-	-	70	-	-	70
Transfer from other reserves	1,591	-	(1,591)	-	-	-
Balance at 28 February 2019	2,591	7,688	183,485	193,764	1,910	195,674

Abridged Summarised Segment Information

(All figures in RTGS\$ 000)	28 February 2019					Total
	Mobile money	Digital Bank	InsurTech	Other segments	Eliminations	
Revenue & Net interest income (from external customers)	129,906	36,720	12,866	2,108	(8,563)	173,037
Earnings before interest, taxation, depreciation and amortisation	39,290	8,814	4,935	22,144	(27,576)	47,607
Depreciation, amortisation and impairment	2,083	1,871	375	1,303	-	5,632
Segment profit	9,708	2,001	4,456	20,703	(27,576)	9,293
Segment assets	755,950	940,407	79,410	303,299	(558,478)	1,520,588
Segment liabilities	712,828	801,885	16,526	105,021	(311,345)	1,324,915

This is a summarised segment report showing the Group's major segment. Included in "Other" are the results of the following segments: On demand services, Healthtech, Agritech, Edutech and E-commerce.

Notes to the abridged consolidated financial statements

For the four month period ended 28 February 2019

1. General information

Cassava Smartech Zimbabwe Limited was demerged from Econet Wireless Zimbabwe Limited effective 1 November 2018. The transaction is a common control business combination and is outside the scope of the IFRS 3 Business Combinations. The Group accounted for the transaction by recognizing the assets, liabilities and reserves that were previously recorded in the individual entities that were transferred to Cassava Smartech with corresponding adjustments recognized in equity. The Group's statutory financial statements only include the results of the Cassava Smartech operations for the 4 months from 1 November 2018. The eight months period from 1 March 2018 to 31 October 2018 has been reported by EWZL.

- Cassava Smartech Zimbabwe Limited and its subsidiaries are incorporated in Zimbabwe. These consolidated abridged financial statements comprise the Company and its Subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group's Subsidiaries and main activities are as follows:
- EcoCash (Private) Limited (mobile money transfer and payments services)
 - Steward Bank Limited (digital commercial bank);
 - Econet Life (Private) Limited (mobile based funeral and life assurance company)
 - Econet Insurance (Private) Limited (licensed short term insurance company);
 - Econet Services (Private) Limited (On demand services, e-commerce, farming technology and digital education services)
 - Steward Health (Private) Limited (medical aid company)

Cassava Smartech Zimbabwe Limited is controlled by Econet Wireless Global, which is registered in Mauritius.

Notes to the abridged consolidated financial statements (continued)

For the four month period ended 28 February 2019

2. Accounting policies

2.1 Basis of preparation

The consolidated abridged financial statements provide information about the financial position, results of operations, and changes in the financial position of the Group. They are based on the statutory records that are maintained under the historical cost convention with the exception of property and equipment, intangible assets, equity investments and investment properties which are included at fair value.

These Statements are prepared in order to comply with International Financial Reporting Statements (IFRS), (promulgated by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB as well as International Accounting Standards (IAS) and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions).

2.2 Change in functional currency

- In February 2019, the Reserve Bank of Zimbabwe announced a monetary policy statement whose highlights among other issues were:
- Denomination of RTGS balances, bond notes and coins collectively as RTGS dollars. RTGS dollars became part of the multi-currency system.
 - RTGS dollars to be used by all entities (including the Government) and individuals in Zimbabwe for purposes of pricing of goods and services, record debts, accounting and settlement of domestic transactions.
 - Establishment of an inter-bank foreign exchange market where the exchange rate will be determined on a willing buyer willing seller basis.

The monetary policy announcement was followed by the publication of Statutory Instrument 33 (S.I. 33) of 2019 on 22 February 2019. The statutory instrument gave legal effect to the introduction of the RTGS dollar as legal tender and prescribed that for accounting and other purposes, certain assets and liabilities on the effective date would be deemed to be RTGS dollars at a rate of 1 to 1 to the US\$ and would become opening RTGS dollar values from the effective date.

As a result of these currency changes announced by the monetary authorities, the Directors assessed, as required by IAS 21 (paragraph 8) and consistent with the guidance issued by the Public Accountants and Auditors Board (PAAB), whether use of the United States dollar as the functional and reporting currency remained appropriate. Based on the assessment, the Directors concluded that the Group's transactional and functional currency had changed to RTGS dollar with effect from 22 February 2019.

These financial statements are therefore presented in RTGS dollar being the currency of the primary economic environment in which the Group operates.

All transactions in currencies other than the RTGS dollar post the date of change in functional currency were translated in accordance with IAS 21 at the applicable official interbank rate.

2.3 Audit Opinion

These financial results should be read in conjunction with the complete set of financial statements for the year ended 28 February 2019, which have been audited by Deloitte & Touche in accordance with International Standards on Auditing. An adverse opinion was issued on the financial statements for non-compliance with International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" and the approach applied by Directors in revaluing property and equipment.

- The Auditor's report on these financial statements had the following Key Audit Matters (KAMs):
- Valuation of expected credit losses on trade and other receivables; and
 - Revenue recognition.

The Auditors' report on these financial statements is available for inspection at the Company's registered office.

2.4 Statement of Compliance

The Group financial results which are summarised by these abridged consolidated financial results have been prepared in compliance with IFRS with the exception of IAS 21. The IFRSs are promulgated by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB as well as the Standing Interpretations Committee (SIC).

The abridged consolidated financial results do not include all of the information and disclosures required to fully comply with IFRS and should be read in conjunction with the Group's annual financial statements as at 28 February 2019 which will be distributed at the Company's annual general meeting and is available for inspection at the Company's registered office.

(All figures in RTGS\$ 000)	Audited 28 February 2019
3. Depreciation and amortisation of property, equipment and intangible assets	5,632
Commitments for capital expenditure	
Authorised by Directors and contracted	70,668
Authorised by Directors but not contracted	175,715
The capital expenditure is to be financed out of the Group's own resources and existing facilities.	
Number of shares	
Weighted number of ordinary shares for the purposes of basic and diluted earnings per share calculation	2,590,577,241
Basic and diluted earnings per share (cents)	0.4

4. Financial instruments-MMT

"Financial instruments - short term-MMT" and "Other financial instruments - short term-MMT" represent restricted and reserved cash balances held in trust for the EcoCash customers and commissions held for On Demand Services partners.

5. Contingent liabilities

There are no material contingent liabilities.

6. Events after reporting date

There have been no significant events after the reporting date. We continue to monitor the impact of the changing economic conditions on the business.

7. Debentures

As a result of the demerger, Cassava assumed liability over 50% of the 1,166,906,618 debentures in issue in EWZL. The split of the debentures liability between EWZL and CSZL was part of the final demerger resolutions. The debentures in issue have a nominal value of 4.665 US Cents per debenture and a coupon rate of 5% per annum and are redeemable on 3 May 2023.

8. Going concern

The Directors have assessed the ability of the Company and its subsidiaries to continue operating as a going concern and believe that the preparation of the consolidated financial statements from which these abridged financial results are derived on a going concern basis is appropriate.

Unaudited Supplementary Information

For the year ended 28 February 2019

CASSAVA SMARTECH ZIMBABWE LIMITED



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Supplementary highlights



SUPPLEMENTARY INFORMATION - 12 MONTHS FINANCIAL RESULTS

The following abridged consolidated statements of comprehensive income and financial position have been prepared for the financial year ended 28 February 2019, which incorporate the 8 months pre-demerger financial performance consolidated in the financial statements of Econet Wireless Zimbabwe Limited and the 4 months post-demerger audited financial performance under the new Cassava Smartech Zimbabwe Limited Group. Comparatives for the financial year ended 28 February 2018 are based on proforma historical financial statements extracted from the audited financial statements of Econet Wireless Zimbabwe Limited.

The Board and Management are unable to comment on these numbers because of the disparity between local and international experts on the appropriate accounting treatment of the effects of the change in functional currency.

Abridged Consolidated Statement of Comprehensive Income For the year ended 28 February 2019

All figures in RTGS\$ 000	Proforma 28 February 2019	Proforma 28 February 2018
Revenue	501,089	257,752
Earnings before interest, taxation, depreciation and amortisation	180,815	112,918
Depreciation, amortisation and impairment	(10,780)	(4,907)
Profit from operations	170,035	108,011
Unrealised foreign exchange losses	(27,985)	-
Finance income	455	1,041
Finance costs	(5,035)	(2,181)
Profit before taxation	137,470	106,871
Taxation	(33,145)	(36,172)
Profit for the year	104,325	70,699
Other comprehensive income		
Other comprehensive income net of tax	70	30
Total comprehensive income for the year	104,395	70,729
Profit for the year attributable to:-		
Equity holders of the parent	103,820	70,285
Non-controlling interest	505	414
Profit for the year	104,325	70,699
Total comprehensive income for the year attributable to:-		
Equity holders of the parent	103,890	70,315
Non-controlling interest	505	414
Total comprehensive income for the year	104,395	70,729
Earnings per share		
Basic and diluted earnings per share (cents)	4.0	2.7
Number of shares in issue	2,590,577,241	2,590,577,241
Weighted average number of shares in issue	2,590,577,241	2,590,577,241

Abridged Consolidated Statement of Financial Position As at 28 February 2019

(All figures in RTGS\$ 000)	Proforma 28 February 2019	Proforma 28 February 2018
Assets		
Property, plant and equipment, intangible assets and goodwill	140,026	30,904
Other non-current assets	50,504	7,522
Deferred taxation	1,216	66
Financial instruments - long term	264,341	201,847
Financial instruments - short term	686,828	375,677
Other current assets	377,673	41,105
Total assets	1,520,588	657,121
Equity and Liabilities		
Equity		
Attributable to equity holders of the parent	193,764	120,331
Non-controlling interests	1,910	1,576
Total equity	195,674	121,907
LIABILITIES		
Deferred taxation	-	933
<i>Financial Instruments:</i>		
Long-term interest-bearing debt	63,228	22,963
Other financial instruments - short term	441,548	482,427
Other current liabilities	820,138	28,891
Total liabilities	1,324,914	535,214
Total equity and liabilities	1,520,588	657,121



DOING WELL BY DOING GOOD

Inclusive Digital Solutions that drive Socio-Economic Development and improve the overall quality of life for all Zimbabweans.

Life is digital

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