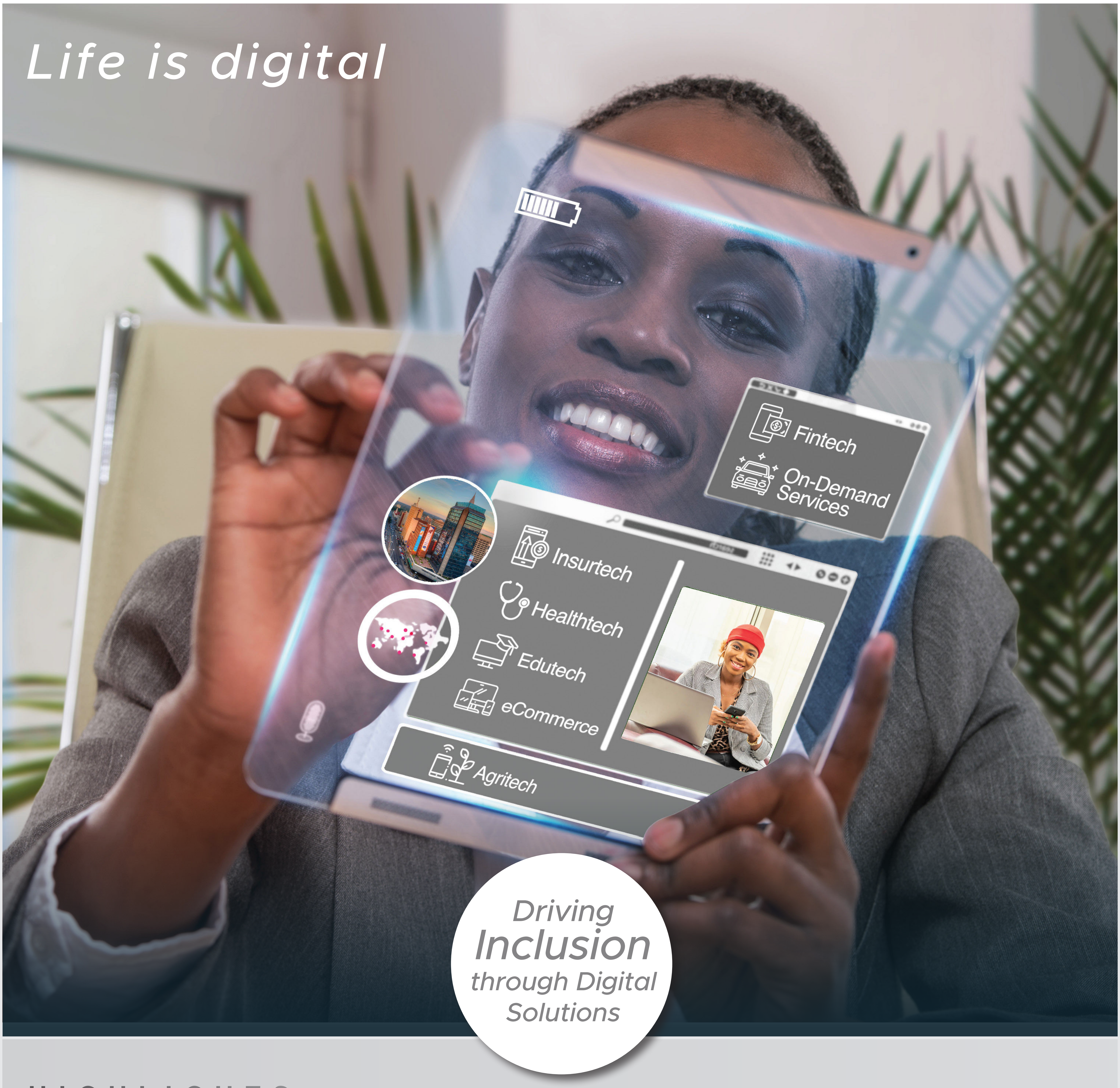
#OneFightAgainstCorona

Cassava Smartech Trading as EcoCash HOLDINGS ZIMBABWE

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012) ZSE Alpha Code: CSZL ISIN ZW0009012361

AUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 28 February 2021



HIGHLIGHTS

Key Performance Indicators

Revenue	Total Assets
ZW$14.3 Billion	ZW$25.8 Billion
↓ 26% YoY	↓ 5% YoY

Key Business Drivers

Mobile Money Subscribers	Digital Banking Account Holders
8.4 Million	1.9 Million
↓ 22% YoY	↑ 20% YoY

DIRECTORS: Mrs S.G. Shereni (Chairperson), Mr M.L. Bennett, Dr Z. Dillon, Miss E.T. Masiyiwa, Mr C. Maswi, Mr D. Musengi, Mr H. Pemhiwa, Mr D.T. Mandivenga, Mr E. Chibi*, Mrs T. Nyemba*. * *Executive.*

REGISTERED OFFICE: 1906 Borrowdale Road, Borrowdale, Harare.

www.cassavasmartech.co.zw

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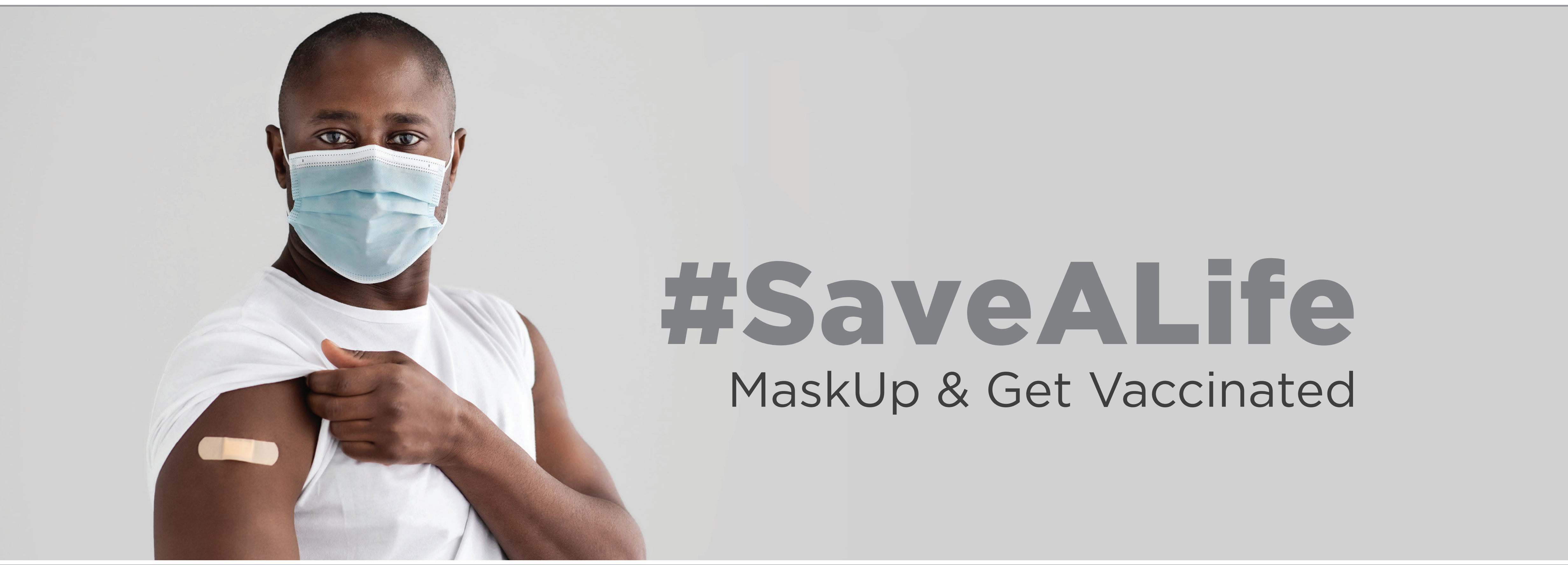

Life is digital

Lets fight COVID-19 together, get vaccinated.
It's the best way to protect yourself, your family and your community.

Hand Washing | Avoid Crowded Places | Social Distancing | Stay at Home

Fintech | On-Demand Services | Insurtech | Healthtech | Edutech | eCommerce | Agritech

CHAIRPERSON'S STATEMENT

Introduction
The year under review saw an acceleration in our digital transformation journey as we responded to the challenges that were brought about by the Covid-19 pandemic. The Group remains focused on providing innovative digital solutions that meet the demands of our customers. The business continues to leverage on digital solutions to increase operational and cost efficiencies. Whilst the year was challenging, the business responded with agility and proved to be resilient in the face of change. We therefore continue to be driven by our vision of providing a digitally connected future that leaves no Zimbabwean behind.

Business and Regulatory Environment
The business responded to several regulatory directives issued by the Reserve Bank of Zimbabwe that affected mainly the Fintech business. We complied with all directives while simultaneously driving growth and innovations in all our strategic areas to regain lost revenues.

Financial Performance Overview
The report of the Directors is based on inflation-adjusted financial statements, which are the primary financial statements. Historical financial statements have been presented as supplementary information. The Directors caution users of the financial statements on the usefulness of these reported inflation-adjusted financial results, in light of distortions that arise when reporting in a hyperinflationary economy.

The year saw a growth in the Insurtech contribution from 9% in the financial year ended 29 February 2020 (FY20) to 15% in the financial year ended 28 February 2021 (FY21), largely attributed to the growth of the short-term non-motor insurance business. The Vaya Technologies business also uplifted its performance contribution from 2% in FY20 to 7% in FY21. The Group's revenue diversification strategy is paying off, as evidenced by the exponential revenue growth in the Insurtech and the Vaya Technologies business units. As part of its revenue growth strategy, the Group will continue its focus on revenue diversification and innovation into the future.

EcoCash revenue contribution at 60% (2020:75%), declined as a result of our revenue diversification strategy that saw growth in the Insurtech and VAYA Technologies business. Steward Bank's contribution remained stable and is expected to continue on the upward trend, on the back of the system upgrade completed in April 2021.

Although Group revenues closed the year at ZW$14 billion compared to ZW$19 billion in the prior year, due to the impact of regulatory changes and the Covid-19 pandemic, this was mitigated by a rigorous cost-cutting drive. Foreign exchange losses decreased by 45%, to close the year at ZW$4.6 billion (2020: ZW$8.4 billion). Foreign exchange losses mainly relate to USD denominated debenture balances.

As a result, EBITDA margin closed the year at 15% (2020:26%). The focus, therefore, remains on innovatively driving growth, consolidating the gains of the cost-cutting measures, and further reducing operating costs in FY22.

The auditors issued an adverse audit opinion in respect to the valuation of property, equipment and intangible assets, the application of International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8") on comparative information and the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Details of the qualification are provided in Note 4. The basis of the opinion is common with what is prevalent in the market.

Social Investment
The Group continued to be involved in the community, in line with our ethos of doing well by doing good.

Through our partners such as Higher Life Foundation, we supported the national initiatives to combat the effects of the COVID-19 pandemic. We provided test kits and personal protective equipment for frontline workers. We further provided free water deliveries to council clinics as well as participated in handwashing and soap distribution campaigns. Through our partners, we supported a low cost, low input, climate-smart conservation farming approach called "Pfumvudza" in order to complement Government efforts towards a resurgence in agriculture and food security.

Our Future
The strength and agility of our business, combined with the professionalism, resilience, and innovative foresight of our teams, are expected to carry our business into the future, resplendent with digital opportunities. Our technology-driven platforms and processes offer significant advantages, and we continue to drive innovations and deploy them where the need is greatest. Consistent with that, the Group has continued to take advantage of this accelerated digital thrust to come up with new products and services that better respond to the evolving needs of our customers, guaranteeing a strong business that is transforming and is well placed to deliver sustainable growth into the future. We, therefore, continue to leverage our robust business model to innovate around on-demand technology platforms, creating customer convenience and maximising value for our shareholders.

Appreciation
On behalf of my fellow Board members, I would like to conclude by extending my heartfelt gratitude to all our customers, business partners, and to you our valued shareholders, for your unwavering support as we continue to chart our course through these most unusual times. I would also like to acknowledge management and employees within the Cassava Smartech Group for their remarkable commitment, adaptability, and resilience in a challenging environment.

On behalf of the Board

Sherree Shereni
Board Chairperson

15 October 2021

Abridged Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 28 February 2021

	AUDITED INFLATION ADJUSTED		UNAUDITED HISTORICAL*	
	28 February 2021 ZW$'000	29 February 2020 ZW$'000	28 February 2021 ZW$'000	29 February 2020 ZW$'000
Revenue	**14,298,135**	**19,287,970**	**10,146,386**	**2,163,431**
(Loss) / earnings before interest and taxation	**(246,726)**	**4,275,446**	**2,161,081**	**459,106**
Foreign exchange losses	(4,603,528)	(8,393,097)	(2,199,300)	(561,263)
Monetary adjustment (IAS 29)	4,369,219	5,298,291	-	-
(Loss) / profit from operations	**(481,035)**	**1,180,640**	**(38,219)**	**(102,157)**
Net finance costs	(244,129)	(352,874)	(181,406)	(40,624)
(Loss) / profit before taxation	**(725,164)**	**827,766**	**(219,625)**	**(142,781)**
Income tax (expense) / credit	(317,267)	(2,090,625)	93,280	(100,612)
Loss for the year	**(1,042,431)**	**(1,262,859)**	**(126,345)**	**(243,393)**
Other comprehensive income				
Other comprehensive income net of tax	163,148	1,607,133	2,304,351	669,586
Total comprehensive (loss) / income for the year	**(879,283)**	**344,274**	**2,178,006**	**426,193**
(Loss) / profit for the year attributable to:-				
Equity holders of the parent	(896,186)	(1,179,881)	(227,977)	(259,047)
Non-controlling interest	(146,245)	(82,978)	101,632	15,654
Loss for the year	**(1,042,431)**	**(1,262,859)**	**(126,345)**	**(243,393)**
Total comprehensive (loss) / income for the year attributable to:-				
Equity holders of the parent	(735,632)	396,218	2,053,976	401,671
Non-controlling interest	(143,651)	(51,944)	124,030	24,522
Total comprehensive (loss) / income for the year	**(879,283)**	**344,274**	**2,178,006**	**426,193**
Basic and diluted losses per share (ZW$)	(0.346)	(0.455)	(0.088)	(0.100)
Headline earnings / (loss) per share (ZW$)	0.146	(0.455)	(0.079)	(0.100)
Number of shares in issue (000)	2,590,577	2,590,577	2,590,577	2,590,577
Weighted average number of shares in issue (000)	2,590,577	2,590,577	2,590,577	2,590,577

*The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.

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AUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 28 February 2021

Abridged Consolidated Statement of Financial Position
As at 28 February 2021

		AUDITED INFLATION ADJUSTED		UNAUDITED HISTORICAL*	
	Note	28 February 2021 ZW$'000	29 February 2020 ZW$'000	28 February 2021 ZW$'000	29 February 2020 ZW$'000
Assets					
Property, equipment and intangible assets		5,924,641	6,970,963	4,606,669	1,265,478
Other non-current assets		2,303,115	1,182,018	1,587,825	206,827
Financial instruments		2,088,515	4,607,124	2,088,515	1,092,787
Other current assets		5,552,159	4,904,370	4,838,978	811,024
Mobile money trust bank balances - restricted balances	7	4,234,169	7,258,431	4,234,169	1,721,664
Cash and cash equivalents		5,671,323	2,224,216	5,671,323	527,573
Total assets		**25,773,922**	**27,147,122**	**23,027,479**	**5,625,353**
Equity and Liabilities					
Equity					
Share capital and share premium		85,839	69,930	2,591	2,591
(Accumulated losses) / retained earnings		(3,076,126)	507,907	(465,081)	(251,127)
Other reserves		8,041,609	4,987,953	3,116,902	839,591
Attributable to equity holders of the parent		5,051,322	5,565,790	2,654,412	591,055
Non-controlling interest		(144,047)	(396)	150,462	26,432
Total equity		**4,907,275**	**5,565,394**	**2,804,874**	**617,487**
Liabilities					
Deposits due to banks and other customers		7,202,786	4,682,674	7,202,786	1,110,707
Mobile money trust liabilities	7	4,234,169	7,258,431	4,234,169	1,721,664
Other liabilities		9,429,692	9,640,623	8,785,650	2,175,495
Total liabilities		**20,866,647**	**21,581,728**	**20,222,605**	**5,007,866**
Total equity and liabilities		**25,773,922**	**27,147,122**	**23,027,479**	**5,625,353**

*The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.

Abridged Consolidated Statement of Cashflows
For the year ended 28 February 2021

	AUDITED INFLATION ADJUSTED		UNAUDITED HISTORICAL*	
	28 February 2021 ZW$'000	29 February 2020 ZW$'000	28 February 2021 ZW$'000	29 February 2020 ZW$'000
Operating activities				
Cash generated from / (utilised in) operations	**702,668**	**(507,068)**	**9,148,088**	**2,569,981**
Income tax paid	(468,665)	(486,503)	(434,015)	(115,396)
Net cash generated from / (utilised in) operating activities	**234,003**	**(993,571)**	**8,714,073**	**2,454,585**
Investing activities				
Acquisition of property, equipment and intangible assets, net of proceeds from disposals	(566,241)	(1,744,607)	(634,493)	(296,730)
Net proceeds from disposal / (payments on acquisition) of financial instruments	1,010,669	(4,891,253)	(230,681)	(512,831)
Net cash generated from / (utilised in) investing activities	**444,428**	**(6,635,860)**	**(865,174)**	**(809,561)**
Financing activities				
Net finance costs paid	(251,256)	(352,874)	(188,790)	(40,624)
Repayments of borrowings	-	(60,726)	-	(2,250)
Purchase of treasury shares	(4,330)	(11,404)	(3,854)	(2,705)
Net cash utilised in financing activities	**(255,586)**	**(425,004)**	**(192,644)**	**(45,579)**
Net increase / (decrease) in cash and cash equivalents	**422,845**	**(8,054,435)**	**7,656,255**	**1,599,445**
Cash and cash equivalents at the beginning of the year	9,482,647	17,537,082	2,249,237	649,792
Cash and cash equivalents as at the end of the year	**9,905,492**	**9,482,647**	**9,905,492**	**2,249,237**
Comprising:				
Cash and cash equivalents - restricted	4,234,169	7,258,431	4,234,169	1,721,664
Cash and cash equivalents - unrestricted	5,671,323	2,224,216	5,671,323	527,573
Cash and cash equivalents at the end of the year	**9,905,492**	**9,482,647**	**9,905,492**	**2,249,237**

*The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.

Abridged Consolidated Statement of Changes in Equity
For the year ended 28 February 2021

	AUDITED - INFLATION ADJUSTED					
	Share capital and share premium ZW$'000	Retained earnings ZW$'000	Other reserves ZW$'000	Attributable to equity holders of the entity ZW$'000	Non-controlling interest ZW$'000	Total ZW$'000
Balance at 1 March 2019	**69,930**	**207,462**	**4,952,059**	**5,229,451**	**51,548**	**5,280,999**
Loss for the year	-	(1,179,881)	-	**(1,179,881)**	(82,978)	**(1,262,859)**
Other comprehensive income	-	-	1,576,099	**1,576,099**	31,034	**1,607,133**
Total comprehensive (loss) / income	**-**	**(1,179,881)**	**1,576,099**	**396,218**	**(51,944)**	**344,274**
Transfers within and out of reserves	-	1,480,326	(1,540,205)	**(59,879)**	-	**(59,879)**
Balance at 29 February 2020	**69,930**	**507,907**	**4,987,953**	**5,565,790**	**(396)**	**5,565,394**
Loss for the year	-	(896,186)	-	**(896,186)**	(146,245)	**(1,042,431)**
Other comprehensive income	-	-	160,554	**160,554**	2,594	**163,148**
Total comprehensive (loss) / income	**-**	**(896,186)**	**160,554**	**(735,632)**	**(143,651)**	**(879,283)**
Purchase of treasury shares	-	-	(4,330)	**(4,330)**	-	**(4,330)**
Reclassification	-	-	(8,510)	**(8,510)**	-	**(8,510)**
Impact of prospective restatement of expected credit loss allowance and right-of-use asset opening balance	-	102,965	-	**102,965**	-	**102,965**
Impact of prospective change in IAS 29 applicable start date (Note 10)	15,909	(2,790,812)	2,905,942	**131,039**	-	**131,039**
Balance at 28 February 2021	**85,839**	**(3,076,126)**	**8,041,609**	**5,051,322**	**(144,047)**	**4,907,275**

Abridged Consolidated Statement of Changes in Equity (continued)
For the year ended 28 February 2021

	UNAUDITED - HISTORICAL*					
	Share capital and share premium ZW$'000	Retained earnings ZW$'000	Other reserves ZW$'000	Attributable to equity holders of the entity ZW$'000	Non-controlling interest ZW$'000	Total ZW$'000
Balance at 1 March 2019	**2,591**	**7,687**	**183,486**	**193,764**	**1,910**	**195,674**
(Loss) / profit for the year	-	(259,047)	-	**(259,047)**	15,654	**(243,393)**
Other comprehensive income	-	-	660,718	**660,718**	8,868	**669,586**
Total comprehensive (loss) / income	**-**	**(259,047)**	**660,718**	**401,671**	**24,522**	**426,193**
Transfers within and out of reserves	-	233	(4,613)	**(4,380)**	-	**(4,380)**
Balance at 29 February 2020	**2,591**	**(251,127)**	**839,591**	**591,055**	**26,432**	**617,487**
(Loss) / profit for the year	-	(227,977)	-	**(227,977)**	101,632	**(126,345)**
Other comprehensive income	-	-	2,281,953	**2,281,953**	22,398	**2,304,351**
Total comprehensive (loss) / income	**-**	**(227,977)**	**2,281,953**	**2,053,976**	**124,030**	**2,178,006**
Purchase of treasury shares	-	-	(3,856)	**(3,856)**	-	**(3,856)**
Reclassification	-	(1,021)	(786)	**(1,807)**	-	**(1,807)**
Impact of prospective restatement of expected credit loss allowance	-	15,044	-	**15,044**	-	**15,044**
Balance at 28 February 2021	**2,591**	**(465,081)**	**3,116,902**	**2,654,412**	**150,462**	**2,804,874**

*The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.

Abridged Summarised Segment Information
For the year ended 28 February 2021

	AUDITED- INFLATION ADJUSTED					
	Mobile Money ZW$'000	Digital Banking ZW$'000	InsurTech ZW$'000	Other ZW$'000	Adjustment Journal & Eliminations ZW$'000	Total ZW$'000
For the year ended 28 February 2021						
Revenue	8,597,647	2,497,433	2,208,653	1,027,022	(547,896)	**13,782,859**
Interest income from banking operations	-	515,276	-	-	-	**515,276**
Depreciation, amortisation and impairment	(365,386)	(1,696,042)	(144,340)	(201,740)	-	**(2,407,508)**
Segment profit / (loss)	583,185	(903,349)	(1,330,439)	608,172	-	**(1,042,431)**
Segment assets	10,012,516	13,772,688	2,593,837	11,725,875	(12,330,994)	**25,773,922**
Segment liabilities	7,397,663	11,464,235	1,463,694	3,994,824	(3,453,769)	**20,866,647**
For the year ended 29 February 2020						
Revenue	14,529,064	3,027,483	1,660,671	448,719	(1,007,310)	**18,658,627**
Interest income from banking operations	-	629,343	-	-	-	**629,343**
Depreciation, amortisation, and impairment	(114,872)	(532,937)	(55,524)	(157,385)	-	**(860,718)**
Segment profit / (loss)	2,160,736	(1,088,707)	(1,184,755)	157,162	(1,307,295)	**(1,262,859)**
Segment assets	15,042,670	15,426,089	1,776,437	9,181,001	(14,279,075)	**27,147,122**
Segment liabilities	11,717,694	12,724,178	975,518	3,777,887	(7,613,549)	**21,581,728**

	UNAUDITED - HISTORICAL*					
	Mobile Money ZW$'000	Digital Banking ZW$'000	InsurTech ZW$'000	Other ZW$'000	Adjustment Journal & Eliminations ZW$'000	Total ZW$'000
For the year ended 28 February 2021						
Revenue	5,886,788	1,835,170	1,649,673	758,881	(370,827)	**9,759,685**
Interest income from banking operations	-	386,701	-	-	-	**386,701**
Depreciation, amortisation and impairment	(87,392)	(187,686)	(38,522)	(31,831)	-	**(345,431)**
Segment profit / (loss)	583,185	386,423	884,372	(1,980,325)	-	**(126,345)**
Segment assets	9,452,375	12,688,621	2,390,587	2,283,217	(3,787,321)	**23,027,479**
Segment liabilities	7,321,041	11,348,555	1,076,252	3,930,524	(3,453,767)	**20,222,605**
For the year ended 29 February 2020						
Revenue	1,613,165	330,640	199,465	63,580	(110,181)	**2,096,669**
Interest income from banking operations	-	66,762	-	-	-	**66,762**
Depreciation, amortisation, and impairment	(18,602)	(27,574)	(9,555)	(5,951)	-	**(61,682)**
Segment profit / (loss)	117,217	56,739	105,385	(425,165)	(97,569)	**(243,393)**
Segment assets	3,234,540	3,298,875	403,847	755,122	(2,067,031)	**5,625,353**
Segment liabilities	2,805,036	2,951,845	164,251	889,906	(1,803,172)	**5,007,866**

*The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.

Notes to the Abridged Consolidated Financial Statements
For the year ended 28 February 2021

1. GENERAL INFORMATION

Cassava Smartech Zimbabwe Limited ("CSZL" or "the Company") and its subsidiaries were demerged from Econet Wireless Zimbabwe Limited ("EWZL"), effective 1 November 2018.

These abridged consolidated financial statements comprise the Company and its subsidiaries (collectively "the Group" and individually the "Group companies"). The Group's subsidiaries and main activities are as follows:

- EcoCash (Private) Limited - (mobile money transfer and payments services company);
- Steward Bank Limited - (digital commercial bank);
- Econet Life (Private) Limited - (mobile based funeral and life assurance company);
- Econet Insurance (Private) Limited - (short-term insurance company);
- Econet Services (Private) Limited is VAYA Technologies Services Zimbabwe (Privated) Limited - (On-demand services, e-commerce, farming technology and digital education services company);
- Maisha Health Fund (Private) Limited (formerly Steward Health (Private) Limited) - (medical aid service provider);
- Mars Zimbabwe (Private) Limited - (medical air and road rescue services provider); and
- CSZL – the listed parent company.

CSZL and its subsidiaries are incorporated in Zimbabwe. CSZL's registered office is 1906 Borrowdale Road, Harare. The ultimate holding company for the Group is Econet Global Limited, which is registered in Mauritius.

These abridged consolidated financial statements are presented in Zimbabwe Dollars ("ZW$"), which is the functional and presentation currency of the primary economic environment in which the Group's entities operate.

Unaudited historical results have been presented as supplementary information, in line with the Public Accountants and Auditors Board ("PAAB") recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.

Notes to the Abridged Consolidated Financial Statements (continued)

For the year ended 28 February 2021

2. STATEMENT OF COMPLIANCE

The Group prepares consolidated financial statements with the aim to fully comply with International Financial Reporting Standards ("IFRSs"), which comprise standards issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Standards Interpretations Committee ("IFRS IC"). Compliance with IFRSs is intended to achieve consistency and comparability of financial statements.

Only partial compliance has been achieved for the year ended 28 February 2021, as a result of the carryover impact of non-compliances in the prior period with IAS 21 and IAS 16, and current year non-compliances with IAS 29. Only partial compliance was also achieved for the year ended 29 February 2020. Consequently, the Directors advise users of these abridged consolidated financial statements to exercise caution.

The principal accounting policies of the Group have been applied consistently in all material respects with those of the previous year, unless otherwise stated and except for the adoption of new standards and amendments that became effective for the year ended 28 February 2021. In the previous year, the Group applied the requirements of International Accounting Standard ("IAS") 29 'Financial Reporting in Hyperinflationary Economies' for the first time.

These abridged consolidated financial statements do not include all of the information and disclosures required to fully comply with IFRSs and should be read in conjunction with the Group's complete consolidated financial statements for the year ended 28 February 2021, which are available for inspection at the Company's registered office.

3. ACCOUNTING POLICIES

3.1 Basis of preparation and consolidation

The underlying consolidated financial statements have been prepared, to the extent legally possible, in accordance with IFRSs and the disclosure requirements of the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules 2019, the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Insurance Act (Chapter 24:07), the Medical Services Act (Chapter 15:13), and related regulations. They are based on accounting policies which have been consistently applied and modified where necessary by the impact of new and revised IFRSs, unless otherwise stated. The abridged consolidated financial statements comprise the financial results of the Company and its subsidiaries as at 28 February 2021.

3.2 Application of IAS 29 - Financial Reporting in Hyperinflationary Economies

In the current year, because it is still reporting in the currency of a hyperinflationary environment, the Group has applied the requirements of IAS 29 and is presenting inflation adjusted consolidated financial statements as its primary financial statements.

The PAAB issued Pronouncement 01/2019 in October 2019 prescribing application of inflation accounting for reporting periods ended on or after 1 July 2019. Historical cost financial results have been presented as supplementary information, and the auditors have not expressed an opinion on those historical results.

The conversion factors used to restate the underlying historical numbers for the consolidated financial statements for the year ended 28 February 2021 are as follows;

	CPI Index	Conversion Factor
28 February 2021	2,698.89	1.00
29 February 2020	640.16	4.22
1 March 2020 to 28 February 2021 Average	921.05	1.40
1 March 2019 to 29 February 2020 Average	324.08	8.33

Non-monetary assets and liabilities carried at historic cost have been restated to reflect the change in the general price index from 1 October 2018 to the end of the reporting period. Monetary assets and liabilities, and non-monetary assets and liabilities carried at revalued amounts have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the statement of profit or loss have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred. A net monetary adjustment was recognised in the statement of profit or loss. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period. This prospective change in IAS 29 application start date has been detailed in Note 10.

4. AUDIT OPINION

The underlying consolidated financial statements to these abridged consolidated financial statements have been audited by Deloitte. An adverse opinion has been issued thereon, with respect to the following matters:

- Valuation of property and equipment, and intangible assets - appropriateness of the application of the ZW$/USD auction exchange rate in the determination of the final ZW$ fair values presented.
- Inappropriate application of International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8") on comparative information: Prospective Corrections of Prior Period Errors:
  - Prospective application of the change in the start date for the application of IAS 29 'Financial Reporting in Hyperinflationary Economies;
  - Prospective restatement in the current year of a prior period error on the closing balance of expected credit losses in respect of loans and advances; and
  - Prospective restatement in the current year of a prior period error on the amortisation charge on right of use assets.

The auditor's report contains the following key audit matters:

- Revenue recognition;
- Valuation of financial assets;
- Existence and valuation of suspense accounts; and
- Going concern.

The engagement partner responsible for this audit was Brian Mabiza (PAAB Practice Certificate Number 0447).

The Auditors' report on the consolidated financial statements is available for inspection at the Company's registered office and on the Zimbabwe Stock Exchange website.

5. INTERPRETATION OF FINANCIAL STATEMENTS PREPARED UNDER HYPERINFLATIONARY CONDITIONS

In as much as all reasonable care and attention has been taken by the Directors to present information that is meaningful and relevant to the users of the financial statements, it is not always possible to present this information in a way that is not contradictory to International Financial Reporting Standards when reporting is impacted by multiple factors in the environment, including but not limited to the legislative framework and economic variables affecting companies operating in Zimbabwe. This has resulted in certain qualifications to these financial statements. Economic variables changed at an extremely fast pace during the year under audit. These circumstances require care and attention by users of financial statements in their interpretation of financial information presented under such conditions.

6 OTHER INFORMATION

		AUDITED INFLATION ADJUSTED		UNAUDITED HISTORICAL*	
		28 February 2021 ZW$'000	29 February 2020 ZW$'000	28 February 2021 ZW$'000	29 February 2020 ZW$'000
6.1	**Depreciation, impairment and amortisation of property, equipment and intangible assets**				
	Charge for the year	(2,407,508)	(860,718)	(345,431)	(61,682)
6.2	**Losses per share**				
	Weighted average number of ordinary shares for the purposes of basic and diluted losses per share calculation ('000)	2,590,577	2,590,577	2,590,577	2,590,577
	Basic and diluted losses per share (ZW$)	(0.346)	(0.455)	(0.088)	(0.100)
	Headline earnings / (loss) per share (ZW$)	0.146	(0.455)	(0.079)	(0.100)
6.3	**Commitments for capital expenditure**				
	Authorised and contracted for	2,686,671	5,345,504	637,265	198,064
	Authorised and not contracted for	4,060,295	26,677,125	963,082	988,453

The capital expenditure is to be financed out of the Group's own resources and existing facilities.

**The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Notes to the Abridged Consolidated Financial Statements (continued)

For the year ended 28 February 2021

7 FINANCIAL INSTRUMENTS-MMT

"Mobile money trust bank balances - restricted balances" and "Mobile money trust liabilities" represent restricted and reserved cash balances held in trust for the EcoCash customers and commissions held for On Demand Services partners.

8 ADMINISTRATIVE PENALTY

On the 29th of January 2021, the Reserve Bank of Zimbabwe's Financial Intelligence Unit ("FIU") levied administrative penalties on EcoCash of ZW$100 million, based on an onsite inspection that was done from the 24th of October 2018 to the 22nd of November 2018. The onsite inspection report noted certain administrative deficiencies. The FIU took note of the progress that the business had made to address the administrative deficiencies that had been noted.

The ZW$100 million administrative penalty was paid and has been included in the reported financial statements.

9 GOING CONCERN

The Board regularly considers and records the facts and assumptions on which it relies to conclude that the Group will continue in operational existence into the foreseeable future at each reporting date.

The Board is concerned about the challenging operating environment as indicated by hyperinflationary pressures in the economy, global and local uncertainties created by the impact of COVID-19 and the strict criteria to be met in order to access foreign currency. The Group will continue to adopt mitigatory measures, within the bounds of the country's laws, to minimise the adverse impacts of the challenging operating environment.

The services provided by the Group entities are recognised as essential services during this COVID 19 crisis which allowed some of our businesses to continue to operate throughout any set restrictions. We continually evaluate the impact of the pandemic on our business over the short to medium term. The going concern assessment has been extended for the 12-month period commencing from the date of approval of the consolidated financial statements for issue and incorporated all available information on the operating environment and future risks and uncertainties on which sensitivity analysis were also made.

The fintech business unit which is the Group's largest operating unit, constitutes about 80% of the total Group revenue. Within the fintech business unit, 80% of the revenue comes from the mobile money business unit, EcoCash and an analysis has been made on both the ability of the Group and the biggest cash generating unit, EcoCash, to continue as going concerns. Business performance for the period 1 March 2021 to the date of authorisation of the financial statements has been in line with business forecasts at the beginning of the year, after taking into consideration the negative impact of the COVID-19 induced restrictions on business performance. Management is confident that the 12-month forecasts used in arriving at the going concern assessment are attainable. The Group has ZW$2.7 billion of related party payables which relate to debentures which were assumed pursuant to the demerger of the Group from Econet Wireless Zimbabwe Limited on 1 November 2018. 1 166 906 618 unsecured redeemable debentures with an annual compounding coupon rate of 5% were issued at a subscription price of 4.665 US cents per debenture and these are accounted for as a long-term related party payable. The obligation is denominated in the United States dollar and as such subject to exchange rate revaluation. The economy experienced significant exchange rate movements during the financial year and as at 28 February 2021 the Group recorded exchange losses amounting to ZW$4.6 billion (2020: ZW$8.4 billion). The related party payable together with the accrued interest will mature in April 2023. Given the impact of the exchange rate fluctuations on the business performance, subsequent to year end, a call was made to debenture holders for early redemption and 24% of debenture holders accepted. The Group will continue to implement measures to mitigate against exchange risk and strengthen performance.

The Reserve Bank of Zimbabwe announced new capital requirements for banking institutions to comply with minimum capital thresholds set at US$30 million in ZW$ equivalent by the 31st of December 2021. As of 28 February 2021, the bank's capitalisation level was at ZW$600 million and based on the Bank forecast at that point, the bank did not appear to be able to achieve the revised minimum capital by 31 December 2021 through organic growth. The Group and the Bank communicated to the Reserve Bank of Zimbabwe in relation to the capitalisation plan to enable the Bank to comply with the capital threshold by the set deadline. The Directors are satisfied that the Bank remains a going concern based on the capitalisation plans that are in place.

As at 28 February 2021, and subsequently as at the date of authorisation of the consolidated financial statements, the Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of the consolidated financial statements on a going concern basis remains appropriate.

10 CHANGE IN APPLICATION DATE OF IAS 29 – FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

In February 2019, the Government of Zimbabwe issued Statutory Instrument (S.I.) 33 of 2019, which among other things, prescribed parity between the US dollar and local mediums of exchange as at and up to the effective date of 22 February 2019 for accounting and other purposes. S.I. 33 also prescribed the manner in which certain balances were to be treated as a consequence of the recognition of the RTGS dollar / ZW dollar as currency in Zimbabwe. In our opinion and based on the guidance issued by the Public Accountants and Auditors Board (PAAB), the change in functional currency translation guidelines prescribed by S.I. 33 and adopted in preparing the consolidated financial statements for prior years to comply with statutory requirements were contrary to the provisions of IAS 21 – The Effects of Changes in Foreign Exchange Rates.

In prior year, the factors and characteristics to apply IAS 29 - Financial Reporting in Hyperinflationary Economies were met in Zimbabwe. As a result, the Public Accountants and Auditors Board (PAAB) pronounced that entities reporting in Zimbabwe were required to apply the requirements of IAS 29 for reporting periods ended on or after 1 July 2019. Consequently, prior year consolidated financial statements were prepared in accordance with IAS 29 as if the economy had been hyperinflationary from 1 March 2019. The Group adopted 1 March 2019 to apply IAS 29 as it was the commencement date of the prior year financial year and the immediate date after the adoption of the Zimbabwe dollar as the functional and reporting currency by the Group in accordance with S.I. 33. However, there was a general consensus amongst market participants that the date of change in functional currency should have been 1 October 2018. Based on the consensus, the changes in the general pricing power of the functional currency ought to apply from 1 October 2018. The Directors however, chose to strictly comply with S.I. 33.

As reported in prior year, the Directors were unable to determine an appropriate and fair exchange rate to apply as required by IAS 21 when the Group changed its functional currency in 2019 which inherently impacted the application of IAS 29.

The Directors have in current year assessed that the cumulative effects of non-compliance with IAS 21 and its consequent impact on IAS 29 which all could not be accurately ascertained in prior years have now in material respects been recycled to retained earnings. As a result of the inability to accurately determine the prior year aforementioned specific effects, the cumulative effect arising from applying 1 March 2019 instead of 1 October 2018 as the IAS 29 application date have been adjusted against opening equity components as disclosed on the statement of changes in equity.

11 FORENSIC AUDIT

In July 2020, the FIU instituted a forensic investigation into the transactions being handled through mobile money operators' systems. The transactions and systems of the Group's mobile money operator, EcoCash, also fell within the scope of this investigation. The major concern of the regulator was the validity of the transactions as well as compliance with rules and regulations. Based on publicly available information the Group's current understanding is that the general objectives of the forensic audit were broadly,

- To investigate the integrity of mobile money operators' systems and electronic monetary values created thereon over a period of time.
- Assess general compliance with country relevant banking, money laundering and know-your-customer laws and regulations that are applicable to mobile money operators.

Following the audit, administrative deficiencies were communicated to the business for remedy.

12 EVENTS AFTER THE REPORTING DATE

The Company early settled 24% of payables which relate to debentures with an original maturity date of 2023. The debentures were assumed following the demerger of Cassava Smartech Zimbabwe Limited from Econet Wireless Zimbabwe Limited.

The shares of Cassava Smartech Zimbabwe Limited were suspended from trading on the Zimbabwe Stock Exchange from the 1st of October 2021. The suspension was due to a delay in the publication of the Group audited financial statements for 2021 financial year.

The Group continues to monitor and implement measures to mitigate the continuing impact of Covid-19 on the business and all its stakeholders.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CASSAVA SMARTECH ZIMBABWE LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS

Adverse Opinion

We have audited the inflation-adjusted consolidated financial statements of Cassava Smartech Zimbabwe Limited and its subsidiaries (the "Group") set out on pages 15 to 101, which comprise the inflation-adjusted consolidated statement of financial position as at 28 February 2021, and the inflation-adjusted consolidated statement of profit or loss and other comprehensive income, the inflation-adjusted consolidated statement of changes in equity and the inflation-adjusted consolidated statement of cash flows for the year then ended, and the notes to the inflation-adjusted consolidated financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying inflation-adjusted consolidated financial statements do not present fairly the inflation-adjusted consolidated financial position of the Group as at 28 February 2021, and its inflation-adjusted consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS"), and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Insurance Act (Chapter 24:07), the Medical Services Act (Chapter 15:13), and related regulations.

Basis for Adverse Opinion

1. Valuation of property and equipment, and intangible assets

As set out in notes 10 and 13 to the inflation-adjusted financial statements, the Group performed a revaluation of property and equipment and intangible assets as at 28 February 2021, valued at ZW$4.6 billion and ZW$1.3 billion, respectively (2020: ZW$5.3 billion and ZW$1.7 billion, respectively). The Group engaged professional valuers to determine fair values in United States Dollars ("USD"), which were subsequently translated to Zimbabwe Dollars ("ZW$") using the closing ZW$/USD auction exchange rate as at 28 February 2021. Whereas the determined USD values are reflective of fair value in that currency, the conversion to ZW$, for purposes of reporting in the Group's functional currency, is not in compliance with International Financial Reporting Standard 13 'Fair Value Measurement' ("IFRS 13"), for the reasons stated below.

IFRS 13 defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at a measurement date. While we found the assumptions and methods used by the professional valuers to determine the USD valuations reasonable and appropriate in determining fair value in USD, we were unable, however, to obtain sufficient appropriate evidence to support the appropriateness of the application of the ZW$/USD auction exchange rate in the determination of the final ZW$ fair valuations presented.

IFRS 13 requires:

- a fair value to be determined using the assumptions that market participants would use when pricing the asset, assuming market participants act in their economic best interests; and

- fair value to reflect the price that would be received to sell the asset in an orderly transaction in the principal market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

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REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Basis for Adverse Opinion (continued)

1. Valuation of property and equipment, and intangible assets (continued)

We were therefore unable to obtain sufficient appropriate evidence to support the appropriateness of simply applying the closing ZW$/USD auction exchange rate in determining the ZW$ fair value of property and equipment and intangible assets, without any further adjustments to reflect how the economic conditions within the country as at that measurement date would impact the assumptions that market participants would use in pricing the items of property and equipment and intangible assets in ZW$. Such matters include, but are not limited to:

- the correlation of the responsiveness of ZW$ valuations of property and equipment, and intangible assets to the auction exchange rate and related underlying USD values; and

- the extent to which supply and demand for the items of property and equipment, and intangible assets reflects the implications on market dynamics of the auction exchange rate.

Consequently, we were unable to obtain sufficient appropriate evidence to support the appropriateness of the valuation in ZW$ of the property and equipment and intangible asset balances, the revaluation reserve as well as deferred tax closing balances and their related movements for the year which were also impacted.

The 2020 year audit report included a qualification on the depreciation expense of property and equipment due to the misstatements on the valuations of the assets completed in the 2019 financial year. These valuation matters remained unresolved and therefore affected the depreciation, revaluation reserves, movement in revaluation reserves, monetary gain and retained income recorded in the 2020 year. Their continued impact on opening retained income and monetary gain in the current year remains material.

2. Inappropriate application of International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8") on current year and comparative information: Prospective Corrections of Prior Period Errors

2.1 Prospective application of the change in the start date for the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' (IAS 29")

As a result of the pronouncement by the Public Accountants and Auditors Board ("PAAB"), entities reporting in Zimbabwe were required to apply the requirements of IAS 29 with effect from 1 July 2019. In the prior year, the Directors applied the requirements of IAS 29 from the legislated date of change in functional currency of 22 February 2019. However, in accordance with IAS 21 'The Effects of Changes in Foreign Exchange Rates' ("IAS 21"), the date of change in functional currency was determined to be 1 October 2018. Consequently, the changes in the general pricing power of the functional currency should have been applied from 1 October 2018.

As disclosed in Note B.3 of the inflation-adjusted consolidated financial statements, the Group did not comply with IAS 21 in the prior year, as the Directors elected to comply with Statutory Instrument 33 of 2019 ("SI 33/19"). IAS 29 was therefore only applied from 22 February 2019, and not 1 October 2018, as required by IAS 21.

Management resolved to correct the inconsistencies arising due to the decision to apply the requirements of IAS 29 from 22 February 2019 as opposed to 1 October 2018, as would have been required to comply with International Financial Reporting Standards as described above. The impact of this correction was only effected as an amendment to the opening equity as a movement in the current year statement of changes in equity, for reasons explained in Note B.3. This is not in compliance with IAS 8 that would have required retrospective restatement, as the adjustments to line items, including movements in a number of note disclosures for the year ended 29 February 2020 have not been made,.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CASSAVA SMARTECH ZIMBABWE LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Basis for Adverse Opinion (continued)

2. Inappropriate application of International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8") on comparative information: Prospective Corrections of Prior Period Errors (continued)

2.1 Prospective application of the change in the start date for the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' ("IAS 29") (continued)

Furthermore, since this is presented as a current year movement in the inflation adjusted statement of changes in equity as well as the Property and equipment, intangible assets, deferred taxation and other assets notes, our opinion is modified in respect of the current year movements presented in the inflation adjusted statement of changes in equity as well as the movements recorded in the above mentioned notes.

IAS 1, 'Presentation of Financial Statements' ("IAS1") requires a third balance sheet to be presented should errors be material to the third balance sheet. A third balance sheet has not been presented in line with these requirements. Therefore our opinion is further modified on the presentation of the statement of financial position owing to the omission of the third balance sheet.

As a consequence of the incorrect start date for application of IAS 29 used in the prior year, the restated prior year closing values of inventory, share capital, share premium and revaluation reserves, and the depreciation, amortisation and deferred tax movements and the related gain on monetary position were materially misstated. Our opinion is therefore further modified in respect of the comparability of the current year figures and the corresponding prior period figures in respect of these items.

2.2 Prospective restatement in the current year of a prior period error on the closing balance of expected credit losses in respect of loans and advances

In the prior year, the Group's banking subsidiary calculated the loss given default ratio on its expected credit losses model on loans and advances using regulatory data. In addition, management applied post-model adjustments to determine the final expected credit losses whose assumptions could not be supported by internally or externally verifiable data. IFRS 9 'Financial Instruments' ("IFRS 9") would have required the banking subsidiary to derive the loss given default ratio from internally generated data. Moreover, IFRS 9 would have required that management's assumptions on post model adjustments be supported by internal or external verifiable information. Consequently, the prior year closing balance of expected credit losses on the banking subsidiary were overstated by ZW$102 million. The Group has prospectively adjusted the opening retained earnings as a movement in the current year inflation-adjusted consolidated statement of changes in equity by ZW$ 75.8 million (after tax) and the opening as a movement in the current year net loans and advances balances by ZW$ 102 million as explained on Note B.4 to the inflation-adjusted consolidated financial statements. This is not in compliance with IAS 8, which would have required retrospective restatement.

The inappropriate correction of the prior year error as a current year movement in the retained income, ECL and loan balances would also affect movements in related note disclosures.

2.3 Prospective restatement in the current year of a prior period error on the amortisation charge on right of use assets

In addition, in the prior year, the Group's banking subsidiary inflation-adjusted the amortisation on its right of use assets for the year ended 28 February 2019 using an incorrect inflation restatement factor. Consequently, the amortisation was overstated by ZW$39 million. The Group has prospectively adjusted the opening retained earnings as a movement in the current year inflation-adjusted consolidated statement of changes in equity and the opening right of use assets as explained on

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Basis for Adverse Opinion (continued)

2. **Inappropriate application of International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8") on comparative information: Prospective Corrections of Prior Period Errors (continued)**

2.3 Prospective restatement in the current year of a prior period error on the amortisation charge on right of use assets (continued)

Note B.4 to the inflation-adjusted consolidated financial statements. This is not in compliance with IAS 8 which would have required retrospective restatement.

The inappropriate correction of the prior year amortisation expenses on right of use assets error as a movement in the retained earnings balance would also affect movements in related note disclosures.

Our opinion on the current year's inflation-adjusted consolidated financial statements is further modified because of the possible effects on the comparability of the current year figures and the corresponding prior period figures in respect of the items above.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Emphasis of Matter

We draw attention to the following:

- Note 37, which deals with the subsequent outcome and conclusion of the forensic audit undertaken by the Reserve Bank of Zimbabwe's Financial Intelligence Unit on the Group's subsidiary, EcoCash (Private) Limited.

Our opinion is not modified further in respect of this matter.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CASSAVA SMARTECH ZIMBABWE LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation-adjusted consolidated financial statements of the current period. These matters were addressed in the context of our audit of the inflation-adjusted consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Adverse Opinion section of our report, we have determined the matters described below to be the key audit matters.

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Revenue recognition</td></tr>
<tr><td>The Group's revenue streams are characterised by high volumes of transactional data. The revenue computation process is highly automated, complex in nature and dynamic, thus requiring the reliance on numerous information technology related controls, and any errors in placing interest rates or system failures may result in miscalculation of interest in the IT system.

Due to the varying terms and conditions, the revenue recognition is determined to being complex. The following are specific areas of the complexities identified:

• The recognition criteria for revenue:
– Accounting treatment for agency relationships, treatment of discounts, incentives and commissions; and
– The potential impact of seemingly small errors is significant due to the possibility of automated replication through the large volumes of transactions.

As a result of the above matters, the related timing of revenue recognition, the volume of transactional data involved and some system challenges arising during the year, this was considered to be a key audit matter.

Note N to the financial statements includes details on the revenue recognition accounting policies. Note 2 further provides detailed information around the different classes of revenue.</td><td>In addressing this matter, the following procedures were performed:
• Performed walkthroughs of the revenue processes and evaluated the design and implementation of controls in this area.
• Reviewed a sample of agency contracts and the related treatments.
• Obtained an understanding of the process of updating and application of new tariff plans and the relevant controls in the billing process and tested the effectiveness thereof.
• Analysed and verified transactional data on a monthly basis.
• Engaged internal Data Analytics and IT specialists to independently to confirm that the automated aspects of the automated revenue calculations were configured correctly and have been operating effectively throughout the audit period.
• Performed sensitivity analysis in relation to the key assumptions in order to assess the potential for management bias.
• Performed detailed substantive testing of journal entries processed around revenue to ensure these were appropriately authorised, complete and accurate.
• Assessed the appropriateness of the revenue recognition criteria used by management as per the IFRS 15 requirements.
• Reviewed the revenue thresholds in line with the Group's pricing policies.
• Reviewed the disclosures in the annual financial statements against the requirements of IFRS.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CASSAVA SMARTECH ZIMBABWE LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Key Audit Matters (continued)

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Valuation of financial assets</td></tr>
<tr><td>The Group is exposed to credit risk on its portfolio of loans and advances and debt instruments at amortised cost amounting to ZW$1.6 billion as disclosed in notes 20 to the inflation-adjusted financial statements.

Significant judgement is exercised by management in assessing the impairment of financial assets as disclosed in Note U.1 and AA.7 to the inflation-adjusted financial statements. Due to the complexity of IFRS 9 - and operating models and the uncertainty of the environment which may result in inappropriate forward-looking judgements and assumptions, the issue was considered to be a key audit matter.

Management applied judgments in the following areas:
• Assumptions in the models, including forward looking information.
• The assumptions relating to Probability of Default, Loss Given Default and Exposure at Default.
• Evaluation of the borrower's financial situation expected recoveries discounted to present value and the net realisable value of collateral.
• There is subjectivity involved in the determination of the amounts of loans and advances deemed uncollectable and requiring impairment by management. The determination of uncollectible amounts is on a portfolio basis.
• The matter required significant interactions between the auditor and management, including the reliance on management's specialist.</td><td>In evaluating the adequacy of impairment of financial assets the following procedures were performed:
• Engaged internal quantitative specialists to validate the appropriateness of the assumptions and inputs applied to the models and alignment to the principles set out in IFRS 9.
• Reviewed and assessed the effect of recent changes in the economic environment and the business model on determining the appropriate forward looking macro-economic factors.
• Reviewed and assessed the effect of recent changes in the economic environment and the business model on determining the appropriate forward looking macro-economic factors.
• Obtained an understanding of the credit approval and loan on-boarding processes to confirm appropriateness of the loan information in the IT system.
• Obtained an understanding of the related controls of the process followed in calculating the impairment allowance.
• Reviewed the impairment allowance calculation for arithmetical accuracy. Reviewed the adequacy and valuation of security on loans and advances and assessed the implications thereof on the impairment assessment.
• Selected a sample of loans and advances and analysed them for accuracy of the classification into various credit risk grades and credit quality portfolios as prescribed by the regulator and International Financial Reporting Standards, respectively.
• Reviewed the annual financial statements for appropriate disclosure for the allowances for impairment losses.</td></tr>
</table>

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Key Audit Matters (continued)

Key audit matter	How the matter was addressed in the audit
Existence and valuation of suspense accounts	
Suspense accounts are high risk areas which are a feature of the Group's day to day operations. The matter is of significance to the audit due to the nature of the operations, the accounts' general susceptibility to fraud and the high volumes of transactions. In addition, in the prior year, capacity constraints were noted for the core banking system that resulted in general ledger mismatches. The Group then engaged an accredited consultant to resolve the general ledger mismatches and imbalances. Owing to the accounts' susceptibility to fraud, the large volume of the transactions within the suspense accounts and matters noted in prior year, this has been noted as a key audit matter. We refer to notes 19 to the inflation-adjusted financial statements for suspense account related balances included in other receivables.	To address the risk on existence and valuation of suspense accounts, audit procedures included: • Obtaining an understanding and analysing the nature of the suspense accounts. • Testing the design and implementation of internal controls around the reconciliation of suspense accounts. • Performing detailed validation tests on a sample of transactions within suspense accounts. • Reviewing suspense account reconciliations at year end to confirm that outstanding elements at year end represented bona fide clearing items. • Evaluating how the suspense accounts were subsequently cleared. • Reviewing the annual financial statements for appropriate and applicable disclosures of the suspense accounts under other assets and other liabilities.

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Key Audit Matters (continued)

Key audit matter	How the matter was addressed in the audit
Going concern	
As at 28 February 2021, the Group incurred a loss of ZW$894 million in inflation adjusted terms as a consequence of exchange losses being incurred of ZWL4.6 billion on foreign denominated liabilities. As set out in Note 33, the Group is also in the process of capitalising the banking subsidiary in order to ensure compliance with minimum prescribed capital requirements for banks. Due to the significant auditor attention and judgement involved in assessing management's use of the going concern assumption as a result of the foregoing matters, going concern was determined to be a key audit matter.	We reassessed the risk assessment on going concern and took into account the additional considerations in respect of the impact of developments in the Group's operating and trading conditions on future cash flow and judgements applied in reaching the Group's going concern conclusion, as well as capitalisation considerations for the banking subsidiary. In evaluating the Director's judgements in determining whether there are any material uncertainties which may cast doubt on the Group's ability to continue as a going concern, the following procedures were performed: • Tested the design and implementation of controls around the going concern assessment and the judgements applied; • Assessed the cash flow forecasts and budgets for reasonableness, for at least twelve months after the expected date of sign-off of the financial statements. This involved challenging the key assumptions used in the forecasts and performing sensitivity analyses; • Performed retrospective reviews by comparing historical projected cash flows and financial performance against actual historical performance to challenge the reasonableness and integrity of the budgeting process. This was also extended to consider the post year-end financial performance and position of the Group relative to its forecasts; • Assessed management's plans to mitigate the negative impacts of the changes in the regulatory environment for reasonableness; • Challenged the enforceability and feasibility of management's capitalisation plans for the banking subsidiary, including specific considerations of the financial health of the banking subsidiary and the holding company with which funding arrangements were being made; • Performed a detailed review of subsequent events and assessed the potential impact of those events on the going concern assumption; • Inspected minutes of Board meetings outlining their plans for the Group around the settlement of foreign denominated liabilities; • Inspected the signed shareholder funding support arrangements for ZW$ 1.8 billion effective 8 October 2021; and Considered the adequacy and appropriateness of the going concern disclosure as set out in note 33.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CASSAVA SMARTECH ZIMBABWE LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Cassava Smartech Zimbabwe Limited Consolidated Financial Statements for the year ended 28 February 2021", which includes the 'Director's responsibility for financial reporting', which we obtained prior to the date of our auditor's report. The other information also comprises the information included in the document titled "Cassava Smartech Zimbabwe Limited Annual Report for the year ended 28 February 2021", which we had not yet received as at the date of issuing our auditor's report. The other information does not include the inflation-adjusted consolidated financial statements and our auditor's report thereon. The document titled "Cassava Smartech Zimbabwe Limited Annual Report for the year ended 28 February 2021" is expected to be made available to us after the date of this auditor's report.

Our opinion on the inflation-adjusted consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the inflation-adjusted consolidated statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation-adjusted consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, we have concluded that the other information is also materially misstated for the same reasons.

Responsibility of the Directors for the Inflation-adjusted Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of the inflation-adjusted consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Insurance Act (Chapter 24:07), the Medical Services Act (Chapter 15:13), and related regulations. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of inflation-adjusted consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Auditor's Responsibilities for the Audit of the Inflation-adjusted Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation-adjusted consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation-adjusted consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation-adjusted consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the inflation-adjusted consolidated financial statements, including the disclosures, and whether the inflation-adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation-adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the inflation-adjusted consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CASSAVA SMARTECH ZIMBABWE LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1)(a)
As a result of the matters described in the Basis for Adverse Opinion section of our report, the inflation-adjusted consolidated financial statements of the Group are not properly drawn up in accordance with the Act and do not give a true and fair view of the state of the Group's affairs as at 28 February 2021.

Section 193(2)
We have no matters to report in respect of the Section 193(2) requirements of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Brian Mabiza.

Deloitte & Touche

DELOITTE & TOUCHE
Chartered Accountants (Zimbabwe)
Per Brian Mabiza
Partner
PAAB Practice Certificate 0447
Harare, Zimbabwe

Date: 18 October 2021