



EcoCash

HOLDINGS ZIMBABWE

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

Unreviewed condensed consolidated financial statements

For the half year ended 31 August 2021

HIGHLIGHTS

Key Performance Indicators

Revenue ZW\$11.0 billion ↑ 36%	EBITDA ZW\$2.5 billion ↑ 61%	Loss after tax ZW\$27.6 million ↓ 72%	Total assets ZW\$37.8 billion ↑ 24%
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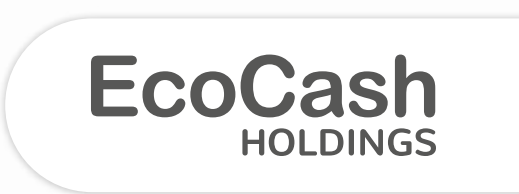


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VAYA LOGISTICS

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Introducing EcoCash Holdings, your diversified digital solutions group

We are shifting gears to position ourselves for the opportunities ahead as we continue to enable you to experience a digital life.



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VAYA SERVICES

VAYA MOBILITY

Your diversified digital solutions group

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Your needs
are our driving
force

As we unveil our new group identity, we
remain focused on delivering innovative
digital solutions to simplify your life.
#ShiftingGears

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For the half year ended 31 August 2021

Chairperson's statement

INTRODUCTION

The performance of the business continues to be underpinned by our digital transformation journey, leading to the development of innovative products that provide unparalleled convenience to our customers. Financial inclusion remains a key strategic focus in all our product development in line with our vision of a digitally connected future that leaves no Zimbabwean behind. We have made strides in digital transformation in the period under review with upgrades of key systems, which has positioned the Group for growth into the future.

The half-year under review was characterized by the re-imposition of lockdown measures due to the resurgence of the Covid 19 pandemic, which resulted in restrictions on the movement of persons and subdued business activity. The period also witnessed a decline in the month-on-month inflation and relative economic stability, which presented the business with an opportunity to recover.

BUSINESS OVERVIEW

As we celebrate the 10th anniversary of the mobile money business, we reflect on the key role that the business has played in driving the financial inclusion agenda in Zimbabwe. Ecocash continued a steady growth trajectory with transaction values and wallet funding on the upward trend compared to the same period last year at 25% and 54%, respectively.

The Steward Bank lending strategy yielded positive results as the 127% growth in the loan book from February 2021 spurred the bank's 795% growth in interest income, compared to the same period in FY2021. The completion of the Core Banking System upgrade, in line with the acceleration of our digitization focus, has resulted in improved customer experience and has created capacity for the development of innovative products in the future.

In line with the Group's focus on financial inclusion, the Insurtech businesses implemented various initiatives to reach previously uninsured communities. In line with our revenue diversification strategy, Insurtech business revenue contribution grew from 14% in the same period last year to 19% on the back of the growing strength of our short-term insurance corporate book. Econet Life was awarded for being the most innovative insurance company at the 2021 Insurance Company awards. Innovation remains a key pillar in achieving our vision.

Vaya Technologies continues to grow its operations on the back of growth in the agricultural sector. The growth in the Healthtech revenue was spurred by our response to the demand for health services during the period due to the Covid-19 pandemic. We will continue to create the capacity to be able to respond to health needs.

FINANCIAL PERFORMANCE

The Group's revenues increased by 36% compared to the same period last year, driven largely by an increase in transactional volumes for the Fintech business units. The Fintech business remains the largest contributor to revenue, constituting 80% of total revenue. Management continues to focus on revenue diversification as a strategy for revenue growth.

The loss before tax reduced to ZW\$27.6 million compared to a loss before tax of ZW\$1.8 billion in the prior period on the back of revenue growth, reduced exchange losses, and effective cost reduction initiatives that started during the prior year. Management remains focused on leveraging technology to improve operational efficiencies.

CORPORATE SOCIAL RESPONSIBILITY

The Group continued to actively support efforts by the Government to fight the pandemic through the provision of affordable COVID-19 testing services and sanitization services.

The Group, through its partnership with Higher Life Foundation, continued with key interventions that focused on education, rural transformation, global health, and sustainable livelihoods.

Within education, we continued providing learning opportunities to academically gifted, orphaned, and vulnerable children in Zimbabwe through scholarships from Early Childhood Development ("ECD") to tertiary level.

Our initiatives on sustainable livelihoods continue to create opportunities for communities to venture into climate-smart agriculture through a concept termed "Pfumvudza", which is also a Government programme aimed at ensuring that climate shocks are mitigated in agricultural output.

OUTLOOK

The Group is anchored on a sound capital and liquidity position, allowing it to continue to support its customers. It will continue with its digital transformation journey and is optimistic about the future ahead. As a diversified digital solutions group, we are investing in artificial intelligence, machine learning, and cloud-based services to proactively develop products that will meet our customer needs and improve the customer experience.

APPRECIATION

I would like to extend my appreciation to our shareholders, customers, regulators, Government, and business partners for their continued support. Our employees have continued to be innovative in the face of change and I would like to express my gratitude on behalf of the Board for their dedication to meeting the needs of our customers and strengthening our market position.

On behalf of the Board

Sherree Shereni
Board Chairperson

29 November 2021

Unreviewed Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 August 2021

	Notes	INFLATION ADJUSTED		HISTORICAL*	
		Unreviewed 31 August 2021 ZWS\$'000	Unreviewed 31 August 2020 ZWS\$'000	Unreviewed 31 August 2021 ZWS\$'000	Unreviewed 31 August 2020 ZWS\$'000
Revenue	5.1	11,046,502	8,099,007	10,307,851	3,401,006
Cost of sales and external services sold		(3,063,232)	(2,274,110)	(2,821,910)	(994,504)
Impairment on financial assets charge: expected credit loss allowances on loans and advances to bank customers		(292,421)	(48,504)	(311,438)	(19,497)
Gross profit		7,690,849	5,776,393	7,174,503	2,387,005
Other income		635,483	311,729	730,055	668,229
Other expenses		(157,170)	(139,626)	(11,950)	(2,408)
General administrative and other expenses:		(5,893,554)	(8,434,297)	(5,618,787)	(4,081,820)
- Administration and other Expenses		(4,928,556)	(3,807,137)	(4,641,798)	(1,687,307)
- Impairment on financial assets charge: expected credit loss allowances on items other than loans and advances		(159,810)	(32,740)	(163,990)	(13,161)
- Depreciation, amortisation and impairment		(777,668)	(923,750)	(583,028)	(129,901)
- Foreign exchange losses arising from trade related and other payables		(27,520)	(3,670,670)	(229,971)	(2,251,451)
Marketing and sales expenses		(551,314)	(537,157)	(504,595)	(217,433)
Foreign exchange losses arising from debenture related liabilities		(71,934)	-	(66,202)	-
Monetary adjustment (IAS 29)		(1,527,934)	1,433,179	-	-
Profit / (loss) before net finance costs		124,426	(1,589,779)	1,703,024	(1,246,427)
Finance income		17,941	1,979	16,883	625
Finance costs		(169,947)	(185,273)	(156,651)	(95,846)
(Loss) / profit before taxation		(27,580)	(1,773,073)	1,563,256	(1,341,648)
Income tax expense		(634,788)	(620,557)	(625,583)	(271,708)
(Loss) / profit for the period		(662,368)	(2,393,630)	937,673	(1,613,356)
(Loss) / profit for the period attributable to :-		(662,368)	(2,393,630)	937,673	(1,613,356)
Equity holders of Cassava Smartech Zimbabwe Limited		(534,890)	(2,403,465)	928,885	(1,663,587)
Non-controlling interest		(127,478)	9,835	8,788	50,231
Items that may not to be reclassified to profit or loss		-	-	-	153,225
Gain arising on revaluation of property and equipment and intangible assets		-	-	-	203,540
Taxation effect of other comprehensive income		-	-	-	(50,315)
Total comprehensive (loss) / income for the period		(662,368)	(2,393,630)	937,673	(1,460,131)
Other comprehensive income attributable to:		-	-	-	153,225
Equity holders of Cassava Smartech Zimbabwe Limited		-	-	-	153,225
Non-controlling interest		-	-	-	-
Total comprehensive (loss) / income for the period attributable to:-		(662,368)	(2,393,630)	937,673	(1,460,131)
Equity holders of Cassava Smartech Zimbabwe Limited		(534,890)	(2,403,465)	928,885	(1,510,362)
Non-controlling interest		(127,478)	9,835	8,788	50,231
Total comprehensive (loss) / income for the period		(662,368)	(2,393,630)	937,673	(1,460,131)
(loss) / earnings per share					
Basic and diluted (loss) / earnings per share (ZW\$ cents)	5.3	(20.65)	(92.78)	35.86	(64.22)
Headline (loss) / earnings per share (ZW\$ cents)	5.3	(20.58)	(90.75)	35.92	(63.50)

*The historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The inflation adjusted results represent the primary financial information required by IAS 29.



Fintech



On-Demand
Services



Insurtech



Healthtech



Edutech



eCommerce



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HOLDINGS ZIMBABWE

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

Unreviewed condensed consolidated financial statements for the half year ended 31 August 2021

Unreviewed Condensed Consolidated Statement of Financial Position

For the half year ended 31 August 2021

Notes	INFLATION ADJUSTED		HISTORICAL*	
	Unreviewed 31 August 2021 ZW\$'000	Audited 28 February 2021 ZW\$'000	Unreviewed 31 August 2021 ZW\$'000	Unaudited 28 February 2021 ZW\$'000
Assets				
Intangible assets	1,721,060	1,583,562	787,428	639,883
Property and equipment	5,045,608	5,421,784	3,659,970	3,966,786
Right of use asset	256,637	261,697	31,852	37,162
Investment properties	1,117,492	1,295,222	1,117,492	1,095,410
Other assets	707,130	1,068,590	129,512	372,613
Current tax assets	92,759	77,183	92,759	65,276
Amounts owed by related party companies	164,886	97,714	117,913	82,640
Trade and other receivables	6,145,466	4,597,149	5,283,824	3,174,773
Loans and advances	4,438,862	1,888,848	4,438,862	1,597,458
Treasury bills and Government bonds	7,848,398	1,186,116	7,848,398	1,003,136
Financial assets at fair value through profit and loss	7 1,547,968	1,283,361	1,545,277	1,085,379
Assets held for sale	316	1,739	316	1,471
Mobile money trust bank balances - restricted balances	6 5,562,618	5,006,517	5,562,618	4,234,169
Cash and cash equivalents	3,177,207	6,705,820	3,177,207	5,671,323
Total assets	37,826,407	30,475,302	33,793,428	23,027,479
Equity and Liabilities				
Capital and reserves				
Share capital and share premium (Accumulated losses) / retained earnings	101,497	101,497	2,591	2,591
Other reserves	(2,635,220)	(3,637,237)	463,805	(465,081)
Equity attributable to owners of Cassava Smartech Zimbabwe Limited	9,519,147	9,508,466	3,049,669	3,116,902
Non-controlling interest	(297,793)	(170,322)	159,250	150,462
Total equity	6,985,424	5,972,726	3,516,065	2,654,412
Liabilities				
Lease Liabilities	35,583	52,635	35,583	44,515
Provisions	517,156	357,728	511,687	299,492
Current tax liability	267,719	-	261,191	-
Deferred tax Liabilities	748,602	822,078	269,831	458,672
Amounts owed to related party companies	9 4,775,779	6,167,440	4,775,779	5,215,998
Trade and other payables	4,243,300	3,749,865	3,706,878	2,766,973
Mobile money trust liabilities	6 5,562,618	5,006,517	5,562,618	4,234,169
Deposits due to banks and customers	14,988,019	8,516,635	14,988,019	7,202,786
Total liabilities	31,138,776	24,672,898	30,118,113	20,222,605
Total equity and liabilities	37,826,407	30,475,302	33,793,428	23,027,479

*The historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The inflation adjusted results represent the primary financial information required by IAS 29.

Condensed Consolidated Statement of Cashflows

For the half year ended 31 August 2021

	INFLATION ADJUSTED		HISTORICAL*	
	Unreviewed 31 August 2021 ZW\$'000	Unreviewed 31 August 2020 ZW\$'000	Unreviewed 31 August 2021 ZW\$'000	Unreviewed 31 August 2020 ZW\$'000
Cash generated from operations	7,624,863	4,842,586	7,002,938	2,792,622
Income tax paid	(435,166)	(248,553)	(586,078)	(109,772)
Net cash generated from operations	7,189,697	4,594,033	6,416,860	2,682,850
Investing activities				
Net acquisition of property and equipment and intangible assets	(522,680)	(389,846)	(419,629)	(126,723)
Net (acquisition) / disposal of financial instruments	(7,583,138)	(220,652)	(6,790,643)	76,269
Other investing activities	(90,397)	(162,260)	(225,544)	(115,833)
Net cash used in investing activities	(8,196,215)	(772,758)	(7,435,816)	(166,287)
Cash flows from financing activities				
Financing costs paid	(159,149)	(183,709)	(146,711)	(95,498)
Net cash flows used in financing activities	(159,149)	(183,709)	(146,711)	(95,498)
Net (decrease) / increase in cash and cash equivalents	(1,165,667)	3,637,566	(1,165,667)	2,421,065
Cash and cash equivalents at the beginning of the period	9,905,492	3,379,400	9,905,492	2,249,237
Cash and cash equivalents at end of period	8,739,825	7,016,966	8,739,825	4,670,302
Comprising:				
Cash and cash equivalents restricted	5,562,618	2,514,158	5,562,618	1,673,355
Cash and cash equivalents non-restricted	3,177,207	4,502,808	3,177,207	2,996,947
Cash and cash equivalents at end of period	8,739,825	7,016,966	8,739,825	4,670,302

*The historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The inflation adjusted results represent the primary financial information required by IAS 29.

Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 August 2021

	INFLATION ADJUSTED				Non-controlling interest ZW\$'000	Total ZW\$'000
	Share capital and share premium ZW\$'000	Retained earnings / (accumulated losses) ZW\$'000	Other reserves ZW\$'000	Attributable to equity holders of the entity ZW\$'000		
Balance at 1 March 2020	82,724	600,839	5,900,609	6,584,172	(469)	6,583,703
Profit for the period	-	(2,403,465)	-	(2,403,465)	9,835	(2,393,630)
Total comprehensive income	-	(2,403,465)	-	(2,403,465)	9,835	(2,393,630)
Transfers between reserves	-	316,030	(316,030)	-	-	-
Balance at 31 August 2020 (Unreviewed)	82,724	(1,486,596)	5,584,579	4,180,707	9,366	4,190,073
Balance at 1 March 2021	101,497	(2,100,330)	9,586,380	7,587,547	(170,315)	7,417,232
Profit for the period	-	(534,890)	-	(534,890)	(127,478)	(662,368)
Total comprehensive income	-	(534,890)	-	(534,890)	(127,478)	(662,368)
Purchase of Treasury Shares	-	-	(67,233)	(67,233)	-	(67,233)
Balance at 31 August 2021 (Unreviewed)	101,497	(2,635,220)	9,519,147	6,985,424	(297,793)	6,687,631

*The historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The inflation adjusted results represent the primary financial information required by IAS 29.

Condensed Consolidated Statement of Changes in Equity (Continued)

For the half year ended 31 August 2021

	HISTORICAL*					Total ZW\$'000
	Share capital and share premium ZW\$'000	Retained earnings / (accumulated losses) ZW\$'000	Other reserves ZW\$'000	Attributable to equity holders of the entity ZW\$'000	Non-controlling interest ZW\$'000	
Balance at 1 March 2020	2,591	(251,127)	839,591	591,055	26,432	617,487
(Loss) / profit for the year	-	(1,663,587)	-	(1,663,587)	50,231	(1,613,356)
Other comprehensive income for the year	-	-	153,225	153,225	-	153,225
Total comprehensive (loss) / income for the year	-	(1,663,587)	153,225	(1,510,362)	50,231	(1,460,131)
Balance at 31 August 2020 (Unreviewed)	2,591	(1,914,714)	992,816	(919,307)	76,663	(842,644)
Balance at 1 March 2021	2,591	(465,081)	3,116,902	2,654,412	150,462	2,804,874
Profit for the period	-	928,886	-	928,886	8,788	937,674
Total comprehensive income	-	928,886	-	928,886	8,788	937,674
Purchase of Treasury Shares	-	-	(67,233)	(67,233)	-	(67,233)
Balance at 31 August 2021 (Unreviewed)	2,591	463,805	3,049,669	3,516,065	159,250	3,675,315

*The historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The inflation adjusted results represent the primary financial information required by IAS 29.

Condensed Consolidated Segment Information

For the half year ended 31 August 2021

	INFLATION ADJUSTED					Total ZW\$'000
	Mobile Money ZW\$'000	Digital Banking ZW\$'000	InsurTech ZW\$'000	Other segments ZW\$'000	Eliminations ZW\$'000	
Half year ended 31 August 2021 (Unaudited)						
Revenue	6,296,729	2,886,796	1,661,723	585,505	(384,251)	11,046,502
Depreciation, amortisation and impairment	(348,172)	(177,039)	(119,622)	(132,835)	-	(777,668)
Segment profit / (loss)	1,277,043	354,924	(1,995,897)	(139,015)	(159,423)	(662,368)
Segment assets	12,767,612	25,266,224	3,402,578	13,432,896	(17,042,903)	37,826,407
Segment liabilities	8,415,192	21,722,720	2,400,951	4,477,067	(5,877,154)	31,138,776
Half year ended 31 August 2020 (Unaudited)						
Revenue	5,334,548	1,446,981	1,147,547	519,900	(349,969)	8,099,007
Depreciation, amortisation and impairment	(199,906)	(598,085)	(50,701)	(75,058)	-	(923,750)
Segment profit / (loss)	681,589	218,391	7,078	(1,711,353)	(1,589,335)	(2,393,630)
Segment assets	10,272,542	10,572,213	2,051,705	10,449,471	(11,679,607)	21,666,324
Segment liabilities	7,527,373	7,141,397	983,219	5,650,889	(3,826,627)	17,476,251
Year ended 21 February 2021 (Audited)						
Segment assets	11,838,883	16,284,942	3,066,975	13,864,773	(14,580,271)	30,475,302
Segment liabilities	8,747,059	13,555,408	1,730,684	4,723,513	(4,083,766)	24,672,898
Half year ended 31 August 2021 (Unaudited)						
Revenue	5,821,615	2,765,408	1,536,761	547,690	(363,623)	10,307,851
Depreciation, amortisation and impairment	(295,007)	(150,670)	(89,332)	(48,019)	-	(583,028)
Segment profit / (loss)	1,204,230	263,561	202,257	(433,233)	(299,143)	937,673
Segment assets	11,627,551	23,906,188	3,250,152	2,130,000	(7,120,463)	33,793,428
Segment liabilities	8,291,987	21,674,817	1,733,561	4,350,256	(5,932,508)	30,118,113
Half year ended 31 August 2020 (Unaudited)						
Revenue	2,165,908	600,190	543,545	232,282	(140,919)	3,401,006
Depreciation, amortisation and impairment	(40,237)	(61,797)	(12,682)	(15,185)	-	(129,901)
Segment profit / (loss)	235,610	73,159	396,745	(2,318,082)	(788)	(1,613,356)
Segment assets	5,316,687	5,235,578	1,223,841	1,185,643	(2,811,763)	10,149,986
Segment liabilities	4,651,573	4,662,164	587,500	3,638,291	(2,546,898)	10,992,630
Year ended 21 February 2021 (Unaudited)						
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

*The historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The inflation adjusted results represent the primary financial information required by IAS 29.

Notes to the condensed consolidated financial statements

For the half year ended 31 August 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 condensed 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 – (on-demand services, e-commerce, farming technology and digital education services company);
- Steward Health (Private) Limited – (medical aid services provider);
- MARS (Private) Limited – (medical air and road rescue service 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 half year condensed 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.

The 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 inflation adjusted results represent the primary financial information required by IAS 29 and these have not been reviewed by the auditors.

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 6 months ended 31 August 2021, as a result of the carryover impact of non-compliances in the prior period with IAS 21, IAS 16, IAS 29 and non-compliance with IFRS9. Consequently, the Directors advise users of these half year condensed 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 period, unless otherwise stated and except for the adoption of new standards and amendments that became effective for the year 6 months ended 31 August 2021.

These condensed 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.

Trading as

EcoCash

HOLDINGS ZIMBABWE

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

Unreviewed condensed consolidated financial statements for the half year ended 31 August 2021

Notes to the condensed consolidated financial statements (continued) For the half year ended 31 August 2021

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 applicable to interim financial reporting 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 condensed consolidated financial statements comprise the financial results of the Company and its subsidiaries as at 31 August 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 6 months period ended 31 August 2021 are as follows;

	CPI Index	Conversion Factor
31 August 2021	3,191.19	1.0000
28 February 2021	2,698.89	1.1824
31 August 2020	2,123.97	1.5025

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. 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 period under consideration. These circumstances require care and attention by users of financial statements in their interpretation of financial information presented under such conditions.

5 OTHER INFORMATION

	INFLATION ADJUSTED		HISTORICAL*	
	Unreviewed 31 August 2021 ZW\$'000	Unreviewed 31 August 2020 ZW\$'000	Unreviewed 31 August 2021 ZW\$'000	Unreviewed 31 August 2020 ZW\$'000
5.1 Revenue				
Revenue	11,430,752	8,448,976	10,671,474	3,541,925
Inter-segment revenue	(384,250)	(349,969)	(363,623)	(140,919)
Revenue from external customers	11,046,502	8,099,007	10,307,851	3,401,006
5.2				
Depreciation and amortisation of property, equipment and intangible assets	(777,668)	(923,750)	(583,028)	(129,901)
5.3 Earnings per share				
Weighted number of ordinary shares for the purposes of calculating basic, diluted and headline earnings per share (000)	2,590,577	2,590,577	2,590,577	2,590,577
Basic and diluted loss per share (ZW\$ cents)	(20.65)	(92.78)	35.86	(64.22)
Headline loss per share (ZW\$ cents)	(20.58)	(90.75)	35.92	(63.50)
Reconciliation of (loss) / profit used to calculate headline (loss) / profit per share:				
(Loss) / profit for the period attributable to ordinary shareholders of the parent	(534,890)	(2,403,465)	928,885	(1,663,587)
Adjustment for capital items, gross of tax: (Loss) / profit on disposal of property and equipment	1,800	3,984	1,775	2,225
Headline earnings / (loss) attributable to ordinary shareholders of the parent	(533,090)	(2,351,098)	930,660	(1,644,987)

	INFLATION ADJUSTED		HISTORICAL*	
	Unreviewed 31 August 2021 ZW\$'000	Audited 28 February 2021 ZW\$ '000	Unreviewed 31 August 2021 ZW\$'000	Unaudited 28 February 2020 ZW\$'000
5.4 Commitments for capital expenditure at the beginning of the period				
Authorised and contracted for	753,507	3,176,742	637,265	637,265
Authorised and not contracted for	1,138,756	4,800,927	963,082	963,082
Total commitments for capital expenditure	1,892,264	7,977,669	1,600,347	1,600,347

The capital expenditure is to be financed from internal cash generation, extended supplier credits and bank credit.

**The historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The inflation adjusted results represent the primary financial information required by IAS 29.*

6. 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.

7. FINANCIAL INSTRUMENTS

Financial instruments in the condensed consolidated statement of financial position include equity investments that are measured at fair value.

Fair value hierarchy

The Group is guided by the following hierarchy as fair value measurement criteria for assets measured using the fair value model. The hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

7. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

	INFLATION ADJUSTED			
	Total ZW\$ '000	Level 1 ZW\$ '000	Level 2 ZW\$ '000	Level 3 ZW\$ '000
At 31 August 2021				
Investment in Financial Assets	1,547,921	1,480,892	-	67,029
	1,547,921	1,480,892	-	67,029
At 28 February 2021				
Investment in Financial Assets	1,283,361	1,217,297	-	66,064
	1,283,361	1,217,297	-	66,064
	HISTORICAL*			
	Total ZW\$ '000	Level 1 ZW\$ '000	Level 2 ZW\$ '000	Level 3 ZW\$ '000
At 31 August 2021				
Investment in Financial Assets	1,545,230	1,480,892	-	64,338
	1,545,230	1,480,892	-	64,338
At 28 February 2021				
Investment in Financial Assets	1,085,379	1,029,507	-	55,872
	1,085,379	1,029,507	-	55,872

8. 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 Group and the Bank have communicated to the Reserve Bank of Zimbabwe the capitalisation plan to enable the Bank to comply with the minimum capital threshold by the 31st of December 2021.

As at 31 August 2021, and subsequently as at the date of authorisation of the half year condensed 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 condensed financial statements on a going concern basis remains appropriate.

9. RELATED PARTY TRANSACTIONS AND BALANCES

Balances

	INFLATION ADJUSTED		HISTORICAL	
	Unreviewed 31 August 2021 ZW\$'000	Audited 28 February 2021 ZW\$ '000	Unaudited 31 August 2021 ZW\$'000	Unreviewed 28 February 2021 ZW\$ '000
Amounts owed to related party companies comprise of the following:				
Long-term payables	2,703,677	3,203,565	2,703,677	2,709,356
Inter-company trade payables	2,072,102	2,963,875	2,072,102	2,506,642
	4,775,779	6,167,440	4,775,779	5,215,998

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

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. EVENTS AFTER REPORTING DATE

There were no significant events subsequent to period end requiring adjustment or disclosure.

12. UNREVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The half year condensed consolidated financial statements are still subject to auditor review and the reviewed financial information should be published on or before 31st of December 2021. Given the hyperinflationary environment, the business has published the unreviewed financial statements to enable users of the financial information to benefit from timely information. An extension for the publication of the reviewed condensed consolidated financial statements was approved by the Zimbabwe Stock Exchange.