EcoCash

HOLDINGS ZIMBABWE LIMITED

(formerly Cassava Smartech Zimbabwe Limited)

Annual Report 2022

For we are God's handiwork, created in Christ Jesus to do good works, which God prepared in advance for us to do.

Ephesians 2:10
New International Version (NIV) - Bible

About This Report

Report Boundaries
This annual report seeks to present a performance overview and commentary on EcoCash Holdings Zimbabwe Limited (EHZL) operations for the financial year ended 28 February 2022. The report communicates the non-financial and financial performance of our business to our stakeholders and all parties with an interest in our operations.

Shared in this report will be EcoCash Holding Zimbabwe's Environmental, Social and Governance (ESG) activities in a bid to increase the level of accountability and transparency on our operations with shareholders and a wider audience. The report content demonstrates the business' contribution to the environment and our communities. By reporting on our performance and corporate responsibility we create a platform to solicit feedback from our stakeholders, helping us to improve our internal processes and achieve business objectives.

You are kindly invited to contact us at
https://www.ecocashholdings.co.zw/

Reporting Standards and Responsibilities
EHZL applies International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the IFRS Interpretations Committee. In addition, this report has been prepared in accordance with requirements and guidelines of S.I. 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) as well as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) and the Companies and Other Business Entities Act (Chapter 24:31).

While the non-financial content of the report was not independently assured, external sustainability experts were engaged to review the sustainability information. We demonstrate how some of our business activities support the aims of the United Nations Sustainable Development Goals (SDGs) and the UN Global Compact, of whom the group is a participant.

The Audit Committee recommends to the Board of Directors the Annual Financial Statements (AFS) for approval. The AFS are audited by independent external auditors, Deloitte & Touche. The Directors are responsible for the Annual Report as a whole.

Data Collection
Our report is compiled using information provided by the different units of the business from internal reports, data management systems and board reports.

Disclaimer - Forward-Looking Statements
An Annual Report includes certain 'forward-looking statements'. These forward-looking statements are about the future and therefore incorporate degrees of uncertainty. Consequently, future actual results and performance may differ from these statements. The forward-looking statements are current as of the date of publication of the Annual Report. EcoCash Holdings makes no representation that the information will be updated after release of this Annual Report.

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Your diversified digital solutions group

VISION

We envision a socially and financially inclusive future that leaves no Zimbabwean behind.

MISSION

To improve the overall quality of life by offering access to social and financial services through technology.

VALUES

EXPERIMENTAL
Experiment and explore, venture outside the boundaries of familiar experience.

DISRUPTIVE
Actively seek to disrupt and confront the status quo.

PERCEPTUAL
Envision the future. sensitive to external realities in light of this networked global world.

EcoCash
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Company Details

Name of Organisation
EcoCash Holdings Zimbabwe Limited (EHZL)

(formerly Cassava Smartech Zimbabwe Limited)

Ownership and Legal Form
EcoCash Holdings Zimbabwe Limited is a listed company on the Zimbabwe Stock Exchange

Date Established
30 November 2018

Location of Headquarters and Operations
1906 Liberation Legacy Way (formerly Borrowdale Road), Borrowdale, Harare

Group Structure and Business Outline

EcoCash Holdings Zimbabwe Limited (EHZL) and its associated companies includes Mobile Money, Banking, Insurance, On-Demand Services and Digital Services.

Scale of the Reporting Organisation

For the consolidated statement of financial position with details of assets, equity and liabilities, see Compliance and Financial Reporting > Consolidated statement of financial position on page129.

Composition of the Workforce

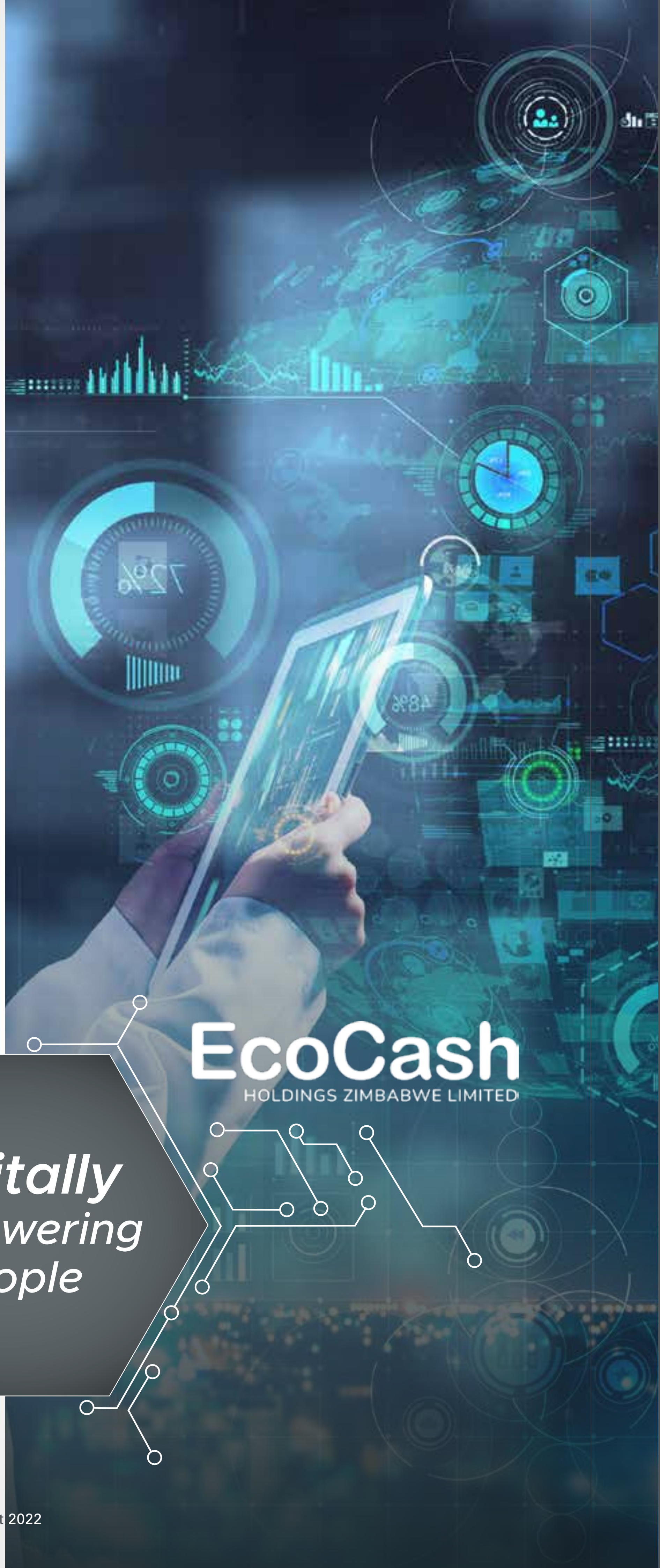
The business had a total staff complement of **1,357** in the period under review.

Company Details (continued)

EcoCash Holdings Zimbabwe Limited (EHZL) is a diversified digital solutions group with a dictate to drive socio-economic development and improve the overall quality of life for Zimbabweans through the provision and usage of digital solutions. We pride ourselves in developing approaches and formats for implementing digital applications to satisfy the needs of all our customers who range from individuals to businesses and the government. As we endeavour to be transformational, we envision a future in which our digital solutions become an integral part of everyone's everyday life thereby positively impacting lives, including the previously excluded, leaving no Zimbabwean behind.

Having started off primarily as a mobile money operation, EcoCash Holdings Zimbabwe has undergone a transformative evolution that has given birth to and presided over the growth of a full-fledged smart technology business. The business capitalises on new opportunities to counter everyday challenges through innovative, inclusive, stable, and reliable digital solutions.

As it stands today, the group boasts of a reputable well-diversified business portfolio composed of; Fintech, Insurtech, On-Demand Services, e-Commerce, Agritech, Healthtech, Edutech and VAYA Services. This unique, yet cohesive composition makes EcoCash Holdings' business model a rare jewel.



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Financial Performance Highlights (inflation adjusted)

Revenue
ZW$ 29.9 billion ↑
ZW$ 23.8 billion in FY2021

Gross Profit Margin
72 percent ↑
68 percent in FY2021

Mobile Money Subscribers
7.7 million ↓
8.4 million in FY2021

EBITDA
ZW$ 5.4 billion ↑
ZW$ 3.6 billion in FY2021

Kashagi Nano Loans
322,924 ↑
132,413 in FY2021

Rural Nano Loans
54,897 ↑
25,510 in FY2021

Contribution to Fiscus
ZW$ 7.6 billion ↑
ZW$ 3.6 billion in FY2021

CAPEX
ZW$ 2.2 billion ↓
ZW$ 4.5 billion in FY2021

ESG Non-Financial Performance Highlights

Aligned to our theme to digitally empower people, the business had the following top significant achievements in relation to ESG:

DIGITAL SOLUTIONS FOR A CLEAN AND SAFE ENVIRONMENT

Waste Recovery (tonnes)
1200
FY2021: 758
FY2020: 84.1

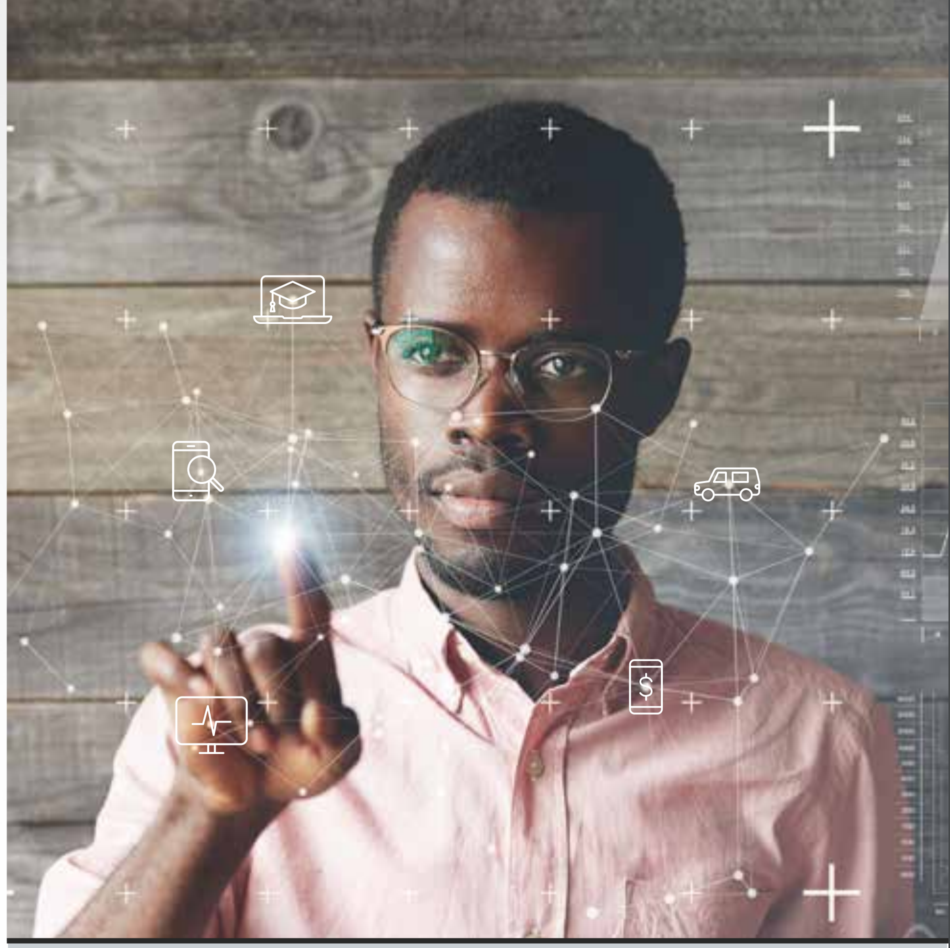
VAYA Electric Vehicle Trips
4,249
FY2021: 5,032
FY2020: 428

Mobile Money Electronic Airtime Recharge Sales Percentage
64%
FY2021: 66%
FY2020: 82%

ETHICS AND COMPLIANCE

Number of Fraud Cases Gone for Disciplinary Action
7
FY2021: 0
FY2020: 0

Number of Regulatory Penalties
1
FY2021: 0
FY2020: 0



SDGs impacted by the highlighted achievements

SOCIAL INCLUSION

Investment in Community Projects
ZW$ +80 million
FY2021: ZW$ +292 million
FY2020: ZW$ +59 million

EcoSure Customer Impact
+3.59 million
FY2021: +3.32 million
FY2020: +2.92 million

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ESG Non-Financial Performance Highlights (continued)

SOCIAL INCLUSION (continued)

Amount of Claims Processed
+780 million
FY2021: +380 million
FY2020: +35 million

DIGITAL FINANCIAL INCLUSION

EcoCash (Pvt) Ltd Registered Mobile Money Customers
7.7 million
FY2021: 8.4 million
FY2020: 10.8 million

EcoCash (Pvt) Ltd Customers in Rural Areas Percentage
43%
FY2021: 40%
FY2020: 40%

Steward Bank Account Holders
+2 million
FY2021: +1.9 million
FY2020: +1.5 million

Youth Accounts
+1 million
FY2021: 0.86 million
FY2020: 0.71 million

GENDER EQUALITY FOR A SUSTAINABLE TOMORROW

Women Promotions into Supervisory Roles Percentage
75%
FY2021: 75%
FY2020: 71%

Women Headed Departments Percentage
25%
FY2021: 26%
FY2020: 27%

Women in Key Technical Courses Percentage
50%
FY2021: 41%
FY2020: 26%

Chairperson's Statement

"We remain committed to providing digital solutions to the evolving needs of our diverse client base by bringing them the convenience they need.

INTRODUCTION

The financial year 2022 was yet another turbulent year for the global and local economy on account of the Covid-19 pandemic. Though the severity of the pandemic was curtailed through widespread vaccinations, lockdowns, decongestion of offices, and other mitigatory measures, many of our staff, customers, and families were and continue to be impacted. Our business has had to navigate an increasingly difficult local operating environment for the greater part of the year with the depreciation of the local currency, rising inflation, and the re-emergence of the parallel market all creating a cocktail of challenges that are impacting almost every business in the country.

The resilience of our strategy, the commitment of our staff, the support of our stakeholders, and the relevance of our products and services

Mrs. Sherree Shereni
CHAIRPERSON OF THE BOARD

EcoCash HOLDINGS ZIMBABWE LIMITED

Chairperson's Statement (continued)

Product innovation remained a key priority and has allowed us to provide relevant **Digital Solutions** that address consumer needs

EHZL delivered a commendable performance once again, with the Group's revenue closing at **ZW$ 29.9 billion**

The Group is optimistic about the future and will drive **Financial Inclusion** by leveraging the power of our digital platforms & partnerships

has allowed us to navigate these operational difficulties. We remain committed to providing digital solutions to the evolving needs of our diverse client base by bringing them the convenience they need.

Regulatory Environment

The Board has oversight over the regulatory compliance of the Group. The Group continued to comply with all regulatory pronouncements issued throughout the financial year. The growth of our Mobile Money business has been severely constrained due to regulated transaction limits, regulated tariffs, and the continued suspension of some of our revenue-generating services.

Operations Review

Product innovation remained a key priority and has allowed us to provide relevant digital solutions that address consumer needs. With the continued support of our stakeholders, we have launched several exciting products and solutions that include the automation of merchant settlements, self-care portal for EcoCash reset pin-reset, MARS laboratory tests for Covid-19, VAYA Services Fuel Monitoring, VAYA Smart Security, and improved KaShagi digital loans.

To drive our digital banking model, Steward Bank successfully deployed a new core banking system with enhanced features. Leveraging on the upgrade, our Square banking App was also upgraded as well as the online banking offer. The Bank also complied with the minimum capital requirement set by the regulator within the set timeline of 31 December 2021.

Our drive towards a superior customer experience and service culture saw us continuously invest in products and services designed to bring convenience, especially during the Covid-19 lockdowns and restrictions. Following these initiatives, our call centres saw a reduction in call-in traffic by over **90%**.

Financial Performance

The Group's financial results and the commentary have been prepared on an inflation-adjusted basis as required by IAS 29 "Financial Reporting in Hyperinflationary Economies". Financial statements prepared under the historical cost convention have only been presented as supplementary information. The Directors would like to advise users to exercise caution on their use of these audited consolidated financial statements, due to the material and pervasive impact of the technical difficulties of reporting under International Accounting Standard (IAS) 29.

Despite the challenges prevalent in FY2022, EcoCash Holdings Zimbabwe Limited delivered a commendable performance once again, with the Group's revenue closing at **ZW$ 29.9** billion, **26%** above the financial year 2021 performance of **ZW$ 23.8** billion. The Fintech businesses remained the largest contributor to revenue, at **80%** (2021: **77%**). The contribution by the Insurtech business was at **14%**, a slight decrease from the prior year's **15%**, and VAYA Technologies closed the year at a contribution of **6%**. Management will continue to adapt business units' operating models to both grow and diversify sources of revenue.

Chairperson's Statement (continued)

The Group's EBITDA margin improved from 15% to 18% because of the relentless focus on cost optimization. The Group will remain focused on revenue growth, operational efficiencies, and optimization of the balance sheet. During the year, 22% of the debenture holders exercised their option to redeem their debentures early in line with our balance sheet optimization strategy. Foreign currency exchange losses reduced from ZW$ 6.3 billion in 2021 to ZW$ 1.2 billion during the current year.

Dividend Declaration

The Directors have decided not to declare a dividend for the period under review as they continue to assess the economic environment.

Corporate Social Investment Capital

Investing in the communities in which we operate and promoting social transformation remains of paramount importance to us. The Group's vision of unlocking digital possibilities for community benefit was executed through the provision of access to world-class education materials through Higherlife Foundation in the past year. Consistent with our aim to provide support for essential health services, we invested in the provision of critical basic and large-scale, high-tech equipment, personal protective equipment, and training of healthcare workers through MARS and Higherlife Foundation.

Outlook

The change in our name from Cassava Smartech to EcoCash Holdings reinforces our desire to use the EcoCash brand, our flagship brand as our primary identity.

The Group is optimistic about the future and will drive financial inclusion by leveraging the power of our digital platforms and partnerships. Our diversified group will continue to produce cutting-edge inclusive solutions and will expand our fintech solutions to agriculture, education, healthcare, and financial services, through the adoption of artificial intelligence (AI), big data, blockchain, and machine learning.

Appreciation

On behalf of the Board, I wish to express my sincere gratitude and appreciation to our customers, business partners, and our valued shareholders for their confidence in us, which will be deservedly rewarded over time. I would also like to extend my gratitude to the EcoCash Holdings Board of Directors, employees, management, and executive team for their passion, commitment, and dedication to achieving a high-performance culture and ensuring EcoCash Holdings thrives and continues to grow.

On behalf of the Board

Mrs. Sherree Shereni
CHAIRPERSON OF THE BOARD

7 July 2022

Digitally Empowering People

Live Life the EcoCash Way!

A robust unified mobile payment platform that has found its feet in a world that is growing to be more digital each day.

The COVID-19 pandemic has accelerated the need for electronic transactions. EcoCash has addressed this, enabling many businesses to adapt to the changing environment and reduce the risk of being left behind in the evolution of payment systems.

There are over 100,000 EcoCash partners to date. The business has maintained its position as the best mobile money service.

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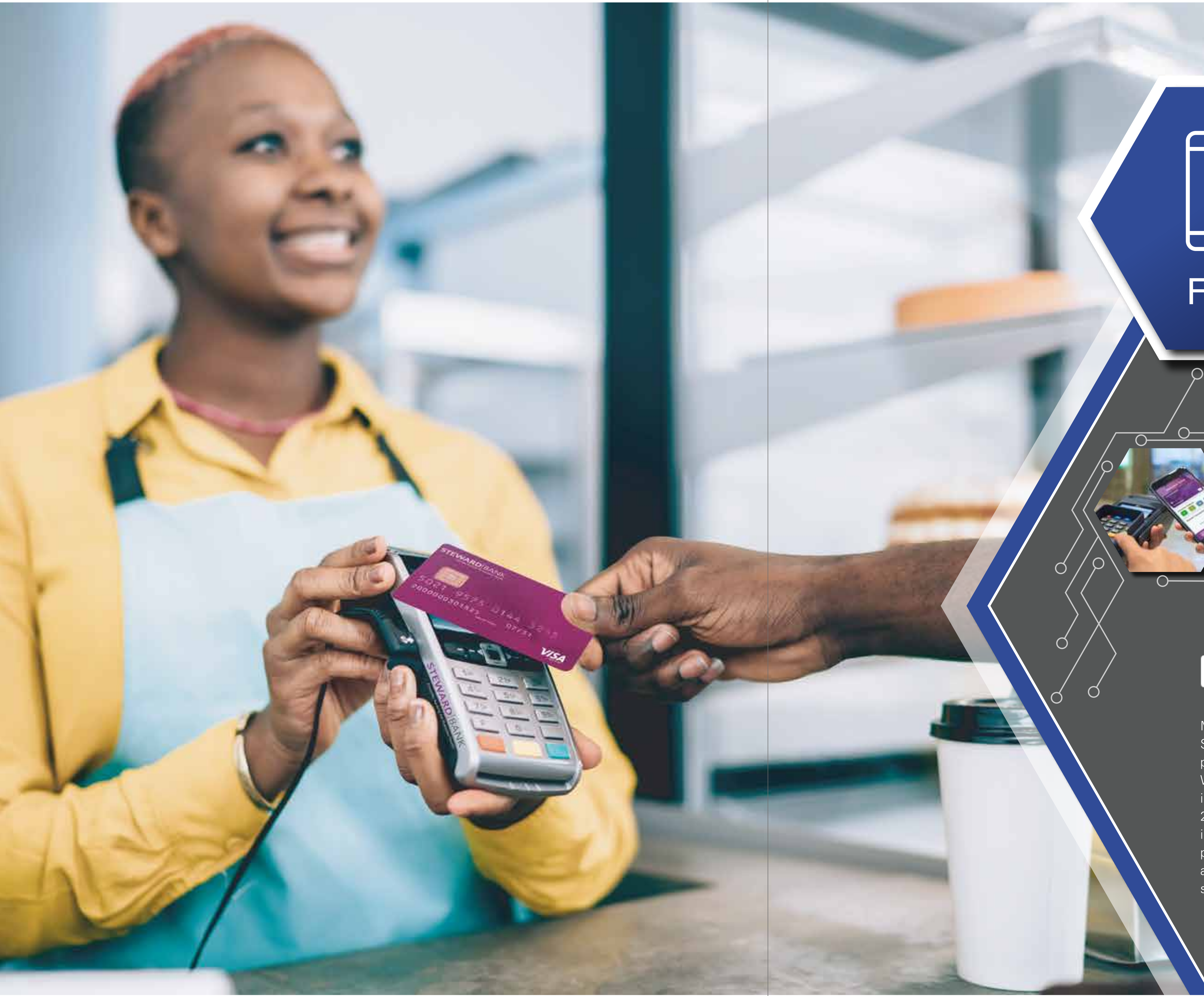

Fintech

EcoCash

STEWARD|BANK

Digitally Empowering People

EcoCash
HOLDINGS ZIMBABWE LIMITED

Mobile Money, Digital Banking, Payment Services, and International Remittances are all part of a unique digital transaction ecosystem. We have been able to increase financial inclusion in Zimbabwe from under 10% in 2011 to 92% of the adult population, resulting in thousands of new jobs and business prospects for a cross profile of entrepreneurs and individuals, thanks to our Fintech inclusive services.

Group Chief Executive Officer's Operations Review

"We will continue to disrupt and challenge the status quo in the digital services space leveraging on data analytics and artificial intelligence.

INTRODUCTION

Over the past year, our business continued to navigate through the mostly exogenous challenges which included Covid-19 and an increasingly challenging operating environment. While we had begun to see a considerable slowdown of Covid-19 compared to 2020, we still had to navigate through difficult macro-economic constraints, chief of which, were rising inflation, sustained depreciation of the local currency as well as regulatory inhibitions which curtailed our performance particularly on the mobile money business.

Despite these challenges, the group delivered a commendable set of results, with revenue closing at **ZW$ 29.9** billion, 26% above financial year 2021 performance of **ZW$ 23.8** billion. The major contribution coming from Fintech (**80%**), Insurtech (**14%**) and VAYA Technologies at **6%**. While the contribution largely came from Fintech, we are pleased to report growth across all our business units, which growth we are confident will be accelerated in the subsequent period.

Mr. Eddie Chibi
GROUP CHIEF EXECUTIVE OFFICER

Group Chief Executive Officer's Operations Review (continued)

Fintech

We have made significant strides in the deployment of digital assets in the past year, with the most significant being the Steward Bank core banking system upgrade. The upgrade has increased our banking system capacity and comes with a whole suite of new banking services and solutions which we have begun and will continue rolling out over time. The banking upgrade follows hot on the heels of a similar upgrade of the EcoCash platform deployed in 2019. We have integrated with ZimSwitch, allowing us to expand our play in the local digital payments' ecosystem.
These significant upgrades and integrations, amongst other investments, confirm our long-term interest and commitment in the Fintech space. As we continue to build these rails, we are confident we will be able to deliver more value and continuously raise the bar on innovation, convenience, and enhanced product experience for all our customers.

Insurtech

Our Insurtech businesses also experienced significant growth as we continued to enhance our value proposition. In addition to the core Life Assurance product, we have the following add-ons; Hospital Cash Back, Personal Accident Cover, EcoSure VAYA Ekhaya, EcoSure Rescue Services, as well as EcoSure Memorial which are all gaining momentum in the market. The loss ratios on the add-ons are lower than the core product. The short-term insurance business focused on the enhancement of the digital platform for the motor business, which launched the first user-based insurance product in the local motor insurance sector. We have continued to also drive the growth of our non-motor products, focusing on agriculture and other corporate sectors.

VAYA Technologies

We have continued to support our newer business as we drive growth and scale up. During the period, we launched several

We take pride in our ability to **Digitally Empower** our customers as they interact with our products and services

We have integrated with **ZimSwitch,** allowing us to expand our play in the local digital payments' ecosystem

Our mission remains to improve overall quality of life by offering access to **Social & Financial** services through technology

Group Chief Executive Officer's Operations Review (continued)

noteworthy services, which include MARS laboratory tests for Covid-19, Fuel Monitoring solutions and VAYA Smart Security. We have sustained enhancements on the VAYA Mobility platform with deployed optimisations including Logistics Services which has opened the platform up to a whole lot more functionality and opportunities. We will continue to disrupt and challenge the status quo in the digital services space leveraging on data analytics and artificial intelligence

Customer Experience

We take pride in our ability to digitally empower our customers as they interact with our products and services. In the past year, we made significant inroads in improving our customer experience and service culture. We launched our EcoCash *150# self-service platform which has given our customers the power to resolve several traffic driving issues such as pin resets, transaction reversals and getting e-statements which normally came through call-in traffic. We also automated failed airtime, bundle and transaction reversals which were among our highest traffic drivers. Following these enhancements, we observed an over 90% reduction in call-in traffic, allowing us to optimally deploy our resources in other critical areas.

We launched the Claims Management System and Burial Societies Web selfcare service for the Insurtech business, which has allowed us to settle over 90% of claims within 24 hours compared to 70% prior to the deployment. The launch of Moovah Pay As You Drive product came as a first in the local motor insurance industry, where our customers pay premiums based on behavioral data, mileage and demographic metrics using telematics technology. The product has already begun to show huge potential for future growth, and we continue driving its adoption. Our dedication towards excellency in our Group's products, service and customer experience remains a key priority and we can only promise better solutions and better experiences as we carry on leveraging various technologies to deliver more value.

Outlook

Our mission remains to improve overall quality of life by offering access to social and financial services through technology. We are looking forward to digitally empowering our customers in the coming year through a bouquet of exciting innovations which are in the pipeline. To be able to deliver on this, we will also focus on training and re-skilling of our staff to build the capacity and skills required to tap into modern technologies. We also aim to enhance groupwide cyber security to assure our stakeholders of the safety and security of our platforms against the backdrop of growing cyber risks.

Appreciation

I would like to express my appreciation to all our stakeholders; our customers, for the social license to operate and unwavering support they have always given us, our staff for the dedication and professionalism they have exhibited through the challenging seasons, and our shareholders for the trust and confidence they have placed in our management to continue driving this business forward. We continue to rely on this support, which gives us the much-needed impetus to strive for bigger and better goals in the coming year.

Eddie Chibi
GROUP CHIEF EXECUTIVE OFFICER

7 July 2022

Funeral, Accident and Hospital Cover

For millions of Zimbabweans, the pain of losing a loved one is compounded by the difficulty of finding means to provide a dignified funeral. Our funeral cover, as a micro-insurance product, is low-cost, with premiums beginning at USD 50 cents per month, and is meant to appeal to the previously excluded. The digital platform has enabled us to on-board marginalized rural communities either as individuals or as groups The business works with a partner network of service providers linked through our digital platforms.

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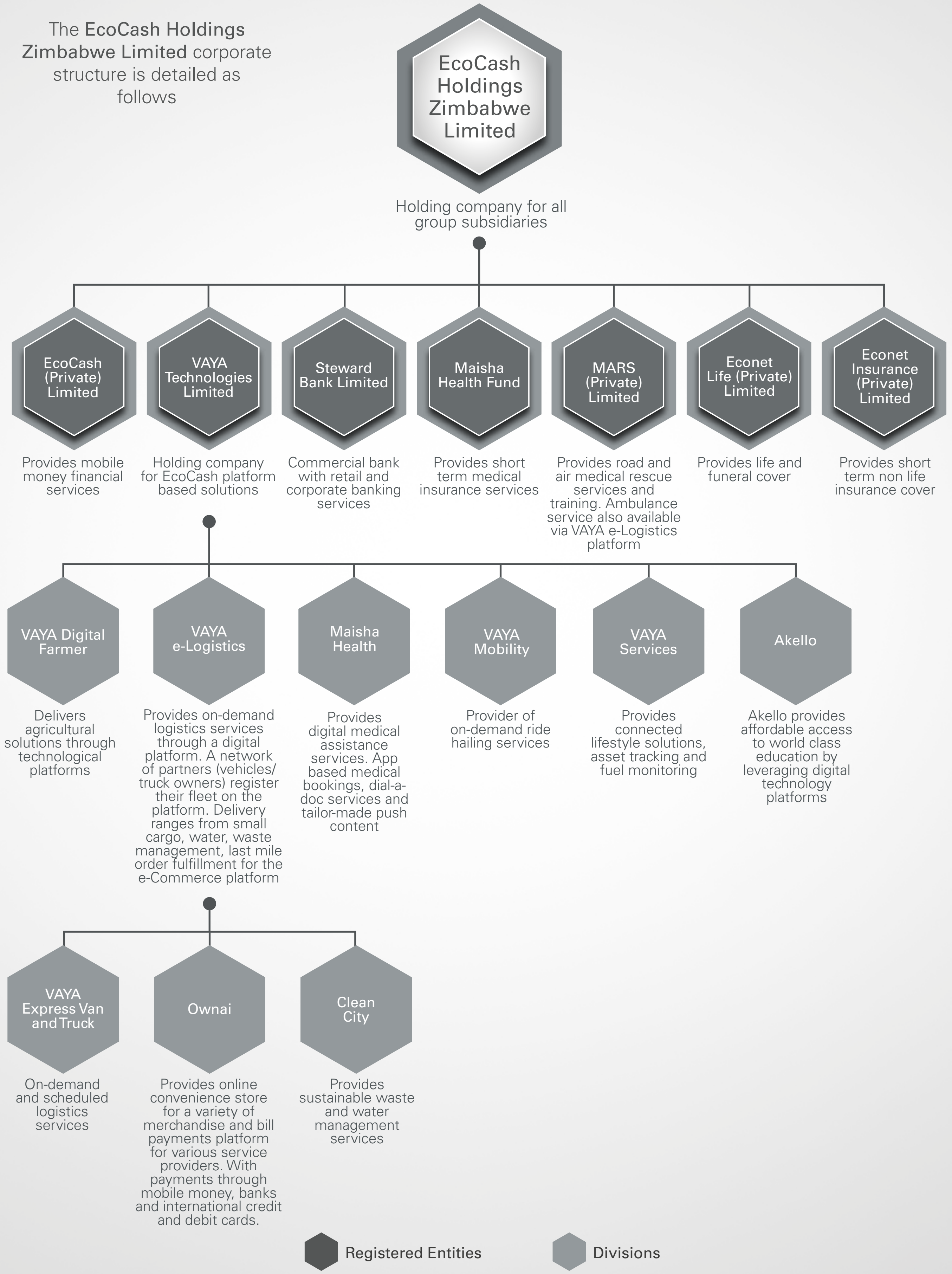
Corporate Profile

The **EcoCash Holdings Zimbabwe Limited** corporate structure is detailed as follows



Digitally Empowering People

As we continue to set the pace in the Zimbabwean digital landscape, we are driven to deliver digital literacy and access. We seek to enable digital empowerment for all Zimbabweans alike through our innovative technologies and services that enable people to strive for success in their different spheres of influence.

The opportunities that come with digital literacy can change the narratives of disadvantaged communities. We are developing appropriate technologies positioned as the bridging point in reaching empowerment of rural and urban communities. Through digital inclusion, the economy and society can achieve sustainable growth through exposure to global trends.

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

We consider ourselves to metaphorically be in the same vehicle, on the same journey, with the same mission and destination. The change in our name was not in any way a change in direction or destination but for us it is something that will add value in our endeavor to digitally empower our society.

Our Products and Services

EcoCash Holdings Zimbabwe Limited Products and Services

EcoCash Holdings Zimbabwe Limited is a diversified technology group that leverages digital solutions to make a social and economic impact on the lives of all Zimbabweans. Our business portfolio consists of assets in Fintech, Insurtech, and VAYA Technologies which includes On-Demand Services, e-Commerce, Agritech, Healthtech and Edutech.

FINTECH

Through a unified digital transactions ecosystem that includes Mobile Money, Digital Banking, Payment Services and International Remittances, the Fintech Services have been able to drive financial inclusion from under **10%** to over **92%** of the adult population in Zimbabwe. Through the promotion of Artificial Intelligence (AI) powered apps, we believe a digitally connected and empowered economy is possible. This is evidenced by our Steward Bank chatbot, "Batsirai", a first of its kind in the Zimbabwean banking industry that assists customers on the various digital platforms (online banking, social media, and mobile app).

INSURTECH

We offer innovative and inclusive mobile-based micro insurance covering life products, funeral and motor insurance, property and general insurance. In Africa the concept of insurance is still underdeveloped, with less than 10% of the population having any form of insurance, hence there are untapped opportunities for micro insurance. Through Maisha Health Fund we seek to provide health cover and related services that are tailored to the needs of individuals, businesses, Small and Medium scale Enterprises (SME's), universities, and schools allowing us to bring down insurance premiums to as low as **USD 50 cents** per month. Our solutions are offered through a non-traditional, innovative model, taking advantage of strategic partnerships with mobile network and mobile money and various insurance industry service providers. As a service,

Our Products and Services (continued)

our market share grew by **8.23%** based on revenue, and **56%** based on life cover (number of policies taken) during the period.

VAYA TECHNOLOGIES

VAYA Technologies Limited (VTL) focuses on Research and Development (R&D) of platform businesses to aid building a digital economy within the transportation (goods, people, waste and water), agriculture, e-Commerce, healthcare, and education space. The VAYA Digital Farmer (VDF) platform addresses challenges farmers are facing in agriculture throughout Zimbabwe, from mechanization, warehousing to logistics, low yield, fragmented markets and post- harvest losses. We have also developed and deployed a mobility and logistics platform to play a significant role in reducing the transportation cost in Zimbabwe. In the year under review, through this platform, we have transported **111,854** people, collected **1,200** tonnes of waste and delivered **17.9** million litres of safe water.

The business has undergone significant realignment as we seek to address relevant service offerings that not only addresses challenges in communities, but strategically place the business for investor attraction, revenue generation as well as market expansion, with a digital platform focus. VTL aims to see how it can alleviate challenges in Zimbabwe, with logistics cost ranging from **30%** to **50%** of the cost of goods and health access challenges, which have seen a doctor-patient ratio of **1:10,000** across the continent. We aim to provide a digital logistics fulfilment marketplace reducing costs of logistics in agribusiness, pharmaceutical, e-Commerce and FMCG sector. Our Healthcare and well-being digital services platform, increases access to affordable healthcare and wellbeing services.

Healthtech

We have continued to set the pace with our innovations in healthtech. The pillar offers Maisha Health Fund and Maisha Medik platforms that provide mobile based medical aid and wellness services. The Maisha Medik application avails medical information through Sympton Checker, Maisha Health Tips, Dial-a-Doc and Telehealth, with the objective of improving access to health. We are exploring Artificial Intelligence (AI) powered apps and telehealth platforms to provide health advice, diagnosis, treatment, monitoring and to promote people's overall wellbeing. We also currently have over one **(1)** million customers on our wellness tips platform. MARS ambulance services is primed to contribute towards management of health and Emergency Medical Services.

VAYA Digital Farmer

Our end-to-end mobile Agric solution for farmers offers a wide range of tailored services including access to markets, de risking through insurance, soil testing and access to agro equipment through digital platforms. The platform aggregates key value chain players and stakeholders, creating a powerful agricultural ecosystem designed to transform the sector and improve the livelihoods of farmers. Agriculture remains the backbone of African economies, and in most countries the sector provides employment for up to **70%** of the population. In Zimbabwe, the agricultural sector provides employment for **67%** of the population. As a result, providing information, facilitating access to markets, and enhancing information flows creates a significant opportunity to improve the livelihoods of millions of people.

On-Demand Services

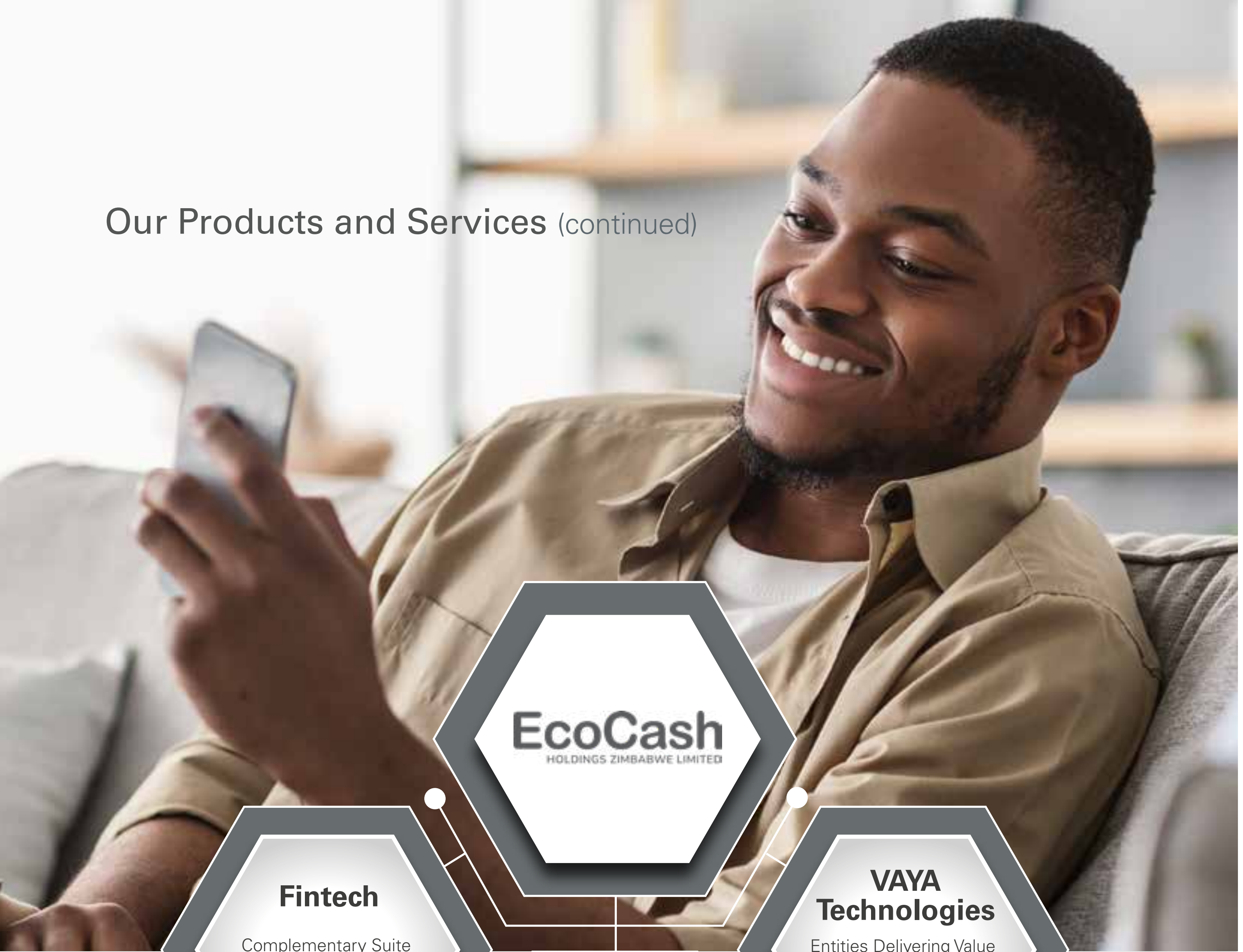
The On-Demand Services seek to provide real time platforms to connect users to their nearest service providers, thus enabling them to save time and money through increased efficiencies. The On-Demand Services make up the shared economy unit of EcoCash Holdings. Through utilisation of shared economy features EcoCash Holdings is able to create an inclusive digital citizenship for Zimbabweans. The service began with VAYA Mobility, which remains the largest ride hailing platform in Zimbabwe by fleet size and trip volumes. The offerings have evolved and grown into various models including Logistics. VAYA Mobility has over **1,800** active partners. With sustainable operations in mind, the service has undertaken significant strides in utilising green energy by including electric vehicles in its fleet.

Edutech

Akello aims to provide accessible world-class education and digital learning opportunities for all Africans. Recognising the need to innovatively drive education access in Zimbabwe, we have developed digital platforms that early learning educators and home schooling parents, and primary to high school learners can use. This includes the digital library and training of coding with a special focus on the girl child. We have developed end-to-end value propositions encompassing platforms, devices and internet access, and we leverage strategic partnerships with a wide range of value chain players. The digitally driven Edutech unit has helped in availing quality education to thousands of children during the Covid-19 lockdown in their safe home environment. Under Akello, we saw **4,491** students enrolled on Akello Smart Learning and **334** teachers enrolled on Akello Preschool.

e-Commerce

Ownai is an e-Commerce platform for buyers and sellers, with a strong focus on promoting small businesses and growth of the informal sector. Our value proposition is supported through the provision of a platform that allows buyers and sellers to transact in a safe, secure and convenient manner. Our mobile solutions are designed to facilitate trade through buyers and sellers by offering a convenient, safe, and secure online transactional environment. In addition to online payments, we offer Pay Protect which is an escrow service designed to protect both buyer and seller.



Our Products and Services (continued)

EcoCash
HOLDINGS ZIMBABWE LIMITED

Fintech
Complementary Suite of Services Delivering End-to-End Digital Banking and Financial Technology

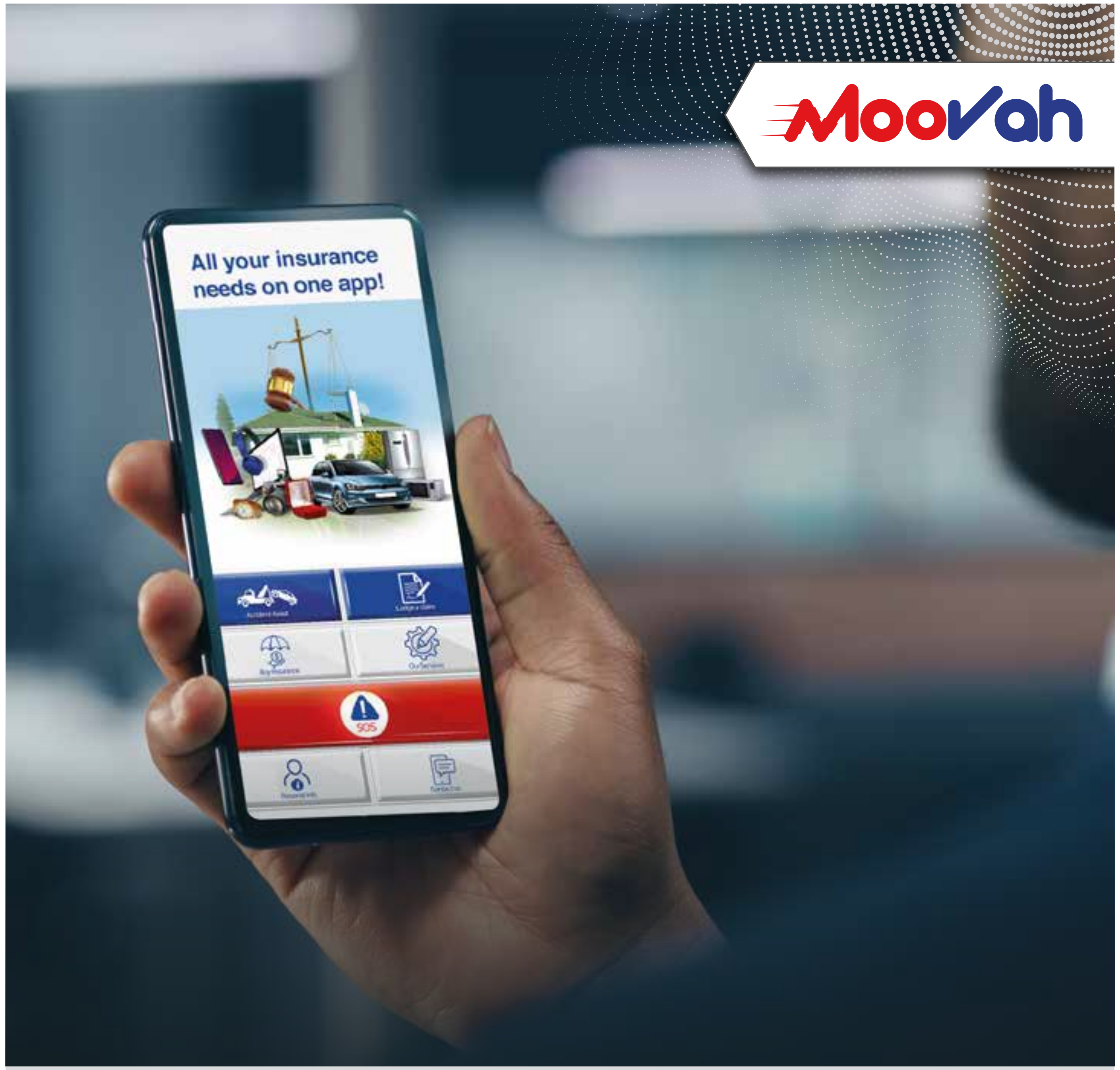
- EcoCash
- STEWARD|BANK

Insurtech
Complementary Suite of Services Delivering End-to-End Digital Insurance Solutions

- Moovah
- Maisha Health Fund
- EcoSure

VAYA Technologies
Entities Delivering Value through Digital Platforms Anchored in Partner Network and Digital Ecosystem

- ownai
- Maisha
- mars
- akello
- VAYA TECHNOLOGIES



Digitally Empowering People

Insurance Right at your Fingertips

EcoCash Holdings Limited insurance products serve as a social anchor for Property & General cover through unique and comprehensive insurance solutions. Our services are provided using creative strategies that allow us to reduce insurance rates by leveraging on strategic relationships. For a robust insurance offering, we work with both local and international reinsurance providers.

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EcoCash
HOLDINGS ZIMBABWE LIMITED

Funeral, Motor, Non-motor, Education, and Health are all covered by our unique and inclusive technology driven solutions. Our services are provided through a non-traditional, creative approach that allows us to offer low-cost insurance premiums by leveraging the mobile network services and the mobile wallet.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE

EcoCash
HOLDINGS ZIMBABWE LIMITED

Your diversified digital solutions group

Message from the General Manager Sustainability

"We aim to ensure promotion of the **Sustainability Strategy** within the business as we drive development of **Digital Solutions that Empower People** and leave no one behind

Mrs. F. Gandiya
GENERAL MANAGER SUSTAINABILITY

Last year we experienced a season of change that was ushered in by the Covid-19 pandemic, which caused a seismic shift in the world in terms of how people live, work and interact. We started the financial year in March 2021 under a government-imposed lockdown and we closed the financial year in yet another lockdown. However, despite these very challenging times, we found a way through the adversity. During the period under review, we continued to respond to the changing environment and our responsibility to enhance the positive development of people and the planet while mainstreaming our business objectives and strategies to meaningfully contribute to the Sustainable Development Goals and the societies in which we operate.

The pandemic impacted how companies operate and accelerated digital adoption of smart solutions across communities, with people embracing digital technologies as an enabler for day-to-day needs. Against this unprecedented milieu, the business was put in the hot seat, as virtually every aspect of human interaction moved online amid lockdowns and social distancing, thrusting on us the critical role to address these societal needs of digital empowerment to give people access to work, school, family and health. Our flagship Fintech product EcoCash, supported the social distancing measures to curb the spread of the virus by promoting the use of mobile money for payments.

In pursuit of the development of our environmental, social and governance reporting, we sought knowledge on how to develop best reporting practices and integrated our reporting. We prepared our report in accordance with GRI Standards 'Core Option', integrated the Sustainability Accounting & Standards Board (SASB) requirements and the United Nations Global Compacts 10 Principles.

Environmental, Social and Governance (ESG) Strategy

In the period under review, we used our lessons from the prior year to improve efficiencies through the continued digitization of our processes. Our lessons from the prior year have assisted the business in moving towards defining our automation requirements for ESG processes moving forward. The focus of our sustainability strategy has always been to create value for all stakeholders, from our customers, shareholders and employees to the broader community. We aim to integrate the core ESG priorities within our businesses with a strong focus on innovation, digital enablement and good supply chain governance. This, we believe will help us strengthen financial resilience for the business in the long term. To achieve this, our ESG strategy continues to drive economic value sharing in the economy and communities we operate through responsible ESG practices.

The business executives recognize the importance of sustainability and have taken an Environmental, Social and Governance performance weighting on their scorecards. Through asserting ownership of ESG from the executive level of the business down to the operational level, we aim to ensure the promotion of the sustainability strategy within the business as we drive development of digital solutions that empower people. The Board continues to exercise oversight on the group's performance with respect to ESG factors as a part of their duty to directly oversee our corporate strategy.

Going forward, we will focus on ESG risk factors through engaging our stakeholders, offering support to local communities, protecting our environment and investing in digital technologies that will ensure we leave no one behind as the world evolves. Our goal is to continue to deliver a wide range of products and services designed to present sustainable digital solutions to some of society's most pressing challenges through our various businesses.

In line with our theme of digitally empowering people, our material topics are climate risk, financial inclusion, digital inclusion, social inclusion, data security, community relations, tax, diversity equity and inclusion, access and an affordability, corporate governance, cybersecurity, employee health and safety, product quality and safety, Covid -19 response, waste management, risk management and corporate governance. The report contains ESG impact statistics that show comparisons to last year's performance.

Our Approach to Environmental, Social and Governance

Environmental Social Governance Framework and Sustainable Development Goals (SDGs) Linkages

EHZL sustainability agenda continues to advance through identification of factors for long term resilience through our Environmental, Social and Governance framework. Our sustainability topics are organised into five key sustainability dimensions. These dimensions inform the strategic development of our ESG framework and Key Performance Indicators. ESG indicators show our impact on SDGs and disclose our sustainability performance.

Sustainability Management and Reporting

ESG	Dimensions	Material Issues	Attendant SDGs
Environmental	Environment	• Climate Risk • Air Quality • Energy Management • Waste Management • Water	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION; 15 LIFE ON LAND
Social	Human Capital	• Labour Practices • Employee Health and Safety • Employee Engagement • Diversity, Equity and Inclusion	1 NO POVERTY; 3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY
	Social Capital	• Community Relations • Customer Privacy • Data Security • Cybersecurity • Access and Affordability • Financial and Social Inclusion • Digital Inclusion • Customer Welfare	1 NO POVERTY; 2 ZERO HUNGER; 3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 6 CLEAN WATER AND SANITATION; 10 REDUCED INEQUALITIES
Governance	Leadership and Governance	• Business Ethics • Competitive Behaviour • Management of the Legal and Regulatory Environment • Risk Management • Anti-Corruption and Fraud Management	11 SUSTAINABLE CITIES AND COMMUNITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS
	Business Model and Innovation	• Business Model Resilience • Supply Chain Management	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our Materiality Matrix

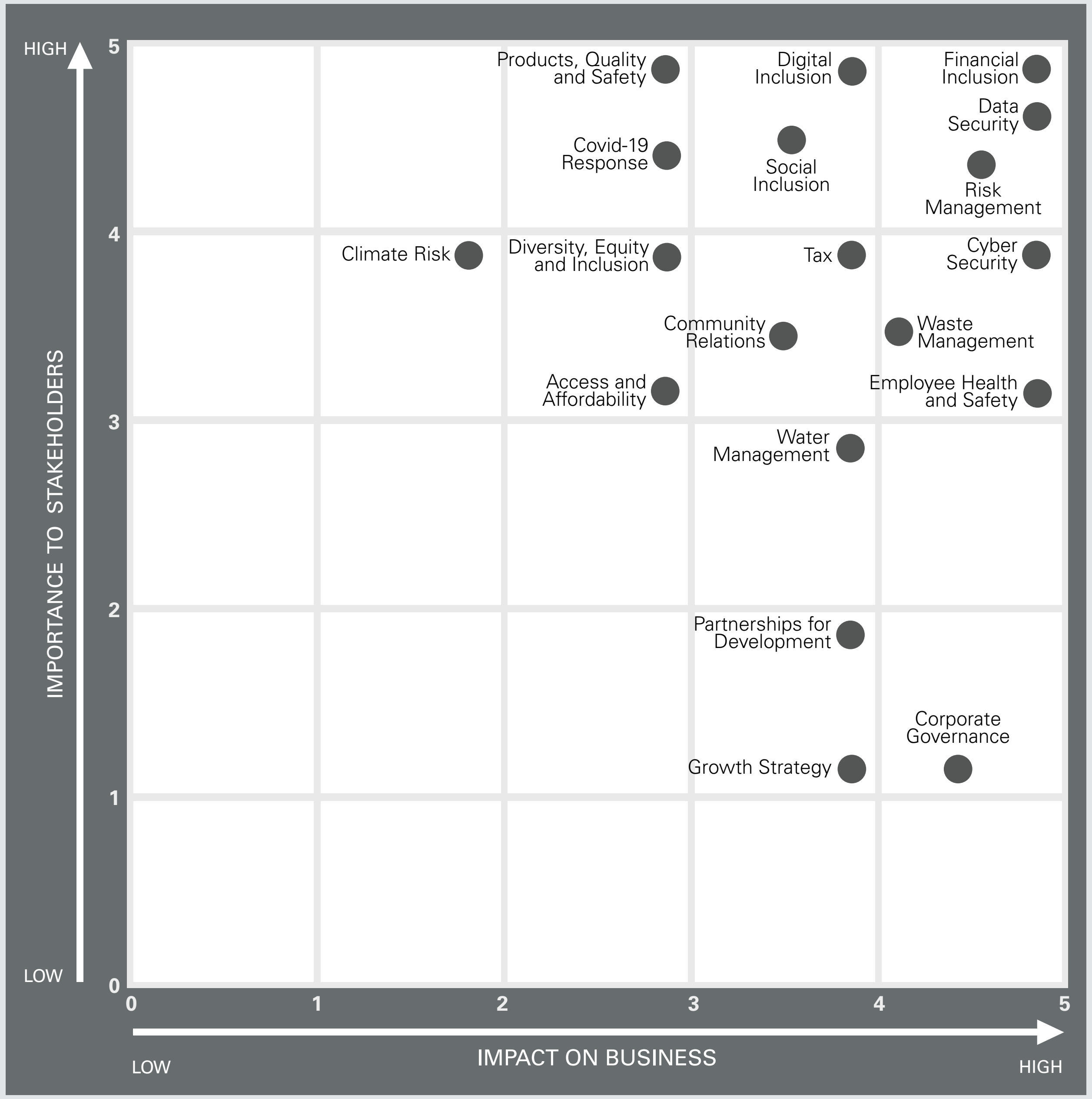
In developing our materiality matrix, we take cognisance of the issues that stakeholders raised during the year and those that demanded top management attention.

Our materiality assessments consider material topics that have a high positive or negative impact on our business and the communities in which we operate. Our ESG diagnostics included key learnings derived from collaborative experiences conducted with our stakeholders and our guiding ESG framework. Aspects utilised in the development of the framework include the GRI on Material Topics, Sustainability Accounting and Standards Board (SASB), ISO 26000 Guidance Standard for Social Responsibility and the Sustainable Developmental Goals and targets.

As we navigated our day-to-day business, we ensured integrity in our approach to sustainability through effecting processes for continuous capacity development. This enables the business to have a clear understanding of sustainability issues that affect the operation and stakeholders. In consideration of feedback from our stakeholders, we conducted ESG risk assessments which rank our highest ESG risk issues and key factors to mitigate the impacts on the business and the stakeholders.

Our ESG materiality matrix contains the key issues that are highlighted in this year's Annual Report, putting focus on issues our internal and external stakeholders deem most material.

ESG Materiality Matrix



EcoCash Holdings Impact on the United Nations Sustainable Development Goals

SDG 2 - Zero Hunger

Target 2.1
End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Target 2.3
By 2030 double the average productivity of food producers

Target 2.4
Sustainable food production and resilient agricultural practices

Indicator
Pfumvudza
- Contributed 5% to the annual climate-smart agriculture national training target. A total of 102,200 people trained
- Provision of agriculture inputs for 9,641 disadvantaged rural households

SDG 3 - Good Health and Wellbeing

Target 3.1
By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births

Target 3.d
Strengthen the capacity of all countries, particularly developing countries, for early warning, risk reduction, and management of national and global health risks

Target 3.8
Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

Indicator
- Provided 1,435 critical basic and large-scale equipment and Personal Protective Equipment (PPE) to 16 hospitals.
- Higherlife Foundation committed to supporting maternal Health through equipment repair and monitoring for over three years up to the end of the year 2023.
- Training of Educators in Disaster preparedness and Recovery
- Trained 2,700 educators in disaster hot spots on Disaster Risk Reduction
- +2,000,000 children were reached with treatments through a mass drug administration for Schistosomiasis (SCH) Bilharzia / Soil-transmitted helminths (STH) Intestinal worms in 35 endemic districts.
- MARS in conjunction with Higher Life Foundation offered 60,000 free rapid diagnostic tests (RDT) Covid-19 testing across the country.

SDG 4 - Quality Education

Target 4.3
By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

Target 4.a
Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all

Target 4.b
Expand higher education scholarships for developing countries

Indicator
Provided 11,219 scholarships to orphaned and vulnerable children and academically gifted students in FY22.
- 55,000 Akello Smart Learning users.
- 1,400 ECD books distributed, providing quality learning to 1,400 foundational phase learners.
- 300 Educators trained in sign language.
- 1,900 ECD educators trained on foundational learning methodologies impacting 70,000 students
- 1,235 guardians trained, impacting 3,705 children
- +300,000 students impacted through scholarships to date.
- +650,000 students impacted through digital learning platforms to date.

SDG 5 - Gender Equality

Target 5.5
Ensure full participation in leadership and decision-making

Target 5.c
Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

Indicator
- 32% women in managerial positions
- 44% Female Employees
- Developed Diversity and Inclusion Policy.
- +138 People employed directly in Waste Management and recycling with 80% women and +60% women in leadership

EcoCash HOLDINGS ZIMBABWE LIMITED

EcoCash Holdings Impact on the United Nations Sustainable Development Goals (continued)

SDG 6 - Clean Water and Sanitation

Target 6.1
By 2030, achieve universal and equitable access to safe and affordable drinking water for all

Target 6.4
By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

Indicator
- +17.9 million litres of clean and safe water delivered by Clean City in FY22
- 1,200 tonnes of waste collected through Clean City
- +50 people employed directly and indirectly in the Clean City water services and logistics business
- +171 Boreholes drilled nationwide to provide access to clean and safe water

SDG 8 - Decent Work and Economic Growth

Target 8.2
Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, excluding through a focus on high-value added and labour-intensive sectors

Target 8.5
By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Target 8.6
By 2030, substantially reduce the proportion of youth not in employment, education or training

Indicator
- +ZW$ 60.7 million invested back to our logistics partners through partner payment
- +138 people employed directly by Clean City in waste management and recycling with 80% being women

SDG 8 - Decent Work and Economic Growth (continued)

Indicator
- 92% Adult population financially included on EcoCash Mobile money
- 260,000 Customers included on the EcoCash International Remittances Platform
- 81% Market share on National Payment System transaction volume - EcoCash

SDG 10 - Reduced Inequalities

Target 10.4
Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

Indicator
- ZW$ 80 million Invested in Community Projects
- 8,968 Steward Bank accounts opened in rural areas
- 92% Adult population financially included on EcoCash Mobile money
- +300 Educators trained in sign language

SDG 11 - Sustainable Cities and Communities

Target 11.2
Affordable and sustainable transport systems

Target 11.6
By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

Indicator
- 4 VAYA Electric cars
- 4,249 Number of electric vehicle trips
- +1,000 VAYA Van and Truck deliverables
- +38,000 Number of VAYA Express trips (Bikes)
- +34,173 Number of households served
- +450 Informal Waste Pickers signed up and trained by Clean City

Ecocash Holdings Impact on the United Nations Sustainable Development Goals (continued)

SDG 12 - Responsible Consumption and Production

Target 12.4
Responsible management of chemicals and waste

Target 12.5
By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Target 12.6
Encourage companies to adopt sustainable practices and sustainability reporting

Indicator
- 163 tons channeled for recycling
- 12,108 tons electronic waste recycled responsibly
- Sustainability Reporting and United Nations Global Compact - (UNGC) Communication of Progress (COP) Reports produced

SDG 15 - Life on Land

Target 15.2
End deforestation and restore degraded forests

Indicator
- +8,000 Trees Planted to date

SDG 16 - Peace Justice and Strong Institutions

Target 16.5
Substantially reduce corruption and bribery in all their forms

Target 16.b
Promote and enforce non-discriminatory laws and policies

Indicator
- Tip Off Anonymous for antibribery and corruption in place
- Antibribery and Corruption Policy
- Policies approved by ESG Board Committee and main Board Committee

SDG 17 - Partnership for the Goals

Target 17.16
Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries

Indicator
- Adoption of Accountability Standards Stakeholder Engagement Management framework for enhancement of partnership for sustainable development

Digitally Empowering People

VAYA e-Logistics

An efficient logistics bidding platform, which connects transporters and those requiring transportation services. The platform leverages on technology to provide an innovative and scalable digital logistics platform that aggregates end-to-end operations for Individuals, SMEs and Corporates across multiple sectors. It brings about transparent pricing, fast payments, and the ability for customers to book a load with the touch of a button.

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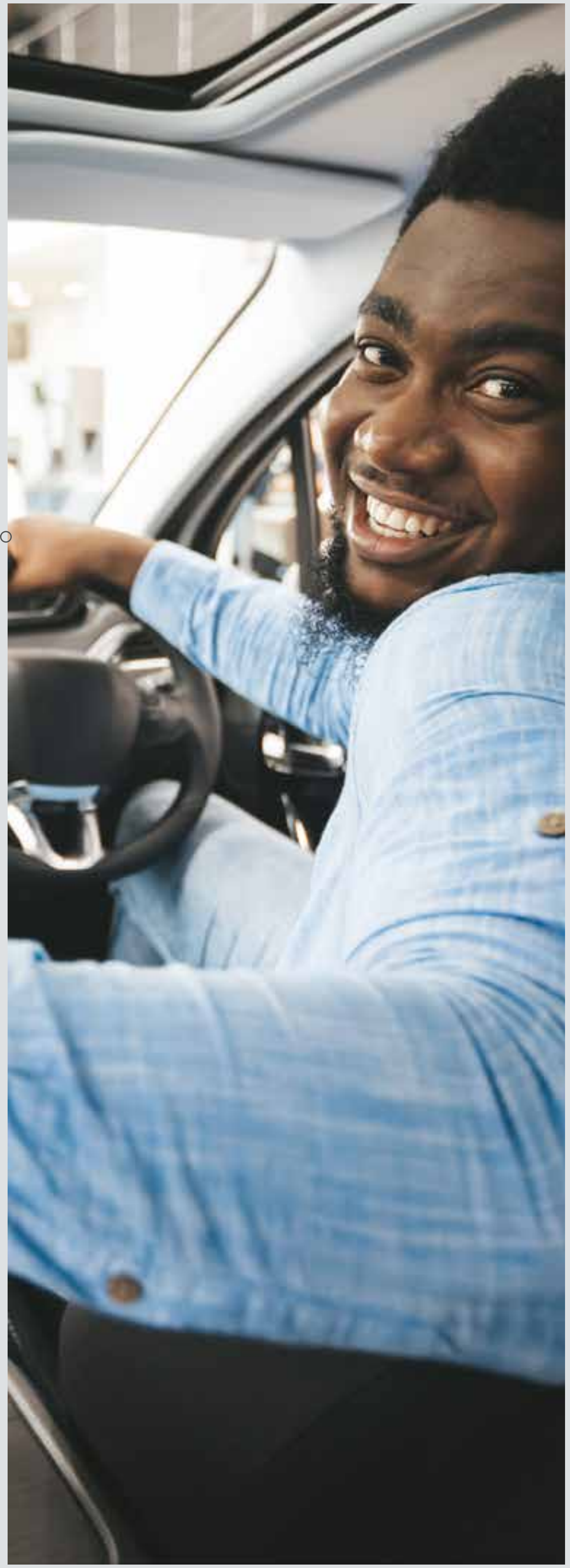
VAYA e-Logistics is one of EHZL's key businesses, providing a unified platform for all On-Demand Services in the mobility and logistics sectors. Working with key partners, we provide efficient, economical, and dependable transportation of products and people across Zimbabwe.

VAYA Mobility

Inclusion of technology and digital transformation of the logistics and transportation business in Zimbabwe is a fantastic opportunity that we want to seize as we work to generate long-term value for our clients and partners.



NUMBER OF EXPRESS TRIPS

FY2022:
37,945
FY2021: 9,599

NUMBER OF ELECTRIC VEHICLE TRIPS

FY2022:
4,249
FY2021: 2,306

ELECTRIC VEHICLE MILEAGE

FY2022:
69,356
FY2021: 24,000

Digitally Empowering People

Reliable Business Logistics Partner

VAYA e-Logistics is one of the EcoCash Holdings Zimbabwe Limited strategic businesses, providing a unified platform for all on-demand services in the mobility and logistics sectors.

The unique solutions offered minimize logistical challenges for individuals and corporates in their day to day operations.

ODS has embraced digital transformation as a growth accelerator, incorporating the Internet of Things, artificial intelligence, and machine learning in a continuous loop to improve business performance by offering differentiated products that are designed to generate demand for new ways of doing business.

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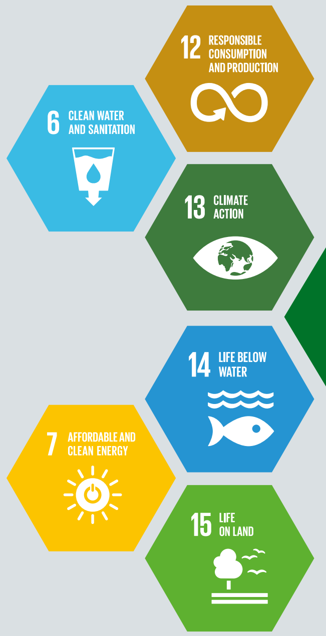
ENVIRONMENTAL



Environmental Impact

EcoCash Holdings Zimbabwe Limited makes a significant effort to be compliant with local, regional and international environmental laws, conventions, directives and regulations. We have put in place various internal policies and procedures to establish processes that are managed effectively to minimise on the negative environmental impact from our operations while enhancing our positive externalities. The business has an internal Environmental Management Plan (EMP) and Waste Management Plan (WMP) to manage our environmental aspects. EHZL constantly engages and collaborates with stakeholders to ensure compliance with environmental requirements that lead to a positive environmental impact in the communities in which we operate.

Environment Impact (continued)

Clean City disinfection services

Management of our significant negative environmental impacts and waste management initiatives is regulated by the Environmental Management Act [CAP 20:27] and its relevant statutory instruments. We are guided by the **ISO 14000** EMS series of standards. Our water abstraction and delivery operations at Clean City Africa are also regulated by the Zimbabwe National Water Authority ACT [CAP 20:25], Water ACT [CAP 20:24] and City Council By - Laws and in that regard we are compliant.

Clean City Africa

Clean City deployed
Digital Smart
Waste Management Solutions
that keep community environments clean and safe

cleancity

Clean City was established to address, through digital solutions, persistent waste management challenges in collaboration with communities, municipalities, governments and businesses. During the reporting period, Clean City deployed digital smart waste management solutions that kept community environments clean and safe while transforming lives in a deep and meaningful way through the creation of business and employment opportunities. We are a digital and technology enabler and we leverage these capabilities to solve waste management problems and Clean City leveraged smart technology to create a sustainable impact. Key highlights are as follows.

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Clean City Africa (continued)

Clean City Waste Management Highlights

Waste Recovery
FY2022:
1,200 tons
FY2021: 758

E-waste
FY2022:
12,108 tons
FY2021: -
Started tracking KPI in FY22

Number of Households Served
FY2022:
34,173
FY2021: 8,689

Number of Corporates Served
FY2022:
8,239
FY2021: 6,292

Water Delivery/ litres
FY2022:
17.9 million
FY2021: 82 million

Volume of Medical Waste Disposed
FY2022:
199 tons
FY2021: -
Started tracking KPI in FY22

Environmental

Clean City Africa (continued)

Clean City Waste Management Highlights (continued)

Waste Channeled for Recycling
FY2022:
163 tons
FY2021: -
Started tracking KPI in FY22

Job Creation
FY2022:
146
FY2021: +200

Households Training for Recyclables
FY2022:
3,400
FY2021: -
Started tracking KPI in FY22

Partnerships with Waste Pickers
FY2022:
400
FY2021: -
Started tracking KPI in FY22

Direct Jobs Created
FY2022:
146
FY2021: +200

Harare Indirect Jobs Created
FY2022:
+500
FY2021: +200

Access to Water

We are on a drive to improve access to water through our digital platforms and sustainable access to quality freshwater resources. In Zimbabwe, there is an increase in water demand due to population growth, water stress, and increasing drought and desertification. The United Nations Development Program projects that in Zimbabwe by 2050, at least one in four people will suffer recurring water shortages. Our efforts saw us drilling +170 boreholes during the fiscal year. As we continue to drive digital empowerment, we work towards provision and protection of water resources while helping protect the human right to water.

Climate Risk

Reducing Our Carbon Footprint

At EcoCash Holdings Zimbabwe, we treat climate risk as a component of ESG risk. Climate Risk is managed under the ESG Risk Governance Framework and embedded within our wider Enterprise Risk Management. Our environmental impact, is indirect, driven by the businesses and projects for which we provide finance, this includes our impact on Green House Gas (GHG) emissions. Climate-related risk includes the risk of financial loss, loss of shareholder value, investor pressure, reputation, and regulatory sanctions due to the negative impacts of climate change.

In FY22, we embarked on our inaugural carbon footprint assessment to quantify our scope 1 and scope 2 GHG emissions with the intent of minimising our climate risk exposures. Our GHG accounting will evolve over time as we improve on our climate risk reporting procedures. FY22 will be our base year for our carbon footprint. Our GHG impacts arise from fuel usage from our vehicle fleet and electricity usage.

To establish our current carbon footprint, we applied the operational control approach in defining our organisational boundaries. Our scientific methodology for the quantification of our GHG emissions was informed by the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. Further guidance for our carbon footprint comes from the World Resources Institute (WRI). We applied FY21/22 emissions factors from the Department of Environment and Rural Affairs (DEFRA) for our Scope 1 emissions. For Scope 2 GHG Emissions, we used the Institute of Global Environmental Strategies (IGES) for purchased electricity on the Zimbabwean National grid.

Looking forward, we have identified the need to improve metering, data capture and analysis systems to enable digital tracking of progress over time and assist in setting accurate and realistic reduction targets which conform with industry best practice.

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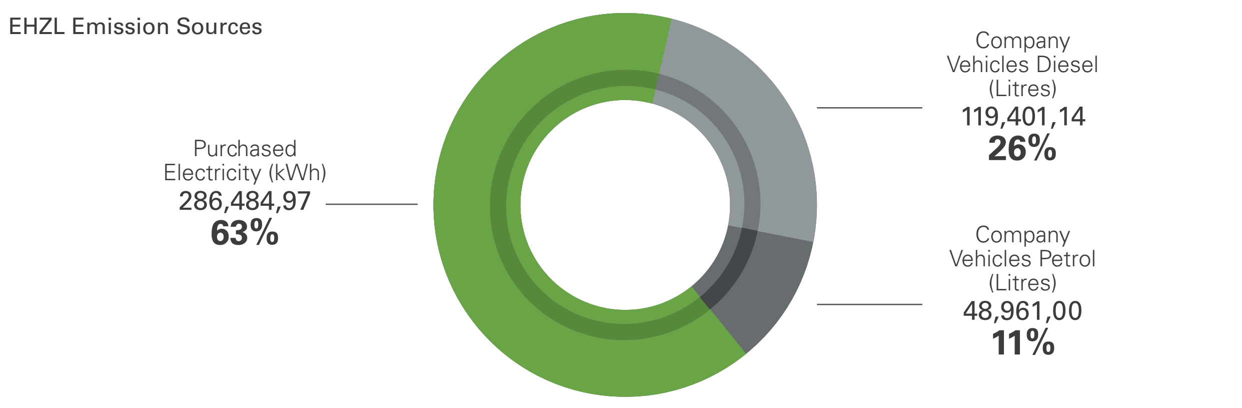
Environmental

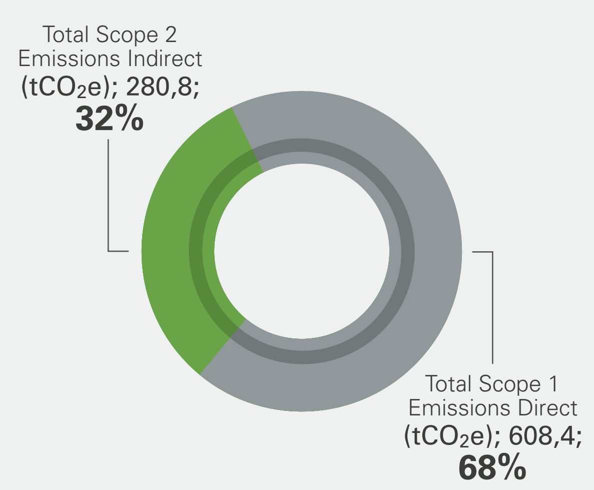
Climate Risk (continued)

Activity Data

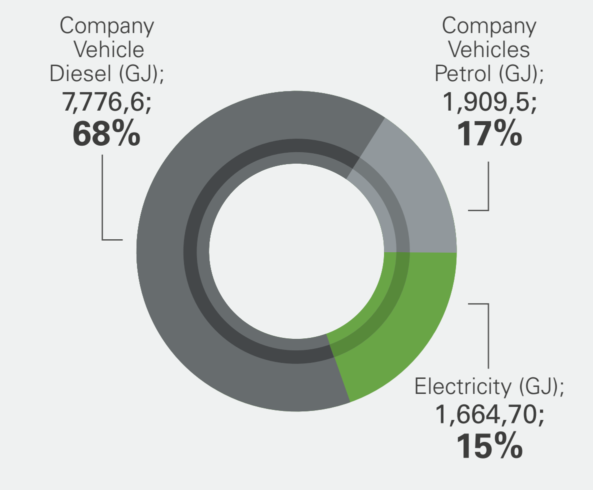
2022 EHZL Emission Sources



EHZL Scope 1 and Scope 2 Emissions



Energy Consumption



1 GHG Emissions that are the direct result of owned or controlled sources
2 GHG Emissions indirectly resulting from the generation of purchased electricity
NB: GJ is Gigajoules
NB: tCO2e Tonnes of Carbon Dioxide Equivalent
IGES (0,98 tCO2/MWh) emission factor

Percentage of Data Centres Using Solar
FY2022: 10%

Cumulative Number of Trees Planted from
FY2019: +8,000
to date

Carbon Offsetting

EcoCash Holdings embarked on a staff tree-planting initiative to drive environmental stewardship and as part of our climate change initiatives. Trees play a critical role in building sustainable communities as their presence provides carbon sinks that enable a reduction of greenhouse gas emissions. A total of **1,150** tree seedlings were distributed to staff for their planting to promote biodiversity, climate change mitigation, and in commemoration of the National Tree Planting Day. Steward Bank advanced solar residential loans worth **ZW$ 21,005,930** in FY22 which indirectly impacted carbon offsets through the green initiatives. This initiative was implemented in conjunction with Distributed Power Africa.

Agritech

Digitally Empowering People

EcoCash
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VAYA Digital Farmer is a platform that uses technology to provide digital agricultural solutions to farmers, government, non-governmental organizations (NGOs), farmer unions, small holder farmers and other key stakeholders in the agriculture value chain.

VAYA Tractor, information services, logistics, hay bailing, combine harvesting, soil testing, and many more services are available to improve farm production and livelihoods for millions of Zimbabweans.

SOCIAL

Our employees are our most important business partners. Over the past year we have on average employed **2,654** people all over Zimbabwe; **1,357** directly while indirectly employing **1,297.** Through strategic people development initiatives that we developed in the past years and have improved over this year, we have ensured our people are developed through the following:

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Social

Human Capital

Digitization of HR Services: Internally developed a Recruitment portal saving **US$ 30,000** per year from outsourced services. The recruitment portal helps to improve digital footprint, talent reach & expand recruitment channels. Also automated manual processes of recruitment which has reduced Time-To-Fill of vacancies from **>90** days to less than **<60** days.

Agile Working Environment: The business reviewed the agile working arrangements and had all staff return to office work from 1 October 2021 on a hybrid working model. The return to office was seamless and all the possible operational risks were mitigated. Given the present government regulations the business will have 46% of its staff working from the office, **7%** working from home and **47%** working in a hybrid arrangement.

Leadership Development: Launched a structured Leadership Development program for our Executives which entails monthly Focused Learning Experience (FLEX) Sessions with global speakers from the US, Australia, UK, Spain, Hong Kong and South Africa.

Awards & Recognition: As part of the Econet Group we won the LinkedIn Award for best learning culture in Sub-Saharan Africa for 2021.

Digital Capabilities: Launched a Learning Capability Development series to all staff for enhanced digital transformation preparedness across the business. The learning series is running under the theme "Scaling up Digital Capabilities for a Digital World."

Our People | Our Business

Diversity, Equity and Inclusion (DEI)

Diversity, Equity and Inclusion is one of the most important business trends for 2022 and whilst approaches to support DEI are now important differentiators in the Global competition for Talent, they will soon become the norm. We have made efforts to put in place policies and programs tackling DEI in relation to gender, age and disability etc in order to overcome inequity in the workplace. This has benefited us immensely by having teams that have diversity of thought and are more innovative, therefore giving us a competitive edge in the industry.

Our People | Our Business (continued)

Generational Mix

Looking ahead, we are keen on leveraging on inter-generational knowledge transfer through employing staff of different generations to support our people development. We also understand that as EcoCash Holdings we have an inter-generational customer base thus in order to efficiently serve our customers we need to have a generationally diverse team.

Baby Boomers

1946 - 1964

- Boomers are characterised as being workaholics who relish long weeks and overtime. They are more committed to their roles than any other generation
- Baby boomers are considered good team players, with 53 percent of organisations saying they work well with others
- The professionals in this generation are regarded as making excellent mentors to their colleagues and juniors in the organisation

Gen X-ers

1965 - 1979

- The majority of organisations (70 percent) believe Gen X are the best overall workers.
- These professionals are committed to juggling work with family time, and favour work-life balance in an organisation
- Gen X is considered to be the biggest revenue generators overall

Millennials

1980 - 1995

- Of all generations currently featuring in the workforce, Millennials are considered the most independent workers
- Millennials are concerned with ethics and the social responsibility of the organisation they work for
- Millennials have grown up sourcing information, they need to be left to create their own processes rather than being told exactly what to do

Gen Z-ers

Born after 1995

- The most tech competent of any generation, members of Gen Z are able to pick up new developments quicker than other employees
- This generation is particularly ambitious, with two-thirds of Gen Z saying their goal in life is to make it to the top of their profession
- Gen Z are natural entrepreneurs, with 72 percent wanting to start their own business and hire people
- Described as the 'always on' generation, Gen Z are able to multitask unlike any other generation, using up to five screens at once

SOURCE: GetSmarter. https://www.getsmarter.com/blog/career-advice/know-your-generationals/

Hire and Pay for Farming Equipment on Your Phone

Farmers order a tractor using the VAYA Africa mobile app or via USSD, allowing them to implement mechanization technology. Farm equipment has been placed on a digital platform, allowing farmers to request service. The platform then matches the request with the closest available equipment, which is subsequently deployed.

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EcoCash HOLDINGS ZIMBABWE LIMITED

Social

Women Empowerment

Our policies and procedures continue to Foster the **Growth of Women** in Technology

Gender Equality

EcoCash Holdings is aligned with the (UN-SDGs) United Nations Development Goals (5) on Gender Equality in ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making. According to the United Nations, the 2019 global workforce had only 39% women and in management were only 28.3% women, this only improved by 3% in 2020. However, the negative impact of the pandemic on women in the workforce greatly threatens the little progress made in reducing the gender gap in both the general workforce and the managerial group.

Social

Women Empowerment (continued)

Our policies and procedures continue to foster the growth of women in technology. Through mentorship, training and various growth and empowerment initiatives, we achieved the wins below within EcoCash Holdings Zimbabwe Limited.

Women in Tech

According to Womentech (2021) the top five Tech firms in the US have only achieved a workforce that is 34.4% female. The Tech industry is very challenging, however despite these challenges we are a Business that fosters the professional development of women in Tech – and one of our own **Henrica Makulu,** a Data Scientist for EcoCash Holdings Advanced Data Analytics, was one of the 108 out of over 4,000 women who made it for the 2022 TechWomen program that began on February 23 and ended on March 31 2022. This was a five-week program in Silicon Valley San Francisco, which was aimed at professional development, mentorship and exchange. Henrica was placed at BigCommerce – one of the world's leading cloud ecommerce platform for established and rapidly growing businesses. She is bringing some of the things she learnt such as building machine learning models in less time as well as the inspirational work and people culture she experienced at BigCommerce to EcoCash Holdings whilst mentoring other aspiring female Data Scientists in the Industry.

Social

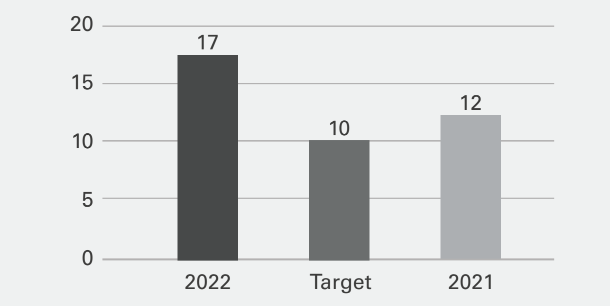
Employee Engagement

Employee engagement has become a global crises. According to Gallup's State of the Global Workplace 2021 report only 15% employees in the workplace are engaged. Whilst low engagement could be traditionally attributed to factors like organisational culture and poor management, the onset of COVID-19 pandemic has presented a new set of challenges. Businesses were forced to adopt a remote work environment and whilst this came with major benefits, the adverse impact has been detrimental to employee engagement. Despite these challenges we have been working hard to be more innovative to keep our employees engaged. To keep our employees safe during the pandemic we had **100%** of our staff fully operating from the safety of their homes whilst keeping them engaged through online teams' engagements organised by our Talent Development team. The success of these engagements enabled our new joining staff members to adapt to our culture and get to know their team members without meeting them face-to-face.

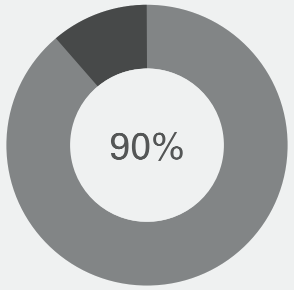
Learning and Development

We launched a Learning Capability Development series to all staff for enhanced digital transformation preparedness across the business. The learning series ran under the theme **"Scaling up Digital Capabilities for a Digital World."** As part of the series, focus was placed on different topics that will provide all of us with the knowledge and skills of how best to learn and develop in the digital world. According to Edume (2021), 66% of executives see investing in retraining and upskilling existing workers as an urgent business priority that companies must lead on inorder to prepare them for the 4th Industrial Revolution. In-line with this we have various in-house trainings in place to allow for continuous development of our talent. We also leverage off several online learning platforms such as LinkedIn, Odilo, Coursera and Udemy to stay abreast with Global Learning and Development Best Practices.

Average Learning Days per Employee



Staff Trained in Digital Courses



Leadership

- The future of work is here and for businesses to succeed despite these changes, they need transformational leaders. In line with this we have developed a Leadership Competency Framework which outlines the competencies needed for our Leaders & Executives to lead for the future. Our Executives and leaders are being capacitated through our Leadership Program to take the business forward. We launched a structured Leadership Development program which entails monthly Focused Learning Experience (FLEX) Sessions with global speakers from the US, Australia, UK, Spain, Hong Kong and South Africa. The FLEX Sessions are premised on modern learning practices that aim to change Individual Learning Paths through a 'personal' learning experience, rather than the traditional view of 'rote learning'.

100%
Of our business leaders have been trained under our Leadership Development Program

Talent Attraction and Retention

- The world has opened up and businesses are no longer restricted to sourcing candidates from local talent pools. Due to the Global Competition for talent especially in tech, we have had to relook our strategies for Talent Attraction and Retention.
- A LinkedIn (2021) survey of what matters most to job seekers around the world found that the No.1 employee value proposition is good work-life balance, followed by excellent compensation and benefits.
- In-line with Global Trends, our employee value proposition offers flexible work arrangements (remote working) as well as wellness programs for our employees which allows us to attract and retain talent.
- Our onboarding processes have been a major success throughout the year, enabling us to ensure our new staff members are properly engaged and given the resources to thrive in their first year within our organisation.

EcoCash HOLDINGS ZIMBABWE LIMITED

Social

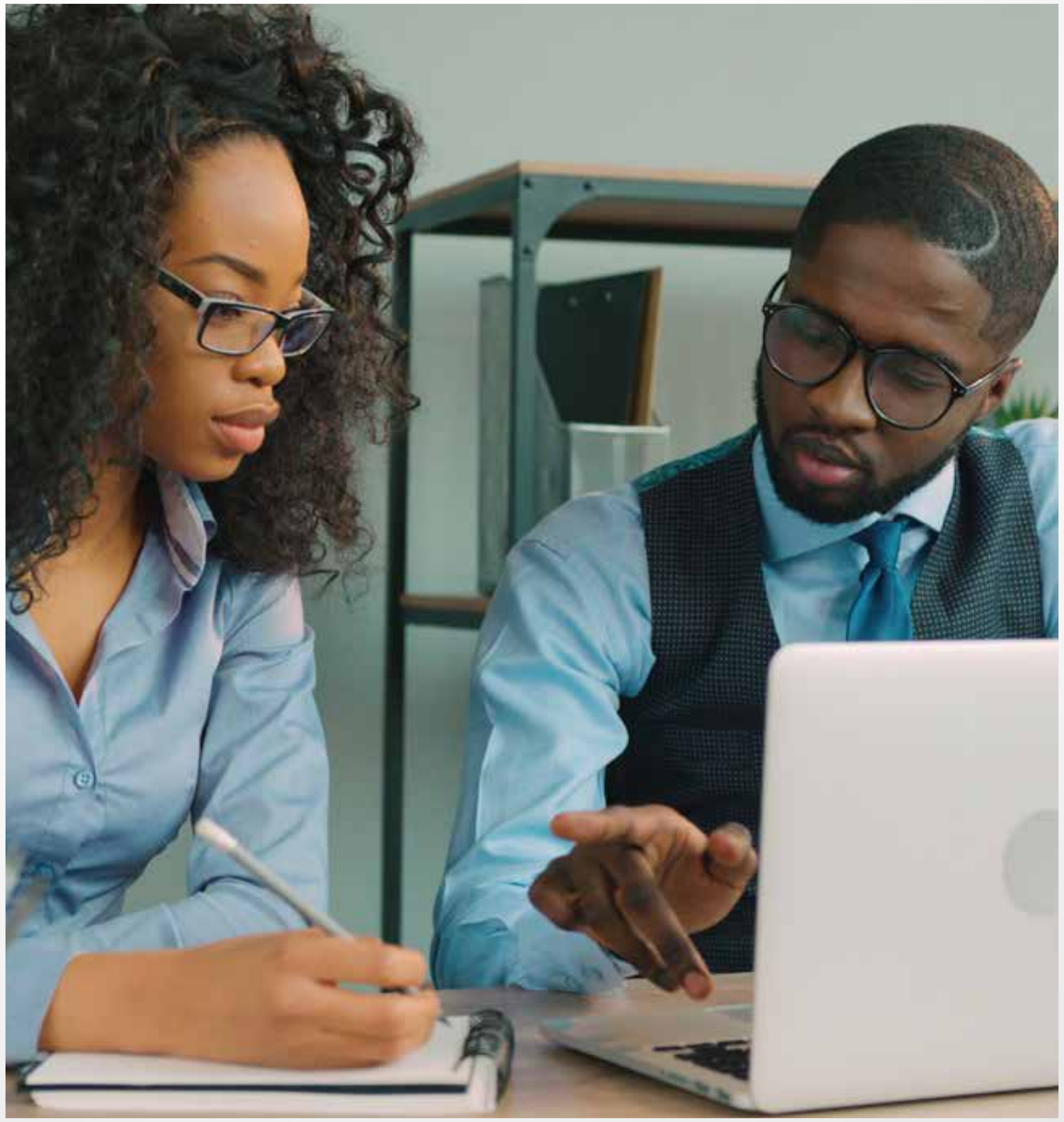
Employee Engagement (continued)

Higher Performing Organisation

Through our Performance Management Framework which is focused on both individual and team outputs we have seen an increase in productivity and business growth. Our Performance Management Framework has allowed us to reward and recognise high performing individuals within the Business.

Employee Recognition

Due to declining rates of Employee Engagement Worldwide. Employee recognition is now more important than ever. Workplace recognition not only motivates, but also provides a sense of accomplishment and makes employees feel valued for their work. Employee recognition boosts individual employee engagement, increases productivity and enhances loyalty to the company resulting in higher retention. Through our Recognition Policy we aim to reward and recognise our high performers who are contributing to the organisation's success and transforming the business into a high performing organisation.



Our Response to Covid-19

Produced & distributed
Awareness Materials
totalling
74,000 and 49,200
Fliers & Posters
respectively in communities, through its wide reaching platforms including sms, posters, billboards and radio programs.

- Covid-19 Champions & Care Givers | 290 Covid-19 Champions and Care Givers were trained internally to enhance employee safety, as part of our business strategy in Covid-19 case management and prevention
- Covid-19 Staff Awareness and Vaccination Campaign | A cumulative total of 2,650 staff members participated in the Covid-19 Updates and Awareness Webinars which took place during the financial year.
- Covid-19 Staff Vaccination Campaign | A total of 2,046 staff members attended the online Covid-19 vaccination awareness campaign sessions.
- Group Staff Counselling | 164 Staff members participated in the online counselling sessions that were offered.

Our Response to Covid-19 (continued)

EcoCash Holdings Group's Fight Against Covid-19 in the Community

To mitigate the impact of the pandemic, the business invested heavily in supporting staff and families as well as building community awareness on the Covid-19 Pandemic. Campaigns were activated to sustain the Covid-19 preventive measures and encourage staff and the community at large to Keep the **Mask Up**, **Fight On**, Get Vaccinated and continue adhering to all Covid-19 precautionary measures: The campaigns that were rolled out are as follows:

Covid-19 Support Framework for Staff and Families

Social

Social Capital

Our society is an integral part of who we are. In our operations, we consider the needs of our internal and external stakeholders. Our social responsibility goes beyond just caring for our staff and customers. We continue to innovate and strive to reach out and solve the challenges that exist in our communities through digital solutions. As with the nature of the technological industry, regulation is a key imperative. It is therefore our priority to ensure the business is conversant and compliant with all applicable regulations. We have also embedded the rights of the customer as pertains to data privacy, through privacy policies and in line with applicable legal and regulatory requirements.

Corporate Membership to National Associations

EcoCash Holdings Zimbabwe Limited is a member of various national associations and organisations that contribute towards business continuity, business improvement and sustainability

Awards and Recognition Received

EcoCash

AWARDING INSTITUTIONS

Emerging Payment Awards
AND
Marketers Association of Zimbabwe Superbrand Awards

AWARD

1. Best Direct Account to Account Solution
2. Most Innovative Mobile or Financial Service Payments Solution
3. Winner- Money Transfer Platforms (Electronic/Physical) Sector

EcoSure

AWARDING INSTITUTIONS

Top Companies Awards
AND
Marketers Association of Zimbabwe Superbrand Awards

AWARD

4. Best Innovative Company of The Year
5. 2nd Runner Up Funeral Assurance & Services Sector

STEWARD BANK

AWARDING INSTITUTIONS

Banks & Banking Survey
AND
Zimbabwe CEO Network

AWARD

6. Sustainability Award
7. Most Responsible Organisation (Environmentally & Socially)

EcoCash HOLDINGS ZIMBABWE

AWARDING INSTITUTIONS

Zimbabwe CEO Network,
Contact Centre Association of Zimbabwe
AND
LinkedIn

AWARD

8. Winner- Governance Team of the Year
9. Service Excellence Award
10. Best Contact Centre Award
11. Best learning culture in Sub-Saharan Africa

Social

Stakeholder Engagement and Partnerships

STAKEHOLDERS	WHY WE ENGAGED	MODE OF ENGAGEMENT	KEY INTERESTS
1 Government and Regulators	• Key engagements done with Reserve Bank of Zimbabwe and Insurance & Pensions Commission, covering the Fintech business directives, compliance with regulations, new product approvals, information requests for industry reports, as well as tariff & limits reviews	• Online and in-person meetings •Email communication •Telephone and formal letter correspondence.	• Ensure regulatory compliance across the group's entities. •Regulatory approvals for all new products, tariffs and limit reviews. •Participate in policy formation stakeholder engagements
2 Customers	• New product awareness across the group • Getting customer insights to inform decision making around new products and service delivery • Servicing customer requirements and queries	• Above the line & below the line channels (SMS, Print Media Ads, Social Media Channels) • Service centres (Call center & retail outlets) • Customer Surveys through Research Agency • Post service customer rating on apps • Trade exhibitions	• Ensure excellent customer experience across the group, as well as checking the brand health status • Customer feedback to inform service delivery and new products. • Development of programs to address customer pain-points and issues
3 Shareholders	• Communicate business updates on performance, operations and get feedback • To make key strategic decisions for the business	• Annual General meeting • Annual report in print and electronic copy. • Trading update reports • Quarterly Board Meetings & Board Committee meetings • Media briefings	• Providing key business updates around performance, strategic projects and operations. • Keep shareholders informed on key business updates in a regular and transparent manner • Provide confidence in shareholders, on the business's profitability and going concern
4 Employees	• Provide strategic direction for the business • Update on key business operations, new products and performance • Getting valuable staff feedback • Employee training, wellness seminars	• Quarterly CEOs staff address • Business strategy sessions, monthly & weekly management meetings • Louis Allen staff engagement survey • Training seminars	• Ensure high level of employee engagement and talent retention • Keep employees informed on key business developments to improve buy-in into the business's activities • Training and development to improve skills and execution. • Enhance performance management system

Stakeholder Engagement and Partnerships (continued)

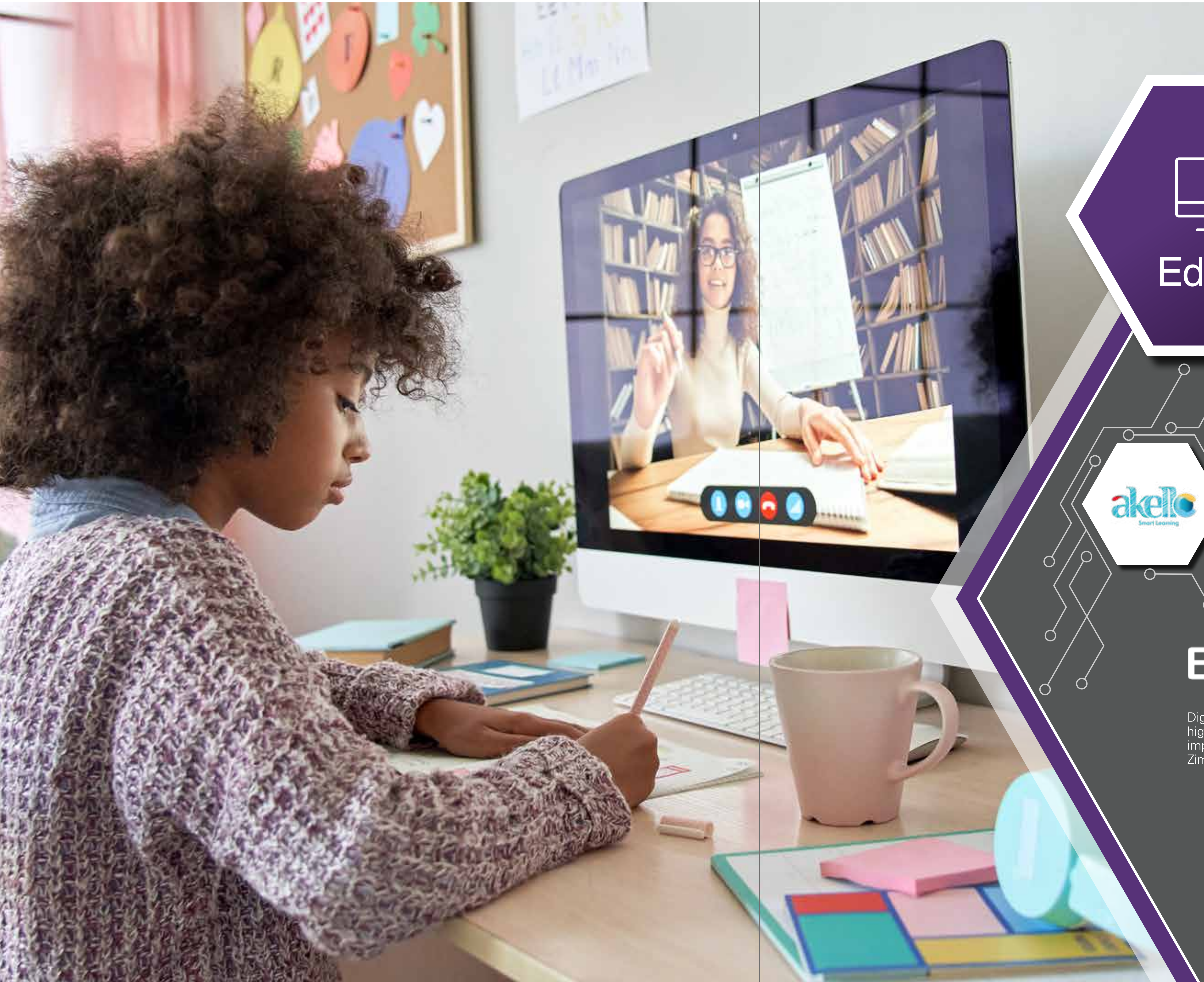
STAKEHOLDERS	WHY WE ENGAGED	MODE OF ENGAGEMENT	KEY INTERESTS
5 Suppliers	• Supplier registration and contracting • Procurement of products and services within agreed SLAs • Payments and deliberations on other obligations • Relationship building with the group's suppliers	• Engagements through physical & virtual meetings, email &telephone communication, workshops and exhibitions	• Value preservation • Maintenance of a high standard of service delivery and adherence to Service Level Agreements
6 Industry/ Business Partners	• Forging synergies with other industry players, collaborations and learnings from businesses and associations operating in the same environment. • Engagements to update industry players on the group's operations, products, services and key developments	• Industry/business associations forums, physical and virtual engagements, email and telephone communication. • Attendance at key industry events • Trade exhibitions	• Lobbying on key business and economic matters through industry associations. • Risk management and compliance • Business growth and capacity building
7 Media	• To communicate on the group's products, services, operations and other key developments in order to keep the media informed on key factual matters that relate to the business in the marketplace	• New product launches, press releases, physical and virtual engagements. • Press conferences and briefings	• Guiding the narrative and providing factual information on matters that affect the group and all its subsidiary's brands • Brand equity building and reputation management • Release of public information e.g Annual Reports & Financial Publications
8 Communities and Local Authorities	• To obtain social license to operate in the various communities across the country, rolling out new products in certain jurisdictions, CSR and other social investment activities in the communities • Building relationships and increase brand awareness and visibility	• CSR events, physical and virtual engagements with local authorities particularly seeking permission to operate in certain jurisdictions	• Responsible roll-out of the group's products in the different markets and jurisdictions across the country • Building brand equity, turning communities into advocates •Social responsibility to invest and positively impact communities

Digitally Empowering People

Supporting Africa's Emerging Tech Talent

Digital platforms provide equal access to high-quality education and skills development. We understand the importance of promoting education access in Zimbabwe, by leveraging digital technologies. We envision a world in which all young people have the opportunity to learn and thrive anytime, anywhere. Every young African deserves to have the best education at their fingertips.

www.ecocashholdings.co.zw



Edutech

Digitally Empowering People

EcoCash
HOLDINGS ZIMBABWE LIMITED

Digital platforms provide equal access to high-quality education. We understand the importance of promoting education access in Zimbabwe, through creative means.

Social

Higherlife Foundation

Provided
11,219 Scholarships
to Orphaned and Vulnerable Children
as well as academically gifted students.

HIGHERLIFE FOUNDATION

Higherlife Foundation's key interventions for this financial year continued to be anchored on three main pillars: Education, Global Health and Rural transformation & sustainable livelihoods.

Education: Providing Access to Inclusive and Quality Education

Education is one of our key focus areas at HLF. We believe that increasing access to quality education for young people is imperative to helping them thrive in today's competitive world. To date, Higherlife Foundation's Education programs have impacted the lives of more than **300,000** students through scholarships and more than **650,000** students through digital learning platforms. The outcome activities and the associated sustainability impact for FY21/22 are shown as follows:

EcoCash HOLDINGS ZIMBABWE LIMITED

Social

Higherlife Foundation (continued)

Community Challenges	Interventions and Outcomes	Impact	SDGs
Limited Access to Education and Loss of Learning • **4.6 million** children lost access to learning in 2020-21 due to the Covid-19 pandemic.	Provided **11,219** scholarships to academically gifted, orphaned, and vulnerable children.	• Reduction in the number of out of school children living in vulnerable communities. • Contributing to the national enrolment rate targets. • **351** empowered, educated and self-reliant fellows graduated from various universities in 2021	4 QUALITY EDUCATION
A High Student to Teacher Ratio Adversely Affects the Quality of Education • Limited ECD Educators	Educator Training on Foundational Learning Methodologies • Trained **1,900** ECD teachers.	Improved quality of both teaching and learning. • Contributing **10%** to the national training goal. • Trained Educators impacted **70,000** learners with improved teaching methodologies	4 QUALITY EDUCATION

SOURCE. https://www.unicef.org/zimbabwe/stories/providing-learning-solution-millions-and-out-school-children-zimbabwe

Higherlife Foundation (continued)

Community Challenges	Interventions and Outcomes	Impact	SDGs
A High Student to Teacher Ratio Adversely Affects the Quality of Education (continued) • Limited special needs Educators	Foundational Learning Lockdown Program • 1,400 books were distributed, providing quality learning to 1,400 foundational phase learners who had limited learning material.	Improved quality of learning for 1,400 learners.	4 QUALITY EDUCATION
	Educator training on sign language • 300 Educators trained in sign language	• Contributing to eliminating discrimination in education, including persons with disabilities and children in vulnerable situations. • Trained Educators impacted 27,000 special needs learners.	4 QUALITY EDUCATION 5 GENDER EQUALITY
	Guardian Training • 1,235 guardians trained to impact 3,705 children	Increased community participation in supporting learning.	4 QUALITY EDUCATION
	Training of Educators in Disaster preparedness and Recovery • Trained 2,700 educators in disaster hot spots on Disaster Risk Reduction.	• Contributing to strengthening community resilience and adaptive capacity to climate-related hazards and natural disasters. • 2,700 educators impacted 1,000,000 children with education on Disaster Risk Reduction.	13 CLIMATE ACTION
Limited Healthcare Support or Orphaned and Vulnerable Children	Providing medical assistance • 67 Fellows supported with medical assistance	• Improved access to quality essential healthcare services • Improved grades and learning	3 GOOD HEALTH AND WELL-BEING
Lack of Mentorship and Career Guidance	2,500 learners accessed mentorship and training through the Leadership & Lifelong Development program.	• Improved emotional and mental well-being of fellows. • Positive behavior change. • Improved grades and learning outcomes.	3 GOOD HEALTH AND WELL-BEING
Limited Learning Material	• Distribution of 1,300 ZIMSEC Study packs, impacting over 25,000 students in different schools.	1,300 ZIMSEC Study packs, impacting over 25,000 students in different schools.	4 QUALITY EDUCATION

Higherlife Foundation (continued)

Global Health Program: Ensuring Healthy Lives and Promoting the Well-Being for All

The Global Health Program projects implemented by Higherlife Foundation are designed to support national goals in **ensuring healthy lives and promoting well-being for all** (SDG3). In FY22, the Global Health Program consisted of a response to the maternal and neonatal health crisis by providing catalytic support to restore essential services at eight referral maternity units and improve maternal and neonatal health outcomes for five central hospitals and three provincial hospitals. Secondly, through the Cholera Elimination Secretariat, our work in the past year focused on playing a coordination role and providing catalytic support to ensure the elimination of Cholera in Zimbabwe by 2028.

Higherlife Foundation continued supporting national disaster preparedness and recovery efforts by catalysing Zimbabwe's ability to detect readiness in responding to public health threats, emergencies, and disasters. Lastly, we also continued with the implementation of the Neglected Tropical Diseases programme to interrupt the transmission of Schistosomiasis (SCH) commonly known as Bilharzia and Soil-Transmitted Helminths (STH) commonly know as Intestinal worms in Zimbabwe. The programme focuses on strategies across five pillars to impact up to **5.5 million** children and **3.9 million** adults by 2025.

Neglected Tropical Diseases

In FY22, Higherlife, along with other partners, continued with the efforts to reduce the prevalence of NTDs in Zimbabwe, focusing on the implementation of the mass drug administration for Schistosomiasis (SCH) and Soil-Transmitted Helminths (STH). Higherlife Foundation actively supported the Ministry of Health & Child Care (MoHCC) in providing administrative and logistical support for the program through the procurement of laboratory equipment, hiring field vehicles and robust training, travel, and accommodation support for health teams in conducting all Mass Drug Administration activities. Through a mass drug administration for SCH/STH in **35** endemic districts, over **2,000,000** children were reached with treatments.

Community Challenges	Interventions and Outcomes	Impact	SDG
More than 10 million of the 15.1 million people in Zimbabwe require treatment for at least one NTD Neglected Tropical Disease). This is more than 62% of the total population.	Mass drug administration for SCH/STH in 35 endemic districts, over **2,000,000** children were reached with treatments.	• An expected decline in the prevalence of Schistosomiasis (SCH) and Soil-Transmitted Helminths (STH) in Zimbabwe. Previous MDAs have resulted in SCH declining from 22.7% in 2010 to 5% in 2019 and STH decreasing from 6% to 1% in 2019. • Contributing to the elimination of neglected tropical diseases by 2030.	3 GOOD HEALTH AND WELL-BEING

Disaster Relief and Preparedness

Higherlife Foundation, as an implementing partner, aims to play a central coordinating role in catalysing Zimbabwe's ability to detect readiness in responding to public health threats, emergencies and disasters and act as a first responder to coordinate response and recovery efforts in disaster events. To achieve this vision, our interventions focused on the following principal areas:

- Training and capacity building
- Education on disaster relief and preparedness of at-risk communities and national officers
- Operationalisation of the Public Health Emergency Operations Centre
- Establishment of a National Emergency Operations Centre for disaster surveillance and response
- Strengthening of national laboratory capacity to detect and respond to disease outbreaks.

Higherlife Foundation (continued)

Community Challenges	Interventions and Outcomes	Expected Impact	SDGs
• Limited disaster risk reduction community knowledge. • Increased climate-related vulnerabilities.	The Disaster Relief and Preparedness Education Program capacitates schools and communities to better prepare for emergencies and strengthen their resilience. In FY22, the program: • Distributed **24,058** disaster relief modules in English, Shona and Ndebele. • Trained **44,150** community members on disaster risk management in **24** hotspot districts • Trained **640** Covid-19 Community Taskforce, District and Ward Civil Protection Committees and the traditional leaders, and in turn, **87,552** people reached through awareness campaigns.	1. Reduce disaster losses by **50%** by 2024. 2. Reduce disaster risk and impacts of all hazards by **25%** by 2024. 3. Improve access to early warning systems for natural and manmade hazards by **50%** by 2024. 4. Improve coordination in national and community-level Disaster response. 5. Early detection and control of public health emergencies.	13 CLIMATE ACTION

Maternal Health

In response to a health services crisis affecting mothers and neonates in Zimbabwe, Higherlife Foundation, as an implementing partner, provided catalytic support to restore essential services to referral maternity units and improve maternal and neonatal health outcomes. The initiative comprised two components.

While implementation of the maternal initiative has ended, we will continue to monitor the impact of the interventions towards reducing maternal and neonatal mortality at the selected health institutions. Through Higherlife Foundation, which entered a Memorandum of Understanding with the hospitals, we will receive regular updates on equipment functionality and usage and ensure there is support for equipment maintenance and repair. HLF is committed to supporting equipment repair and monitoring for over three years up to the end of the year 2023.

Community Challenges	Interventions and Outcomes	Expected Impact	SDGs
• High maternal mortality ratio of **462/100,000** live births • High neonatal mortality rate of **32/1,000** live births	• Provision of **1,435** critical basic and large-scale equipment and Personal Protective Equipment (PPE) to 16 hospitals to address the shortages that lead to incorrect risk assessments, diagnosis, and treatment. • **3,864** doctors, nurses, midwives, and auxiliary staff were trained to improve their knowledge, expertise, competence, and service delivery.	1. Reduction of the institutional Maternal Mortality Rate from **277** to **70** maternal deaths per 100,000 births. 2. Reduction of the Institutional Neonatal Mortality rate from 84 to **12** neonatal deaths per **1,000** live births. 3. Contributing to the reduction of the global maternal mortality ratio 4. Contributing to the reduction of neonatal mortality. 5. Improved access to quality essential healthcare services. 6. Supported the health workforce's development, training, and retention in developing countries. 7. Improved coordination in national and community-level disaster response. 8. Early detection and control of public health emergencies.	3 GOOD HEALTH AND WELL-BEING

Higherlife Foundation (continued)

Partnership with the Ministry and Higherlife Foundation to Combat Covid-19

Partnering with the Ministry of Health & Child Care (MoHCC), the EHZL Group has so far implemented the following initiatives in an effort to lessen the Covid-19 Burden in the community:

- Produced and distributed awareness materials totalling **74,000** and **49,200** Fliers and Posters respectively in communities, through its wide reaching platforms including sms, posters, billboards and radio programs
- Donated **45** ventilators to government hospitals
- Established **20** isolation centres across the country
- Donated personal protective equipment (masks, sanitisers and protective suites) to all state hospitals and **100,000** free testing kits to ensure responder protection
- Provided water to Clinics in Harare **+200,000** litres delivered to date
- Conducted public disinfection in partnership with the MoHCC
- Implemented the Inform, Test, Trace, Isolate, Treat (ITTIT) Framework through partnership with MoHCC
- Free Health Status Report (HSR) medical reports / Travel Pass uploads for all Zimbabweans through Sasai app
- A total of **357** families supported through home based care support and groceries.
- National handwashing campaign and Covid-19 Education Campaign, reaching **975,000** people

Rural Transformation and Sustainable Livelihoods

The Climate-smart agriculture initiative is a project under the Rural Transformation and Sustainable Livelihoods pillar, which is focused on tackling food and nutrition insecurity and building thriving rural green entrepreneurs by increasing household incomes. The RRA goal is to reach **300,000** households and impact **1.8 million** by 2026, reducing food and nutrition insecurity and increasing targeted rural household incomes. In support of achieving sustainability goals by contributing to the eradication of extreme poverty for all people (SDG 1.1) and reducing the proportion of people of all ages living in poverty (SDG 1.2), Higherlife Foundation carried out the following activities in FY21/22 that are associated with sustainability impact:

Community Challenges	Interventions and Outcomes	Impact	SDGs
An Estimated 4.6 million People are Food Insecure. • 43% of Rural Households have poor consumption patterns.	• Climate-smart agriculture training for **10,000** rural households (102,200 people). • Provision of agriculture inputs for **10,000** rural households.	• Contributing **5%** to the annual climate-smart agriculture national training target. (trained **102,000** people). • Contribution to eliminating gender disparities – **65%** of trained farmers are women. • Strengthened rural households' resilience and adaptive capacity to climate-related hazards.	5 GENDER EQUALITY 13 CLIMATE ACTION
	Increase rural households by **230%** productivity while halting the degradation of natural resources.	• Expected to achieve food sufficiency for **9,641** households [expected yield provides **12** months of food and nutrition sufficiency]. • The expected total contribution of **9,000** Tonnes to national output.	2 ZERO HUNGER
An Estimated 49% Living in Extreme Poverty	• Expect to create a social value of **US$ 597** per household. • Increasing household incomes by at least **39%**.	• Increase in household income by **US$130.25** from the sale of produce, contributing to the alleviation of poverty. • Increased rural employment creation – **320** direct green jobs created at Demonstration farms. • Financial inclusion – **300** bank accounts created in rural areas.	1 NO POVERTY

Fintech | EcoCash and Steward Bank

The business continued to make significant progress in driving

Financial Inclusion

through access to

Digital Financial Services

Fintech

Financial Inclusion

The 2030 Sustainable Development Agenda aptly positions financial inclusion as a key enabler of other development goals and in FY22, the business continued to make significant progress in driving financial inclusion through access to digital financial services. In this reporting period, the Fintech suite of digital financial products highlighted, continued to contribute to EcoCash Holdings' Environmental, Social and Governance aspirations.

EcoCash

EcoCash (Private) Limited

EHZL financial inclusion model has positively contributed to the reduction of poverty and inequalities in the country, providing financial solutions to the rural communities, women and youths of Zimbabwe. Our integrated platform offers multi-mobile financial services, which are tailored to suit a wide segment of target markets, and to include the banked, unbanked and under-banked customer segments. We offer a wide range of services from peer to peer transactions, merchant payments, nano-credit, bond investments, international remittances, card-to-wallet linked transactions, banking services, and micro-savings (for individuals or groups). The integrated platform has a dedicated Business-2-Business offering, the first dedicated mobile business wallet offering in Africa and a digital bureau de change

As we focused on **'Digitally Empowering People'** in FY22 we celebrated EcoCash (Private) Limited 10th anniversary with the theme of driving financial inclusion. The commitment of the business has been to continuously deploy innovations and ensure every Zimbabwean is financially included and no one is left behind. The customer experience pillar drove many initiatives in FY22 which saw the business enhancing its automation drive.

EcoCash Driving Financial Inclusion

FINANCIAL INCLUSION

Registered Mobile Money Customers
7,752,254
FY2021: 8,440,049

Adult Population Financially Included
92%
FY2021: 98%

GENDER DISTRIBUTION

Female Percentage
57%
FY2021: 60%

Male Percentage
43%
FY2021: 40%

DIGITAL CASHLESS SOCIETY

Customers in Rural Areas Percentage
43%
FY2021: 40%

Banks Integrated on EcoCash Integrated Payments
12
FY2021: 8

DIGITAL CASHLESS SOCIETY (continued)

Merchants Transacting Every Month
33,557
FY2021: 47,002

PROMOTING SOCIAL INCLUSION

Ecocash Customers who Paid their Insurance Premiums on the Platform
440,000
FY2021: 371,000

NATIONAL PAYMENT SYSTEM

Volume Transacted Percentage
81%
FY2021: 80%

Value Transacted Percentage
6%
FY2021: 8%

VALUE

Transacted Through Our Platform
ZW$ 473 billion
FY2021: ZW$ 259 billion

MARKET SHARE

Airtime Value Market Share Percentage
60%
FY2021: 66%

INTEROPARABILITY

Mobile Network Operator Integration
3
FY2021: 3

Bank Integration
22
FY2021: 20

INTERNATIONAL REMITTANCE

Customers who Received Remittances on Platform
260,000
FY2021: 230,000

Value Remittances Received
US$ 7.5 million
FY2021: US$ 7.4 million

Digitally Empowering People

Banking with a View

Through the Bank's Digital Banking model, customers are able to use their mobile devices to access a wide array of banking services for their added convenience. Steward Bank leverages on Group and Non-Group entities for increased use cases on the Bank's digital platforms to reach the previously unbanked.

Our strategy is to tap into the value that exists at the intersection of mobile money and banking.We operate on the basis of a transactional banking model, with the following main services: Microloans, Savings, Agent Banking (intended to reach the previously unbanked), Corporate & Investment Banking (CIB), Agrosector, SME segment and Diaspora Banking are just a few of the options available. "Square" is the name of the Digital Bank's flagship platform.

www.ecocashholdings.co.zw

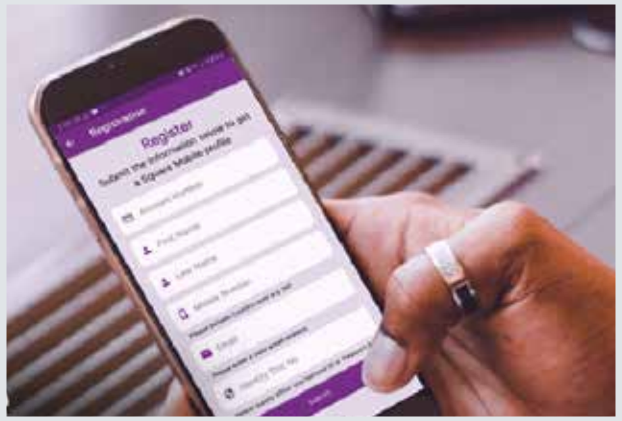
STEWARD | BANK

Experiencing Digital and Driving Financial Inclusion

In line with the Bank's vision to be the premier provider of digital financial solutions suited to the needs of the diverse people of Zimbabwe and beyond, Steward Bank's digital banking aspiration is one of driving financial inclusion and leaving no one behind in the access and usage of quality financial services.

Digital Financial Inclusion and Account Acquisition

Steward Bank's financial inclusion drive through digital account opening (***236# USSD platform**) promotes increased access and usage of financial services for previously excluded client segments. Resultantly, in FY22, a total of **294,853** accounts were opened through this ***236#** digital platform. Increasing account ownership through the Bank's digital onboarding platform therefore directly contributes to SDG 5 on achieving gender equality and economic empowerment of women. With the COVID-19 business restrictions that were experienced during FY22, the digital platform, therefore, played a key role in providing access to financial services for diverse members of society.



294,853
Digital Accounts
opened

46% Female

54% Male

Increasing Access to Financial Services for Small to Medium Enterprises

According to the FinMark Trust (UNCDF Making Access Possible Program, 2020), SMEs in Zimbabwe approximately contribute **+/- 60%** to the country's GDP (directly and indirectly). In support of this critical economic segment, Steward Bank's tailor-made financial products included SME lending (**ZW$ 937 million**) thus playing an important role in supporting inclusive growth in the country (SDG 8 on promoting economic growth and jobs). A total of **ZW$ 5.4 million** of these facilities supported micro-enterprises in the rural areas (Shurugwi, Makoni and Mutasa) directly benefiting **660** individuals (**462** Female : **198** Male). Additional SME products also include the Steward Bank's Zama Zama Sole Trader (**13,200** accounts) and Zama Zama Business current (**14,300** accounts) as at the close of FY22.

ZW$ 937 million **SME Lending**

ZW$ 5.4 million **Rural** Micro-Enterprise Lending

13,200 **Steward Bank** Zama Zama Sole Trader Accounts

14,300 **Zama Zama** Business Current Accounts

Steward Bank (continued)

322,924 Kashagi Nano Loans

ZW$1 billion Value

32% Women

45% Youth

Kashagi Digital Micro-Credit Loans

Through the Kashagi Nano Loans platform, a total of **322,924** new individuals accessed the loans (**ZW$ 1 billion**) of which **32%** were women while **45%** were youth. The Bank together with EcoCash further developed the platform to allow for automated loan repayments to improve portfolio quality. Automated repayment through the Bank's ***236#** platform is projected to go live in Q1 of FY2023. The role of digital micro-credit for the bottom of the pyramid segments in both rural and urban areas is a key focus due to its contribution towards access to suitable financial products and inclusive economic growth for poverty eradication (SDG 1 on poverty eradication). In addition to the RBZ's Consumer Protection Framework, the Bank will continue to align to the global principles for responsible digital credit including (inter-alia) having a robust complaint and redress system, digital financial education and literacy, data protection and privacy. Key for Kashagi is the credits coming through using non traditional data sets e.g airtime usage, mobile money texts, mobile data usage, micro insurance premium payment patterns.

Steward Bank (continued)

Steward Bank in the Community

Through the Bank's community outreach campaigns (Sales teams, Sales agents and community brand ambassadors) a total of **53** community outreaches were completed for purposes of community engagement and opening accounts. A total of **8,968** accounts were opened through this initiative in areas that include Beatrice, Macheke, Mazowe, and Zvimba. For the bank's efforts in providing market leadership through its innovative low-touch channels during the Covid-19 Pandemic, Steward Bank was awarded the Sustainability Award during the Banks and Banking Survey 2021.

Digital Financial Inclusion through POS

The Bank continued its upward trajectory for Digital Financial Inclusion under its Merchant businesses and closed off the year with **4,300** POS machines spread across rural areas within the country. Further to this, the Bank took strides in capacitating its Small to Medium Enterprises and closed off the year with **15,000** POS machines held by this segment. Digitalisation has become an important pillar in addressing customer unique needs, and as such, the Bank onboarded **3,000** SMEs on its online banking platform enabling them to conduct transactions remotely throughout the year considering lockdowns.

4,300 Rural POS Machines

15,000 SME POS Machines

3,000 SMEs on Online Banking Platform

Digitally Empowering People

Request Garbage and Waste Removal via App

VAYA Clean City available through mobile app is for customers and businesses who require garbage collected and disposed of from their homes or workplaces at the press of a button. We also provide this service to hospitals, schools, and businesses, through collaborating closely with local governments to provide a smarter way of life.

Insurtech

During the year,

+700 Families

were assisted to minimise financial hardships through Covid-19 Claim Payments

Insurtech

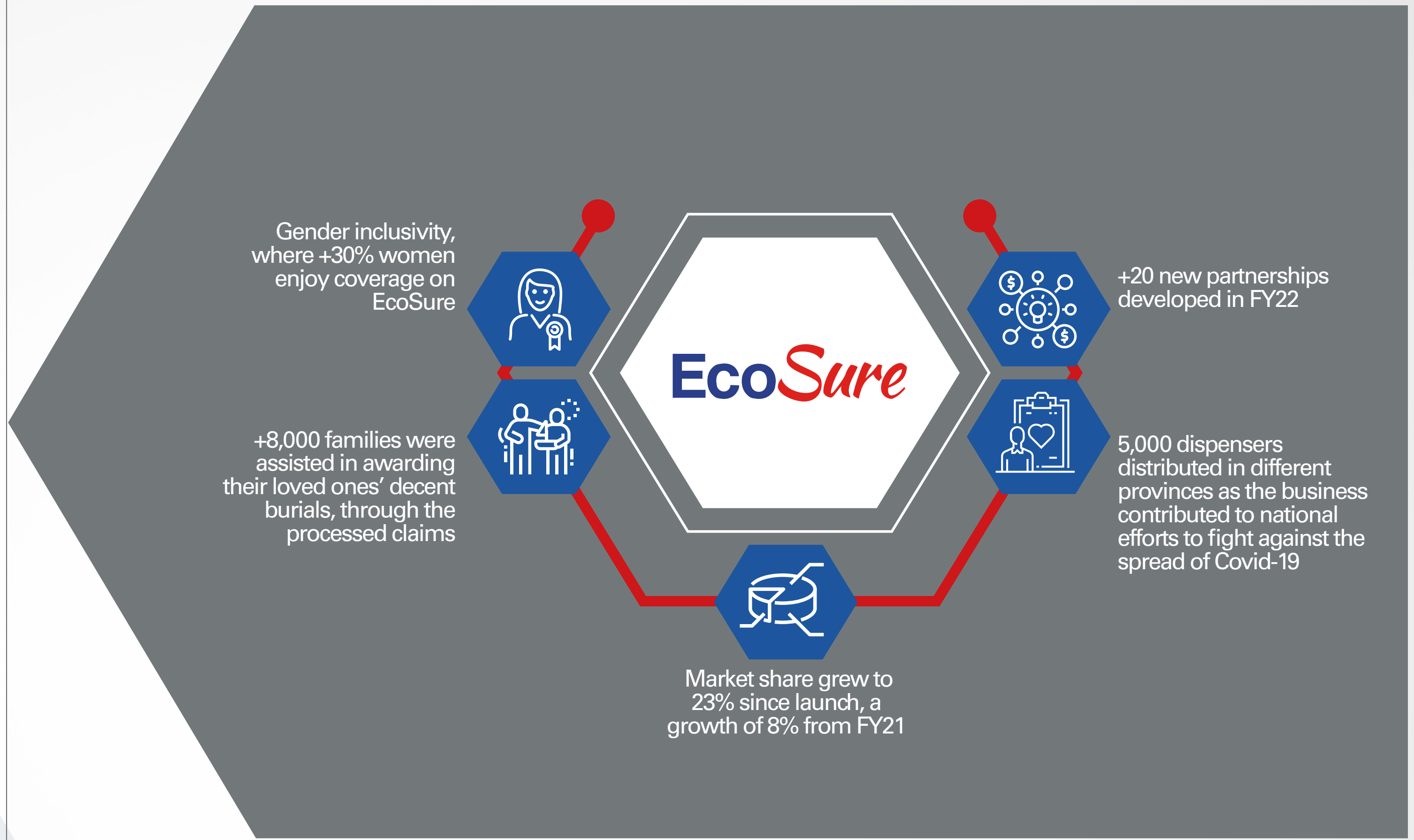
Social Inclusion

EcoSure

The year under review was filled with good news as the EcoSure value proposition emerged stronger. Millions of EcoSure policy holders continued to enjoy the convenience of accessing all services digitally whilst in the comfort of their homes. EcoSure continued to provide peace of mind and security against the financial hardships resulting in various life contingencies. During the year over +700 families were assisted to minimise financial hardships through Covid-19 claim payments worth over ZW$ 80 million.

EcoCash HOLDINGS ZIMBABWE LIMITED

Insurtech (continued)



The EcoSure micro-insurance product continued to be priced affordably to ensure social inclusion for the millions of people that are marginalised. EcoSure continued to command extensive coverage with over 23% of the Zimbabwean population being covered by EcoSure since launch. Many lives were added to the EcoSure family under the various product solutions ranging from funeral, health, accident, and education insurance. The company accelerated the creation of an ecosystem that ensured continued service delivery in communities and the creation of employment in the economy. During the year, the business gained 28 new service partners, a growth of 180% from the prior year position and 70 new customer touch points were rolled out.

In the fight against the Covid-19 pandemic, EcoSure through its partnerships provided over 5,000 sanitiser dispensers in the different provinces. The provision of sanitiser dispensers promoted cleanliness, which minimises the spread of diseases, thus benefiting several public hospitals and other institutions. Despite disruptions caused by the pandemic, EcoSure has continued to leverage its technological capabilities to innovate and received recognition through several awards in innovation and customer service excellence.

Looking ahead, the business continues to focus on value adding propositions and ensuring social inclusion for all. The company continues to strive to be the market leader, targeting to roll out new products and services

Social

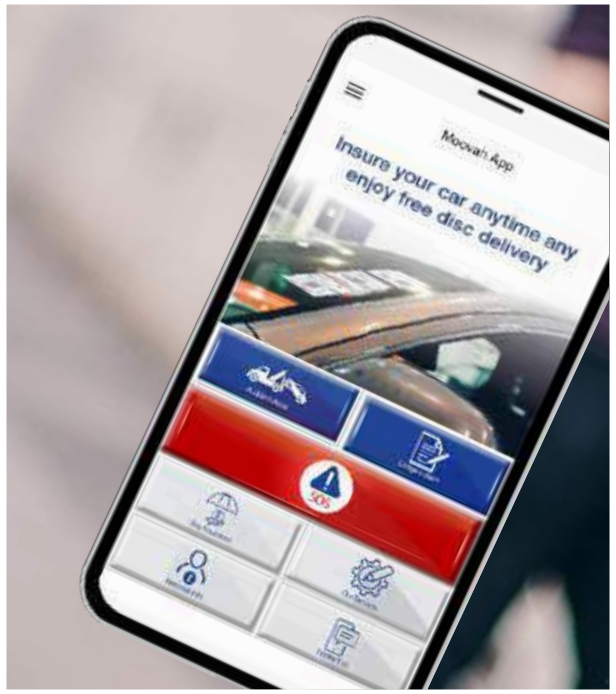
Insurtech (continued)

Moovah

Due to the uncertainty of events, there is risk faced in undertaking productive activity. There is therefore need for a fall back plan and protection against undesirable events to undertake economic ventures for the greater good of the community. Econet Insurance, as a fully licenced short-term insurer, through its various insurance products is providing this needed security to avoid ruin from unforeseen events and to allow for economic activity to be pursued.

Our products cover the entire spectrum of needs including legal, motor, business, household, crop and livestock. By compensating lost or damaged property, Econet Insurance helps in reducing the impact of economic shocks thereby assisting in economic growth. Further, Econet Insurance gives recommendations for risk management to its customers to reduce the risk of incurring loss from perils thus allowing for sustainable industries and communities.

Over the financial year, Econet Insurance continued to grow, impacting businesses and lives, maintaining the top six industry ranking. Though there was a reduction in the number of policies issued from previous year, the value of business written increased by 6%.



Fighting Hunger and Poverty Alleviation
With the risk of drought and hail among other perils, Econet Insurance is encouraging and capacitating players in the agricultural sector to take up insurance and protect their families and households against risks on the crops and livestock. Sustainable agriculture contributes towards hunger reduction and poverty alleviation. Moovah provides various insurance covers to farmers including field-to-floor cover and the weather index insurance. The company also offers the Credit Life insurance under the Moovah-EcoSure bundle.

CYBER Insurance
Cybersecurity insurance is a new and emerging industry and we offer cyber insurance to our clients and the cybersecurity policies can change given the dynamic and fluctuating nature of the associated cyber-risks. In the event of a cyber-attack, Econet Insurance's cyber insurance will cover the first-party and third-party financial and reputational costs if data or electronic systems have been lost, damaged, stolen or corrupted.

For the business involved the first-party cover includes the cost of investigating a cybercrime, recovering data lost in a security breach and the restoration of computer systems, loss of income incurred by a business shutdown, reputation management, extortion payments demanded by hackers, and notification costs, in the case you are required to notify third parties affected.

Third-party coverages (that result from claims against you) include damages and settlements, and the cost of legally defending yourself against claims of a data regulation breach. As Moovah, we urge the corporates who use online platforms in their operations to take up this policy.

Way Forward
We intend to grow the revenue lines by utilising group synergies, technology and extensive agents' networks. The focus is to enhance capability to pay for insurance on our digital platform for motor using *901#. Usage based insurance and its positive impact on reducing premiums is also key for the customers.

EcoCash HOLDINGS ZIMBABWE LIMITED

Social

Insurtech (continued)

Maisha Health Fund

Maisha Health Fund is a leading health funder and an enabler of good health and wellbeing. We provide affordable medical cover which has been a key positive impact for our people. Covid-19 accelerated our digitalization drive and allowed us to facilitate a platform for a medical cover that remains accessible, affordable and sufficient.

As the world seeks to "return to normal" in the face of the Covid-19 pandemic, Maisha Health Fund has expanded its market presence to maintain a growth trajectory. To allow for sufficient medical cover in times of need, the packages with no co-payments were put on the fore in engaging the communities, resulting in +100% growth in our membership. These packages provided peace of mind knowing that with Maisha Health Fund medical aid cover, there is no extra out of pocket expenditure expected for general practitioners, specialists, diagnostic services or medication. The membership drive was also supported by a USSD registration platform which eliminated paperwork when signing up.

It leveraged on the EcoCash platform allowing easy payment of monthly contributions. Our digital platforms accelerated and improved operational efficiency resulting in 90% of claims being submitted electronically. Biometric member verification and the electronic claims submission accelerated our automation drive. Furthermore, a new frontier was opened wherein the use of the medical aid card is no longer a necessity due to biometric and online portals. Payouts for medical services in claims grew by +600%.

A strong online presence was maintained with customer interaction points on the website, Facebook and twitter. This allowed constant engagements with members through social media, posts, competitions and live query handling. The business continued with multiple campaigns to remind members on Covid-19 prevention and treatment. There were collaborations with various medical centres to provide a place where Maisha Health Fund members could receive their Covid-19 vaccines.

The business continued to grow the collaboration between Maisha Health Fund and Vaya Express services which allowed members to purchase medication from the comfort of their homes with free delivery. This partnership brought relief from exposure to the Covid-19 virus and great convenience in accessing medical services. The virtual pharmacy serviced 17% of the members 'medical needs. During the period under review, the business launched the *147# digital on-boarding platform and in the process went paperless. The product was extended to reach the informal sector without any need for paperwork. The initiative leveraged on fintech entities EcoCash (Pvt) Ltd and Steward Bank. KYC validation was done digitally.

Social

VAYA Technologies

Covid-19 induced school closures amplified the need to have **Innovative Technology** platforms that allow learners to access learning materials online from their devices.

VAYA TECHNOLOGIES

Digital Inclusion

akello Your learning partner of choice

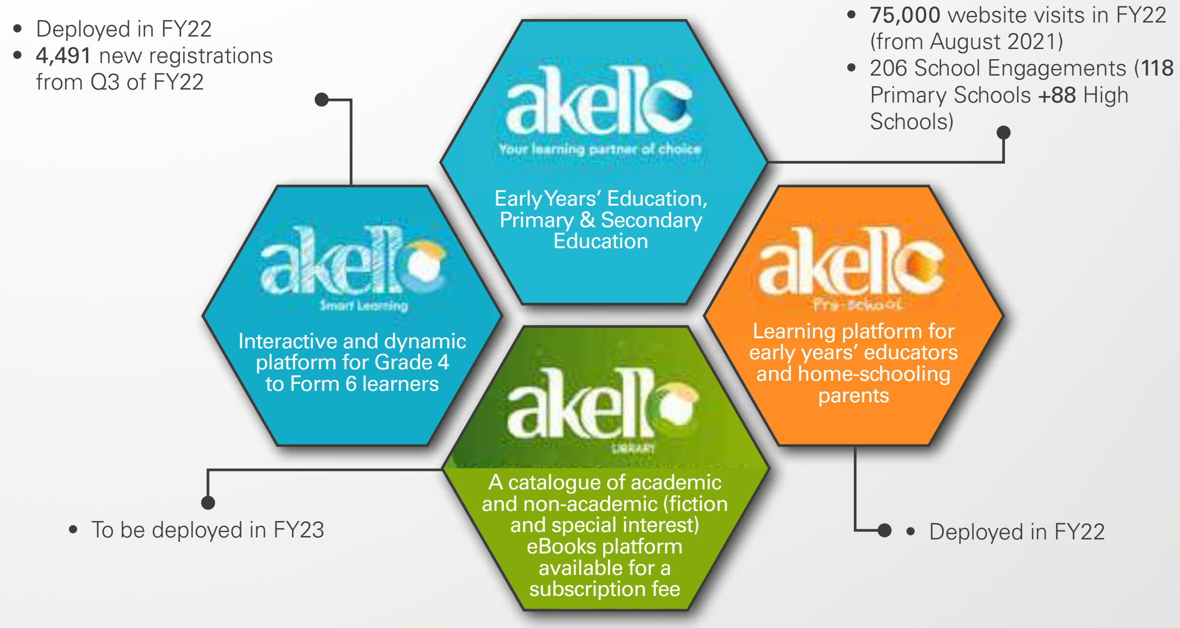
Akello is an Edutech business that focuses on using technology to create greater access to quality education from early years to secondary school. Covid-19 induced school closures amplified the need to have innovative technology platforms that allow learners to access learning materials online from their devices. Our platforms give students end-to-end online learning access to engaging and interactive learning content that is aligned to local curricula, this is where Akello is uniquely positioned.

EcoCash HOLDINGS ZIMBABWE LIMITED

Social

VAYA Technologies (continued)

In FY22, management restructured the business, improved existing products, and introduced new platforms to increase the total addressable market of the business, improving our growth and impact in Zimbabwe. Akello has three core products, namely, Akello Preschool, Akello Smart Learning and Akello Library. These products are detailed in the pictogram below.



Redefining Everyday Learning the Smart Way

Akello Smart Learning is a revolutionary offering that provides an interactive digital learning platform experience for primary and high school learners. All learning content found on Akello Smart Learning has been reviewed and approved by the Ministry of Primary & Secondary Education, as it is aligned to the national curricula.

Digitally Empowering People

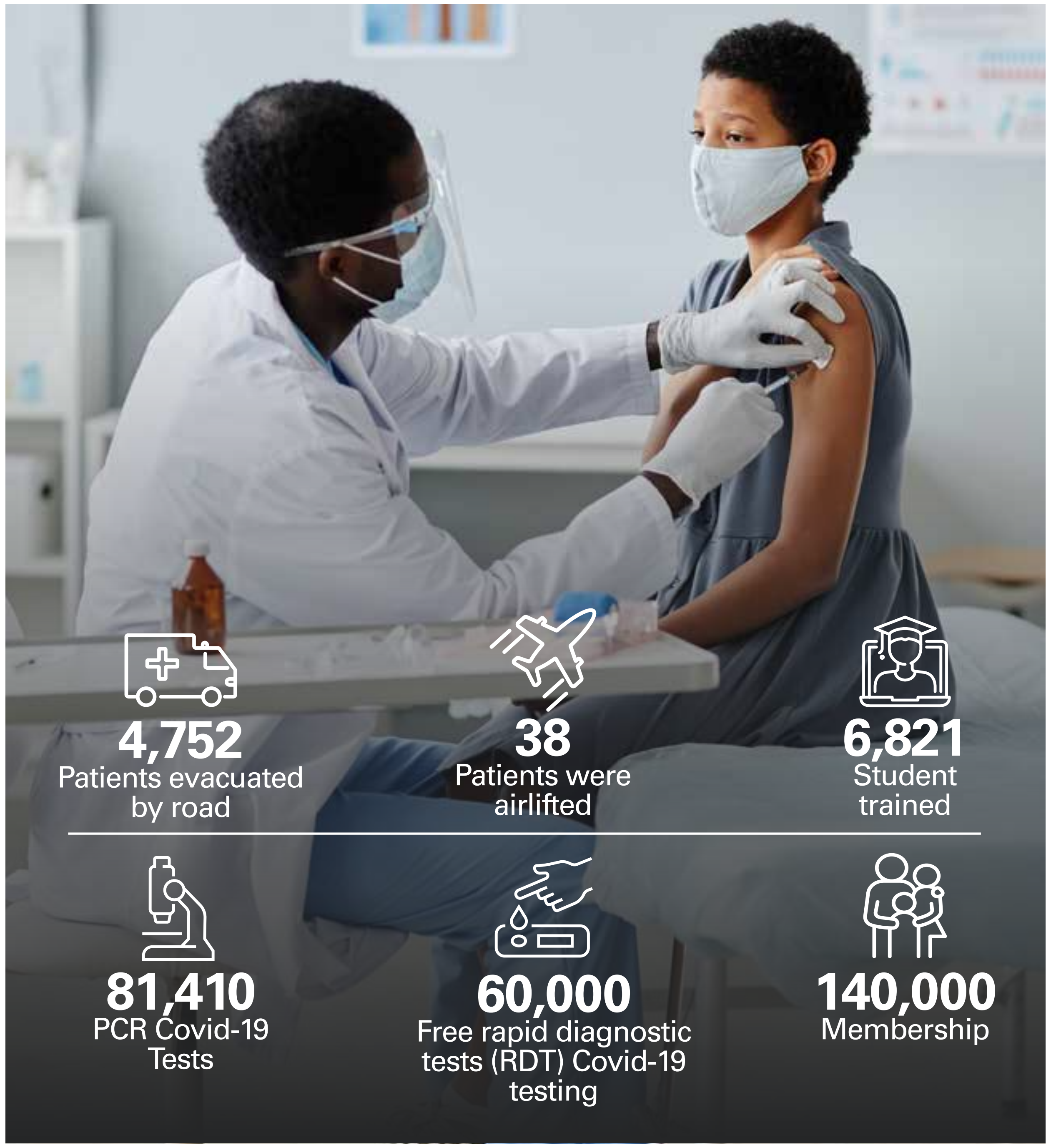
www.ecocashholdings.co.zw

Social

VAYA Technologies (continued)

mars

MARS offers emergency medical care services across the country and regionally, to cover both road and air. The fleet of ambulances is equipped with advanced life support capabilities. During FY22 through our initiatives, we had an impact on SDG 3 Good Health and wellbeing. The following indicators show our performance.



Agritech

VAYA DIGITAL FARMER

Agriculture remains the cornerstone of the Zimbabwean economy. VAYA Digital Farmer identified pain points within the agricultural value chain which have hampered the continued growth of agriculture in the country.

The year was characterized by VAYA Digital Farmer making use of the digitalized agriculture approach to improve access of technology driven services e.g. Combine Harvesting, Tillage services, and improving the production itself by giving farmers access to the much needed agronomy extension services through their mobile devices in the comfort of their homes. Farmers are also able to access weather information services, thereby alleviating the effects of climate change on their production.

Through these services we saw an improved growth in the production of soya for the processing industry , and hybrid seed for the seed industry, which are one of the many industries in Zimbabwe which import high cost products from the region. This allowed farmers who lacked resources to be productive, and efficient , while reducing the high import costs faced by the Agriculture industry and the country as a whole, and giving small to medium scale farmers access to structured and guaranteed markets

Enhancing people’s safety and the security of assets 24/7

VAYA Smart Security (VSS) is a smart home and business security system that allows users to remotely manage, monitor and control their security system from anywhere, anytime. The system detects home or business intrusion by using state of the art security sensors and cameras and provides efficient and reliable rapid response.

www.ecocashholdings.co.zw

Social

VAYA Services continues to digitally connect and empower Zimbabweans by offering mobile and web accessible products and services taking advantage of mobile technology and the Internet of Things (IoT) in both corporate and consumer lives and making them increasingly connected and secure.

It takes advantage of the new wave of connectivity where everyone and everything around us can be connected to promote social transformation across demographic divides.

Connected Car is a scalable vehicle tracking and fleet management solution that allows both corporates and individuals to effectively and efficiently monitor and locate their vehicles using digital platforms from anywhere in the world. Our quest is to continuously take the service beyond GPS tracking to enhance customer value, maintain global relevance and keep the service ahead of competitor offerings, focused on enhancing advanced fuel management, driver identification and vehicle immobilisation. We are giving our customers and vehicle operators absolute control in matters which presented challenges to them. Our customers now have real-time visibility and control of their fuel, regardless of fleet size, which has been a major pain-point.

Connected Car provides real-time vehicle monitoring that enables our customers to reduce operating costs associated

Social

VAYA Services (continued)

with incorrect operation of vehicles and machinery and minimise resources and processes associated with physical monitoring of vehicular assets in both localized and wide geographical spreads.

The digital solution provides timeous information, which is critical for decision making to enable our customers to optimise operational efficiency of vehicles and improve driver safety and fleet security. Connected Car recovered more than **18** vehicles making use of the real time tracking in the year under review. The solution connected over **7,000** assets. We are bundling our service with Moovah, which has seen customers on Moovah comprehensive insurance policies receiving vehicle tracking and fleet management services.

Our family of security solutions for commercial, industrial, and residential properties which empowers customers to remotely monitor and control their assets and valuables from anywhere using their mobile phones is found under the Vaya Smart Security brand.

The product evolved, grew and rebranded from Connected Home to represent the full bouquet of services which were introduced in the year. VAYA Smart Security now has intruder detection, full-fledged closed circuit television (CCTV), access control, fire detection and fire suppression solutions. This improved value proposition has attracted industrial and commercial customers who almost solely depend on smart technology to observe and influence what happens at their premises from anywhere in the world. Some of our biggest customers are corporates who have replaced security guards with our solutions on their countrywide networks of branches and staff houses, investing in their dependable security and guaranteed peace of mind.

These affordable and easily upgradeable security solutions continue to give peace of mind to thousands of individuals, businesses and communities as they are able to remotely monitor, arm and disarm the system using texts or mobile applications from the most basic of mobile phones. The security solutions are linked to a rapid response team which monitors alarms around the clock and is always on standby to react whenever there is need. Users can make use of panic buttons when there is a threat and the rapid response team will immediately attend. VAYA Smart Security improved community and family security at more than **1,000** properties in the year.

Ownai provides a mobile eCommerce platform designed to enable marketplace buyers and sellers to trade online. Its value chain comprises small to medium entreprises who supply market place goods for sale to end users. A total of **997** marketplace orders were delivered during the year. Payments to billers are supported through an online convenience store under which **+500,000** transactions were processed during the year. Ownai offers an online classifieds solution which allows sellers to advertise goods and services. In line with its overall goal to leverage on technology to bring about convenience, Ownai has an e-ticketing platform which supports online ticket sales for event organisers.

GOVERNANCE

Governance Management Approach

The business is committed to upholding the highest standards of corporate governance and ethics for our stakeholders. To do this, the business uses a risk-based approach to identify potential risks and mitigation measures. To ensure the best-practice in governance, appropriate board committees are in place to govern key business sustainability aspects.

Governance

Business Model and Innovation

Sustainable Supply Chain

Our Supply Chain Approach

EcoCash Holdings believes in green and sustainable supply chains. The business has put in place measures to ensure our suppliers are assessed on their environmental and social impacts through supply chain self-assessment questionnaires. Our Sustainability strategy is moving to the next level by partnering with our suppliers to ensure a more sustainable approach to business. At on-boarding, we assess our suppliers on their environmental, social and governance impact and insist on high sustainability standards in our supply chain.

Our goal is to encourage those in our supply chain to minimise adverse environmental and social impact through implementing measures that ensure environmental and social protection. Our service providers, partners and contractors should act in accordance with relevant local and internationally recognised applicable laws and international standards. We encourage our suppliers to identify, manage and monitor all the waste they produce in line with applicable environmental laws.

During the reporting period, we reviewed our supplier's environmental and social sustainability self-assessment questionnaire. We assessed all our suppliers using the self-assessment tools and no red flags or significant ESG risks were identified e.g., child & forced labour. We however identified areas of improvement, particularly with our local supplier's management of environmental issues. Of the **55** top tier suppliers **80%** were categorized as Leaders or Average and these suppliers are proactively managing their ESG risks, **20%** were categorized as Laggards due to areas of development on managing some environmental issues. Work is in progress to finalise improvement plans and progress will be regularly monitored.

Our Supplier Code of Conduct specifies that all ESG factors are shared with all our suppliers, which included **30** new suppliers that were on-boarded during the period under review.

Business Model and Innovation (continued)

Innovation and Digitalisation

Technology focus for FY 2022 was on customer experience, operational efficiency, information security and product innovation. Flexible and purpose-built solutions on-premise and cloud based platforms were developed to offer a rich set of capabilities that enabled the enterprise to digitally transform every aspect of the business with innovative solutions that are scalable to meet future needs and designed to meet customer needs.

To show commitment to the security of the customer data we process and store, the organization invested in a cybersecurity awareness training for all staff members and an advanced cybersecurity tool and scooped Cyber Security Financial Team of the Year award from the Institute of Cyber Security Zimbabwe.

Key automations which enhanced customers experience are highlighted on the timeline below:

1st QUARTER 2021

Initiative	Description
Automated Airtime Reversals	Solution that automates reversals on failed voice airtime purchases

2nd QUARTER 2021

Initiative	Description
Banking Services Auto-Reconciliations	Automation of bank reconciliations to improve efficiency and turnaround times.

3rd QUARTER 2021

Initiative	Description
E-Statement	Customers will be able to generate and receive an electronic statement that is stamped and password secured. Customers are able to subscribe for a monthly statement sent automatically on the 1st of each month.

4th QUARTER 2021/22

Initiative	Description
Automated Data Bundle Reversals	Solution that automates reversals on failed data bundle purchases

- The Steward Bank Core Banking System was launched in the first quarter of the year. In addition to launching the new and revamped Square Mobile Application, the bank Zero rated the application to improve accessibility and uptake. Other services also launched were the domestic remittances product, Steward Remit, in October 2021 to bring added convenience to the domestic remittances market.
- Maisha Health Fund launched the USSD platform in July 2021, which allows for member and dependent registration. Furthermore, the business also launched the Maisha Health Fund mobile app in September 2021.
- Rebranded Akello and introduced Akello Preschool and Akello Smart Learning in August 2021.

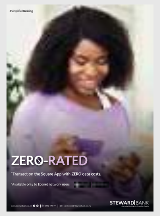
Business Model and Innovation (continued)

New Products and Services Launched

VAYA SERVICES
- Fuel Monitoring
- Rebranding Connected Home to VAYA Smart Security

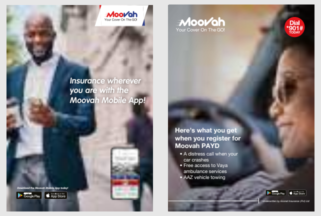
EcoSure
- Policy Add-ons
- USD Premiums

STEWARD|BANK
- New FCA Square App



Maisha
- USSD Platform

Insurtech Moovah
- Mobile Application
- Pay As You Drive (PAYD)



Infrastructure Investment and Services

Business Continuity

The business acquired a state of the art backup and replication solution to eliminate the possibility of data loss in the event of an incident.

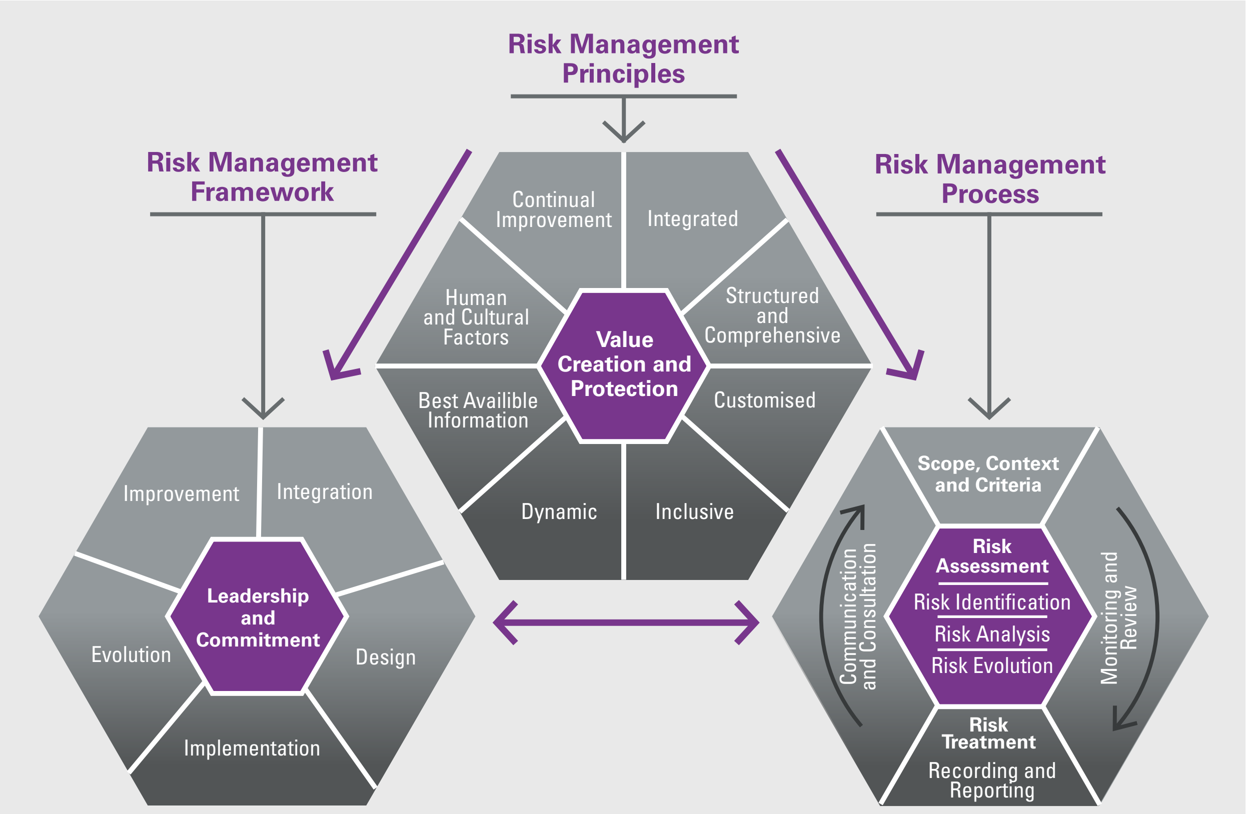
Data Centre Operations

- Increased EcoCash capacity at hardware level by **20%** to cater for transaction growth (Recharge, Bill Payment)
- Data Centre Expansion was conducted in February 2022
- To achieve a CAPEX light operating model:
  - o **90%** of VAYA Technologies Limited systems are cloud hosted in order to minimize the number of servers in the data center, hence reducing carbon emissions and power consumption.
  - o Akello platforms migrated to the cloud.
  - o Insurtech and Fintech (Regulated) – **100%** of the systems are on premise. Cloud migration planning for ancillary services is in progress, implementation to be closed by the end of FY23.

Leadership and Governance

Risk Management

The risk management process is modelled on the ISO 31000 framework. Risks are identified from multiple sources, including interviews with functional heads, market intelligence, regulators' reports, a compliance cross-functional team, and audit reports. Managing risk is based on the principles, framework and process as illustrated by the graph below. .



Source ISO 31000 (2018)

Risk Management Principles
The purpose of our risk management is the creation and protection of value. It improves performance, encourages innovation and supports the achievement of objectives. The principles are the foundation for managing risk and are considered when establishing our risk management framework and processes.

Risk Management Framework
Our Risk management framework assists the organization in integrating risk management into significant activities and functions. It is effective and is hinged on its integration into the governance of our business, including decision-making. There is full support from stakeholders, particularly top management and Board of Directors.

Risk Management Process
Our risk management process involves the systematic application of policies, procedures and practices to the activities of communicating and consulting, establishing the context and assessing, treating, monitoring, reviewing, recording and reporting risk.
It is an integral part of management and decision-making and integrated into the structure, operations and processes of the organization. It is applied at strategic, operational, programme or project levels.

Risk Management (continued)

Top Ten Risks for EcoCash Holdings

#	Risk Name and Description	Inherent Risk - Rating	Mitigation	Residual Risk - FY21	Residual Risk - FY22	Risk Direction
1	**ECONOMIC RISK** Adverse effects of the macroeconomic factors and changes in business conditions resulting in erosion of retained earnings and increased foreign exchange rate losses.	High	• Introducing USD denominated products and services to reduce foreign exchange rate losses. • Investing in value preservation assets as a way of storing value.	Medium	High	↑
2	**BUSINESS PERFORMANCE** Failure by the business to achieve its performance targets due to adverse macro-economic environment.	High	• Product diversification into USD denominated pricing in order to boost business revenues. • Deployment of technical systems including the core banking system to optimize customer experience.	Medium	High	↑
3	**COMPETITIVE RISK** Increased competition from market players which may lead to declining market share.	High	• Awareness campaigns & promotions to retain and attract customers. • Launching of various USD denominated products in order to boost business revenues.	Medium	High	↑
4	**CONDUCT RISK** Business actions that may lead to customer disadvantage and negatively impact reputation and customer perception of the business.	High	• The business has acquired systems to enhance customer experience. • Marketing campaigns encouraging customers to register on self-care portal to reduce traffic at customer touch points.	Medium	Medium	↔
5	**STAFF DISENGAGEMENT AND ATTRITION** Failure by the business to attract and retain critical skills..	High	• The business continues to monitor its operating environment in order to augment its staff engagement levels. • Program in place to assess employee satisfaction and making appropriate interventions including remuneration reviews.	Medium	Medium	↔
6	**CREDIT RISK** Possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations.	High	• The Bank targets low risk sectors of the economy for lending. The credit portfolio is reviewed monthly by the Loans Portfolio Review Committee. • Implementation of a robust credit risk management framework which includes tight exposure limits and strict post disbursement monitoring.	Medium	Medium	↔

Risk Management (continued)

Top Ten Risks for EcoCash Holdings (continued)

#	Risk Name and Description	Inherent Risk - Rating	Mitigation	Residual Risk - FY21	Residual Risk - FY22	Risk Direction
7	**CYBER SECURITY AND FRAUD RISK** Financial loss, disruption or damage to the reputation of the business from failure of its information technology systems.	High	• The business with assistance from our internal security and investigation (S&I) team and the Zimbabwe Republic Police (ZRP) conducts investigations for all fraud cases and all red-flagged issues. • Security awareness campaigns were rolled out to educate customers on how to protect their information, data and funds.	Medium	Medium	↔
8	**INTEREST RATE RISK** Possibility that the value of the business' investments will decline as the result of an unexpected change in interest rates.	High	• Systematic allocation of funds on maturities by Treasury to avoid excess funds being tied in the non-interest-bearing instruments. • Matching the maturity and re- pricing terms of the Bank's assets and liabilities.	Medium	Medium	↔
9	**ACTUARIAL MODEL RISK** The risk that the assumptions Actuaries implement into Models used to price specific Insurance policies may prove to be inaccurate or wrong.	High	• The business continues to review models in performing scenario analysis, assessing the impact of various price review margins and ascertain optimum premium pricing. • Independent review of all premium pricing by external actuaries to validate the assumptions and accuracy of pricing.	Medium	Medium	↔
10	**THIRD PARTY RISK** Failure by third party businesses to honor their contractual obligations resulting in legal liabilities against the business.	High	• Defined minimum qualification criteria for all partners and agents. • Monitoring for adherence with minimum business requirements for all contracts.	Medium	Medium	↔

Business Ethics

As a business that continues to pursue and uphold ethical practice, we do not tolerate corruption, bribery and unfair anti-competitive actions. We expect all our suppliers to:

- Comply with applicable legal, regulatory and accounting requirements including but not limited to competition, procurement and finance laws;
- Never offer or accept any undue payment or other consideration, directly or indirectly, for the purpose of inducing any person or entity to act contrary to their prescribed duties;
- Be responsible in paying taxes.
- Know our tip-off anonymous numbers.

EcoCash HOLDINGS ZIMBABWE LIMITED

Risk Management (continued)

Anti-corruption and Fraud Management

EcoCash Holdings recognises the threat posed by fraudulent and corrupt activities against the sustainability and reputation of our business. The organization supports and promotes a culture of zero tolerance against fraud, bribery and corruption in all its activities. The Group is constantly striving to improve the fight against these activities. During the period under review, we updated our anti-corruption and anti-fraud policies. We take fraud, bribery, or corruption seriously and investigate all reported or discovered cases, and ensure that appropriate corrective actions are taken.

All external and internal cases are investigated, reported to law enforcement agencies and we ensure that appropriate disciplinary action is followed to prevent individuals from engaging in fraud, bribery and corruption. We had a total of seven (7) cases investigated under internal cases and fifty (50) external fraud cases. EcoCash Holdings Group ensures that our zero-tolerance approach to fraud, bribery and corruption is communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter. Training on fraud, bribery and corruption is part of the recruitment process for all new employees, and a periodic awareness training program is being promoted for existing employees.

Employees are required to raise their concerns and report wrongdoing within the workplace. We have both internal and external whistleblowing channels for reporting any conduct which is inconsistent with company policies. The Deloitte Tip-off Anonymous platform is available as an independent channel of reporting. For the FY22 we did not receive any tip-off cases through Deloitte.

Looking forward, we aim to raise awareness by conducting training campaigns, focusing on anti-corruption, anti-bribery and fraud awareness.

ISO 27001 Security Standard

In April 2021, EcoCash Holdings embarked on a journey to certify for the ISO27001 Standard for Implementation of an Information Security Management System. The framework ensures that we have the tools to strengthen our controls across technology, processes and people and it promotes enough flexibility to ensure that the entire organisation focuses on information security tasks. This standard ensures standardization of security practices with the rest of the world, and it promotes the security of customer information.

Security, Technology and Customer Privacy

EcoCash Holdings is on an accelerated path towards digital transformation, with a digital lifestyle instilled in its products and services. The business endeavours to ensure alignment to the principles of cybersecurity and data privacy. At the core is the preservation of the information security triad i.e. the achievement of the goals on confidentiality, data and platform integrity as well as the availability of resources and business processes. To ensure continued sustainability of these business processes, we have embarked on various initiatives such as employee and customer cybersecurity awareness campaigns – flight on National Radio and social media, with an achievement of 103 963 impressions on social media and 5000 on National Radio within the last session. Topical issues include the following:

- Social engineering
- OTP Fraud
- Card Cloning
- Fake SMS
- Device & SMS Security

The list above shows some of the prevalent cybersecurity threats faced by customers as they interact with technological platforms. To ensure adequate messaging, we have deployed awareness in three (3) national languages, with a goal to on-board more languages within the next iterations of the sessions.

Security Talent and Training

With the ever-growing product portfolio emerges greater risks of potential security threats to the organisation. To keep up with the level of skill required, management has made deliberate efforts to attract and retain the highly skilled security talent. During this new telecommuting era we have increased our staff cyber security awareness efforts. Cyber security training and awareness programs were rolled out consistently during the year and are a continuous effort to promote good cyber hygiene habits and ensure maintenance of a best-in-class security posture. Programs rolled out include self-service Online Security Awareness training platforms, online simulated attacks, and campaigns.

Security Assessments

The business participated in peer security reviews as part of the Econet Group Vulnerability and Penetration Assessments done to promote a more robust security posture. External Auditors were engaged to validate the security posture of systems across the entire organisation. Their recommendations enabled EcoCash Holdings to further strengthen the crucial systems, giving management and stakeholders' confidence on the security of customer and organisational information.

Risk Management (continued)

Security Key Performance Indicators

Area	Target	FY22
Security Incidents	0	1
Annual External Security Assessments	1	1
Quarterly Internal Security Assessments	4	4
Cyber Security Staff Training	100%	84%
ISO 27001 Annual Review	1	1

Security Technology
Globally, corporate and customer data are key targets of cyber-crime. In 2021 EcoCash Holdings strengthened data protection security technology. Strong threat detection and monitoring systems were implemented to improve security incident response. The technology has capabilities to prevent security threats and identify areas that need further strengthening and calibration through machine learning. This will ensure we continue to be good stewards of our customers, partners and enterprise data going forward.

Child Online Protection
We work with civic society on various initiatives pertaining to data privacy and cybersecurity, such as Child Online Protection where key focus is on ensuring the protection of children's rights as they interact with technological platforms.

Identity Management
Identity Management is key in accessing customer information. The business commenced a project to implement an Identity Management solution to manage access to key systems. This highly automated initiative will improve our visibility to systems and related access to protect systems through a zero-trust approach. We will be able to identify any nonconformities and curb any unlawful customer data access and use.

Safety Health and Environment Management

The purpose of our Safety, Health and Environment (SHE) strategy is to develop and implement SHE management systems that provide a safe and healthy working and community environment. This will result in increased staff wellness, maximum production and environmental sustainability.

EcoCash Holdings' safety, health and environmental issues are dealt with by the ESG board. The group developed and implemented Safety, Health and Environmental management systems based on ISO 45001:2018 and ISO 14001:2015. These initiatives demonstrated the Group's commitment towards voluntary compliance and the entrenchment of safety, health and environmental culture within the group.

The Group safety, health and environmental strategy is driven by the desire and commitment to guarantee compliance to legal requirements, the provision of safe working places for staff, and the preservation and maintenance of the environment to ensure sustainability through digital innovation.

This responsibility also extends to our partners and stakeholders which enables us to meet our legal and contractual obligations. One of EcoCash Holdings strategic focus areas is an established governance structure and framework for safety, health and environmental delivery.

The business will continue to integrate digitalisation into the world of work in order to ensure a safe and healthy working environment within the group.

Safety Health and Environment Management (continued)

SHE Performance Dashboard

Key Performance Disclosures

	Disclosures	FY 2021	FY 2022	Risk Direction
1	Business Fines or Prohibitions	1	0	↓
2	Occupation Injuries	2	0	↓
3	Occupational Fatalities	0	0	↔
4	Business Fires	2	0	↓
5	Fleet Accidents	9	13	↑
6	Fleet Accidents Costs	US$ 8,126.18	US$ 19 619.77	↑
7	Environmental	1	0	↓

Management of the Legal and Regulatory Environment

The EcoCash Holdings group has business interests in various sectors of the economy and as such the business endeavours to ensure compliance with the relevant regulatory requirements. The business has in place structures to ensure adequate oversight, assurance, monitoring and tracking of compliance issues. Engagement strategies are in places with relevant regulators as part of proactive management compliance. A number of directives were issued during the year under review, which the business complied with key among them being SI 127 and financial regulations. The Labour Amendment Bill and cyber security bill were also tabled in parliament and are likely to have an impact to the business once they become law. Over the past year, there were no penalties levied against the business for non-compliance.

The business held training sessions with key regulators on compliance with key acts, operational frameworks and directives.

Facilitating COVID-19 Testing

The Corporate sector saw Mars testing over **81,410** PCR Covid-19 tests. The Free Health Status Report (HSR) statistics for all people tested, were recorded by MARS through the Sasai app. This covered both medical reports and Travel Pass uploads.

Over **600** Covid-19 Champions and Care Givers were trained in Covid-19 case management and prevention. Counselling was offered to over **164** afflicted Group staff and their families. Our Home Based care support was provided to **357** families. A total of **3,447** health care workers were trained in emergency medical response.

The onset of Vaccinations saw MARS partnering with MOHCC in dispensing vaccination shots to Group Staff.

Digitally Empowering People

www.ecocashholdings.co.zw

EcoCash HOLDINGS ZIMBABWE LIMITED

Governance

Management of the Legal and Regulatory Environment (continued)

Tax

Management of Tax

Taxation provides the revenue that is needed to mobilize resources and reinforce the nations' infrastructure and is powerful in supporting the public sector and lifting our people out of poverty. Tax cash flows are a critical aspect of our financial decision-making process. Through payment of direct and indirect taxes to the state, we contribute in the improvement of livelihoods for our people. During the period under review EcoCash Holdings paid the following taxes: Income Tax, Value Added Tax, Intermediated Money Transfer Tax, Pay-As-You-Earn, withholding taxes, Import Duties and License fees.

As a purpose-driven business, we take a fully integrated approach to providing our services responsibly and sustainably. We consider our tax payments as a contribution to the communities in which we operate and an integral part of our economic value creation.

Our Tax Approach

Alignment with business tax policies and regulatory compliance is essential in promoting investment, job creation and economic growth.

Tax is central to our commitment to create superior, long-term value for our multiple stakeholders. We acknowledge that the success of our business is also dependent on external factors such as public infrastructure, access to skilled labour and public administration. EcoCash Holdings therefore has a responsibility to contribute, through our tax payments, thereby helping to drive economic and social prosperity. Given the importance of tax collection to the macro-economic stability of communities, we consider tax in the context of the broader society, inspired by our stakeholder dialogues, global initiatives of the OECD (Organization for Economic Cooperation and Development) and United Nations, human rights, international (tax) laws and regulations.

We aim to live up to the highest standards of governance. We will, therefore, also ensure transparency regarding our tax contributions. EcoCash Holding's approach to tax is an integral part of the EcoCash's General Business Principles (GBP). Our GBP reflects our commitment to always act with integrity towards our internal and external stakeholders.

Employees are urged to report suspected violations of our GBP, including our tax principles. The GBP are actively promoted throughout the Tax Function, and its staff regularly completes the relevant training programs, receiving practical guidance on how to apply and uphold the GBP in their daily work. Under the ultimate responsibility of the Board of Management, the Finance Director annually reviews, evaluates, approves and where necessary adjusts EHZL approach to tax.

EcoCash Holdings Tax Principles

As a responsible taxpayer, we thrive to ensure that we are compliant with local and international tax laws and regulations, both in our general approach to tax and implementation of our tax strategy of using tax assets and applying tax incentives. We are guided by local and global initiatives in promoting responsible tax management and transparency. Business operations drive the strategy of our business models, while the tax function supports and advises implementation. Our transfer pricing policies are aimed at appropriate, arm's-length remuneration for activities among EcoCash's related parties. These policies are applied across all markets in which we operate in, with the remuneration received corresponding to the local value creation.

Tax Governance, Control, and Risk Management

We have an organised and experienced Group Tax Function which is in place under the charge of the Finance Director. This guides management and the subsidiaries on the tax implications of decisions, presents proper tax planning to support business objectives and ensures compliance with tax laws. These activities are carried out by tax specialists and tax business partners, as well as experts in specialised areas such as transfer pricing and indirect tax. An organised team of tax professionals is responsible for tax accounting and reporting at Group level. The Tax Function is set up in such a way that it interacts with the key stakeholders in the businesses, markets and functions.

We strive for full and timely tax compliance. For minimizing any tax compliance risk, a quarterly review process is in place to secure correct tax filings and timely tax payments, in compliance with KPIs for the respective departments. In the execution of tax compliance, third-party tax service providers are often involved under the supervision of the Tax Function. When we plan new business models, processes are in place to review these from a tax perspective before implementation can start.

Stakeholder Engagement and Tax Transparency

Looking ahead, we continue to dialogue with our stakeholders, including relevant tax authorities, our shareholders, business partners, customers, employees, regulators, government, non-governmental organisations and the communities in which we operate in. Furthermore, regular discussions are held with investors on the topic of tax in relation to sustainability. Across all our activities, we derive considerable value from the different stakeholders we engage with, learn from, and listen to. We are seeking to intensify our stakeholder dialogues in order to align our approach to tax with our stakeholders' expectations on a continuous basis. In addition to our compliance with disclosure and reporting requirements such as the mandatory disclosure of transfer pricing reporting to ZIMRA.

Board of Directors

Mrs. S. G. Shereni
(Chairperson)

Mrs. Shereni is an Economist with a diverse corporate affairs experience in the soft drink beverage industry across Africa and Southern Asia. Her accomplishments in this field have been recognized internationally and have resulted in successful public-private partnership and outcomes for businesses, governments and civil society throughout Africa. She is a professional with 35 years of solid experience and accomplishments in both the private and public sectors. She is an accomplished former Central Banker.

She has expertise in strategy development, strategic planning and management; with a keen focus on triple bottom-line management encompassing Sustainability and Sustainable Business Practices.

Her qualifications include:
MBA in Leadership and Sustainability (Robert Kennedy College in Switzerland)
Diploma in Business Administration, (University of Manchester) UK
Bachelor of Science (Economics) Hons Degree (University of Zimbabwe).

Mr. M. L. Bennett

Mr. Bennett holds a BA LLB Degree from Rhodes University, South Africa and was a partner at Scanlen & Holderness, Zimbabwe. He qualified as a Solicitor in England and Wales in 2001 and is currently a Partner at Hill Dickinson LLP.

Michael has significant international experience across a variety of sectors in mergers and acquisitions acting for both companies and entrepreneurs.

Board of Directors (continued)

Dr. Z. Dilion

Pan African and Global Banker with over 35 years solid banking experience including central banking, retail, corporate and investment banking at executive level. Zienzi has over 21 years Board level experience including chairing the Audit Committees for the South Africa Government Departments of Public Enterprises, Public Service Commission and Gauteng Provincial Government Cluster 2. She was also an Audit Committee member of the South Government Department of Mineral Resources. She is currently Founder and Chief Executive Officer of Carmel Global Capital, New York and former Head of Public Sector, Corporate and Investment Banking for Barclays Africa. In addition she is currently African Union Developement Agency Goodwill Ambassador to the USA.

She is a Chartered Certified Accountant (UK), holds an MBA in Finance from Manchester Business School. She completed a Leadership Development program with Harvard Business School and Portfolio Management courses at the New York Institute of Finance. She is an Accredited Fellow for the Macro-Economic and Financial Management Institute for Central Banks in East and Southern Africa.

She is a former UN Ambassador at large (consultative status) and was also awarded an Honorary PHD.

Ms. E. T. Masiyiwa

Ms. Masiyiwa is a Social Entrepreneur and advocate for youth-led social change. She is the Executive Director of Delta Philanthropies and the co-Founder and CEO of Simba Education, an African edutech company focused on early years' education. Ms. Masiyiwa is also the CEO of Akello. She serves on a number of Boards including the Higherlife Foundation where she is the Head of Design and Innovation and the Harvard University Leadership Council for the Centre of Africa Studies.

She advises a number of entrepreneurship and philanthropy networks. Elizabeth also co-manages a Social Impact Investment Fund.

Mr. C. Maswi

Mr. Maswi is a Chartered Accountant. He founded Fairvalue Management Consultancy (Pvt) Limited in 2005 and has been leading the firm since then. He has worked in various leadership positions.

He qualified as an Accountant with ICAZ in 1992 and holds a Master of Business Leadership MBL, (UNISA).

Board of Directors (continued)

Mr. D. Musengi

Mr. H. Pemhiwa

Mr. D. T. Mandivenga

Mr. Musengi is a Legal Practitioner who started his career in 1993 and has worked in different capacities in both the private and public sectors. He has over 27 years experience in diverse fields covering Company Secretarial, Financial Advisory, Legal Advisory Services, Human Resources and General management.

He is currently the Senior Partner at Musengi & Sigauke Legal Practitioners with particular focus on Commercial Law, Corporate Law, Banking and Finance, Labour and Conveyancing,

He holds an LLM (UNISA), LLB (Hons) Degree (University of Zimbabwe), Post Graduate Certificate in Management (NTU,UK) and Diploma in Personnel Management.

Mr. Pemhiwa is the Group CEO and Managing Director of Econet Global Limited and sits on a number of Group subsidiary boards.

He holds an MBA from Edinburgh Business School and a B.Eng from Queen Mary College, University of London.

Mr. Mandivenga has a career spanning over 20 years in both high growth and start up organisations in the Telecoms and financial technology service sectors. He has C-Suite experience backed up by a high level of creativity and innovation.

He holds an MBA (Nottingham Trent University), MA Leadership and Management and Bachelor of Technology Management (Hons) both from the University of Zimbabwe.

Board of Directors (continued)

Mr. E. Chibi

Mrs. T. Nyemba

Mr. Chibi is the Chief Executive Officer of EcoCash Holdings Zimbabwe Limited. He joined the Econet Group in 2000 and has over 21 years' experience in Telecoms, ISP and Mobile Financial Services. He has served in the Telecoms industry in Nigeria, Burundi and Zimbabwe in Sales, Marketing and Customer Experience roles. He has also served as Chief Commercial Officer for Econet Burundi and for Econet Wireless Zimbabwe as Chief Sales and Distribution Officer prior to his appointment as CEO of CSZL.

He holds an MBA, BBA, Bachelor of Arts, Diploma in Communication and an MSc Marketing with the University of Salford (UK).

Theresa Nyemba was appointed as the Finance Director with effect from 1 March 2021.

She trained with EY Zimbabwe and is a seasoned Chartered Accountant with a wealth of knowledge and experience. Theresa has previously held the position of Divisional Finance Director at Art Holdings Limited as well as several executive positions within the Econet Wireless Group since 2010. Prior to her appointment, she was the Chief Finance Officer for Steward Bank Limited.

Theresa holds a Bachelor of Accounting Science (Honours BCompt) among other academic qualifications.

EcoCash HOLDINGS ZIMBABWE LIMITED

BOARD COMMITTEES

i. Board Audit Committee;
ii. Board Risk Committee;
iii. Board Remuneration Committee; and
iv. Board Environmental, Social and Governance (ESG) Committee.

Board Audit Committee

Composition

Z. Dillon (Non-Executive Chairperson)
C. Maswi (Non-Executive Member)
D. T. Mandivenga (Non-Executive Member)
S. G. Shereni (Non-Executive Member)

Board Risk Committee

Composition

C. Maswi (Non- Executive Chairperson)
Z. Dillon (Non-Executive Member)
D. T. Mandivenga (Non-Executive Member)

Board Remuneration Committee

Composition

H. Pemhiwa (Non-Executive Chairperson)
M. L Bennett (Non-Executive Member)
E. Masiyiwa (Non-Executive Member)
D. Musengi (Non-Executive Member)

Board Environment, Social and Governance (ESG) Committee

Composition

M. L.Bennett (Non-Executive Chairperson)
E. Masiyiwa (Non-Executive Member)
D. Musengi (Non-Executive Member)

Corporate Governance Statement

Name Change

Upon approval by the Zimbabwe Stock Exchange and subsequent Shareholder approval granted on 10 January 2022, the Registrar of Companies in Zimbabwe issued a Name Change Certificate from Cassava Smartech Zimbabwe Limited to EcoCash Holdings Zimbabwe Limited ("EHZL"), effective 25 February 2022.

The EcoCash Holdings Zimbabwe Limited (formerly Cassava Smartech Zimbabwe Limited) Board of Directors is committed to upholding the highest standards of corporate governance by ensuring that business is conducted in a transparent, responsible and accountable manner as enshrined in the international and local corporate governance frameworks.

The Group continues to comply with and apply the corporate governance principles set out in the King Codes as well as the mandatory principles of governance as contained in the Zimbabwe National Code on Corporate Governance and the Zimbabwe Stock Exchange Listing Requirements.

The Group is also regulated by a number of regulatory authorities. Management maintains regular contacts with the regulators, the objective being to ensure the Group's full compliance with the relevant laws and laid-down regulations. During the year, the Group became a member of the United Nations Global Compact. The pact sets out principles through which companies undertake to pursue sustainable and socially beneficial policies and strategies.

The Board is committed to the creation and sustenance of shareholder value and is accountable to its shareholders as well as to all other stakeholders including EHZL's employees, customers, suppliers, regulatory authorities and the community from which it operates.

Board Responsibilities

The Board of Directors is responsible for the strategic direction and overall corporate governance of the Group, ensuring that appropriate controls, systems and policies are in place. The Board monitors the implementation of these policies through a structured approach to reporting and accountability. EHZL enhanced its strategy with a strong focus on digital technology. The Board held six (6) Board meetings during the period to assess risk, review performance and provide guidance to management.

The Board is responsible for the preparation of financial statements for each financial period that give a true and fair view of the state of affairs of the Group as at the end of the financial period. The Board monitors management's performance and also ensures that prudent and effective controls are in place at all times.

Board Composition

The Board is comprised of ten (10) Directors, which include eight (8) non - Executive directors and two Executive directors (the Chief Executive Officer and the Finance Director). The Board is led by an independent non- Executive Chairperson, thereby ensuring constructive checks and balances between Executive management and the Board.

The Board considers that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in core business activities and non-executive members who bring to the Board a broad range of general commercial expertise and experience. The board composition is fully compliant with Section 206 (2) of the Companies and Other Business Entities Act (Chapter 24:31).

The EHZL Board is comprised as follows:

	Name of Director	Status
1	**Mrs. Sherree Gladys Shereni** (Chairperson)	Independent Non-Executive Director
2	**Dr. Zienzile Dillon** (Deputy Chairperson)	Independent Non-Executive Director
3	**Mr. Michael Louis Bennett**	Independent Non-Executive Director
4	**Mr. Hardy Pemhiwa**	Non-Executive Director
5	**Ms. Elizabeth Masiyiwa**	Non-Executive Director
6	**Mr. Darlington Tafara Mandivenga**	Non-Executive Director
7	**Mr. Christopher Maswi**	Independent Non-Executive Director
8	**Mr. Dominic Musengi**	Independent Non-Executive Director
9	**Mr. Edmore Chibi**	Executive Director
10	**Mrs. Theresa Nyemba**	Executive Director

Corporate Governance Statement (continued)

Board Diversity

The Board recognises the importance of diversity and inclusion in its decision-making processes. The Board members have a vast array of experience in areas that include accounting, economics, legal, corporate finance, marketing, business administration and executive management. The Board is made up of five (5) independent non-executive directors; three (3) non-executive directors and two (2) executive directors. There are four (4) female directors.

Board Capacity Development

EHZL has in place a Board Training and Development Plan designed to enable the Directors to gain an appreciation of the Group's strategic, financial, operational and risk management structures.

Stakeholder Engagement

The Board recognizes the importance of Stakeholder Engagement as a key aspect of good corporate governance. The Board has delegated to the Chief Executive Officer, the Finance Director and the Chairperson the responsibility of communicating with stakeholders and the investment community. Briefing meetings are held with analysts, institutional investors and the media. The Board is kept fully appraised of the results of these engagements.

Transparency

The Board has unrestricted access to Company information, records, documents and management. Efficient and timely procedures for briefing Board members before Board meetings have been developed and implemented. Management is under obligation to provide regular reports or additional information when requested timeously to ensure that the Board discharges its duties effectively. Directors are free to seek independent professional advice, at the expense of EHZL, in the furtherance of their duties.

Board Committees

The Board has established and delegated specific roles and responsibilities to standing Committees, to assist it in discharging its mandate. Members of the Executive Committee and other management attend meetings of the various committees by invitation. Each Committee acts within written terms of reference approved by the Board and reviewed at least annually. All Board Committees are chaired by non-Executive Chairpersons.

To assist the Board in the discharge of its responsibilities, the following standing Committees have been established namely:

i. Board Audit Committee;
ii. Board Risk Committee;
iii. Board Environmental, Social and Governance Committee; and
iv. Board Remuneration Committee.

The Chair of each Committee (or a person nominated by the Chair of the Committee for that purpose), reports to the Board at the Board's next meeting on any matters relevant to the Committee's duties and responsibilities.

The Board Committees are comprised as below:

Board Audit Committee

COMPOSITION:

Z. Dillon	(Non- Executive Chairperson)
C. Maswi	(Non-Executive Member)
D.T. Mandivenga	(Non-Executive Member)
S.G. Shereni	(Non-Executive Director – Attendance by Invitation)

The role of the Audit Committee is to provide an independent evaluation of the adequacy and efficiency of the institution's internal control system, accounting practices, information systems and auditing processes.

The Committee's ultimate goal is to ensure the integrity of financial reporting and implementation of sound internal controls and risk management. The Committee considers and reviews reports from management with a view to assessing the quality of the financial reporting and compliance with disclosure requirements. It also considers measures to enhance the credibility and objectivity of financial statements and reports prepared with reference to the Company's affairs.

The external auditors attend the committee meetings to present their report on key matters and any findings deemed

Corporate Governance Statement (continued)

necessary to bring attention to the Committee. Both internal and external auditors have a direct line of communication at any time to, either the Chairperson of the Committee, or the Board Chairperson.The Committee meets at least quarterly or as necessary.

Board Risk Committee

COMPOSITION:

C. Maswi	(Non- Executive Chairperson)
Z. Dillon	(Non-Executive Member)
D.T. Mandivenga	(Non-Executive Member)
S.G. Shereni	(Non-Executive Director – Attendance by Invitation)

The Risk Committee's primary role is to oversee the effectiveness of risk and compliance management within the Group. The Committee focuses on the effectiveness and appropriateness of the enterprise risk management framework, including but not limited to risk strategy, risk tolerance and risk governance. The identification and management of risk are central to the Group's objective of creating long-term shareholder value.

The Committee reviews and assesses the integrity of the Group's risk control systems and ensures that the risk policies and strategies are effectively managed. The Committee also sets policy guidelines for ensuring and monitoring compliance with all regulatory laws and directives, and internal policies and procedures. The Committee has oversight on the overall compliance and management framework.

The Risk Committee assists the Board of Directors in the discharge of its duties relating to corporate accountability and associated risks in terms of management, assurance and reporting. The Committee meets at least quarterly, or as necessary.

Board Environment, Social and Governance Committee

COMPOSITION:

M.L. Bennett	(Non- Executive Chairperson)
E. Masiyiwa	(Non-Executive Member)
D. Musengi	(Non-Executive Member)

The Board Environmental Social and Governance (ESG) Committee has an independent, oversight role in relation to the Group's ESG strategy and activities. It reviews the ESG policies and initiatives of the Group ensuring they remain effective and up to date.

The Committee monitors the Group's compliance with legal and regulatory requirements (including corporate governance principles) legislated social and economic development requirements and other codes of good practice relating to corporate citizenship, the environment, health, public safety and consumer protection.

The Committee assists the Board in monitoring the Group's social development programmes and initiatives, in particular, the Group's progress in relation to social investment. It also monitors ethics and integrity within the Group, having regard to the need to maintain the highest standards of governance and the strategic direction of the Group.

Board Remuneration Committee

COMPOSITION:

H. Pemhiwa	(Non- Executive Chairperson)
M.L. Bennett	(Non-Executive Member)
E. Masiyiwa	(Non-Executive Member)
D. Musengi	(Non-Executive Member)

The Board Remuneration Committee's overall responsibility is to review, on behalf of the Board, the Group's remuneration structure and employment policies with a view to ensuring that the Group provides competitive rewards to attract motivate and retain the required skills.

The Committee considers all human resources issues including industrial relations, the recruitment and retention policy and remuneration terms and packages for management, staff and Directors. The remuneration policy is designed to attract and retain high calibre senior executives and Directors capable of meeting the specific management needs of the business.

The Committee meets at least Committee meets at least quarterly or as necessary.

Corporate Governance Statement (continued)

Trading in the Group's Shares

The Group has in place a policy specifying closed periods that prohibit trading in the Group's shares by directors, senior executives and employees. As a matter of policy all directors trading in the Group's shares, even outside of the closed period, require the prior approval of the Board Chairperson. Senior management are required to notify the Finance Director prior to the transaction.

Independence of Auditors

The Group's Audit Committee confirms the independence of the Auditors, Deloitte & Touche (Zimbabwe), who were engaged by the Group for audit-related services. BDO Zimbabwe Chartered Accountants have since been appointed as the Group's new external auditors. A resolution confirming their appointment as auditors for the ensuing year will be proposed at the 2022 Annual General Meeting. As necessary, the Group calls upon the services of other firms to assist with non-audit management consultancy work.

Going Concern

The Directors have assessed, subject to the current and anticipated economic conditions, the Group's ability to continue as a going concern and hereby confirm that they are satisfied that the Group has adequate financial resources to continue in operational existence for the foreseeable future.

By Order of the Board

Mrs. S.G. Shereni
CHAIRPERSON OF THE BOARD

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

Mrs. C.R. Daniels
GROUP COMPANY SECRETARY

EcoCash
HOLDINGS ZIMBABWE LIMITED

Our e-Commerce platform has various merchandise under different categories like groceries, electronic gadgets and fashion. For the convenience of customers our platform is integrated to our mobile money business and bank payment channels. Our VAYA logistics unit provides the order fulfillment through delivery partners.

We also provide Pay Protect, an escrow solution, that protects both the buyer and the seller in addition to online payments. On-Demand Services round out the whole value proposition by providing fast, secure, and reliable delivery.

COMPLIANCE AND FINANCIAL REPORTING

EcoCash
HOLDINGS ZIMBABWE LIMITED

Your diversified digital solutions group

Certificate by the Group Company Secretary

Mrs. C.R. Daniels
GROUP COMPANY SECRETARY

In my capacity as Group Company Secretary, I hereby confirm, in terms of the Companies and Other Business Entities Act [Chapter 24:31] that for the year ended 28 February 2022, EcoCash Holdings Limited has lodged with the Registrar of Companies all such returns as are required by a public Company in terms of the Companies and Other Business Entities Act and that all such returns are, to the best of my knowledge, true and correct.

Mrs. Charmaine Rose Daniels
GROUP COMPANY SECRETARY

7 July 2022

Directors' Report

The Directors present their report and audited financial statements for the year ended 28 February 2022. In the report "EHZL" or "Group" or "Company" refers to EcoCash Holdings Zimbabwe Limited (formerly Cassava Smartech Zimbabwe Limited) and its subsidiaries.

Principal Activities and Operations Review
The principal activities of EHZL are split into three broad business segments namely Fintech, Insurtech and On-Demand services. The Fintech segment comprises the financial mobile money, digital banking, payment services and international remittances while the Insurtech segment offers mobile micro-insurance solutions covering funeral, auto, education and health. The on-demand services offer a converged platform for all on-demand services across transport, health, agriculture and security services sectors utilising the technology platforms.

People
The Group firmly believes that superior and sustained business performance requires the business to continually hone its competitive advantage, which is its People.

The Board is committed to the health and safety of its employees and to ensuring that they work in a positive and comfortable environment, hence the Board's support for the measures implemented by management. The COVID-19 related travel restrictions prevented physical Board meetings. The Board had to adapt to the challenges associated with the pandemic and managed to conduct its work through virtual meetings. Employee engagement remains a critical area for the Board. COVID-19 impacted the traditional ways of engaging with employees. A hybrid working environment was introduced which necessitated new and innovative ways to maintain employee engagement. The issues from the engagements were regularly reported to the Board.

Financial Results
Details of the financial results are set out on pages 127 to 223 of the Consolidated Financial Statements and on pages 228 to 231 of the separate Company statement of financial position. The directors have approved the consolidated financial statements and Company statement of financial position as reflected on pages 119 and 224 respectively.

Dividend
In respect of the year ended 28 February 2022 the Board decided not to declare a dividend.

Share Capital and Share Buy-backs
Details of the Company's share capital and share buy-backs are set out in Note 21 to the consolidated financial statements. At the 3rd EHZL Annual General Meeting held on 30 November 2021, shareholders authorised the Company to undertake the purchase of its own ordinary shares in such manner and on such terms as the Directors may from time to time determine up to 10% of its issued ordinary share capital. Shareholders will be asked to approve this at the 2022 Annual General Meeting to renew this authority.

Directors and their Interests
The biographical details of the Directors who served during the year are set out in the Board of Directors' section. The details include their qualifications, experience and particular responsibilities. In terms of Article 69 of the Company's Articles of Association, Directors are not required to hold any shares in the Company by way of qualification. The Directors who served during the year were:

Mrs. Sherree Shereni	(Chairperson, Independent Non-Executive),
Dr. Zienzile Dillon	(Deputy Chairperson, Independent Non-Executive),
Mr. Hardy Pemhiwa	(Non-Executive),
Mr. Darlington Mandivenga	(Non-Executive),
Ms. Elizabeth Masiyiwa	(Non-Executive),
Mr. Michael Bennett	(Independent Non-Executive),
Mr. Christopher Maswi	(Independent Non-Executive),
Mr. Dominic Musengi	(Independent Non-Executive),
Mr. Eddie Chibi	(Executive) and
Mrs. Theresa Nyemba	(Executive).

Article 89 of the Company's Articles of Association provides that at each annual general meeting at least one third of the directors must retire and seek re-election.

The following Directors shall retire by rotation at the next annual general meeting and, being eligible, shall seek re-election:

- **Mr. Darlington Mandivenga**
- **Mr. Christopher Maswi**
- **Mr. Dominic Musengi**

The shareholding of Directors in the Company, held directly, indirectly or beneficially, appears in Note 22 of the financial statements.

Directors' Report (continued)

As part of good corporate governance Directors are prohibited from dealing, directly or indirectly, in the shares of the Company during the Company's closed period. Also, Directors have to disclose any direct or indirect interest they may have in any transaction in which the Company is involved.

During the year, no Director had a material interest in any significant contract with the Company.

At the 2022 Annual General Meeting, shareholders will be asked to approve the Directors' fees for the year.

Register of Members
The Register of Members of the Company is kept at the offices of the Company's transfer secretaries, First Transfer Secretaries (Private) Limited. The Register is open for inspection to members and the public, during business hours.

Borrowing Powers
As provided in Article 102 of the Company's Articles of Association, the Directors can exercise, on behalf of the Company, its powers to borrow funds for its operations. The details of the Group's borrowings are set out in Note 34 to the consolidated financial statements.

Capital Commitments
Details of the Group's capital commitments and expenditure are set out in Note 35 to the consolidated financial statements.

Donations to Political Parties
In line with its policy, no political contributions or donations were made by the Group.

Auditors
A resolution to confirm BDO Zimbabwe Chartered Accountants as the Group's new External Auditors will be proposed at the 2022 Annual General Meeting. In accordance with section 191(2) of the Companies and Other Business Entities Act [Chapter 24:31].

By Order of the Board

Mrs. S.G. Shereni
CHAIRPERSON OF THE BOARD

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

Mrs. C.R. Daniels
GROUP COMPANY SECRETARY

Directors' responsibility for financial reporting

The Directors of Ecocash Holdings Zimbabwe Limited ("the Company") and its subsidiaries (together, "the Group") are responsible for the maintenance of adequate accounting records, and the preparation, integrity and fair presentation of the consolidated financial statements and related information. The Group's independent external auditors, Messrs Deloitte & Touche, have audited the consolidated financial statements and their report appears on pages 120 to 126.

The consolidated financial statements for the year ended 28 February 2022 presented from pages 127 to 223 have been prepared with the aim to comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and to the extent possible in compliance with the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31). The consolidated financial statements have also been prepared in accordance with the disclosure requirements of the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules 2019, 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 application of these accounting policies is supported by reasonable and prudent judgments and estimates. Compliance with IFRS and laws and regulations is intended to achieve consistency and comparability of financial statements.

The Public Accountants and Auditors Board (PAAB) issued a pronouncement in October 2019 prescribing application of inflation accounting for reporting periods ended on or after 1 July 2019. Consequently, the Group adopted International Accounting Standard (IAS) 29 - Financial Reporting in Hyperinflationary Economies and prepared the consolidated financial statements as if the economy had been hyperinflationary from 1 October 2018, when the Group's components changed their functional currency from US dollar to Zimbabwe dollar.

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, due to reporting the multiple factors in the environment, including but not limited to the legislative framework and economic variables affecting companies operating in Zimbabwe in areas noted in Note Z this information in a way is contradictory to International Financial Reporting Standards. Due to factors that result from the prevailing economic environment, these financial statements have been qualified by the auditors. In their opinion, the Group has been unable to comply with the requirements of the International Financial Reporting Standards referenced in their audit report. These circumstances require care and attention by users of the consolidated financial statements in their interpretation of financial information presented under such conditions.

A modified opinion has been issued on the consolidated financial statements, with the bases of modification being the following; (1) unresolved matters from the prior year ended 28 February 2021 with carryover effects on the year ended 28 February 2022 and impact on comparability, (2) valuation of property and equipment, investment property and intangible assets, (3) valuation of USD denominated unquoted investments measured at fair value through profit or loss; and (4) inability to separately present gross exchange gains and gross exchange losses for the banking subsidiary.

The Directors are also responsible for the maintenance of adequate accounting records and are responsible for the content and integrity of related financial information included in this report, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The systems of internal control are designed to provide reasonable, but not absolute, assurance as to the reliability of the consolidated financial statements, and to safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Directors have a reasonable expectation that the Group and the Company will have adequate resources to continue in operational existence and as a going concern in the financial year ahead. Refer to Note 33 for detailed information on going concern.

The consolidated financial statements were approved by the Board of Directors on 07 July 2022 and are signed on its behalf by:

Mrs. S.G. Shereni
CHAIRPERSON OF THE BOARD

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

Preparer of the consolidated financial statements
These consolidated financial statements have been prepared under the supervision of Theresa Nyemba.

Mrs. T. Nyemba
FINANCE DIRECTOR
Registered Public Accountant
PAAB Practice Certificate No: 03452

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ECOCASH HOLDINGS 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 EcoCash Holdings Zimbabwe Limited and its subsidiaries ("the Group") set out on pages 127 to 225, which comprise the inflation-adjusted consolidated statement of financial position as at 28 February 2022, 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 EcoCash Holdings Zimbabwe Limited and its subsidiaries as at 28 February 2022, and its inflation-adjusted consolidated financial performance and its inflation-adjusted consolidated 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. Unresolved matters from the prior year ended 28 February 2021 with carryover effects on the year ended 28 February 2022 and impact on comparability

   For the year ended 28 February 2021, an adverse opinion was issued on the inflation-adjusted consolidated financial statements, with the following matters being set out as the bases for adverse opinion:

   i. Valuation of property and equipment, investment property and intangible assets; and

   ii. 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, as related to;
      a. Prospective application of the change in the start date for the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' (IAS 29");
      b. 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
      c. Prospective restatement in the current year of a prior period error on the amortisation charge on right of use assets.

   Readers may refer to the full audit report, which is available on the Group and Zimbabwe Stock Exchange's ("ZSE's") website for the pertinent details as regards these qualifications.

   The above matters have remained unresolved with respect to the year ended 28 February 2021, and thus impacting the comparability of the current year's figures and the corresponding figures.

   In addition to this, because certain closing balances in the statement of financial position for the year ended 28 February 2021 impact the measurement of other transactions and balances for the year ended 28 February 2022, those current year amounts are also materially misstated by amounts whose actual or possible effects we have been unable to quantify. The impacted balances include depreciation and amortisation expenses, deferred tax movements, gains on revaluations of property and equipment, fair value adjustments on investment property and the gains on net monetary position.

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Basis for Adverse Opinion (continued)

2. Valuation of property and equipment, investment property and intangible assets

2.1 Non-compliance with IFRS 13 Fair Value Measurements

As set out in notes 10 and 12 to the inflation-adjusted financial statements, similar to the prior year, the Group performed a revaluation of property and equipment and a fair valuation of investment properties as at 28 February 2022, valued at ZW$ 9.7 billion and ZW$ 1.9 billion, respectively (2021: ZW$ 7.6 billion and ZW$ 1.8 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 2022. 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.

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 investment property, 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 investment properties in ZW$. Such matters include, but are not limited to:

- the correlation of the responsiveness of ZW$ valuations of property and equipment and investment properties 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 investment properties reflects the implications on market dynamics of the auction exchange rate.

In addition, included within property and equipment is a building valued at ZW$ 1.4 billion that was acquired during the year by the Group whose revaluation was done using ZW$ inputs. The assumptions on capitalisation rates used were not supported by any observable market data and rental rates applied were not comparable to those of similar commercial properties obtained from other market sources.

Consequently, we were unable to obtain sufficient appropriate evidence to support the appropriateness of the valuation in ZW$ of the property and equipment and investment property balances, fair value gains on investment properties, the revaluation surplus movement and related reserve, as well as deferred tax closing balances and its related movement for the year which were also impacted.

Basis for Adverse Opinion (continued)

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

2.2 Non-compliance with International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8")

As explained in Note G, in the prior years the Group's intangible assets were carried at revalued amounts after initial recognition. In the current year, the measurement model for the Group's intangible assets was changed prospectively from revaluation to cost. This change in the measurement model was made in order to comply with the requirements of International Accounting Standard 38 'Intangible Assets' ("IAS 38") which state that the revaluation model can only apply to intangible assets in an active market. The Directors have concluded that there is no active market in Zimbabwe for the Group's intangible assets. The prospective change in the accounting policy is not in compliance with the requirements of IAS 8 which would have required such change to be done retrospectively. These financial statements have not been restated to reflect this change as required by IAS 8. Had the correction been done retrospectively, the prior year comparatives for retained earnings, revaluation reserve, movement in revaluation reserve, amortisation, accumulated amortisation, and opening and closing cost of intangible assets would have been affected. In addition, the current year amounts of amortisation and deferred tax movements attributable to intangible assets for the year have also been affected as they were determined from incorrect opening balances.

3. Valuation of USD denominated unquoted investments measured at fair value through profit or loss

As set out in note 16, the Group has financial assets measured at fair value through profit or loss amounting to ZW$ 6.1 billion (2021: ZW$ 1.8 billion). Included within these financial assets as unquoted investments, are investments denominated in United States Dollars ("USD") with a value of ZW$ 214 million (2021: ZW$ nil). The Group engaged its investment managers to determine fair values in USD, which were subsequently translated to Zimbabwe Dollars ("ZW$") using the investment manager's internally determined exchange rate as at 28 February 2022. We could not obtain sufficient and appropriate audit evidence to support the internally determined exchange rate utilised in the conversion to ZW$. As a result, we were unable to quantify the extent of the misstatements on the recorded fair value gains on financial assets included in other income and the recorded value of the USD denominated portion of financial assets at fair value through profit or loss. This has also resulted in misstatements to the related deferred tax movements and closing deferred tax balances for the year attributable to these USD denominated investments.

4. Inability to separately present gross exchange gains and gross exchange losses for the banking subsidiary

Included within the statement of profit or loss and other comprehensive income are net foreign exchange gains arising from trade related and other payables amounting to ZW$ 509 million (2021: exchange loss of ZW$ 1.3 billion). The Group has not been able to present gross exchange gains and gross exchange losses separately as would be required by International Accounting Standard ("IAS") 1 Presentation of Financial Statements because of system limitations with determining the separate gross exchange loss and gross exchange gains numbers for its banking subsidiary.

While the above matter has no impact on the reported profit and total comprehensive income for the year, it has an impact on the presentation required by IAS 1. We were therefore unable to determine the correct split of gross exchange gains and gross exchange losses to be presented either on the face of the statement of profit or loss and other comprehensive income or in the notes.

The above matters are both material and pervasive and impact the statement of financial position, the statement of comprehensive income, the statement of changes in equity and related notes, including the notes to the statement of cashflows.

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.

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.

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 day-to-day operations of the Group's banking subsidiary. The matter is of significance to the audit due to the complex nature of their operation, the accounts' general susceptibility to fraud and the high volumes of transactions involved. The above considerations influenced the designation of the issue as a key audit matter. The related balances and disclosures are included in Notes 19 and 24 to the inflation adjusted financial statements under other receivables and other payables respectively.	To address the risk on existence and valuation of suspense accounts, our audit procedures included: - Obtaining an understanding of the nature of the suspense accounts and analysis thereof. - Testing the design and implementation of internal controls around the reconciliation of suspense accounts. - Performing detailed validation tests on samples of transactions giving rise to the 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 inflation adjusted financial statements for appropriate and applicable disclosures of the suspense accounts under other assets and other liabilities. - Inspecting component auditor workpapers over suspense accounts to assess the sufficiency and appropriateness of audit work done and the conclusions reached.
Interest and non-interest income recognition	
Interest and non-interest income at the Group's banking subsidiary are susceptible to the risk of inappropriate recognition. Additionally, there is risk that some of the complex terms and conditions of contracts and agreements may not be appropriately interpreted, resulting in the incorrect calculation of interest income, premature or improper income recognition. The computation of interest is highly automated and any errors in inputting interest rates or system failures may result in miscalculation of interest in the IT system. Furthermore, the timing of revenue may not be adhered to as required by IFRS 15 – Revenue from Contracts with Customers where non-interest portion from facilities or loan arrangements should be recognised over the life span of the facilities or arrangements, thus resulting in misstatements. Due to nature of the account, system challenges experienced in the prior and current year, including the resulting adjustments, this has been noted as a key audit matter. Notes O1.2 and O1.3 to the inflation adjusted financial statements include details on the methods and assumptions applied in recognising interest and non-interest income by the Group's banking subsidiary.	Our procedures in the evaluation of the appropriateness of the revenue recognition included the following: - Obtaining an understanding of the revenue cycle, performing walkthroughs, and testing of relevant controls around the processing of revenue. - Engaging our internal IT specialists to confirm that the automated aspects of the interest and non-interest income calculations were configured correctly and were operating - effectively throughout the audit period. - Performing cut off tests to verify that transactions were processed in the correct periods. - Selecting manual journal entries processed to all revenue accounts to confirm validity and business rationale as well as the appropriateness of the adjustments processed. - Assessing the appropriateness of the revenue recognition criteria used by Management as per the IFRS 15 requirements. - Reviewing the transaction fees thresholds in line with the Bank's pricing policy. - Reviewing the disclosures in the inflation adjusted financial statements against the requirements of IFRS. - Inspecting component auditor workpapers over interest and non-interest income to assess the sufficiency and appropriateness of audit work done and the conclusions reached.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "EcoCash Holdings Zimbabwe Limited Consolidated Financial Statements for the year ended 28 February 2022", which includes the 'Director's responsibility for financial reporting', which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the inflation-adjusted consolidated financial statements and our auditor's report thereon.

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. Given the nature of the matters set out in the *Basis for Adverse Opinion* section above, we have determined 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, and 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.

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, actions taken to eliminate threats or safeguards applied.

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.

EcoCash
HOLDINGS 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 2022.

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 Lawrence Nyajeka.

Deloitte & Touche

DELOITTE & TOUCHE
Chartered Accountants (Zimbabwe)
Per Lawrence Nyajeka
Partner
PAAB Practice Certificate 0598
Harare, Zimbabwe

Date: 20 July 2022

Consolidated statement of profit or loss and other comprehensive income

For the year ended 28 February 2022

		INFLATION ADJUSTED		HISTORICAL*	
	Notes	2022 ZW$'000	2021 ZW$'000	2022 ZW$'000	2021 ZW$'000
Revenue	**2**	**29,929,399**	**23,750,299**	**22,719,851**	**10,146,386**
- Interest revenue calculated using the effective interest method		2,644,448	855,913	2,079,540	386,701
- Non-interest revenue		27,284,951	22,894,386	20,640,311	9,759,685
Cost of sales and external services rendered		(8,362,976)	(7,358,171)	(6,404,430)	(3,276,720)
Impairment on financial assets charge: expected credit loss allowances on loans and advances to bank customers	**20.4**	(80,323)	(217,876)	(54,681)	(79,516)
Gross profit		**21,486,100**	**16,174,252**	**16,260,740**	**6,790,150**
Other income	**7.1**	4,208,620	1,145,694	5,352,888	1,765,868
Other expenses	**7.2**	(1,939,918)	(151,288)	(1,939,918)	(64,787)
General administrative expenses:		(18,487,519)	(17,357,127)	(13,362,273)	(5,814,443)
- Administration expenses		(15,611,883)	(11,752,274)	(12,196,505)	(5,220,465)
- Impairment on financial assets charge: expected credit loss allowances on items other than loans and advances		(816,608)	(265,234)	(595,617)	(99,827)
- Depreciation, amortisation and impairment	**3**	(2,568,116)	(3,999,055)	(1,210,737)	(345,431)
- Foreign exchange gains / (losses) arising from items other than debenture related liabilities		509,088	(1,340,564)	640,586	(148,720)
Marketing and sales expenses		(1,927,823)	(1,557,256)	(1,498,765)	(663,577)
Foreign exchange losses arising from debenture related liabilities		(1,239,791)	(6,306,249)	(1,061,072)	(2,050,580)
Gain on net monetary position		1,946,604	7,257,608	-	-
Profit / (loss) before net finance costs		**4,046,273**	**(794,366)**	**3,751,600**	**(37,369)**
Finance income	**4**	15,826	13,859	12,800	8,250
Finance costs	**5**	(387,917)	(424,045)	(285,470)	(190,506)
Profit / (loss) before taxation		**3,674,182**	**(1,204,552)**	**3,478,930**	**(219,625)**
Income tax (expense) / credit	**8**	(2,344,721)	(527,005)	(1,568,775)	93,280
Profit / (loss) for the year		**1,329,461**	**(1,731,557)**	**1,910,155**	**(126,345)**
Profit / (loss) for the year attributable to:		**1,329,461**	**(1,731,557)**	**1,910,155**	**(126,345)**
Equity holders of EcoCash Holdings Zimbabwe Limited		1,123,436	(1,488,633)	1,671,487	(227,977)
Non-controlling interest		206,025	(242,924)	238,668	101,632
Other comprehensive income for the year					
Items that may not to be reclassified to profit or loss					
Gain arising on revaluation of property and equipment	**6**	2,115,464	353,509	4,113,592	3,033,510
Taxation effect of other comprehensive income	**6**	(525,779)	(82,507)	(1,000,917)	(729,159)
Other comprehensive income for the year, net of tax		**1,589,685**	**271,002**	**3,112,675**	**2,304,351**
Total comprehensive income / (loss) for the year		**2,919,146**	**(1,460,555)**	**5,022,830**	**2,178,006**

Consolidated statement of profit or loss and other comprehensive income (continued)

For the year ended 28 February 2022

		INFLATION ADJUSTED		HISTORICAL*	
	Notes	2022 ZW$'000	2021 ZW$'000	2022 ZW$'000	2021 ZW$'000
Other comprehensive income attributable to:					
Equity holders of EcoCash Holdings Zimbabwe Limited		1,587,324	266,693	3,101,373	2,281,953
Non-controlling interest		2,361	4,309	11,302	22,398
		1,589,685	**271,002**	**3,112,675**	**2,304,351**
Total comprehensive income / (loss) attributable to:					
Equity holders of EcoCash Holdings Zimbabwe Limited		2,710,760	(1,221,940)	4,772,860	2,053,976
Non-controlling interest		208,386	(238,615)	249,970	124,030
		2,919,146	**(1,460,555)**	**5,022,830**	**2,178,006**
Basic and diluted earnings / (loss) per share (ZW$)	9	**0.434**	**(0.575)**	**0.645**	**(0.088)**

** The historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

The notes on pages 134 to 223 are an integral part of these consolidated financial statements.

EcoCash HOLDINGS ZIMBABWE LIMITED

Consolidated statement of financial position

As at 28 February 2022

		INFLATION ADJUSTED		HISTORICAL*	
	Notes	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
ASSETS					
Intangible assets	**13**	2,971,619	2,224,627	684,994	639,883
Property and equipment	**10**	9,678,409	7,616,656	8,490,288	3,966,786
Right of use assets	**11**	143,562	367,637	43,306	37,162
Investment properties	**12**	1,888,757	1,819,560	1,888,757	1,095,410
Inventory	**18**	790,589	1,501,181	115,592	372,613
Current tax assets	**24.2**	-	108,428	-	65,276
Amounts owed by related party companies	**28**	120,284	137,271	120,284	82,640
Trade and other receivables	**19**	6,886,411	6,458,190	5,953,961	3,174,773
Loans and advances to bank customers	**20**	6,681,503	2,653,500	6,681,503	1,597,458
Treasury bills and government bonds	**15.1**	5,843,761	1,666,286	5,843,761	1,003,136
Financial assets at fair value through profit and loss	**16**	6,108,898	1,802,898	6,108,898	1,085,379
Assets held for sale	**17**	522	2,443	522	1,471
Mobile money trust bank balances - restricted balances	**27.4**	5,413,786	7,033,279	5,413,786	4,234,169
Cash and cash equivalents	**27.4**	1,211,899	9,420,502	1,211,899	5,671,323
Total assets		**47,740,000**	**42,812,458**	**42,557,551**	**23,027,479**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and share premium	**21**	142,586	142,586	2,591	2,591
(Accumulated losses) / retained earnings		(3,072,831)	(5,109,682)	1,229,712	(465,081)
Other reserves	**23**	14,568,034	13,357,727	5,902,755	3,116,902
Equity attributable to owners of EcoCash Holdings Zimbabwe Limited		11,637,789	8,390,631	7,135,058	2,654,412
Non-controlling interest		(30,887)	(239,273)	400,432	150,462
Total equity		**11,606,902**	**8,151,358**	**7,535,490**	**2,804,874**
Liabilities					
Deferred tax liabilities	**14.3, 14.6**	2,224,065	1,154,873	1,498,199	458,672
Lease liabilities	**32**	61,120	73,943	61,120	44,515
Provisions	**24.1**	1,482,966	502,545	1,470,349	299,492
Current tax liability	**24.2.2**	103,635	-	96,625	-
Loans and borrowings	**25**	4,065,749	-	4,065,749	-
Amounts owed to related party companies	**28.2**	4,247,740	8,664,173	4,247,740	5,215,998
Trade and other payables	**24**	5,764,196	5,267,907	5,398,652	2,766,973
Mobile money trust liabilities	**27.5**	5,413,786	7,033,279	5,413,786	4,234,169
Deposits due to banks and customers	**26**	12,769,841	11,964,380	12,769,841	7,202,786
Total liabilities		**36,133,098**	**34,661,100**	**35,022,061**	**20,222,605**
Total equity and liabilities		**47,740,000**	**42,812,458**	**42,557,551**	**23,027,479**

EcoCash HOLDINGS ZIMBABWE LIMITED

Consolidated statement of financial position (continued)

As at 28 February 2022

** The historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

The notes on pages 134 to 223 are an integral part of these consolidated financial statements.

Mr. E. Chibi	Mrs. S. G. Shereni	Mrs. T. Nyemba
CHIEF EXECUTIVE OFFICER	CHAIRPERSON OF THE BOARD	FINANCE DIRECTOR

07 July 2022

Consolidated statement of changes in equity

For the year ended 28 February 2022

	INFLATION ADJUSTED					
	Share capital and share premium ZW$'000	Retained earnings ZW$ '000	Other reserves (Note 23) ZW$ '000	Attributable to equity holders of the entity ZW$'000	Non-controlling interest ZW$'000	Total ZW$'000
Balance at 1 March 2020	**116,159**	**843,672**	**8,285,372**	**9,245,203**	**(658)**	**9,244,545**
Loss for the year	-	(1,488,633)	-	(1,488,633)	(242,924)	(1,731,557)
Other comprehensive income:	**-**	**-**	**266,693**	**266,693**	**4,309**	**271,002**
Revaluation of property and equipment and intangible assets	-	-	349,200	349,200	4,309	353,509
Taxation effect of other comprehensive income	-	-	(82,507)	(82,507)	-	(82,507)
Total comprehensive income	**-**	**(1,488,633)**	**266,693**	**(1,221,940)**	**(238,615)**	**(1,460,555)**
Transfers within and out of reserves	**26,427**	**(4,464,721)**	**4,805,662**	**367,368**	**-**	**367,368**
Purchase of treasury shares	-	-	(7,192)	(7,192)	-	(7,192)
Reclassification	-	-	(14,136)	(14,136)	-	(14,136)
Restatement of ECL & right of use asset opening balances	-	171,033	-	171,033	-	171,033
Impact of change in IAS 29 applicable start date	26,427	(4,635,754)	4,826,990	217,663	-	217,663
Balance at 28 February 2021	**142,586**	**(5,109,682)**	**13,357,727**	**8,390,631**	**(239,273)**	**8,151,358**
Profit for the year	-	1,123,436	-	1,123,436	206,025	1,329,461
Other comprehensive income	**-**	**-**	**1,587,324**	**1,587,324**	**2,361**	**1,589,685**
Revaluation of property and equipment	-	-	2,113,103	2,113,103	2,361	2,115,464
Taxation effect of other comprehensive income	-	-	(525,779)	(525,779)	-	(525,779)
Total comprehensive income	**-**	**1,123,436**	**1,587,324**	**2,710,760**	**208,386**	**2,919,146**
Transfers within and out of reserves	**-**	**913,415**	**(377,017)**	**536,398**	**-**	**536,398**
Purchase of treasury shares	-	-	(74,232)	(74,232)	-	(74,232)
Impact of change in measurement model of intangible assets to cost model (Note AA)	-	901,467	(302,785)	598,682	-	598,682
Restatement of equities at fair value through profit or loss (Note 16)	-	11,948	-	11,948	-	11,948
Balance at 28 February 2022	**142,586**	**(3,072,831)**	**14,568,034**	**11,637,789**	**(30,887)**	**11,606,902**

EcoCash HOLDINGS ZIMBABWE LIMITED

Consolidated statement of changes in equity (continued)

For the year ended 28 February 2022

	HISTORICAL*					
	Share capital and share premium ZW$'000	**Retained earnings ZW$ '000**	**Other reserves (Note 23) ZW$ '000**	**Attributable to equity holders of the entity ZW$'000**	**Non-controlling interest ZW$'000**	**Total ZW$'000**
Balance at 1 March 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**
Revaluation of property and equipment and intangible assets	-	-	3,011,112	3,011,112	22,398	3,033,510
Taxation effect of other comprehensive income	-	-	(729,159)	(729,159)	-	(729,159)
Total comprehensive income	**-**	**(227,977)**	**2,281,953**	**2,053,976**	**124,030**	**2,178,006**
Transfers within and out of reserves	**-**	**14,023**	**(4,642)**	**9,381**	**-**	**9,381**
Purchase of treasury shares	-	-	(3,856)	(3,856)	-	(3,856)
Reclassification	-	(1,021)	(786)	(1,807)	-	(1,807)
Restatement of ECL & right of use asset opening balances	-	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**
Profit for the year	-	1,671,487	-	1,671,487	238,668	1,910,155
Other comprehensive income	**-**	**-**	**3,101,373**	**3,101,373**	**11,302**	**3,112,675**
Revaluation of property and equipment	-	-	4,102,290	4,102,290	11,302	4,113,592
Taxation effect of other comprehensive income	-	-	(1,000,917)	(1,000,917)	-	(1,000,917)
Total comprehensive income	**-**	**1,671,487**	**3,101,373**	**4,772,860**	**249,970**	**5,022,830**
Transfers within and out of reserves	**-**	**23,306**	**(315,520)**	**(292,214)**	**-**	**(292,214)**
Purchase of treasury shares	-	-	(70,670)	(70,670)	-	(70,670)
Impact of change in measurement model of intangible assets to cost model (Note AA)	-	11,383	(244,850)	(233,467)	-	(233,467)
Restatement of equities at fair value through profit or loss (Note 16)	-	11,923	-	11,923	-	11,923
Balance at 28 February 2022	**2,591**	**1,229,712**	**5,902,755**	**7,135,058**	**400,432**	**7,535,490**

** The historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

The notes on pages 134 to 223 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 28 February 2022

		INFLATION ADJUSTED		HISTORICAL*	
	Notes	**2022 ZW$ '000**	**2021 ZW$ '000**	**2022 ZW$ '000**	**2021 ZW$ '000**
Operating activities					
Cash generated from operations	**27.2**	4,596,175	1,193,178	6,211,288	9,161,668
Income tax paid	**27.3**	(1,977,836)	(778,489)	(1,295,399)	(434,015)
Net cash flows generated from operating activities		**2,618,339**	**414,689**	**4,915,889**	**8,727,653**
Investing activities					
Finance income received	**4**	15,826	13,859	12,800	8,250
Acquisition of intangible assets	**13**	(455,459)	(71,614)	(397,774)	(147,797)
Net acquisition of financial assets at fair value through profit or loss	**16**	(1,035,202)	(439,394)	(790,417)	(165,977)
Net (acquisition) / disposal of treasury bill and government bonds	**15.1**	(8,696,473)	2,118,192	(5,086,146)	(64,704)
Proceeds from disposal of assets held for sale		2,045	10,074	1,372	2,610
Purchase of property and equipment	**10**	(1,787,045)	(879,392)	(1,552,550)	(489,468)
Proceeds on disposal of property and equipment		9,655	362	321	162
Net cash (utilised in) / generated from investing activities		**(11,946,653)**	**752,087**	**(7,812,394)**	**(856,924)**
Financing activities					
Finance costs paid	**5**	(387,917)	(424,045)	(285,470)	(190,506)
Repayment of lease liabilities	**32.1**	(37,633)	(33,163)	(27,162)	(20,112)
Purchase of treasury shares		(74,232)	(7,192)	(70,670)	(3,856)
Net cashflows utilised in financing activities		**(499,782)**	**(464,400)**	**(383,302)**	**(214,474)**
Net increase / (decrease) in cash and cash equivalents		**(9,828,096)**	**702,376**	**(3,279,807)**	**7,656,255**
Cash and cash equivalents at the beginning of the year		16,453,781	15,751,405	9,905,492	2,249,237
Cash and cash equivalents at the end of the year	**27.4**	**6,625,685**	**16,453,781**	**6,625,685**	**9,905,492**
Comprising:					
Cash and cash equivalents - restricted		5,413,786	7,033,279	5,413,786	4,234,169
Cash and cash equivalents - unrestricted		1,211,899	9,420,502	1,211,899	5,671,323
Cash and cash equivalents at the end of the year		**6,625,685**	**16,453,781**	**6,625,685**	**9,905,492**

** The historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

The notes on pages 134 to 223 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 28 February 2022

Policy note	IFRS/IAS reference	Content
A	IAS 1	General information
B	IAS 1	Basis of preparation
C	IAS 8	Adoption of new and revised standards and interpretations
D	IAS 21	Foreign currency transactions and balances
E	IFRS 3, 10	Business combinations and goodwill
F	IAS 38	Intangible assets
G	IAS 23	Borrowing costs
H	IAS 16	Property and equipment
I	IAS 40	Investment properties
J	IAS 36	Impairment of non-financial assets
K	IFRS 9	Borrowings
L	IFRS 16	Leases
M	IAS 2	Inventories
N	IFRS 15	Revenue recognition
O	IAS 12	Taxation
P	IAS 19	Employee benefits
Q	IFRS 13	Fair value measurement
R	IFRIC 17	Cash dividend and non-cash distribution to equity holders of the parent
S	IFRS 9, IFRS 7	Financial instruments
T	IAS 7	Cash and short term-deposits
U	IAS 32	Treasury shares
V	IAS 37	Provisions
W	IAS 27	Fiduciary assets
X	IFRS 8	Operating segment information
Y	IAS 1	Significant assumptions and key sources of estimation uncertainty
Z		Directors' explanatory note on the adverse audit opinion
AA		Prospective restatement in the current year of a prior period error on measurement of intangible assets

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

A. GENERAL INFORMATION

A.1 Corporate information

EcoCash Holdings Zimbabwe Limited ("EHZL" or "the Company") and its subsidiaries were demerged from Econet Wireless Zimbabwe Limited ("EWZL"), effective 1 November 2018.

These 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);
- 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);
- Maisha Health Fund (Private) Limited - (medical aid service provider); and
- MARS (Private) Limited - (medical air and road rescue services)

EHZL and its subsidiaries are incorporated in Zimbabwe. EHZL's registered office is 1906 Liberation Legacy Way (formerly Borrowdale Road), Harare. The ultimate holding company for the Group is Econet Global Limited, which is registered in Mauritius.

These 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 been subjected to an audit by the auditors.

A.2 Currency of account

These consolidated financial statements are presented in Zimbabwe Dollars ("ZW$"), which is the functional and presentation currency of the primary economic environment in which the Group's entities operate. In the current year, all transactions in currencies other than the ZW$ were translated in accordance with the requirements of IAS 21, at the applicable official exchange rates. In the period ended 28 February 2019, the Group first complied with the requirements of Statutory Instrument 33 of 2019 ("SI 33/2019") in determining the date of change in functional currency and translating foreign currency transactions and balances. The date of change in functional currency and the related translations required by SI 33/2019 were not fully compliant with the requirements of IAS 21 and this resulted in an adverse audit opinion on the financial statements for the period ended 28 February 2019. This position was however corrected in the prior period and date of change for affected line items dating back to before 1 March 2019 was correctly applied.

B. BASIS OF PREPARATION

B.1 Statement of compliance

The consolidated financial statements have been prepared in compliance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRSs"), as issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Standards Interpretations Committee ("IFRS IC") except for non-compliance with IAS 21, '*The effects of foreign exchange rates*' and IAS 16, '***Property, plant and equipment***' and current year non-compliances with IAS 29, '*Financial reporting in hyperinflationary economies*' and IFRS 13, '*Fair value measurement*'. Consequently, the Directors advise users of these consolidated financial statements to exercise caution.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

B. BASIS OF PREPARATION (continued)

B.1 Statement of compliance (continued)

The consolidated financial statements have been prepared in accordance with 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.

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 ended 28 February 2022.

Compliance with International Accounting Standard 21 - The Effects of Changes in Foreign Exchange Ratess
After the introduction of the RTGS dollar (now currently called the Zimbabwe dollar) as currency in Zimbabwe on 22 February 2019, for the period ended 28 February 2019, the Group's entities applied the legislated change in functional currency translation guidelines set out in SI 33/2019. The guidelines prescribed parity between the RTGS dollar and the US dollar for certain balances as at 22 February 2019. In our opinion and based on the guidance issued by the Public Accountants and Auditors Board ("PAAB"), the impact of the change in functional currency translation guidelines prescribed by SI 33/2019 on the preparation of the consolidated financial statements resulted in a non-compliance with IAS 21 for the four months ended 28 February 2019. This non-compliance has continued to impact the consolidated financial statements for the year ended 28 February 2022. Consequently, the accounting treatments adopted for the comparative amounts are different from those that would have been reported if the Group had been able to fully comply with IAS 21. As a result of the pervasive impact of the non-compliance with IAS 21 on the comparative period reported amounts, the Directors advise users of the financial results to exercise due caution.

B.2 Application of IAS 29 - Financial Reporting in Hyperinflationary Economies

The year-on-year inflation as measured by the consumer price index closed February 2022 at 4,483.06 (2021: 2,698.89). The high year-on-year inflation, amongst other indicators outlined in IAS 29, continues to result in a broad market consensus within the accounting and auditing professions that the Zimbabwe economy had met the characteristics of a hyperinflationary economy. The Public Accountants and Auditors Board (PAAB) issued a pronouncement in October 2019 prescribing application of inflation accounting for reporting periods ended on or after 1 July 2019. The consolidated financial statements have, however been prepared in accordance with IAS 29 as if the economy had been hyperinflationary from 1 October 2018 as prescribed by the PAAB. The inflation adjusted financial statements of the Group are prepared based on the historical cost information which has been restated for changes in the general purchasing power of the Zimbabwe dollar and appropriate adjustments and reclassifications have been made.

In order to account for the rapid loss in purchasing power of the local currency, hyperinflation accounting principles require transactions and balances to be stated in terms of the measuring unit current at the end of the reporting period.

The Group adopted the Zimbabwe consumer price index (CPI) as the general price index to restate transactions and balances as appropriate. 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 fair value have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially incurred, unless they relate to items already accounted for at fair value, with the corresponding adjustment presented in the income statement. A net monetary gain or loss is 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.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

B. BASIS OF PREPARATION (continued)

B.2 Application of IAS 29 - Financial Reporting in Hyperinflationary Economies (continued)

Comparative amounts in these consolidated financial statements have been restated to reflect the change in the general price index from 1 March 2021 to the end of the reporting period.

The financial statements were restated using the indices below:

	CPI Index	Conversion Factor
28 February 2022	4,483.06	1.00
28 February 2021	2,698.89	1.66
1 March 2021 to 28 February 2022 Average	3,415.67	1.31
1 March 2020 to 28 February 2021 Average	1,921.05	1.40

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

B.3 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 financial year 2020, 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, 2020 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 in 2020.

The Directors in the prior 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 were in material respects 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 were adjusted against opening equity components as disclosed on the statement of changes in equity prior period numbers.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

B. BASIS OF PREPARATION (continued)

B.4 Compliance with legal and regulatory requirements

These Group financial statements have been prepared in accordance with the accounting policies set out below, and to the extent practicable, in compliance with the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31) and other relevant legislation and regulations.

B.5 Use of estimates and judgements

Preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about the significant areas of accounting judgment; estimations and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in these consolidated financial statements are described in Note Z.

B.6 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 28 February 2022. Control is achieved when the Company has:
- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- the Company voting rights and potential voting rights; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Company re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

C. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

C.1 New and revised IFRSs in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not early-adopted the following new and revised IFRS Standards that have been issued but are not yet effective.

IFRS 17 (including the June 2020 amendments to IFRS 17)	Insurance Contracts
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its
Amendments to IAS 1	Associate or Joint Venture
Amendments to IFRS 3	Classification of liabilities as current or non-current
Amendments to IAS 16	Reference to the Conceptual Framework
Amendments to IAS 37	Property, Plant and Equipment – Proceeds before intended use
Annual improvements to IFRS Standards 2018-2020 Cycle	Onerous Contracts – Cost of fulfilling a contract
Amendments to IAS 1 and IFRS	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except as noted below:

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

C. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (continued)

C.1 New and revised IFRSs in issue but not yet effective (continued)

IFRS 17 Insurance Contracts (continued)

The project for implementation of the standard by the Group commenced and the following have been done:
- identification of key members of the project from all involved departments;
- project timetable determined;
- project team has attended preliminary inhouse training; and
- preliminary gap analysis has been performed and completed by consultant.

The next steps in the project are product categorisation, actuarial process choice assessment and detailed data requirement assessment. The outcome from these will then inform the other procedures such as transition methodology, account policies, new chart of accounts and deciding on system requirements.

The Group expects to be substantially done by 28 February 2023.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 Presentation of Financial Statements— Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

C. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (continued)

C.1 New and revised IFRSs in issue but not yet effective (continued)

Amendments to IAS 1 Presentation of Financial Statements— Classification of Liabilities as Current or Non-current (continued)

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework.

Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

C. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (continued)

C.1 New and revised IFRSs in issue but not yet effective (continued)

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract (continued)

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Annual Improvements to IFRS Standards 2018-2020—Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

The Annual Improvements include amendments to four Standards:

IFRS 1 *First-time Adoption of International Financial Reporting Standards*

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1: D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 *Financial Instruments*

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 *Leases*

The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 *Agriculture*

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

C. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (continued)

C.1 New and revised IFRSs in issue but not yet effective (continued)

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract (continued)

IAS 41 *Agriculture (continued)*

The amendment is applied prospectively, i.e., for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error;
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments. The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

C. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (continued)

C.1 New and revised IFRSs in issue but not yet effective (continued)

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

D. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

The Group's consolidated financial statements are presented in Zimbabwe dollars ("ZW$"), which is also the parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in currencies other than a Group entity' functional currency (foreign currencies) are initially recorded by the Group's entities at their respective functional currency using spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

E. BUSINESS COMBINATIONS AND GOODWILL

The gain or loss arising on re-translation of non-monetary items is treated in line with the recognition of the gain or loss on change in fair value of the item i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred to the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12, '*Income Taxes*' and IAS 19, '*Employee Benefits*' respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2, '*Share-Based Payments*' at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5, '*Non-current Assets Held for Sale and Discontinued Operations*' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Goodwill is subsequently tested for impairment at least on an annual basis and any resulting impairment is recognised immediately in the statement of comprehensive income.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

F INTANGIBLE ASSETS

The Group has two classes of intangible assets comprising goodwill and computer software. Goodwill is measured at cost and tested for impairment annually. The computer software is measured at cost.

Change in measurement model

In prior years, intangible assets, excluding goodwill, were carried at revalued amounts after initial recognition. However, as per current year assessment, this was noted as an error due to absence of an active market for the computer software from prior years.

The cumulative effects of the prior year revaluations have been corrected prospectively by including the necessary restatement adjustments as part of the current year movements between the opening and closing balances of the affected intangible assets, and related revaluation reserve, deferred tax and retained earnings. Equity component adjustments are disclosed on the statement of changes in equity.

The prospective restatement has been considered appropriate for the Group's circumstances, after having considered the extent of usefulness to users of a full retrospective adjustment as required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, given the hyperinflationary reporting environment, and the fact that this would not materially change the adverse opinion issued in respect of the prior year financial statements.

Cost Model

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

F INTANGIBLE ASSETS

F.1 Computer software

Software comprises software held by Ecocash (Private) Limited, Steward Bank Limited, Maisha Health Fund (Private) Limited, Econet Insurance (Private) Limited and EcoSure (Private) Limited.

The software and licenses are amortised as follows:

- Software held by Ecocash (Private) Limited is amortised over 5 years;
- Software held by Steward Bank Limited is amortised over 4 years;
- Software held by Maisha Health Fund (Private) Limited is amortised over 5 years;
- Software held by EcoSure (Private) Limited is amortised over 5 years; and
- Software held by Econet Insurance (Private) Limited is amortised over 5 years.

G. BORROWING COSTS

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are expensed in the period in which they are incurred.

H. PROPERTY AND EQUIPMENT

Property and equipment held for use in the production or supply of goods or services for rental to others (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on properties is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such assets is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued assets is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use. Land is not depreciated.

Depreciation is recognised so as to write off the valuation of assets less their residual values over their useful lives, using the straight-line method, on the same basis as described under the cost model above.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

H. PROPERTY AND EQUIPMENT (continued)

Depreciation is not provided on freehold land and capital projects under development classified under work in progress. Other assets are depreciated on such bases as are deemed appropriate to reduce book values to estimated residual values over their useful lives as follows:

- Buildings - 40 years
- Switching and network equipment – 3 to 25 years
- Office equipment – 4 to 10 years
- Furniture and fittings – 4 to 10 years
- Motor vehicles – 4 to 5 years

The useful lives above were determined based on the condition/age of the asset on purchase, the frequency of use, anticipated technological improvements and information for comparable assets. The residual values were determined mainly based on the estimated salvage value.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Based on the reviews performed, there were no significant changes to the determinants of the estimated useful lives, residual values and depreciation methods as noted above.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

I. INVESTMENT PROPERTIES

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

Fair values are determined based on an annual evaluation performed by an accredited external independent valuer, applying a valuation model recommended by the International Evaluation Standards Committee.

Investment properties are derecognised either when they have been disposed or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. Transfers are made to / (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

J. IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU's") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its value in use calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Goodwill is tested for impairment annually at the reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

K. BORROWINGS

The Group's loans and borrowings relate to financing wherein the consideration was received as a fixed number of listed equities in a specific entity, and are repayable in the same number of listed equities as were initially received (i.e. repayable through a non-cash settlement in the form of listed equities in the specific entity).

On initial recognition, these loans and borrowings are irrevocably designated as measured at fair value through profit or loss in order to eliminate measurement and recognition inconsistencies that would otherwise arise from measuring the related financial assets (in the form of listed equities) and financial liabilities (also in the form of listed equities), or recognising the relevant gains and losses on them, on different bases.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

K. BORROWINGS (continued)

The financial assets that are received as the consideration in respect of the loans and borrowings give rise to fair value adjustments that are triggered by changes in the listed equities' quoted share price. Fair value gains on the financial assets are recognised in profit or loss as other income. The financial liability in respect of the loans and borrowings also gives rise to fair value adjustments that are triggered by changes in the listed equities' quoted share price, and these fair value losses are recognised in profit or loss as other expenses.

The Group derecognises its loans and borrowings when, and only when, the Group's obligations are discharged through settlement that is achieved by delivery of the required number of listed equities.

L. LEASES

(a) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less and without any renewal option) and leases of low value assets (such as small items of office equipment). For these leases, the Group recognises the

Lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

L. LEASES (continued)

(a) The Group as lessee (continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of Non-financial Assets' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(b) The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

M. INVENTORIES

Measurement

Land inventory

Land inventories are measured at the lower of cost or net realisable value. The cost of inventories is based on the first-in first out principle. The Group first calculates all the costs of the whole area of land inventory (purchase price and development costs) including roads in order to ascertain the total costs of bringing the whole area of land inventory to its resalable condition. When the total cost is obtained it is then divided by the total size of the land inventory (stands) in square meters. This will result in obtaining the cost of the land inventory per square meter. When the individual stands are now sold the cost of each stand is the result of multiplying the size of the individual stand by the cost per square meter.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

M. INVENTORIES (continued)

Measurement (continued)

Consumables and other inventories
Consumables and other inventories are measured at the lower of cost or net realisable value. The cost of inventories is based on the first-in first out principle.

Impairment

Write downs to net realisable value and inventory losses are expensed in the period in which they occur. Obsolete and slow-moving inventories are identified and written down to their estimated economic or realisable value.

N. REVENUE RECOGNITION

The Group recognises revenue primarily from the rendering of financial technology services using digital platforms. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue consists of commissions, fees, interest income and premiums, and excludes value added tax, where applicable. Intra-group revenue which arises in the normal course of business is excluded from Group revenue.

The Group recognises revenue from the following major sources;

N1.1 Mobile money transaction fees

Mobile money transaction platform allows customers to transfer money, cash out money and pay for goods and services using a mobile phone. Revenue is largely earned from transfer fees, cash out fees and payment to merchant fees, based on a graduated tariff structure. Revenue is recognised at a point in time when the transaction is completed.

N1.2 Interest income

For all financial instruments measured at amortised cost, financial instruments designated at fair value through other comprehensive income (FVOCI) and financial instruments designated at fair value through profit or loss, interest income is recorded using the effective interest rate (EIR) method over time. EIR is the rate that exactly discounts estimated future cash payments receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if estimates of payments or receipts are revised. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest income' for financial assets and 'Interest expense' for financial liabilities.

Once the recorded value of a financial asset or a group of similar financial assets has been written down due to an impairment loss, interest income continues to be recognised on the unimpaired amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

N. REVENUE RECOGNITION (continued)

N1.3 Banking fee and commission income

Banking fee and commission income is earned from a diverse range of services offered to customers. Fee income can be divided into the following two categories:
- Fee income earned from services that are provided over a certain period of time; and
- Fees income from providing transaction services

These fees include commission income and asset management, custody and other management and advisory fees.

Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight-line basis.

Fee income from providing transactions services
Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

N1.4 Sale of property inventory

Revenue arising from the sale of property inventory is recognised as an amount that reflects the consideration to which the Group expects to be entitled to, in exchange of the property inventory excluding amounts collected on behalf of third parties. The revenue is measured at the transaction price agreed under the contract. In most cases, the revenue is recognised when control has been transferred, upon signing of the sale agreement. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months.

N1.5 Medical aid income

Contribution income
Contribution income is recognised in the accounting period in which contributions are received and membership is granted.

N1.6 Insurance income

Premium income
Gross premiums comprise the premiums on contracts entered into during the period. Premiums written include adjustments to premiums written in prior periods. Premium income arising from funeral cover is recognised when paid.

Premiums written comprise the premiums on insurance contracts entered into during the year irrespective of whether they relate in whole or in part to a later accounting period. Premiums are disclosed gross of commission to intermediaries and exclude levies and taxes based on premiums.

Premiums are earned from the date of attached risk, over the indemnity period, based on the pattern of risks underwritten. Premiums income arising from funeral cover is recognised when paid.

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities at fair value through profit or loss.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

N. REVENUE RECOGNITION (continued)

N.2 Dividend income

Dividend income is recognised when the Group's right to receive the payment is established (provided that it is probable that the economic benefits will flow to the Group), which is generally when shareholders approve the dividend.

N.3 Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in profit or loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

O. TAXATION

O.1 Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

O.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

O. TAXATION (continued)

O.2 Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

O.3 Current and deferred tax for the period

Current and deferred tax are recognised as income or as an expense in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

O.4 Value added tax (VAT)

Expenses and assets are recognised net of the amount of VAT, except;
- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

P. EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given in exchange for services rendered by employees or for the termination of employment. The classification, recognition and measurement of employee benefits is as follows;

a) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. The Group's short-term employee benefits comprise remuneration in the form of salaries, wages, bonuses, employee entitlement to leave pay and medical aid. The undiscounted amount of all short-term employee benefits expected to be paid in exchange for service rendered are recognised as an expense or as part of the cost of an asset during the period in which the employee renders the related service. The Group recognises the expected cost of bonuses only when the Group has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

b) Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Post-employment benefits comprise retirement benefits that are provided for Group employees through an independently administered defined contribution fund and by the National Social Security Authority (NSSA), which is also a defined contribution fund from the Group's perspective. Payments to the defined contribution fund and to the NSSA scheme are recognised as an expense when they fall due, which is when the employee renders the service. The Group has no liability for post-employment retirement benefit funds once the current contributions have been paid at the time the employees render service.

During the year, the Group contributed to the Group defined contribution fund and to the NSSA scheme.

c) Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or contractual date, or an employee's decision to accept voluntary redundancy in exchange for those benefits. The Group recognises termination benefits as a liability and an expense at the earlier of when the offer of termination cannot be withdrawn or when the related restructuring costs are recognised under IAS 37 Provisions, Contingent Liabilities and Contingents Assets.

Termination benefits are measured according to the terms of the termination contract. Where termination benefits are due more than 12 months after the reporting period, the present value of the benefits is determined. The discount rate used to calculate the present value is determined by reference to market yields on high quality corporate bonds at the end of the reporting period.

Q. FAIR VALUE MEASUREMENT

The Group measures financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss and non-financial assets such as investment properties, at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

Q. FAIR VALUE MEASUREMENT (continued)

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Directors through management determines the policies and procedures for both recurring fair value measurement, such as investment properties, and for non-recurring measurement, such as assets held-for-sale, where applicable.

External values are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by the Directors. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or reassessed according to the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

R. CASH DIVIDEND AND NON-CASH DISTRIBUTION TO EQUITY HOLDERS OF THE PARENT

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in Zimbabwe, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of comprehensive income.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

S. FINANCIAL INSTRUMENTS

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

S.1 Financial assets

Classification and measurement of financial assets
The Group classifies financial assets at initial recognition as financial assets measured at amortised cost and financial assets measured at fair value through profit or loss.

(i) Amortised cost and effective interest method

Trade and other receivables, treasury bills and government bonds, loans and advances to bank customers, amounts owed by related party companies and cash and cash equivalents are classified as financial assets at amortised cost because these instruments are held by the Group to collect contractual cashflows that are solely payments of principal and interest.

A financial asset that meets both the following condition is classified as a financial asset measured at amortised cost.
- the financial asset is held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

Interest income is recognised in profit or loss.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

S. FINANCIAL INSTRUMENTS (continued)

S.1 Financial assets (continued)

Classification and measurement of financial assets (continued)

(ii) Financial assets at FVTPL

Equity securities at fair value through profit or loss comprise quoted and unquoted securities.

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Specifically:
- investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI
- on initial recognition. Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in profit or loss. Fair value is determined in the manner described in Note R.

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;
- for financial assets measured at amortised cost, exchange differences are recognised in profit or loss;
- for financial assets measured at FVTPL, exchange differences are recognised in profit or loss; and

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on trade and other receivables, treasury bills and government bonds, loans and advances to bank customers, amounts owed by related party companies and cash and cash equivalents. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses (ECL) for trade and other receivables based on the simplified approach which takes into account forward looking information. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments such as treasury bills and government bonds, loans and advances to bank customers, amounts owed by related party companies and cash and cash equivalents, the Group applies a general approach to measure the ECL. The Group considers whether there has been a significant increase in credit risk since initial recognition on an ongoing basis. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

S. FINANCIAL INSTRUMENTS (continued)

S.1 Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12-month ECL or lifetime ECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

The Group, particularly under the banking subsidiary, applies a qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne.

The loans are ranked into Stage 1, Stage 2, Stage 3 and POCI, as described below. In certain cases, the Group may also consider that events below as significant increase in credit risk as opposed to a default:

- **Stage 1 (performing):**
  The financial assets in this stage are neither past due nor specifically impaired and are current and fully compliant with all contractual terms and conditions. When loans are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

- **Stage 2 (underperforming):**
  When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The events below may be considered a significant increase in credit risk as opposed to a default thus resulting in loans to be classified as underperforming.
  (a) Internal rating of the borrower indicating near-default.
  (b) The borrower requesting emergency funding from the Banking subsidiary.
  (c) The borrower having past due liabilities to public creditors or employees.
  (d) A material decrease in the borrower's turnover or the loss of a major customer.
  (e) A covenant breach not waived by the Banking subsidiary.
  (d) Debtor's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties.

  Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

S. FINANCIAL INSTRUMENTS (continued)

S.1 Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk

- **Stage 3 (credit impaired):**
  The bank records an allowance for the LTECLs for loans considered credit impaired. Loans are considered under this stage based on the events below which may be considered as significant increases in credit risk.

  (a) Internal rating of the borrower indicating default.
  (b) The borrower is deceased.
  (c) A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
  (d) The debtor (or any legal entity within the debtor's Banking subsidiary) filing for bankruptcy application/protection.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:
- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to repay the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

S. FINANCIAL INSTRUMENTS (continued)

S.1 Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the Group fails to collect the amount through legal proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

S. FINANCIAL INSTRUMENTS (continued)

S.1 Financial assets (continued)

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

S.2 Financial liabilities and equity

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

(i) Financial liabilities at FVTPL

Loans and borrowings have been irrevocably designated as measured at fair value through profit or loss in order to significantly reduce a measurement inconsistency that would otherwise arise from measuring the liability or recognising the gains and losses on it on different bases as the contract relates to settlement based on a non-cash item.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in profit or loss.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

S. FINANCIAL INSTRUMENTS (continued)

S.2 Financial liabilities and equity (continued)

(ii) Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The financial liabilities measured subsequently at amortised cost include trade and other payables, amounts owed to related party companies, mobile money trust liabilities and deposits due to banks and customers.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. There were no financial instruments that were offset during the year.

T. CASH AND SHORT-TERM DEPOSITS

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short- term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

U. TREASURY SHARES

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium.

V. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of the expenditure required to settle a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

W. FIDUCIARY ASSETS

To the extent that the Group provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients, the assets held in a fiduciary capacity are not reported in the financial statements, as they are not the assets of the Group.

X. OPERATING SEGMENT INFORMATION

The Group identifies segments as components of the Group that engage in business activities from which revenues are earned and expenses incurred (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The chief operating decision-maker has been identified as the Group Chief Executive Officer.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment information has been reconciled to the consolidated financial statements to take account of inter-segment transactions and transactions and balances that are not allocated to reporting segments.

Y. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:
- Note 30, Capital management
- Note 30, Financial risk management and policies
- Note 30, Sensitivity analysis disclosures

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

Y. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Y.1 Property and equipment - IAS 16

Property and equipment represent 20% (2021: 18%) of the Group's total assets at the respective reporting date.

Residual values of property and equipment

During the year management assessed the residual values of property and equipment. Residual values of each asset category have been assessed by considering the fair value of the assets after taking into account age, usage and obsolescence. These residual values are reassessed each year and adjustments are made where appropriate. The valuation methods adopted in this process involve significant judgment and estimation.

Useful lives of property and equipment

Management performed a review of the useful life of property and equipment based on the outcome of valuation reports from the engaged professional valuers, the age of the equipment, technological advancements and current use of the equipment. The determination of the remaining estimated useful lives of the items of property equipment requires significant judgement.

Revaluation of property and equipment

Property and equipment were revalued to their fair value based on the valuation performed by third party professional valuers. Changes in fair value net of deferred tax were recognised in other comprehensive income. The fair values of equipment were determined using the gross replacement cost approach that reflects the cost to a market participant to construct or purchase an asset of comparable utility and age, adjusted for obsolescence and physical deterioration. The fair values of land and buildings were determined using comparable method of valuation whereby sales similar to the subject property being valued were collected as comparatives and the value was established. The hyperinflationary environment has made it increasingly difficult to determine the fair value of property and equipment in local currency.

The qualified valuers, therefore, determined property values in USD and converted to local currency at the ruling interbank exchange rate as at 28 February 2022. Refer to Note 10.2 for detailed information on revaluation of property and equipment.

Y.2 Intangible assets - IAS 38

Intangible assets include goodwill and computer software. Goodwill was recognised from the acquisition of Steward Bank (Private) Limited and MARS (Private) Limited.

The annual goodwill impairment test was conducted together with a sensitivity analysis of the value in use to changes in the key assumptions used to determine its present value. The pre-tax discount rate applied to cash flow projections used in calculating the value in use is 64.02% (2021: 21%). A growth rate of 3.5% (2021: 8%) was assumed for perpetuity into the future for cashflows. The Directors believe that the changes in key assumptions used in this analysis were within reasonable and likely outcome ranges and would not cause excess of the carrying amount over the respective value in use of the investments.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

Y. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Y.2 Intangible assets - IAS 38 (continued)

Useful lives of computer software

The useful life used to amortise intangible assets relates to the future performance of the assets acquired and management's judgment of the period over which economic benefit will be derived from the asset. The basis for determining the useful life for the intangible assets is as follows:

The useful life is determined by management at the time the software is acquired and brought into use and is regularly reviewed for appropriateness. For computer software licenses, the useful life represents management's view of the period over which the Group will receive benefits from the software, but not exceeding the license term.

Y.3 Impairment reviews - IAS 36

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cashflow ("DCF") model applying a discount rate of 64.02% (2021: 21%). A growth rate of 3.5% (2021: 8%) was assumed for perpetuity into the future for cashflows.

The cash flows are derived from approved budgets for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance or the Cash Generating Unit (CGU) being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Refer to Note 13 for additional information.

Y.4 Provisions

Provision for unpaid claims

The Group engaged actuaries to estimate the provision for unpaid claims on the insurance business. The incurred but not reported (IBNR) provision is calculated as an estimate of all claims incurred before the reporting date but only reported subsequent to year end. The Company engages an independent actuarial consultant to determine the estimate of the amount of the IBNR provision at the end of each reporting period.

The IBNR claims provision was estimated using the Bornhuetter-Ferguson (BF) method. This method uses a combination of the Chain-Ladder Method (using an estimate of the settlement pattern of claims incurred) and an Initial Expected Loss Ratio. This method provides more prudent reserves in the current operating environment (having endured the novel COVID19 impact and general operating uncertainties from economic instability). The Basic chain ladder and the Cape-Cod methods were then used for actuarial peer review, and to sense check the reserves coming from the BF Method.

The model, assumptions and inputs to this determination involve elements of subjectivity that give rise to the possibility that actual outcomes could differ from those expected.

Y.5 Deferred revenue

Only revenue relating to the expired portion of an insurance contract is earned during that period. The unearned premium reserve (UPR) is an estimate of the amounts of premiums received in respect of insurance cover but that have not yet been earned as at the end of the reporting period, due to the unexpired portion of the insurance contract. The Company engages an actuary to determine the estimate of the amount of the UPR at the end of each reporting period. Unearned premiums are calculated on the 1/365 days basis.

The model, assumptions and inputs to this determination involve elements of subjectivity that give rise to the possibility that actual outcomes could differ from those expected.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

Y. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Y.6 Valuation of investment property

The Group engages third party independent valuers to determine fair value. Consistent with the prior year, the valuers made use of level 2 inputs by using comparable market evidence based on lease and purchase transactions of similar buildings and residential stands to determine the fair value estimate of investment property. Where the fair values of investment property cannot be derived from an active market, they are determined using a variety of valuation techniques. Fair valuation of properties is difficult to ascertain as market comparable sales are not as readily available as a result of depressed economic activity which has resulted in a limited number of open market sales. Furthermore, the hyperinflationary environment has made it increasingly difficult to determine the fair value in local currency. The qualified valuers, therefore, determined property values in USD and converted to local currency at the ruling interbank exchange rate as at 28 February 2022.

Determining the valuation technique to use and the inputs requires significant judgment. Refer Note 12 for more detail on valuation of investment property.

Y.7 Impairment losses on loans and advances to bank customers – IFRS 9

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. For the banking subsidiary expected credit losses (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- the bank's internal credit grading model, which assigns probability of defaults (PDs) to the individual grades;
- the criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime expected credit loss basis and the qualitative assessment;
- the segmentation of financial assets when their ECL is assessed on a collective basis;
development of ECL models, including the various formulas and the choice of inputs;
- determination of associations between macroeconomic scenarios and economic inputs, such as inflation levels and collateral values; and
- selection of forward-looking macroeconomic scenarios such as GDP growth, inflation rate, employment and general government expenditure and their probability weightings, to derive the economic inputs into the ECL models

Refer to Note 20 for the carrying amount of loans and advances to customers and more information on the impairment of loans and advances to customers.

Y.8 Taxation – IAS 12

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. Further details on taxes are disclosed in Note 14.

The Group has been making payments towards a claim raised by the tax authority with regards to Intermediated Money Transfer Tax (IMTT) on specified transactions. Payments are being made before finalisation of the case due to a regulatory requirement for taxpayers to settle tax obligations or penalties pending appeal. The Group firmly believes in its interpretation of the law on IMTT and significant management judgement has been made to determine that all payments made will eventually be recovered at the conclusion of the matter.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

Y. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Y.9 Functional and presentation currency – IAS 21

The Group changed its functional and reporting currency with effect from 28 February 2019 following the promulgation of Statutory Instrument 33 of 2019 ("SI 33 of 2019") which came into effect on 22 February 2019. As a consequence of the legal requirements prescribed by SI 33 of 2019, the Group reported the statement of profit or loss and other comprehensive income using an exchange rate of 1 to 1 between the RTGS dollar and the US dollar despite the varied exchange rates that were imputed in commercial transactions during that period.

Y.10 Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR reflects what the Group 'would have to pay' and this required estimation and significant judgement as the observable inputs such as market interest rates obtained needed to be adjusted to reflect the terms and conditions of the lease. Based on estimation and judgement, as a result of the inflationary environment, leases categorised as long term have a higher borrowing rate in comparison to those in the short to medium term category.

Y.11 Analysis of expenses recognised in profit or loss using a classification based on function

The Group analyses expenses recognized in profit or loss based on their function within the entity. This analysis is presented directly in the statement of profit or loss and other comprehensive income.

Additional line items are also included in the statement of profit or loss and other comprehensive income where the group believes such presentation is relevant to an understanding of the Group's financial performance.

The Group earns revenue mainly from mobile money transfer services, digital banking services and insurance services, that are all done over mobile and internet networks. The cost of sales and external services rendered therefore comprises principally only those expenses that can be directly attributable to the revenue generated. These include costs such as SMS notification costs, mobile network usage costs, commissions on mobile money transfers, reinsurance premiums and insurance claims, among others.

The principal business of the Group's banking subsidiary is to provide loans and advances to its customers. Interest income on loans and advances is included within revenue. The process of lending has inherent risks related to defaults on repayments that are recognized through expected credit losses. Because of the inherent risk, the Group includes the expected credit losses attributable to loans and advances in the determination of gross profit.

Impairment losses related to financial instruments measured at amortised cost, other than loans and advances, are presented as a component of general administration and other expenses.

Z. DIRECTORS' EXPLANATORY NOTE ON THE ADVERSE AUDIT OPINION

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, due to reporting the multiple factors in the environment, including but not limited to the legislative framework and economic variables affecting companies operating in Zimbabwe in areas noted below this information in a way is contradictory to International Financial Reporting Standards. This has resulted in certain qualifications to these financial statements. Economic variables changed at an extremely fast pace during the period under audit. These circumstances require care and attention by users of financial statements in their interpretation of financial information presented under such conditions. The opinion on the financial statements has been modified in the following respects;

EcoCash HOLDINGS ZIMBABWE LIMITED

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

Z. DIRECTORS' EXPLANATORY NOTE ON THE ADVERSE AUDIT OPINION (continued)

Valuation of property and equipment and investment property

The Directors engaged the services of independent professional valuers to determine the United States dollar (USD) value of the all the property and equipment and investment property. Whilst the USD value of the properties is not in question, the auditors have qualified these financial statements in respect of the conversion of these USD values to Zimbabwe dollars (ZW$). The basis is that there is multiplicity of exchange rates that one could have applied to determine the appropriate Zimbabwe dollar values.

The Directors have selected to apply the Reserve Bank of Zimbabwe Auction Rate, at the closing date, as this is the only recognised legal rate of exchange in the country. In the disclosures to these financial statements the Directors have provided the appropriate information as well as sensitivity analysis that allows users of these financial statements to perform adjustments they may deem relevant if they have a different view to that taken by the Directors in the conversion of the United States dollars to Zimbabwe dollar values.

Valuation of USD denominated unquoted investments measured at fair value through profit or loss

Valuation experts were engaged to perform a valuation of the unquoted equities which are carried in the financial statements at fair value. Current market practices in Zimbabwe in the trade of assets is to infer a ZW$ transaction price based on USD fair values translated at an exchange rate mutually agreed on between the buyer and the seller. The exchange rates applied are subjective to each transaction. In valuing the Group's unquoted equities, the appointed valuation experts followed this approach, resulting in a myriad of unobservable exchange rates being applied to USD basis to determine the ZW$ fair values. The exchange rates used are unobservable and were not considered appropriate spot rates per requirements of IAS 21.

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

The Group has prospectively adjusted the current year inflation-adjusted consolidated financial statement opening balances with respect to the matter noted below and this is explained on B.4.

- Prospective restatement in the current year of a prior period error on measurement of intangible assets.

Inability to separately present gross exchange gains and gross exchange losses for the banking subsidiary

The Group has not been able to present gross exchange gains and gross exchange losses separately as would be required by IAS 1, 'Presentation of Financial Statements' because of system limitations with determining the separate gross exchange loss and gross exchange gains numbers for its banking subsidiary. The matter has no impact on the reported profit and total comprehensive income for the year, but it has an impact on the presentation required by IAS 1.

AA. PROSPECTIVE RESTATEMENT IN THE CURRENT YEAR OF A PRIOR PERIOD ERROR ON MEASUREMENT OF INTANGIBLE ASSETS

In prior years, computer software was carried at revalued amounts after initial recognition. However, as per current year assessment, this was noted as an error due to absence of an active market for the computer software from prior years.

The cumulative effects of the prior year revaluations have been corrected prospectively by including the necessary restatement adjustments as part of the current year movements between the opening and closing balances of the affected intangible assets, and related revaluation reserve, deferred tax and retained earnings. Equity component adjustments are disclosed on the statement of changes in equity.

The opening cost and accumulated amortisation for computer software had been overstated by an inflation adjusted amount of ZW$62million and ZW$835m respectively. The revaluation reserve thereof had been overstated by ZW$303m and retained earnings had been understated by ZW$901m.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

1. OPERATING SEGMENTS

The principal activities set out below are the basis on which the Group reports its primary segment information.

For management purposes, the Group is organised into business units based on their products and services and has the following reportable segments:

- **Mobile Money Services**
  Ecocash (Private) Limited provides mobile money transfer and payment services.

- **Digital Banking Services**
  Steward Bank Limited provides retail, corporate, and investment banking services in the key economic centres of Zimbabwe.

- **InsurTech Services**
  Included in this segment is EcoSure (Private) Limited which is engaged in the business of providing funeral assurance cover, group life cover and credit and medical insurance cover, Econet Insurance (Private) Limited which provides short-term insurance cover and Maisha Health Fund (Private) Limited which provides medical aid cover to corporates and individuals as well as administration services for closed medical schemes.

- **Investments and Other**
  Included in this segment is Econet Services (Private) Limited which is a special purpose vehicle for nascent projects and EcoCash Holdings (Private) Limited, the Group's holding company.

Reporting

Management monitors the operating results of its business units separately for the purposes of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss for the year in the consolidated financial statements.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

1. OPERATING SEGMENTS (continued)

Segment information for the year ended 28 February 2022

INFLATION ADJUSTED	Mobile Money services ZW$ '000	Digital Banking services ZW$ '000	InsurTech services ZW$ '000	Other segments ZW$ '000	Adjustment Journal and Eliminations ZW$ '000	Total ZW$ '000
For the year ended 28 February 2022						
Revenue	1 7,312,761	5,158,497	4,206,553	1,672,994	(1,065,854)	**27,284,951**
Interest income from banking operations	-	2,644,448	-	-	-	**2,644,448**
Finance costs	(171,875)	(8,218)	(96,393)	(532,987)	421,556	**(387,917)**
Fair value adjustments on financial assets	1,341,203	465,542	2,470,375	190,617	(789,468)	**3,678,269**
Depreciation, amortisation and impairment	(1,033,903)	(918,611)	(289,552)	(326,050)	-	**(2,568,116)**
Segment profit / (loss)	2,230,192	976,155	1,765,695	(3,642,581)	-	**1,329,461**
Segment assets	15,936,208	28,751,016	6,464,174	20,102,451	(23,513,849)	**47,740,000**
Segment liabilities	8,850,575	19,924,693	2,798,131	10,353,928	(5,794,229)	**36,133,098**
Analysis of additions during the year						
Additions to property and equipment	342,173	1,384,094	40,759	20,019	-	**1,787,045**
Additions to intangible assets	-	416,414	39,045	-	-	**455,459**
Additions to investment properties	-	53,494	-	-	-	**53,494**
For the year ended 28 February 2021						
Revenue	14,281,351	4,148,428	3,668,742	1,705,962	(910,097)	**22,894,386**
Interest income from banking operations	-	855,913	-	-	-	**855,913**
Finance costs	(160,051)	(13,360)	(25,619)	(317,536)	92,521	**(424,045)**
Fair value adjustments on financial assets	76,089	-	983,169	-	(146,538)	**912,720**
Depreciation, amortisation and impairment	(606,934)	(2,817,256)	(239,760)	(335,105)	-	**(3,999,055)**
Segment profit / (loss)	968,715	(1,500,532)	(2,209,961)	1,010,221	-	**(1,731,557)**
Segment assets	16,631,557	22,877,491	4,308,562	19,477,578	(20,482,730)	**42,812,458**
Segment liabilities	12,288,086	19,042,974	2,431,308	6,635,709	(5,736,977)	**34,661,100**
Analysis of additions during the year						
Additions to property and equipment	346,524	367,106	18,934	146,828	-	**879,392**
Additions to intangible assets	-	62,925	-	8,689	-	**71,614**
Additions to investment properties	-	781,213	-	-	-	**781,213**

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

1. OPERATING SEGMENTS (continued)

Segment information for the year ended 28 February 2022

HISTORICAL*	Mobile Money services ZW$ '000	Digital Banking services ZW$ '000	InsurTech services ZW$ '000	Other segments ZW$ '000	Adjustment Journal and Eliminations ZW$ '000	Total ZW$ '000
For the year ended 28 February 2022						
Revenue	13,086,617	3,957,047	3,114,557	1,285,480	(803,390)	**20,640,311**
Interest income from banking operations	-	2,079,540	-	-	-	**2,079,540**
Finance costs	(124,552)	(5,938)	(73,158)	(407,090)	325,268	**(285,470)**
Fair value adjustments on financial assets	1,562,061	579,780	2,651,356	167,626	(739,790)	**4,221,033**
Depreciation, amortisation and impairment	(603,239)	(359,257)	(174,779)	(73,462)	-	**(1,210,737)**
Segment profit / (loss)	3,123,049	2,041,994	1,971,077	(5,225,965)	-	**1,910,155**
Segment assets	15,070,757	26,118,059	3,304,128	6,974,117	(8,909,510)	**42,557,551**
Segment liabilities	8,551,725	19,184,442	2,390,109	10,690,015	(5,794,230)	**35,022,061**
Analysis of additions during the year						
Additions to property and equipment	267,178	1,238,040	32,464	14,868	-	**1,552,550**
Additions to intangible assets	-	365,797	31,977	-	-	**397,774**
Additions to investment properties	-	40,792	-	-	-	**40,792**
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**
Finance costs	(73,323)	(4,394)	(11,456)	(142,320)	40,987	**(190,506)**
Fair value adjustments on financial assets	45,807	-	799,113	-	(61,933)	**782,987**
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**
Analysis of additions during the year						
Additions to property and equipment	257,366	175,246	7,124	49,732	-	**489,468**
Additions to intangible assets	-	146,222	-	1,575	-	**147,797**
Additions to investment properties	-	36,192	-	-	-	**36,192**

* *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 elimination amount on revenue relates to Steward Bank License Fees to the Mobile Money Platform.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

2. REVENUE

The group derives revenue from transfer of goods and services over time and at a point in time in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 (see Note 1).

	INFLATION ADJUSTED					
	Mobile Money Fees ZW$ '000	Interest income ZW$ '000	Bank commission income ZW$ '000	Insurance revenue ZW$ '000	Other ZW$ '000	Group total ZW$ '000
Year ended 28 February 2022						
Segment revenue	17,312,761	2,644,448	5,158,497	4,206,553	1,672,994	**30,995,253**
Inter-segment revenue	-	-	(1,065,854)	-	-	**(1,065,854)**
Revenue from external customers	**17,312,761**	**2,644,448**	**4,092,643**	**4,206,553**	**1,672,994**	**29,929,399**
Timing of revenue recognition						
At a point in time	17,312,761	-	4,092,643	-	1,672,994	**23,078,398**
Over time	-	2,644,448	-	4,206,553	-	**6,851,001**
Total revenue	**17,312,761**	**2,644,448**	**4,092,643**	**4,206,553**	**1,672,994**	**29,929,399**
Year ended 28 February 2021						
Segment revenue	14,281,351	855,913	4,148,428	3,668,742	1,705,962	**24,660,396**
Inter-segment revenue	-	-	(910,097)	-	-	**(910,097)**
Revenue from external customers	**14,281,351**	**855,913**	**3,238,331**	**3,668,742**	**1,705,962**	**23,750,299**
Timing of revenue recognition						
At a point in time	14,281,351	-	3,238,331	-	1,705,962	**19,225,644**
Over time	-	855,913	-	3,668,742	-	**4,524,655**
Total revenue	**14,281,351**	**855,913**	**3,238,331**	**3,668,742**	**1,705,962**	**23,750,299**

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

2. REVENUE (continued)

The group derives revenue from transfer of goods and services over time and at a point in time in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 (see Note 1).

	HISTORICAL*					
	Mobile Money Fees ZW$ '000	Interest income ZW$ '000	Bank commission income ZW$ '000	Insurance revenue ZW$ '000	Other ZW$ '000	Group total ZW$ '000
Year ended 28 February 2022						
Segment revenue	13,086,617	2,079,540	3,957,047	3,114,557	1,285,480	**23,523,241**
Inter-segment revenue	-	-	(803,390)	-	-	**(803,390)**
Revenue from external customers	**13,086,617**	**2,079,540**	**3,153,657**	**3,114,557**	**1,285,480**	**22,719,851**
Timing of revenue recognition						
At a point in time	13,086,617	-	3,153,657	-	1,285,480	**17,525,754**
Over time	-	2,079,540	-	3,114,557	-	**5,194,097**
Total revenue	**13,086,617**	**2,079,540**	**3,153,657**	**3,114,557**	**1,285,480**	**22,719,851**
Year ended 28 February 2021						
Segment revenue	5,886,788	386,701	1,835,170	1,649,673	758,881	**10,517,213**
Inter-segment revenue	-	-	(370,827)	-	-	**(370,827)**
Revenue from external customers	**5,886,788**	**386,701**	**1,464,343**	**1,649,673**	**758,881**	**10,146,386**
Timing of revenue recognition						
At a point in time	5,886,788	-	1,464,343	-	758,881	**8,110,012**
Over time	-	386,701	-	1,649,673	-	**2,036,374**
Total revenue	**5,886,788**	**386,701**	**1,464,343**	**1,649,673**	**758,881**	**10,146,386**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

EcoCash HOLDINGS ZIMBABWE LIMITED

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

3. PROFIT / (LOSS) BEFORE TAXATION

Profit / (Loss) before taxation is arrived at after taking the following income / (expenditure) into account:

	Notes	INFLATION ADJUSTED 2022 ZW$ '000	INFLATION ADJUSTED 2021 ZW$ '000	HISTORICAL* 2022 ZW$ '000	HISTORICAL* 2021 ZW$ '000
Movement in expected credit loss allowance - trade and other receivables	19	(486,970)	(55,218)	(436,840)	(33,242)
Bank		2,409	(3,704)	331	(2,926)
Other		(489,379)	(51,514)	(437,171)	(30,316)
Movement in expected credit loss allowance - loans and advances to bank customers	20.4	(80,323)	(217,873)	(54,681)	(79,516)
Movement in expected credit loss allowance - cash and cash equivalents		(39,415)	(178,581)	64,953	(107,509)
Movement in expected credit loss allowance - treasury bill and government bonds		(304,767)	(82,949)	(230,527)	10,608
Bad debts recovered		8,894	12,588	6,369	5,112
Office expenses		(5,166,666)	(4,370,881)	(3,910,516)	(1,936,309)
Computer expenses		(1,990,979)	(1,486,285)	(1,664,537)	(752,570)
Call centre expenses		(497,600)	(419,782)	(353,162)	(226,948)
Consultancy, legal & professional fees		(280,512)	(225,014)	(238,926)	(75,735)
Other operating expenses**		(1,890,245)	(1,539,831)	(1,562,261)	(661,125)
Auditors remuneration		(286,821)	(194,640)	(222,119)	(83,560)
Inventory write-offs		(33,065)	(6,824)	(8,546)	-
Loss on disposal of property and equipment and assets held for sale		(2,578)	(10)	(1,862)	(2,860)
Employee benefits		(5,427,815)	(3,278,376)	(4,273,489)	(1,396,584)
- short-term benefits		(5,262,359)	(3,221,210)	(4,150,085)	(1,370,667)
- termination benefits		(37,036)	(11,815)	(26,232)	(6,355)
- post-employment benefits		(128,420)	(45,351)	(97,172)	(19,562)
Depreciation, amortisation and impairment		(2,568,116)	(3,999,055)	(1,210,737)	(345,431)
- Depreciation of property and equipment	10	(1,804,462)	(1,386,930)	(1,132,545)	(279,152)
- Impairment of property and equipment	10	(23,575)	(1,045,743)	(7,490)	(15,236)
- Amortisation of right of use assets	11	(257,873)	(99,170)	(25,252)	(12,604)
- Amortisation of intangible assets	13	(250,325)	(397,903)	(41,704)	(33,988)
- Impairment of intangible assets	13	(231,529)	(1,069,309)	(3,746)	(4,451)
- Impairment of assets held for sale	17	(352)	-	-	-

* The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.

** Included in other expenses are call centre costs, consultancy fees, penalties, legal costs, motor vehicles, rent and related costs, professional costs and travelling costs.

4. FINANCE INCOME

	Notes	INFLATION ADJUSTED 2022 ZW$ '000	INFLATION ADJUSTED 2021 ZW$ '000	HISTORICAL* 2022 ZW$ '000	HISTORICAL* 2021 ZW$ '000
Interest earned from financial instruments measured at amortised cost					
Interest from bank deposits		2,040	518	1,870	312
Interest earned from treasury bills and government bonds	15.1	12,982	11,838	10,330	7,384
Interest earned from other receivables		804	1,503	600	554
		15,826	**13,859**	**12,800**	**8,250**

* The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

5. FINANCE COSTS

	Notes	INFLATION ADJUSTED 2022 ZW$ '000	INFLATION ADJUSTED 2021 ZW$ '000	HISTORICAL* 2022 ZW$ '000	HISTORICAL* 2021 ZW$ '000
Interest on financial instruments measured at amortised cost					
Interest on loans and bank overdrafts**		(2,799)	(1,314)	(2,799)	(5,159)
Interest to related parties		(376,733)	(407,992)	(276,566)	(184,648)
Finance lease charges	32.1	(8,385)	(14,739)	(6,105)	(699)
		(387,917)	**(424,045)**	**(285,470)**	**(190,506)**

* 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 interest rate applied is based on an effective interest rate calculated using the cash flow obligations arising under the terms of the loans.

6. DISCLOSURE OF TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME

	INFLATION ADJUSTED Gross amount ZW$ '000	INFLATION ADJUSTED Tax effect ZW$ '000	INFLATION ADJUSTED Net Amount ZW$ '000	HISTORICAL* Gross amount ZW$ '000	HISTORICAL* Tax effect ZW$ '000	HISTORICAL* Net Amount ZW$ '000
28 February 2022						
Items that will not be reclassified subsequently to profit or loss						
Gain arising on revaluation of property and equipment & intangible assets	2,115,464	(525,779)	1,589,685	4,113,592	(1,000,917)	3,112,675
Other comprehensive income, net of tax	**2,115,464**	**(525,779)**	**1,589,685**	**4,113,592**	**(1,000,917)**	**3,112,675**
29 February 2021						
Items that will not be reclassified subsequently to profit or loss						
Gain arising on revaluation of property and equipment & intangible assets	353,509	(82,507)	271,002	3,033,510	(729,159)	2,304,351
Other comprehensive income, net of tax	**353,509**	**(82,507)**	**271,002**	**3,033,510**	**(729,159)**	**2,304,351**

* The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

7. OTHER INCOME / (EXPENSES)

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
7.1 Other income				
Sundry income	514,648	140,130	379,300	58,677
Fair value adjustment on financial assets (Note 16)	3,678,269	912,720	4,221,033	782,987
Fair value adjustment on investment property (Note 12)	15,703	92,844	752,555	924,204
	4,208,620	**1,145,694**	**5,352,888**	**1,765,868**
7.2 Other expenses				
Fair value adjustment on assets held for sale	-	(1,591)	-	-
Fair value adjustment on loan (Note 25)	(1,939,918)	-	(1,939,918)	-
Management fees	-	(149,697)	-	(64,787)
	(1,939,918)	**(151,288)**	**(1,939,918)**	**(64,787)**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

8. INCOME TAX (EXPENSE) / CREDIT

		INFLATION ADJUSTED		HISTORICAL*	
	Notes	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Current income tax		(1,979,969)	(971,612)	(1,455,538)	(316,910)
Deferred tax	**14.3, 14.6**	(363,968)	444,665	(112,453)	410,225
Withholding tax		(784)	(58)	(784)	(35)
Income tax (expense) / credit		**(2,344,721)**	**(527,005)**	**(1,568,775)**	**93,280**
Tax rate reconciliation					
Profit / (loss) before taxation		3,674,182	(1,204,552)	3,478,930	(219,625)
Reconciliation of tax charge:					
Normal tax credit / (expense) at 24.72%		(908,258)	297,766	(859,991)	54,291
Net dis-allowable expenses		(1,436,463)	(824,771)	(708,784)	38,989
Income tax (expense) / credit		**(2,344,721)**	**(527,005)**	**(1,568,775)**	**93,280**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Net disallowable expenses comprise non-taxable income and non-deductible expenses. Non-taxable income includes fair value gains and dividend income. Non-deductible expenses include donations, entertainment and intermediated money transfer tax.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

9. EARNINGS PER SHARE

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Profit / (loss) for the year attributable to ordinary shareholders	1,123,436	(1,488,633)	1,671,487	(227,977)
Adjustment for capital items (net of tax):				
Loss on disposal of property and equipment	1,941	8	1,402	2,153
Impairment of property and equipment	17,653	10,621	5,638	11,470
Impairment of intangible assets	174,295	11,209	2,820	3,351
Headline earnings / (loss) attributable to ordinary shareholders	**1,317,325**	**(1,466,795)**	**1,681,347**	**(211,003)**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Basic earnings per share basis
The calculation is based on the profit attributable to ordinary shareholders and the weighted average number of shares in issue for the year which participated in the profit of the Group.

Diluted earnings per share basis
The calculation is based on the profit attributable to ordinary shareholders and the weighted average number of shares in issue after adjusting for conversion of share options not yet exercised and convertible instruments (as applicable). There were no instruments with a dilutive effect at the end of the financial year.

Headline earnings per share basis
Headline earnings comprise basic earnings attributable to ordinary shareholders adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects in accordance with SAICA circular requirements.

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	2,590,577,241	2,590,577,241	2,590,577,241	2,590,577,241
Basic (loss) / earnings per share (ZW$)	**0.434**	**(0.575)**	**0.645**	**(0.088)**
Headline (loss) / earnings per share (ZW$)	**0.509**	**0.242**	**0.649**	**(0.081)**
Diluted basic (loss) / earnings per share (ZW$)	**0.434**	**(0.575)**	**0.645**	**(0.088)**
Diluted headline earnings / (loss) per share (ZW$)	**0.509**	**0.242**	**0.649**	**(0.081)**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

10. PROPERTY AND EQUIPMENT

INFLATION ADJUSTED	Land and Buildings ZW$ '000	Switching and Network Equipment ZW$ '000	Office Equipment ZW$ '000	Furniture and Fittings ZW$ '000	Vehicles ZW$ '000	Work-in-Progress ZW$ '000	Total ZW$ '000
At Cost/ Valuation							
At 1 March 2020	**465,518**	**3,817,614**	**1,519,104**	**604,124**	**976,157**	**2,834,310**	**10,216,827**
Additions	133,175	714	34,781	64,073	72,496	574,153	**879,392**
Disposals	-	-	-	-	(482)	-	**(482)**
Transfer to intangible assets	-	-	-	-	-	(214,377)	**(214,377)**
Impairment	-	-	(914)	(20)	(4,007)	(66)	**(5,007)**
Revaluation of property and equipment	(46,837)	3,237,231	2,099,757	206,344	(58,036)	-	**5,438,459**
Transfer from work in progress	284,501	-	1,385,085	94,414	5,840	(1,769,840)	**-**
Impact of change in IAS 29 applicable start date	-	-	-	-	-	263,027	**263,027**
Transfers to assets held for sale	-	-	-	(14,109)	-	-	**(14,109)**
Transfers from inventory	-	-	56,834	-	-	-	**56,834**
At 28 February 2021	**836,357**	**7,055,559**	**5,094,647**	**954,826**	**991,968**	**1,687,207**	**16,620,564**
Additions	1,209,145	967	15,268	26,971	1,894	532,800	**1,787,045**
Disposals	-	-	(249,494)	-	-	-	**(249,494)**
Impairment	(49)	-	(53)	(7,912)	(14,881)	-	**(22,895)**
Revaluation of property and equipment	983,210	28,971,446	25,426,679	(13,658)	229,116	-	**55,596,793**
Transfer from work in progress	-	375,867	73,894	3,386	24,954	(478,101)	**-**
Transfers to assets held for sale	-	-	-	-	(476)	-	**(476)**
At 28 February 2022	**3,028,663**	**36,403,839**	**30,360,941**	**963,613**	**1,232,575**	**1,741,906**	**73,731,537**
Accumulated depreciation & impairment							
At 1 March 2020	**(17,121)**	**(709,913)**	**(405,824)**	**(164,551)**	**(104,836)**	**-**	**(1,402,245)**
Charge for the year	(37,392)	(464,527)	(666,365)	(79,654)	(138,992)	-	**(1,386,930)**
Impairment	-	-	(733,907)	(295,432)	(11,397)	-	**(1,040,736)**
Revaluation of property and equipment	(27,865)	(3,045,689)	(2,005,926)	(94,441)	(186)	-	**(5,174,107)**
Disposals	-	-	-	-	110	-	**110**
At 28 February 2021	**(82,378)**	**(4,220,129)**	**(3,812,022)**	**(634,078)**	**(255,301)**	**-**	**(9,003,908)**
Charge for the year	(97,641)	(819,683)	(634,348)	(94,021)	(158,769)	-	**(1,804,462)**
Revaluation of property and equipment	-	(28,465,118)	(24,842,360)	(6,518)	(167,468)	-	**(53,481,464)**
Disposals	-	-	236,706	-	-	-	**236,706**
Reclassification	-	-	(90)	91	(1)	-	**-**
At 28 February 2022	**(180,019)**	**(33,504,930)**	**(29,052,114)**	**(734,526)**	**(581,539)**	**-**	**(64,053,128)**
CARRYING AMOUNT							
At 28 February 2022	**2,848,644**	**2,898,909**	**1,308,827**	**229,087**	**651,036**	**1,741,906**	**9,678,409**
At 28 February 2021	**753,979**	**2,835,430**	**1,282,625**	**320,748**	**736,667**	**1,687,207**	**7,616,656**

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

10. PROPERTY AND EQUIPMENT (continued)

HISTORICAL*	Land and Buildings ZW$ '000	Switching and Network Equipment ZW$ '000	Office Equipment ZW$ '000	Furniture and Fittings ZW$ '000	Vehicles ZW$ '000	Work-in-Progress ZW$ '000	Total ZW$ '000
At Cost/ Valuation							
At 1 March 2020	**66,473**	**545,140**	**216,922**	**86,267**	**139,116**	**165,603**	**1,219,521**
Additions	65,510	252	19,629	18,643	25,137	360,297	**489,468**
Disposals	-	-	-	-	(211)	-	**(211)**
Impairment	(113)	-	-	(15,110)	-	(13)	**(15,236)**
Revaluation of property and equipment	342,180	3,751,189	2,027,551	240,539	403,225	-	**6,764,684**
Transfers from work in progress	48,301	177,283	80,760	11,600	10,991	(328,935)	**-**
Transfers to intangible assets	-	-	-	-	-	(47,858)	**(47,858)**
Transfers to assets held for sale	-	-	-	(6,941)	-	-	**(6,941)**
Transfers from inventory	-	-	10,274	-	-	-	**10,274**
At 28 February 2021	**522,351**	**4,473,864**	**2,355,136**	**334,998**	**578,258**	**149,094**	**8,413,701**
Additions	1,072,211	900	11,100	18,974	1,214	448,151	**1,552,550**
Disposals	-	-	(209,347)	-	-	-	**(209,347)**
Impairment	(29)	-	-	(4,764)	(2,697)	-	**(7,490)**
Revaluation of property and equipment	1,419,571	31,929,077	26,777,066	155,549	555,259	-	**60,836,522**
Transfers from work in progress	-	-	38,068	-	5,391	(43,459)	**-**
Transfers to assets held for sale	-	-	-	-	(423)	-	**(423)**
At 28 February 2022	**3,014,104**	**36,403,841**	**28,972,023**	**504,757**	**1,137,002**	**553,786**	**70,585,513**
Accumulated depreciation & impairment							
At 1 March 2020	**(2,444)**	**(101,373)**	**(57,950)**	**(23,497)**	**(14,970)**	**-**	**(200,234)**
Charge for the year	(47,403)	(68,863)	(124,502)	(17,160)	(21,224)	-	**(279,152)**
Write offs	-	-	2	70	-	-	**72**
Revaluation of property and equipment	(18,596)	(2,370,363)	(1,389,267)	(99,222)	(90,202)	-	**(3,967,650)**
Disposals	-	-	-	-	49	-	**49**
At 28 February 2021	**(68,443)**	**(2,540,599)**	**(1,571,717)**	**(139,809)**	**(126,347)**	**-**	**(4,446,915)**
Charge for the year	(97,020)	(493,469)	(395,418)	(50,479)	(96,159)	-	**(1,132,545)**
Revaluation of property and equipment	-	(30,470,861)	(25,903,215)	(85,384)	(263,469)	-	**(56,722,929)**
Disposals	-	-	207,164	-	-	-	**207,164**
At 28 February 2022	**(165,463)**	**(33,504,929)**	**(27,663,186)**	**(275,672)**	**(485,975)**	**-**	**(62,095,225)**
CARRYING AMOUNT							
At 28 February 2022	**2,848,641**	**2,898,912**	**1,308,837**	**229,085**	**651,027**	**553,786**	**8,490,288**
At 29 February 2021	**453,908**	**1,933,265**	**783,419**	**195,189**	**451,911**	**149,094**	**3,966,786**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

10. PROPERTY AND EQUIPMENT (continued)

10.1 Values of property and equipment under historic cost convention

Had the Group's property and equipment been measured on a historic cost basis, the related carrying amounts at year-end would have been as follows;

	Land and Buildings ZW$ '000	Switching and Network Equipment ZW$ '000	Office Equipment ZW$ '000	Furniture and Fittings ZW$ '000	Vehicles ZW$ '000	Work-in-Progress ZW$ '000	Total ZW$ '000
INFLATION ADJUSTED							
Cost	2,077,798	3,087,995	4,368,743	1,417,622	570,228	1,741,906	**13,264,291**
Accumulated Depreciation	(135,033)	(1,284,210)	(1,798,008)	(469,016)	(309,049)	-	**(3,995,317)**
At 28 February 2022	**1,942,764**	**1,803,785**	**2,570,735**	**948,605**	**261,178**	**1,741,906**	**9,268,974**
Cost	868,702	2,711,161	4,529,127	1,395,177	558,863	1,687,207	**11,750,236**
Accumulated Depreciation	(37,392)	(464,527)	(1,400,276)	(375,086)	(150,279)	-	**(2,427,561)**
At 28 February 2021	**831,309**	**2,246,634**	**3,128,851**	**1,020,090**	**408,583**	**1,687,207**	**9,322,675**
HISTORICAL*							
Cost	1,594,533	4,474,764	2,194,957	349,208	581,743	553,786	**9,748,991**
Accumulated Depreciation	(165,463)	(3,034,068)	(1,759,971)	(190,288)	(222,506)	-	**(5,372,296)**
At 28 February 2022	**1,429,070**	**1,440,696**	**434,986**	**158,920**	**359,237**	**553,786**	**4,376,695**
Cost	118,458	211,524	149,149	34,799	64,070	149,094	**727,094**
Accumulated Depreciation	(48,902)	(74,389)	(142,951)	(27,970)	(28,237)	-	**(322,449)**
At 28 February 2021	**69,556**	**137,135**	**6,198**	**6,829**	**35,833**	**149,094**	**404,645**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

10.2 Fair values of property and equipment

The carrying amounts of property and equipment as disclosed in the statement of financial position approximate their fair values.

The Group's property and equipment are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's property and equipment as at 28 February 2022 were performed by Bard Real Estate, independent valuers not related to the Group. Bard Real Estate are members of the Royal Institute of Chartered Surveyors, and they have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The fair values of equipment were determined using the gross replacement cost approach that reflects the cost to a market participant to construct or purchase an asset of comparable utility and age, adjusted for obsolescence and physical deterioration. The fair values of land and buildings were determined using comparable method of valuation whereby sales similar to the subject property being valued were collected as comparatives and the value was established. There has been no change to the valuation technique during the year..

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique;
-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
-Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.
The following table shows an analysis of the fair values of property and equipment recognised in the statement of financial position by level of the fair value hierarchy

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

10. PROPERTY AND EQUIPMENT (continued)

10.2 Fair values of property and equipment (continued)

	Total ZW$ '000	Level 1 ZW$ '000	Level 2 ZW$ '000	Level 3 ZW$ '000
At 28 February 2022				
Land and Buildings	2,848,644	-	-	2,848,644
Switching and Network Equipment	2,898,909	-	-	2,898,909
Office Equipment	1,308,828	-	-	1,308,828
Furniture and Fittings	229,087	-	-	229,087
Vehicles	651,035	-	-	651,035
Work-in- Progress	1,741,906	-	-	1,741,906
	9,678,409	**-**	**-**	**9,678,409**

Valuation techniques used to derive level 3 fair values
- The table below presents the following for each class of assets:
- The fair value measurements at the end of the reporting period;
- The level of the fair value hierarchy (in this case level 3) within which the fair value measurements are categorized in their entirety;
- The valuation techniques applied; and
- The inputs used in the fair value measurement.

Asset Description	Fair Value 2022 (ZW$ '000)	Fair Value 2021 (ZW$ '000)	Valuation Technique	Significant unobservable inputs	Interrelationship between significant observable inputs and fair value measurement
Land and Buildings	2,848,644	753,979	Market comparison approach (adjusted market comparable)	Comparable transacted property prices	The estimated fair value would increase or decrease based on the movements in selling prices of comparable assets
Switching and Network Equipment	2,898,909	2,835,430	Cost Approach	Estimated replacement cost of similar assets	The fair value estimates provided at a reporting date based on level 3 inputs are sensitive to movements in replacement cost as at the reporting date, either up or down. Adopted useful life, expended useful life and remaining useful life are considered to be generally stable inputs and would not be subject to sensitivity unless the Group revised its policy with respect to the useful life of a particular asset class.
Office Equipment	1,308,827	1,282,625			
Furniture and Fittings	229,087	320,748			
Vehicles	651,036	736,667		Sales of similar vehicles	

10.3 Debt collateralisation and borrowing costs

Property and equipment are unencumbered. No borrowing costs were capitalised during the year and in the prior year.

10.4 Sensitivity of property and equipment values to changes in the exchange rate

The valuations basis of the Group's property and equipment was determined using USD inputs by the external valuer. A rate of ZW$124.02 to the US dollar was used to translate the US dollar values determined by the professional valuer at year end.

The sensitivity analysis below shows the impact of various exchange rates at 28 February 2022 on the carrying amount of property and equipment.

	SENSITIVITY ANALYSIS (IMPACT ON CARRYING AMOUNT)	
	Rate of 150 ZW$ '000	Rate of 200 ZW$ '000
Carrying amount	11,340,966	14,540,653
Increase in property and equipment revaluation reserve	443,150	1,296,018
Increase in deferred tax liabilities	110,264	322,473

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

10. PROPERTY AND EQUIPMENT (continued)

10.5 Sensitivity of property and equipment values to changes in prices of comparable properties and equipment

Significant increases / (decreases) in prices of comparable properties and equipment in isolation would result in a significantly higher or (lower) fair value of the properties and equipment. With all other variables held constant, the Group's (loss) / profit before tax, investments property and deferred tax are affected through the impact on the fluctuating yield rate as follows:

	Increase in comparable prices 10% ZW$ '000 2022	Decrease in comparable prices 10% ZW$ '000 2021
Carrying amount	211,545	(211,545)
Profit for the year	159,251	(159,251)
Deferred tax effect	(52,294)	52,294

11. RIGHT-OF-USE ASSETS

	INFLATION ADJUSTED ZW$ '000	HISTORICAL* ZW$ '000
COST		
At 1 March 2020	**530,540**	**18,335**
Additions	60,048	34,341
Write-offs	(34,310)	(1,782)
Reclassification	8,172	(1,894)
At 28 February 2021	**564,450**	**49,000**
Additions	2,936	622
Modification	32,264	30,775
Write-offs	(11,779)	(3,598)
Monetary Adjustment	(9,189)	-
At 28 February 2022	**578,682**	**76,799**
ACCUMULATED DEPRECIATION		
At 1 March 2020	**(173,164)**	**(5,265)**
Charge for the year	(99,170)	(12,604)
Write-offs	7,525	4,338
Restatement	65,491	-
Reclassification	2,505	1,693
At 28 February 2021	**(196,813)**	**(11,838)**
Charge for the year	(257,873)	(25,252)
Write-offs	11,779	3,597
Monetary Adjustment	7,787	-
At 28 February 2022	**(435,120)**	**(33,493)**
CARRYING AMOUNT		
At 28 February 2022	**143,562**	**43,306**
At 28 February 2021	**367,637**	**37,162**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

As a lessee, the Group recognised right-of-use assets, representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lease liabilities were measured at the present value of the remaining lease payments, discounted using a weighted average incremental borrowing rate ranging from 15% to 60% at 1 March 2021. Generally, the Group uses the weighted average incremental borrowing rate for discounting purposes which reflects the cost of long-term borrowings and estimated the adjustment factors for medium- and short-term loans on the average borrowing rate. Right-of-use assets were initially measured at the amount equal to the lease liability, adjusted by prepaid or accrued lease payments and initial direct costs, if any, relating to that lease recognised on the statement of financial position at 28 February 2022.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

11. RIGHT-OF-USE ASSETS (continued)

11.1 Lease occupied property

land and buildings
The Group leases land and buildings. The average lease term is 3 years. The Group has no options to purchase certain land and buildings for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases. Approximately one fifth of the leases for land and buildings expired in the current financial year. The expired contracts were replaced by new leases for identical underlying assets. This resulted in additions to right-of-use assets of ZW$34.06 million in the year ended 28 February 2022. The maturity analysis of lease liabilities is presented in Note 32.

At 28 February 2022, the Group is committed to ZW$10.82million for short-term leases and ZW$50.30m for long term leases. Some of the property leases in which the Group is the lessee contain variable lease payment terms that are linked to changes in exchange rates.

In determining the lease tenure, consideration is given to all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Management applies judgement in assessing whether it is reasonably likely that options will be exercised. Factors considered include how far in the future an option occurs, the Group's business planning cycle and history of terminating/not renewing leases.

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Amounts recognised in profit and loss				
Amortisation expense on right-of-use assets	257,873	99,170	25,252	12,604
Interest expense on lease liabilities	8,385	14,739	6,105	699

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

12. INVESTMENT PROPERTIES

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Opening balance	**1,819,560**	**945,503**	**1,095,410**	**135,014**
Transfers from inventory	53,494	781,213	40,792	36,192
Gain on fair value of investment property (Note 7.1)	15,703	92,844	752,555	924,204
Closing balance	**1,888,757**	**1,819,560**	**1,888,757**	**1,095,410**

* *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 increase in investment property was mainly driven by increase in fair value gains. The fair value gains were also based on the ZW$/USD exchange rate which increased as at February 2022 compared to prior year.

Investment property contains commercial buildings and residential properties leased to third parties and undeveloped residential land. The Group holds investment properties for long term rental yields and capital appreciation. The investment properties were measured using the fair value model based on the valuation of Bard Real Estate, an independent professional valuer at 28 February 2022. Bard Real Estate are members of the Royal Institute of Chartered Surveyors, and they have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. Bard Real Estate has experience in property transactions in the real estate market the Group's investment property falls under. The valuation was prepared in accordance with requirements of the Valuers Act 1996, the Real Estate Institute of Zimbabwe Standards, the RICS – Professional Standards 2011 which are in conformity with the International Valuation Standards (IVS) 2011 and the International Financial Reporting Standards (IFRS).

During the period rental income recognised in the statement of profit or loss and other comprehensive income in respect of investment property amounted to ZW$5,9 million (2021: ZW$1,1 million). The transfers relate to the residential properties which were previously held as inventory.

In determining fair value, the valuers made use of level 3 inputs by using comparable market evidence based on lease and purchase transactions of similar buildings and residential stands to determine the fair value estimate of investment property.

The fair value techniques applied in determining the fair values of these assets are categorised in the following hierarchy;

Level 1: fair value is determined from quoted (unadjusted) prices in active markets for identical assets and liabilities.
Level 2: fair value is determined using techniques that maximise use of observable market data as inputs, with little reliance on entity specific estimates.
Level 3: fair value is determined using techniques whose inputs are not observable market data.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

12. INVESTMENT PROPERTIES (continued)

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

INFLATION ADJUSTED	Level 1 ZW$ '000	Level 2 ZW$ '000	Level 3 ZW$ '000	Fair Value as at year end ZW$ '000
Land	-	-	488,212	**488,212**
Commercial Buildings	-	-	615,693	**615,693**
Residential Buildings	-	-	784,852	**784,852**
Fair value as at 28 February 2022	**-**	**-**	**1,888,757**	**1,888,757**
Land	-	-	646,186	**646,186**
Commercial Buildings	-	-	392,273	**392,273**
Residential Buildings	-	-	781,101	**781,101**
Fair value as at 28 February 2021	**-**	**-**	**1,819,560**	**1,819,560**

HISTORICAL*	Level 1 ZW$ '000	Level 2 ZW$ '000	Level 3 ZW$ '000	Fair Value as at year end ZW$ '000
Land	-	-	488,212	488,212
Commercial Buildings	-	-	615,693	615,693
Residential Buildings	-	-	784,852	784,852
Fair value as at 28 February 2022	**-**	**-**	**1,888,757**	**1,888,757**
Land	-	-	389,016	389,016
Commercial Buildings	-	-	236,156	236,156
Residential Buildings	-	-	470,238	470,238
Fair value as at 28 February 2021	**-**	**-**	**1,095,410**	**1,095,410**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Asset Description	Valuation Technique	Significant unobservable inputs	Range	Interrelationship between significant observable inputs and fair value measurement
Land	Market comparison approach (adjusted market comparable)	Rate per square meter	USD45 - USD527	The estimated fair value would increase or decrease based on the movements in selling prices of comparable land pieces
Commercial Buildings	Investment method	Rental per square meter, yield	USD1 - USD12, 9% - 12%	The estimated fair value would increase if expected market rental growth
Residential Properties	Market comparison approach (adjusted market comparable)	Comparable transacted property prices		The estimated fair value would increase or decrease based on the movements in selling prices of comparable residential properties

12.1 Sensitivity of investment property values to changes in the exchange rate

The valuation basis of the Group's investment property was determined using US$ inputs by the external valuer. A rate of ZW$124.02 to the US dollar was used to translate the US dollar values determined by the professional valuer at year end.

The sensitivity analysis below shows the impact of various exchange rates at 28 February 2022 on the carrying amount of investment property.

	Sensitivity analysis (impact on carrying amount)	
	Rate of 150 ZW$ '000	Rate of 200 ZW$ '000
Carrying amount	2,284,418	3,045,891
Increase in investment property fair value	18,993	25,323
Increase in deferred tax liabilities	4,695	6,260

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

12. INVESTMENT PROPERTIES (continued)

12.2 Sensitivity of investment property values to changes in the yield rate

Significant increases / (decreases) in annual yield in isolation would result in a significantly higher or (lower) fair value of the properties. With all other variables held constant, the Group's (loss) / profit before tax, investments property and deferred tax are affected through the impact on the fluctuating yield rate as follows:

	Increase in yield 10% ZW$ '000 2022	Decrease in yield 10% ZW$ '000 2021
Carrying amount	(61,569)	61,569
Profit for the year	(46,349)	46,349
Deferred tax effect	15,220	(15,220)

13. INTANGIBLE ASSETS

INFLATION ADJUSTED	Goodwill ZW$ '000	Computer Software and other ZW$ '000	Work-in-progress ZW$ '000	Total ZW$ '000
COST				
At 1 March 2020	**352,399**	**2,226,637**	**1,229,979**	**3,809,015**
Reclassification	-	-	-	**-**
Transfer from work in progress	-	1,297,859	(1,297,859)	**-**
Additions	-	8,689	62,925	**71,614**
Transfer from property and equipment	-	-	214,377	**214,377**
Revaluation of intangible assets	-	104,047	-	**104,047**
Impact of change in IAS 29 applicable start date	149,860	-	402,112	**551,972**
At 28 February 2021	**502,259**	**3,637,232**	**611,534**	**4,751,025**
Transfer from work in progress	-	711,774	(711,774)	**-**
Additions	-	39,045	416,414	**455,459**
Impact of change in measurement model of intangible assets to cost model (Note AA)	-	(62,083)	-	**(62,083)**
At 28 February 2022	**502,259**	**4,325,968**	**316,174**	**5,144,401**
ACCUMULATED AMORTISATION AND IMPAIRMENT				
At 1 March 2020	**-**	**(1,042,502)**	**(1,794)**	**(1,044,296)**
Amortisation	-	(397,903)	-	**(397,903)**
Impairment	-	(1,071,103)	1,794	**(1,069,309)**
Reclassification	-	-	-	**-**
Revaluation of intangible assets	-	(14,890)	-	**(14,890)**
At 28 February 2021	**-**	**(2,526,398)**	**-**	**(2,526,398)**
Amortisation	-	(250,325)	-	**(250,325)**
Impairment	-	(231,529)	-	**(231,529)**
Impact of change in measurement model of intangible assets to cost model	-	835,470	-	**835,470**
At 28 February 2022	**-**	**(2,172,782)**	**-**	**(2,172,782)**
CARRYING AMOUNT				
At 28 February 2022:	**502,259**	**2,153,186**	**316,174**	**2,971,619**
At 28 February 2021:	**502,259**	**1,110,834**	**611,534**	**2,224,627**

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

13. INTANGIBLE ASSETS (continued)

	HISTORICAL*			
	Goodwill ZW$ '000	Computer Software and other ZW$ '000	Work-in-progress ZW$ '000	Total ZW$ '000
COST				
At 1 March 2020	**7,861**	**166,005**	**111,785**	**285,651**
Reclassification	-	-	(40)	**(40)**
Transfer from work in progress	-	130,953	(130,953)	**-**
Additions	-	1,575	146,222	**147,797**
Transfer from property and equipment	-	-	47,858	**47,858**
Revaluation of intangible assets	-	327,714	-	**327,714**
Impact of change in IAS 29 applicable start date	-	-	-	**-**
At 28 February 2021	**7,861**	**626,247**	**174,872**	**808,980**
Transfer from work in progress	-	218,267	(218,267)	**-**
Additions	-	31,976	365,798	**397,774**
Impact of change in measurement model of intangible assets to cost model (Note AA)	-	(449,098)	-	**(449,098)**
At 28 February 2022	**7,861**	**427,392**	**322,403**	**757,656**
ACCUMULATED AMORTISATION AND IMPAIRMENT				
At 1 March 2020	**-**	**(39,420)**	**(40)**	**(39,460)**
Amortisation	-	(33,988)	-	**(33,988)**
Impairment	-	(4,451)	-	**(4,451)**
Reclassification	-	-	40	**40**
Revaluation of intangible assets	-	(91,238)	-	**(91,238)**
At 28 February 2021	**-**	**(169,097)**	**-**	**(169,097)**
Amortisation	-	(41,704)	-	**(41,704)**
Impairment	-	(3,746)	-	**(3,746)**
Impact of change in measurement model of intangible assets to cost model	-	141,885	-	**141,885**
At 28 February 2022	**-**	**(72,662)**	**-**	**(72,662)**
CARRYING AMOUNT				
At 28 February 2022:	**7,861**	**354,730**	**322,403**	**684,994**
At 28 February 2021:	**7,861**	**457,150**	**174,872**	**639,883**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Intangible assets pertain to goodwill and computer software held by the Group and its subsidiaries. The Group uses the expected usage of the asset to determine the useful life of intangible assets. At 28 February 2022 the computer software had an average remaining useful life of 3 years. Software integral to an item of hardware equipment is classified as property and equipment (refer to Note 10).

Goodwill
The goodwill relates to the investment in Steward Bank and MARS. The Group performed its annual impairment test as at 28 February 2022. The Group considers the relationship between the investment in subsidiary and its value in use, among other factors, when reviewing for indicators of impairment. The pre-tax discount rate applied to cash flow projections used in calculating the value in use is 64.02%. Based on the results of this analysis, management did not identify any indicators of impairment of goodwill.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions
Pursuant to the annual impairment test, the Group performed a sensitivity analysis of the impairment to changes in the key assumptions used to determine the value in use for the investment in Steward Bank and MARS. The Directors believe that the changes in key assumptions used in this analysis were within reasonable and likely outcome ranges and would not cause excess of the carrying amount over the respective value in use of the investments. The analysis revealed that the value in use is most sensitive to changes in the discount rate.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

13. INTANGIBLE ASSETS (continued)

Key assumptions used in value in use calculations and sensitivity to changes in assumptions (continued)

The discount rate represents the current market assessment of the risks specific to the Group, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

A rise in pre-tax discount rate to 66.02% (i.e., +2%) would not result in the carrying amount of either investments being more than their value in use.

A growth rate of 3.5% was assumed for perpetuity into the future for cashflows. The growth rate used reflects the expected long-term average growth rates in Zimbabwe where the two investments operate. The cashflows were projected for five years and beyond.

Computer Software
Computer software integral to an item of hardware equipment is classified as property and equipment (refer to Note 10). The Group uses the expected usage of the asset to determine the useful life of intangible assets.

14. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group, and the movements thereon.

	INFLATION ADJUSTED			
	Assessed losses ZW$ '000	Accelerated Wear & Tear ZW$ '000	Provisions and Other ZW$ '000	Total ZW$ '000
14.1 Deferred tax asset				
At 1 March 2020	**175,077**	**-**	**470,267**	**645,344**
Effect of ECL restatement	(43,671)	-	-	**(43,671)**
Charge to profit for the period	218,329	-	309,148	**527,477**
Charge to other comprehensive income	(34,720)	-	(60,862)	**(95,582)**
Reclassification	(369)	(24,493)	-	**(24,862)**
Effect of change in IAS 29 applicable start date	-	-	26,916	**26,916**
Re-allocation to Deferred Tax Liabilities	-	-	(42,751)	**(42,751)**
At 28 February 2021	**314,646**	**(24,493)**	**702,718**	**992,871**
Restatement	57,389	(121)	-	**57,269**
Charge to profit for the period	294,534	482,439	(118,734)	**658,239**
Charge to other comprehensive income	(2,850)	(2,708)	(251)	**(5,808)**
Re-allocation to Deferred Tax Liabilities	(119,060)	-	125,778	**6,718**
At 28 February 2022	**544,659**	**455,118**	**709,511**	**1,709,288**

* *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 Group has accounted for a deferred tax asset pertaining to deferred revenue since the temporary difference is expected to reverse in the foreseeable future. The unrecognised deferred tax assets arising from unused tax losses for subsidiaries of the Group amount to ZW$75,694,969.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

14. DEFERRED TAX (continued)

	INFLATION ADJUSTED			
	Assessed losses ZW$ '000	Accelerated Wear & Tear ZW$ '000	Fair value adjustments ZW$ '000	Total ZW$ '000
14.2 Deferred tax liability				
At 1 March 2020	**-**	**1,810,786**	**118,780**	**1,929,566**
Charge to profit for the period	-	(70,842)	153,654	**82,812**
Charge to other comprehensive income	-	19,911	3,002	**22,913**
Reclassification	(369)	(24,493)	-	**(24,862)**
Effect of change in IAS 29 applicable start date	-	50,279	71,063	**121,342**
Effect of right of use asset accumulated depreciation restatement	-	-	16,192	**16,192**
Re-allocation to Deferred Tax Liabilities	-	-	(219)	**(219)**
At 28 February 2021	**(369)**	**1,785,641**	**362,472**	**2,147,744**
Restatement	-	236,713	-	**236,713**
Charge to profit for the period	-	1,145,912	(123,704)	**1,022,207**
Charge to other comprehensive income	-	519,971	-	**519,971**
Reclassification	(119,060)	(321,473)	447,251	**6,718**
At 28 February 2022	**(119,429)**	**3,366,763**	**686,019**	**3,933,352**

** 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 deferred tax liability arises mainly from the difference between accounting and tax treatment of depreciation.

	INFLATION ADJUSTED			
	Assessed losses ZW$ '000	Accelerated Wear & Tear ZW$ '000	Fair value adjustments ZW$ '000	Total ZW$ '000
14.3 Net deferred tax asset / (liability)				
At 1 March 2020	**175,077**	**(1,810,786)**	**351,487**	**(1,284,222)**
Effect of ECL restatement	(43,671)	-	-	**(43,671)**
Charge to profit for the period	218,329	70,842	155,494	**444,665**
Charge to other comprehensive income	(34,720)	(19,911)	(63,864)	**(118,495)**
Effect of change in IAS 29 applicable start date	-	(50,279)	(44,147)	**(94,426)**
Effect of right of use asset accumulated depreciation restatement	-	-	(16,192)	**(16,192)**
Re-allocation from Deferred Tax Assets	-	-	(42,532)	**(42,532)**
At 28 February 2021	**315,015**	**(1,810,134)**	**340,246**	**(1,154,873)**
Restatement	57,389	(236,833)	-	**(179,444)**
Charge to profit for the period	294,534	(663,473)	4,971	**(363,968)**
Charge to other comprehensive income	(2,850)	(522,679)	(251)	**(525,779)**
Reclassification	-	321,473	(321,473)	**-**
At 28 February 2022	**664,089**	**(2,911,645)**	**23,492**	**(2,224,065)**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

14. DEFERRED TAX (continued)

	HISTORICAL*			
	Assessed losses ZW$ '000	Accelerated Wear & Tear ZW$ '000	Fair value adjustments ZW$ '000	Total ZW$ '000
14.4 Deferred tax asset				
At 1 March 2020	**10,888**	**-**	**62,502**	**73,390**
Charge to profit for the period	123,825	-	113,500	**237,325**
Charge to other comprehensive income	(61,612)	-	(5,058)	**(66,670)**
Reclassification	(7,228)	-	-	**(7,228)**
Effect of ECL restatement	(6,236)	-	-	**(6,236)**
Re-allocation to Deferred Tax Liabilities	242	-	(2,563)	**(2,321)**
At 28 February 2021	**59,879**	**-**	**168,381**	**228,260**
Restatement	66,342	-	-	**66,342**
Charge to profit for the period	256,463	121,610	-	**378,073**
Charge to other comprehensive income	-	(819)	-	**(819)**
Re-allocation to Deferred Tax Liabilities	(7,528)	63,736	19	**56,228**
At 28 February 2022	**375,156**	**184,527**	**168,400**	**728,083**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

	HISTORICAL*			
	Assessed losses ZW$ '000	Accelerated Wear & Tear ZW$ '000	Fair value adjustments ZW$ '000	Total ZW$ '000
14.5 Deferred tax liability				
At 1 March 2020	**-**	**155,588**	**46,676**	**202,264**
Charge to profit for the period	-	18,871	(191,771)	**(172,900)**
Charge to other comprehensive income	-	582,960	79,529	**662,489**
Reclassification	716	(12,762)	1,238	**(10,808)**
Reallocation to Deferred Tax	-	-	5,887	**5,887**
At 28 February 2021	**716**	**744,657**	**(58,441)**	**686,932**
Restatement	-	(7,501)	-	**(7,501)**
Charge to profit for the period	-	262,143	228,384	**490,526**
Charge to other comprehensive income	30,810	969,288	-	**1,000,098**
Reallocation to Deferred Tax Asset	(7,528)	63,736	19	**56,228**
At 28 February 2022	**23,998**	**2,032,322**	**169,962**	**2,226,283**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

	HISTORICAL*			
	Assessed losses ZW$ '000	Accelerated Wear & Tear ZW$ '000	Fair value adjustments ZW$ '000	Total ZW$ '000
14.6 Net deferred tax asset / (liability)				
At 1 March 2020	**10,888**	**(155,588)**	**15,826**	**(128,874)**
Charge to profit for the period	123,825	(18,871)	305,271	**410,225**
Charge to other comprehensive income	(61,612)	(582,960)	(84,587)	**(729,159)**
Reclassification	(7,944)	12,762	(1,238)	**3,580**
Effect of ECL restatement	(6,236)	-	-	**(6,236)**
Reallocation	242	-	(8,450)	**(8,208)**
At 28 February 2021	**59,163**	**(744,657)**	**226,822**	**(458,672)**
Restatement	66,342	7,501	-	**73,843**
Charge to profit for the period	256,463	(140,533)	(228,384)	**(112,453)**
Charge to other comprehensive income	(30,810)	(970,107)	-	**(1,000,917)**
At 28 February 2022	**351,158**	**(1,847,795)**	**(1,562)**	**(1,498,199)**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

15. FINANCIAL INSTRUMENTS

The Group holds the following financial instruments.

		INFLATION ADJUSTED		HISTORICAL*	
	Notes	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Financial Assets					
Financial assets at amortised cost					
Trade receivables	19	4,921,432	2,129,680	4,921,432	1,282,108
Treasury bills & government bonds	15.1	5,843,761	1,666,286	5,843,761	1,003,136
Loans and advances to bank customers	20	6,681,503	2,653,500	6,681,503	1,597,458
Amounts owed by related party companies	28	120,284	137,271	120,284	82,640
Cash and cash equivalents	27.4	6,625,685	16,453,782	6,625,685	9,905,492
Financial Assets at Fair Value through profit or loss					
Listed equity securities	16	6,108,898	1,802,898	6,108,898	1,085,379
Total financial assets		**30,301,563**	**24,843,417**	**30,301,563**	**14,956,213**
Financial Liabilities					
Liabilities at amortised cost					
Trade and other payables	24	4,066,623	4,056,748	4,066,623	2,442,239
Amounts owed to related party companies	28	4,247,740	8,664,173	4,247,740	5,215,998
Mobile money trust liabilities	27.5	5,413,786	7,033,279	5,413,786	4,234,169
Deposits due to banks and customers	26	12,769,841	11,964,380	12,769,841	7,202,786
Financial Liabilities at Fair Value through profit or loss					
Loans and borrowings	25	4,065,749	-	4,065,749	-
Total financial liabilities		**30,563,739**	**31,718,580**	**30,563,739**	**19,095,192**

* *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 listed equity securities were measured at fair value through profit or loss, whereas the loan was irrevocably designated as measured at fair value through profit or loss in order to significantly reduce a measurement inconsistency that would otherwise arise from measuring the liability or recognising the gains and losses on it on different bases as the contract relates to settlement based on a non-cash item.

Cash balances - restricted and Mobile money trust liabilities represent restricted and reserved cash balances held in trust for the EcoCash customers. They mirror each other.

15.1 Treasury Bills and Government Bonds

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Opening Balance	**1,666,286**	**6,697,473**	**1,003,136**	**956,372**
Additions	21,978,375	928,213	14,984,229	135,374
Repayments on maturity	(13,281,902)	(3,046,405)	(9,898,083)	(70,670)
Interest	12,982	11,838	10,330	7,384
Monetary Adjustment	(4,276,129)	(2,882,768)	-	-
	6,099,612	1,708,351	6,099,612	1,028,460
Less expected credit loss allowance	(255,851)	(42,065)	(255,851)	(25,324)
Closing Balance	**5,843,761**	**1,666,286**	**5,843,761**	**1,003,136**
Provision for expected credit losses				
Balance at the beginning of the year	**(42,065)**	**(261,804)**	**(25,324)**	**(31,082)**
Provision for expected credit losses	(378,359)	(360,922)	(296,153)	(132,921)
Reversal of expected credit losses	73,592	277,971	65,626	138,679
Monetary gain	90,981	302,690	-	-
	(255,851)	**(42,065)**	**(255,851)**	**(25,324)**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

15. FINANCIAL INSTRUMENTS (continued)

15.1 Treasury Bills and Government Bonds (continued)

The average tenure of the treasury bills is 1 year, with an average rate of 8.1%. The treasury bills are held to maturity. There were no treasury bills that were pledged as collateral as at 28 February 2022. The increase in the expected credit loss allowance as at 28 February 2022 is significantly due to the increase in the treasury bills and government bonds balances with equivalent increase in the credit risk thereof.

15.2 Expected Credit Loss from Financial Assets at Amortised Cost

		INFLATION ADJUSTED		HISTORICAL*	
	Notes	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Loans and advances to customers	20.1	158,968	173,229	158,968	104,287
Treasury bills and government bonds	15.1	255,851	42,065	255,851	25,324
Cash & Cash Equivalents	27.4	42,556	178,581	42,556	107,509
Trade and other receivables	19	471,121	58,083	471,121	34,967
Expected credit loss		**928,496**	**451,958**	**928,496**	**272,087**

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Opening balance	**1,802,898**	**955,313**	**1,085,379**	**136,415**
Additions	1,412,556	466,808	1,156,586	170,647
Gain on fair value of financial assets (Note 7.1)	3,678,269	912,720	4,221,033	782,987
Disposals	(377,355)	(27,414)	(366,169)	(4,670)
Restatement	12,069	-	12,069	-
Monetary Adjustment	(419,539)	(504,529)	-	-
Closing balance	**6,108,898**	**1,802,898**	**6,108,898**	**1,085,379**

* *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 financial assets measured at fair value through profit or loss comprise equity investments listed on the Zimbabwe Stock Exchange. The fair value of the equity investments is based on the Zimbabwe Stock Exchange published share prices.

Restatement

During 2019, one of the Group's Insurtech subsidiaries, Econet Insurance (Private) Limited, purchased a total of 3,618,743 Econet Wireless Zimbabwe Limited shares which were accounted for as Cassava Smartech Zimbabwe Limited (now EcoCash Holdings Zimbabwe Limited) shares in error. At the point of purchase the market value of both Cassava Smartech Zimbabwe Limited shares and Econet Wireless Zimbabwe Limited shares were $1.44 and $1.47 per share respectively. Consequently, the market value of the shares was wrongly calculated in prior years. The error has been corrected by restating the financial assets at fair value through profit or loss and retained earnings line items.

16.1. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments are disclosed in the consolidated statement of financial position at their carrying amount which approximates their respective fair value.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

16.1. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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.

	INFLATION ADJUSTED			
	Total ZW$ '000	Level 1 ZW$ '000	Level 2 ZW$ '000	Level 3 ZW$ '000
At 28 February 2022				
Investment in financial assets	6,108,898	5,943,022	-	165,876
	6,108,898	**5,943,022**	**-**	**165,876**
At 28 February 2021				
Investment in financial assets	1,802,898	1,684,318	-	118,580
	1,802,898	**1,684,318**	**-**	**118,580**

	HISTORICAL*			
	Total ZW$ '000	Level 1 ZW$ '000	Level 2 ZW$ '000	Level 3 ZW$ '000
At 28 February 2022				
Investment in financial assets	6,108,898	5,943,022	-	165,876
	6,108,898	**5,943,022**	**-**	**165,876**
At 28 February 2021				
Investment in financial assets	1,085,379	1,013,992	-	71,387
	1,085,379	**1,013,992**	**-**	**71,387**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

During the reporting periods presented, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

17. ASSETS HELD FOR SALE

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Opening balance	**2,443**	**-**	**1,471**	**-**
Transfer from property and equipment	476	14,109	423	6,941
Impairment	(352)	-	-	-
Disposals	(2,045)	(10,074)	(1,372)	(5,470)
Fair value adjustments	-	(1,592)	-	-
Closing balance	**522**	**2,443**	**522**	**1,471**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

EcoCash HOLDINGS ZIMBABWE LIMITED

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

17. ASSETS HELD FOR SALE (continued)

The Group relocated one of its offices with effect from 1 October 2020, whereby office space available for occupation at the new premises is approximately on third of the space that was occupied at the former location. This decision is in line with the agile working strategy that the Group has adopted, which has allowed for the majority of staff to work from home, whilst a smaller number of staff are accommodated at the new office premises.

As a result of this move, a significant amount of office furniture that could not be accommodated in the new site became excess to the Group's operational requirements. The Board considered the furniture items to meet the criteria to be classified as held for sale at the closing date for the following reasons:

- The furniture is available for immediate sale and can be sold to the buyer in its current condition;
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification.

The bulk of the balance relates to additional office furniture transferred from property and equipment in the current year.

18. INVENTORY

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Inventory	790,589	1,501,181	115,592	372,613
	790,589	**1,501,181**	**115,592**	**372,613**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Inventory balances consists of 81% housing units under the Banking unit and 19% consumables and merchandise. The directors are of the opinion that the inventory amounts are recorded at values that are not in excess of their recoverable amounts. All inventories are expected to be recovered within twelve (12) months. The cost of included items of inventory are determined using the first in first out approach. The cost of inventories recognised as an expense during the period amounted to ZW$227 million (2021: ZW$117 million).

19. TRADE AND OTHER RECEIVABLES

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Trade receivables	2,127,963	2,187,763	2,127,963	1,317,075
Other receivables	3,264,590	2,603,080	3,264,590	1,564,681
Expected credit losses	(471,121)	(58,083)	(471,121)	(34,967)
	4,921,432	**4,732,760**	**4,921,432**	**2,846,789**
Prepayments to suppliers for services provided	1,964,979	1,725,430	1,032,529	327,984
	6,886,411	**6,458,190**	**5,953,961**	**3,174,773**
Provision for expected credit losses				
Balance at the beginning of the year	**(58,083)**	**(12,192)**	**(34,967)**	**(1,741)**
Provision for expected credit losses	(486,970)	(55,218)	(436,840)	(33,242)
Reversal of expected credit losses	2,930	27	686	16
Monetary gain	71,002	9,300	-	-
	(471,121)	**(58,083)**	**(471,121)**	**(34,967)**
Financial Assets	4,921,432	4,732,760	4,921,432	2,846,789
Non-Financial Assets	1,964,979	1,725,430	1,032,529	327,984
Total	**6,886,411**	**6,458,190**	**5,953,961**	**3,174,773**
Monetary Assets	4,921,432	4,732,760	4,921,432	2,846,789
Non-Monetary Assets	1,964,979	1,725,430	1,032,529	327,984
Total	**6,886,411**	**6,458,190**	**5,953,961**	**3,174,773**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

19. TRADE AND OTHER RECEIVABLES (continued)

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. Before accepting any new individual customer, the Group conducts trade reference checks to establish the credit history of the applicant. The Group also conducts due diligence assessments on individuals, companies and their directors.

Other receivables include refundable deposits and unliquidated airtime balances.

Trade and other receivables are financial assets whereas prepayments are a non-financial asset.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

The expected credit loss allowance as at 28 February 2022 increased mainly due to delayed payments by debtors and transition of significant debtor balances into the >120 days category.

Below is an analysis of trade and other receivables as at 28 February 2022:

	INFLATION ADJUSTED					
	Current ZW$ '000	31-60 ZW$ '000	61-90 ZW$ '000	91-120 ZW$ '000	>120 ZW$ '000	Total ZW$ '000
Trade Receivables Days Past Due						
Trade Receivables	488,979	480,357	183,222	274,573	700,862	**2,127,963**
Other Receivables	1,503,781	1,719,860	12,630	499	27,820	**3,264,590**
ECL Allowance	(33,806)	(36,126)	(27,052)	(18,082)	(356,056)	**(471,121)**
Closing Balance	**1,958,955**	**2,164,091**	**168,800**	**256,960**	**372,626**	**4,921,432**

	HISTORICAL*					
	Current ZW$ '000	31-60 ZW$ '000	61-90 ZW$ '000	91-120 ZW$ '000	>120 ZW$ '000	Total ZW$ '000
Trade Receivables Days Past Due						
Trade Receivables	488,979	480,357	183,222	274,573	700,862	**2,127,963**
Other Receivables	1,503,781	1,719,860	12,630	499	27,820	**3,264,590**
ECL Allowance	(33,806)	(36,126)	(27,052)	(18,082)	(356,056)	**(471,121)**
Closing Balance	**1,958,955**	**2,164,091**	**168,800**	**256,960**	**372,626**	**4,921,432**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

20. LOANS AND ADVANCES TO BANK CUSTOMERS

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
20.1 Total loans and advances to bank customers				
Corporate loans	797,067	1,190,356	797,067	716,617
Small-to-medium enterprise lending	10,561	312,655	10,561	188,224
Consumer lending	6,032,843	1,323,718	6,032,843	796,904
	6,840,471	**2,826,729**	**6,840,471**	**1,701,745**
Less: Allowance for impairment losses	(158,968)	(173,229)	(158,968)	(104,287)
Add: Suspended interest	-	-	-	-
	6,681,503	**2,653,500**	**6,681,503**	**1,597,458**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

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Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

20. LOANS AND ADVANCES TO BANK CUSTOMERS (continued)

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
20.2 Maturity analysis				
Less than one month	1,965,325	1,157,246	1,965,325	696,684
1 to 3 months	110,260	25,880	110,260	15,580
3 to 6 months	398,128	92,570	398,128	55,729
6 months to 1 year	622,206	282,886	622,206	170,303
1 to 5 years	2,682,895	824,663	2,682,895	496,463
Over 5 years	1,061,657	443,484	1,061,657	266,986
Gross loans and advances	**6,840,471**	**2,826,729**	**6,840,471**	**1,701,745**
Allowance for impairment losses	(158,968)	(173,229)	(158,968)	(104,287)
Add: Suspended interest	-	-	-	-
Net loans and advances	**6,681,503**	**2,653,500**	**6,681,503**	**1,597,458**
Total gross loans	**6,840,471**	**2,826,729**	**6,840,471**	**1,701,745**
Total loans net of impairment losses	**6,681,503**	**2,653,500**	**6,681,503**	**1,597,458**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

	INFLATION ADJUSTED			
	2022		2021	
	ZW$ '000	%	ZW$ '000	%
20.3 Sectorial analysis of utilisations				
Mining	51,978	0.8%	892	0.0%
Manufacturing	640,118	9.4%	402,809	14.3%
Agriculture	514,849	7.5%	495,732	17.5%
Distribution	542,921	7.9%	187,808	6.6%
Services	618,994	9.0%	438,217	15.5%
Individuals	4,471,611	65.4%	1,301,271	46.0%
	6,840,471	**100%**	**2,826,729**	**100%**

There is a material concentration of loans and advances in the Individuals category constituting 66% (2021: 46%) of gross loss and advances.

20.4 ECL Allowance for impairment of loans and advances

The Bank ranks its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Bank recognises an allowance based on 12m expected credit losses (ECLs). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the lifetime expected credit losses (LTECLs). Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit impaired. The bank records an allowance for the LTECLs.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

20. LOANS AND ADVANCES TO BANK CUSTOMERS (continued)

20.4 ECL Allowance for impairment of loans and advances (continued)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances is, as follows:

	INFLATION ADJUSTED			
	Stage 1 ZW$'000	**Stage 2 ZW$'000**	**Stage 3 ZW$'000**	**Total ZW$'000**
Gross carrying amounts				
Gross carrying amount as at 1 March 2021	**2,181,308**	**161,711**	**483,709**	**2,826,728**
New loans and advances originated	7,102,391	-	21,782	**7,124,173**
Loans and advances derecognised or repaid (excluding write offs)	(1,311,184)	(130,971)	(381,033)	**(1,823,188)**
Transfers (from)/ to Stage 2	(803,019)	803,019	-	**-**
Transfers (from)/ to Stage 3	(113,619)	-	113,619	**-**
Monetary loss	(869,591)	(276,535)	(141,116)	**(1,287,242)**
Gross carrying amount as at 28 February 2022	**6,186,286**	**557,224**	**96,961**	**6,840,471**
Gross carrying amount				
Gross carrying amount as at 1 March 2020	**1,655,040**	**192,021**	**46,351**	**1,893,412**
New loans and advances originated	3,219,043	202,737	794,936	**4,216,716**
Loans and advances derecognised or repaid (excluding write offs)	(255,051)	(12,446)	(27,247)	**(294,744)**
Transfers (from)/ to Stage 1	9,227	(7,305)	(1,922)	**-**
Transfers (from)/ to Stage 2	(8,275)	8,275	-	**-**
Transfers (from)/ to Stage 3	(9,075)	(165)	9,240	**-**
Monetary loss	(2,429,601)	(221,406)	(337,649)	**(2,988,656)**
Gross carrying amount as at 28 February 2021	**2,181,308**	**161,711**	**483,709**	**2,826,728**
ECL allowance				
ECL allowance as at 1 March 2021	**26,707**	**20,752**	**125,770**	**173,229**
New loans and advances originated	192,062	-	21,782	**213,844**
Loans and advances derecognised or repaid (excluding write offs)	(14,854)	(16,806)	(101,861)	**(133,521)**
Transfers (from)/ to Stage 2	(51,114)	51,114	-	**-**
Transfers (from)/ to Stage 3	(73,812)	-	73,812	**-**
Monetary loss	(23,202)	(19,247)	(52,135)	**(94,584)**
ECL allowance as at 28 February 2022	**55,787**	**35,813**	**67,368**	**158,968**
ECL allowance				
ECL allowance as at 1 March 2020	**51,135**	**87,031**	**35,307**	**173,473**
New loans and advances originated	36,529	-	197,034	**233,563**
Loans and advances derecognised or repaid (excluding write offs)	(13,292)	-	(2,395)	**(15,687)**
Transfers to/ (from) Stage 1	1,553	-	(1,553)	**-**
Transfers (from)/ to Stage 2	(207)	207	-	**-**
Transfers (from)/ to Stage 3	(534)	(28)	562	**-**
Monetary loss	(48,477)	(66,458)	(103,185.)	**(218,120)**
ECL allowance as at 28 February 2021	**26,707**	**20,752**	**125,770**	**173,229**

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

20. LOANS AND ADVANCES TO BANK CUSTOMERS (continued)

20.4 ECL Allowance for impairment of loans and advances (continued)

	HISTORICAL*			
	Stage 1 ZW$'000	**Stage 2 ZW$'000**	**Stage 3 ZW$'000**	**Total ZW$'000**
Gross carrying amount				
Gross carrying amount as at 1 March 2021	**1,313,190**	**97,355**	**291,200**	**1,701,745**
New loans and advances originated	6,477,749	-	16,191	**6,493,940**
Loans and advances derecognised or repaid (excluding write offs)	(974,630)	(97,354)	(283,230)	**(1,355,214)**
Transfers (from)/ to Stage 2	(557,225)	557,225	-	**-**
Transfers (from)/ to Stage 3	(72,799)	-	72,799	**-**
Gross carrying amount as at 28 February 2022	**6,186,285**	**557,226**	**96,960**	**6,840,471**
Gross carrying amount				
Gross carrying amount as at 1 March 2020	**236,332**	**27,420**	**6,619**	**270,371**
New loans and advances originated	1,174,832	73,992	290,122	**1,538,946**
Loans and advances derecognised or repaid (excluding write offs)	(93,084)	(4,542)	(9,946)	**(107,572)**
Transfers to/ (from) Stage 1	5,555	(4,398)	(1,157)	**-**
Transfers (from)/ to Stage 2	(4,982)	4,982	-	**-**
Transfers (from)/ to Stage 3	(5,463)	(99)	5,562	**-**
Amounts written off	-	-	-	**-**
Gross carrying amount as at 28 February 2021	**1,313,190**	**97,355**	**291,200**	**1,701,745**
Gross carrying amounts				
ECL allowance as at 1 March 2021	**16,079**	**12,493**	**75,715**	**104,287**
New loans and advances originated	137,740	-	16,191	**153,931**
Loans and advances derecognised or repaid (excluding write offs)	(11,041)	(12,493)	(75,716)	**(99,250)**
Transfers (from)/ to Stage 1	-	-	-	**-**
Transfers (from)/ to Stage 2	(35,812)	35,812	-	**-**
Transfers (from)/ to Stage 3	(51,177)	-	51,177	**-**
ECL allowance as at 28 February 2022	**55,789**	**35,812**	**67,367**	**158,968**
ECL allowance				
ECL allowance as at 1 March 2020	**7,301**	**12,428**	**5,042**	**24,771**
New loans and advances originated	13,332	-	71,910	**85,242**
Loans and advances derecognised or repaid (excluding write offs)	(4,851)	-	(875)	**(5,726)**
Transfers to/ (from) Stage 1	567	-	(567)	**-**
Transfers (from)/ to Stage 2	(75)	75	-	**-**
Transfers (from)/ to Stage 3	(195)	(10)	205	**-**
Amounts written off	-	-	-	**-**
ECL allowance as at 28 February 2021	**16,079**	**12,493**	**75,715**	**104,287**

* *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 analysis of collateral and maximum exposure to credit risk is detailed in Note 30.5.14.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

21. SHARE CAPITAL

21.1 Group and Company

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
(a) Authorised share capital				
4,200,000,000 shares consisting of:				
4,200,000,000 ordinary shares of ZW$ 0.001 par value each	188,290	188,290	4,200	4,200
	188,290	**188,290**	**4,200**	**4,200**
(b) Issued and fully paid share capital				
2,590,577,241 Shares consisting of:				
2,590,577,241 ordinary shares of ZW$ 0.001 par value each	142,586	142,586	2,591	2,591
Balance at end of period	**142,586**	**142,586**	**2,591**	**2,591**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Unissued shares are under the control of Directors, subject to the Companies and Other Business Entities Act (Chapter 24:31) and the Memorandum and Articles of Association.

(c) Revaluation reserve
Revaluation reserve is an accumulation of gains arising on the revaluation of property and equipment.

(d) Retained earnings
Retained earnings are an accumulation of profits and losses realised by the company from operating and investing activities.

21.2 Movement in share capital

		INFLATION ADJUSTED		HISTORICAL*	
	Number of shares	Share capital ZW$ '000	Total ZW$ '000	Share capital ZW$ '000	Total ZW$ '000
Balance at 28 February 2022	**2,590,577,241**	142,586	**142,586**	2,591	**2,591**
Balance at 28 February 2021	**2,590,577,241**	142,586	**142,586**	2,591	**2,591**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

No share capital movements occurred in both the current and prior year.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

22. DIRECTORS' SHAREHOLDING

	Number of shares 2022	Number of shares 2021
S. G. Shereni	11,200	16,694
E. Chibi	4,358	4,358
T. Nyemba	1,695	1,695
Total	**17,253**	**22,747**

With the exception of the Directors listed above, other Directors had no direct or indirect shareholding in the Company.

23. OTHER RESERVES

	INFLATION ADJUSTED			HISTORICAL*		
	Revaluation ZW$ '000	Unbundling Reserve ZW$ '000	Total ZW$ '000	Revaluation ZW$ '000	Unbundling Reserve ZW$ '000	Total ZW$ '000
Balance at 1 March 2020	**148,407**	**8,136,965**	**8,285,372**	**668,335**	**171,256**	**839,591**
Restatement	-	-	**-**	219	(219)	**-**
Reclassification	-	(14,136)	**(14,136)**	-	(786)	**(786)**
Purchase of treasury shares	-	(7,192)	**(7,192)**	-	(3,856)	**(3,856)**
Revaluation gain on property and equipment and intangible assets	349,200	-	**349,200**	3,011,112	-	**3,011,112**
Deferred tax arising out of reserves	(82,507)	-	**(82,507)**	(729,159)	-	**(729,159)**
Impact of change in IAS 29 applicable start date (Note B.3)	1,932,972	2,894,018	**4,826,990**	-	-	**-**
Balance at 28 February 2021	**2,348,072**	**11,009,655**	**13,357,727**	**2,950,507**	**166,395**	**3,116,902**
Purchase of treasury shares	-	(74,232)	**(74,232)**	-	(70,670)	**(70,670)**
Revaluation gain on property and equipment and intangible assets	2,113,103	-	**2,113,103**	4,102,290	-	**4,102,290**
Deferred tax arising out of reserves	(525,779)	-	**(525,779)**	(1,000,917)	-	**(1,000,917)**
Impact of change in measurement model of intangible assets to cost model (Note AA)	(302,785)	-	**(302,785)**	(244,850)	-	**(244,850)**
Balance at 28 February 2022	**3,632,611**	**10,935,423**	**14,568,034**	**5,807,030**	**95,725**	**5,902,755**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Property revaluation reserve
The property revaluation reserve arises on the revaluation of property and equipment and intangible assets. When revalued properties are sold, the portion of the property revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the property revaluation reserve will not be reclassified subsequently to profit or loss.

Unbundling reserve
The unbundling reserve arises from the acquisition of net assets of certain EWZL subsidiaries on the effective demerger date.

The transaction was accounted for as a common control transaction by recognizing the assets, liabilities and reserves with corresponding adjustment recognised in the unbundling reserve.

The purchase of treasury shares relates to own equity instruments that are reacquired and are recognised at cost.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

24. TRADE AND OTHER PAYABLES

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Local trade accounts payable	900,629	1,102,639	900,629	663,809
Foreign trade accounts payable	1,408,355	1,261,470	1,408,355	759,429
Other Payables	1,697,573	1,211,159	1,332,029	324,734
Accruals	1,757,639	1,692,639	1,757,639	1,019,001
Closing Balance	**5,764,196**	**5,267,907**	**5,398,652**	**2,766,973**
Financial Liabilities	4,066,623	4,056,748	4,066,623	2,442,239
Non-Financial Liabilities	1,697,573	1,211,159	1,332,029	324,734
Total	**5,764,196**	**5,267,907**	**5,398,652**	**2,766,973**
Analysed As:				
Monetary liabilities	4,066,623	4,056,748	4,066,623	2,442,239
Non-Monetary liabilities	1,697,573	1,211,159	1,332,029	324,734
Closing Balance	**5,764,196**	**5,267,907**	**5,398,652**	**2,766,973**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs together with credit granted on equipment purchases. The average credit period on purchases is between 7 and 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the agreed credit timeframe. Other payables mainly comprise staff related statutory obligations and the bank subsidiary's suspense account.

24.1 Provisions

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Provision for claims	132,099	238,562	119,482	140,569
Other provisions	1,350,867	263,983	1,350,867	158,923
	1,482,966	**502,545**	**1,470,349**	**299,492**
Current	**1,482,966**	**502,545**	**1,470,349**	**299,492**
Non-current	**-**	**-**	**-**	**-**

** 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 provision for claims represents management's best estimate for the insurance claims incurred but not yet reported whose settlement is expected to take place within 12 months.
- Other provisions relate mainly to network costs, bonus and call centre costs whose settlement is expected to take place within 6 months.

Compliance and Financial Reporting

EcoCash HOLDINGS ZIMBABWE LIMITED

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

24. TRADE AND OTHER PAYABLES (continued)

24.1 Provisions (continued)

Reconciliation for the year ended 28 February 2022

	INFLATION ADJUSTED		HISTORICAL*	
	Provision for claims ZW$'000	Other provisions ZW$ '000	Provision for claims ZW$'000	Other provisions ZW$ '000
Balance as at 1 March 2020	**110,108**	**112,244**	**13,466**	**16,746**
Additional	200,256	458,545	127,103	219,775
Utilised	-	(221,036)	-	(77,598)
Monetary Adjustment	(71,802)	(85,770)	-	-
Opening balance as at 28 February 2021	**238,562**	**263,983**	**140,569**	**158,923**
Additional	(19,355)	1,141,821	(20,153)	1,191,944
Utilised	(42,501)	-	(934)	-
Monetary Adjustment	(44,607)	(54,937)	-	-
Closing balance 28 February 2022	**132,099**	**1,350,867**	**119,482**	**1,350,867**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. their opinion.*

24.2 CURRENT TAXATION

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
24.2.1 Tax Liability Reconciliation				
Opening Balance	**177,124**	**427,714**	**107,610**	**61,076**
Current tax charge	2,006,842	902,074	1,535,424	442,789
Tax paid / reversed	(1,908,204)	(867,261)	(1,392,955)	(393,000)
VAT liability	-	(2,693)	-	(1,621)
Reclassification from tax asset	(52,680)	-	(50,717)	(1,634)
Monetary adjustment	(16,710)	(282,710)	-	-
Closing balance	**206,372**	**177,124**	**199,362**	**107,610**
24.2.2 Tax Asset Reconciliation				
Opening Balance	**285,552**	**42,766**	**172,886**	**6,107**
Current tax charge	26,089	(69,596)	78,124	125,844
Tax paid / reversed	69,632	(88,773)	(97,556)	41,015
VAT liability	-	(133)	-	(80)
Reclassification to tax liability	(52,680)	-	(50,717)	-
Monetary adjustment	(225,856)	401,288	-	-
Closing balance	**102,737**	**285,552**	**102,737**	**172,886**
Current Tax (Liabilities) / Assets	**(103,635)**	**108,428**	**(96,625)**	**65,276**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

25. LOANS AND BORROWINGS

	Note	INFLATION ADJUSTED		HISTORICAL*	
		2022 ZW$ '000	**2021 ZW$ '000**	**2022 ZW$ '000**	**2021 ZW$ '000**
Balance at 1 March 2021		-	-	-	-
Additions		2,125,831	-	2,125,831	-
Fair value adjustment on loan	7.2	1,939,918	-	1,939,918	-
Balance at 28 February 2022		**4,065,749**	**-**	**4,065,749**	**-**

** 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 Group entered into a scrip loan agreement during the year and the loan matures in two years. The loan was received as equities in a listed entity and are repayable in equal number of the same equities received. The fair value movements on the equities are reported as other expenses. This loan is unsecured. Refer to Note K for the accounting policy relating to this loan.

26. DEPOSITS DUE TO BANKS AND CUSTOMERS

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	**2021 ZW$ '000**	**2022 ZW$ '000**	**2021 ZW$ '000**
Current accounts	12,758,121	11,948,964	12,758,121	7,193,505
Term deposits	11,720	15,416	11,720	9,281
	12,769,841	**11,964,380**	**12,769,841**	**7,202,786**

** 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 amounts due to customers as at 28 February 2022 is shown after elimination of Inter-group deposits amounting to ZW$2.63 billion.

A concentration of risk therefore exists in the event that the business of the counterparty is adversely affected by changes in economic or other conditions. However, at 28 February 2022 the Group's management was not aware of any economic or other conditions that may adversely affect the business of the counterparty.

26.1 Maturity analysis of deposits

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	**2021 ZW$ '000**	**2022 ZW$ '000**	**2021 ZW$ '000**
Less than 1 month	12,762,184	11,948,964	12,762,184	7,193,505
1 to 3 months	7,657	15,416	7,657	9,281
	12,769,841	**11,964,380**	**12,769,841**	**7,202,786**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

26. DEPOSITS DUE TO BANKS AND CUSTOMERS (continued)

26.2 Sectorial analysis of deposits

	INFLATION ADJUSTED			
	2022		**2021**	
	ZW$ '000	**%**	**ZW$ '000**	**%**
Financial	3,248,684	25.4%	4,658,558	38.9%
Transport and telecommunications	4,554,267	35.7%	4,235,470	35.4%
Mining	60,412	0.5%	81,801	0.7%
Manufacturing	313,003	2.5%	63,764	0.5%
Agriculture	164,142	1.3%	22,504	0.2%
Distribution	383,354	3.0%	69,843	0.6%
Services	942,999	7.4%	23,067	0.2%
Government and parastatals	19,664	0.2%	4,523	0.0%
Individuals	2,936,618	23.0%	2,621	0.0%
Other	146,698	1.1%	2,802,229	23.4%
	12,769,841	**100%**	**11,964,380**	**100%**

27. CASH FLOW INFORMATION

	Notes	INFLATION ADJUSTED		HISTORICAL*	
		2022 ZW$ '000	**2021 ZW$ '000**	**2022 ZW$ '000**	**2021 ZW$ '000**
27.1 Cash generated from operations					
Profit / (loss) before tax and net finance charges		**4,046,273**	**(794,366)**	**3,751,600**	**(37,369)**
Adjustments for:					
Depreciation and impairment of property and equipment	10	1,828,037	2,432,676	1,140,035	294,388
Amortisation and impairment of intangible assets	13	481,854	1,467,209	45,450	38,439
Right of use depreciation	11	257,873	99,170	25,252	12,604
Impairment of assets held for sale	17	352	-	-	-
Impairment of trade and other receivables	19	484,040	55,218	436,154	33,242
Movement in expected credit loss allowance - loans and advances to bank customers	3	80,323	217,873	54,681	79,516
Movement in expected credit loss allowance - treasury bill and government bonds	3	304,767	82,949	230,527	(10,608)
Loss on disposal of property and equipment	3	2,578	10	1,862	2,860
Fair value (gains) / losses on financial assets	16	(3,690,338)	(912,720)	(4,233,102)	(782,987)
Gain on fair value of investment property	12	(15,703)	(92,844)	(752,555)	(924,204)
Increase in provisions	24.1	980,421	280,194	1,170,857	269,280
Fair value adjustment on loan	5	1,939,918	-	1,939,918	-
Net forex losses unrealised		730,703	6,306,249	420,486	2,050,580
Inventory write-offs		(33,065)	(6,824)	(8,546)	-
Monetary adjustment		(1,946,604)	(7,257,608)	-	-
Other non-cash items		8,894,176	8,938,549	2,271,170	(143,850)
Cash generated from operations before working capital changes		**14,345,605**	**10,815,735**	**6,493,789**	**881,891**

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Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

27. CASH FLOW INFORMATION (continued)

		INFLATION ADJUSTED		HISTORICAL*	
		2022 ZW$ '000	**2021 ZW$ '000**	**2022 ZW$ '000**	**2021 ZW$ '000**
27.2	**Adjustments for working capital changes**				
	Decrease / (increase) in inventory	657,098	(2,038,975)	216,229	(411,783)
	(Increase) / decrease in trade and other receivables	(841,259)	38,286	(3,215,342)	(2,650,085)
	(Increase) / decrease in amounts owed by related party companies	16,987	394,052	(37,644)	(16,148)
	(Decrease) / increase in trade and other payables	901,742	(2,527,790)	3,175,640	1,758,738
	(Decrease) / increase in amounts owed to related party companies	(5,656,224)	(3,754,694)	(2,029,330)	2,292,561
	(Decrease) / Increase in mobile money trust liabilities	(1,619,493)	(5,023,532)	1,179,617	2,512,505
	(Increase) / decrease in loans and advances to customers	(4,013,742)	(896,003)	(5,138,726)	(1,298,090)
	Increase / (decrease) in deposits due from banks and customers	805,461	4,186,099	5,567,055	6,092,079
	Cash generated from operations	**4,596,175**	**1,193,178**	**6,211,288**	**9,161,668**
27.3	**Income tax paid**				
	Opening balance of asset / (liability)	108,428	(384,948)	65,276	(54,969)
	Add: current taxation charge for the period (Note 8)	(1,980,753)	(971,670)	(1,457,300)	(316,945)
	VAT liability	-	2,560	-	1,541
	Reclassification	-	-	-	1,634
	Monetary adjustment	(209,146)	683,997	-	-
	Less: closing balance of (liability) / asset	(103,635)	108,428	(96,625)	65,276
	Tax paid	**1,977,836**	**778,489**	**1,295,399**	**434,015**
27.4	**Cash and cash equivalents**				
	Cash and cash equivalents comprise of:				
	Balances and Cash - unrestricted	**1,211,899**	**9,420,502**	**1,211,899**	**5,671,323**
	Gross Balances and Cash - unrestricted	1,254,455	9,599,083	1,254,455	5,778,832
	Less expected credit loss allowance	(42,556)	(178,581)	(42,556)	(107,509)
	Balances and Cash - restricted (27.5)	**5,413,786**	**7,033,279**	**5,413,786**	**4,234,169**
		6,625,685	**16,453,781**	**6,625,685**	**9,905,492**

Restricted Cash balances represent amounts held in trust for the EcoCash customers. All the money circulating on the EcoCash platform is held in trust. The trust is not a separate entity, it is just an account within the cash balances used to separate the restricted balances from other funds.

		INFLATION ADJUSTED		HISTORICAL*	
		2022 ZW$ '000	**2021 ZW$ '000**	**2022 ZW$ '000**	**2021 ZW$ '000**
27.5	**Mobile money trust liabilities**				
	Opening Balance	**7,033,279**	**12,056,810**	**4,234,169**	**1,721,664**
	Deposits	1,179,617	4,173,464	1,179,617	2,512,505
	Monetary adjustment	(2,799,110)	(9,196,995)	-	-
	Closing Balance	**5,413,786**	**7,033,279**	**5,413,786**	**4,234,169**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

28. RELATED PARTY TRANSACTIONS

		INFLATION ADJUSTED		HISTORICAL*	
		2022 ZW$ '000	**2021 ZW$ '000**	**2022 ZW$ '000**	**2021 ZW$ '000**
28.1	**Transactions**				
	Transactions with Members of Econet Global Limited (EGL) Group				
	Sales of goods and services to fellow subsidiaries	2,680,364	1,839,355	2,055,668	826,252
	Purchases of goods and services from fellow subsidiaries	(2,411,787)	(3,439,410)	(1,747,871)	(1,538,573)
	Interest to related parties	(376,733)	(407,992)	(276,566)	(184,648)
28.2	**Balances**				
	Amounts owed to fellow EGL subsidiaries	(4,247,740)	(8,664,173)	(4,247,740)	(5,215,998)
	Amounts owed by fellow EGL subsidiaries	120,284	137,271	120,284	82,640
	Bank balances due to fellow EGL subsidiaries	(6,699,699)	(7,332,017)	(6,699,699)	(4,414,015)
	Net amounts payable	**(10,827,155)**	**(15,858,919)**	**(10,827,155)**	**(9,547,373)**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

28.3 Compensation of Directors and key management

The remuneration of Directors and other members of key management during the year was as follows:

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	**2021 ZW$ '000**	**2022 ZW$ '000**	**2021 ZW$ '000**
Compensation of Directors and key management personnel				
For services as directors	82,840	120,579	63,104	45,815
Short-term benefits for management services	422,310	106,827	321,760	40,590
Short-term post-employment benefits	8,113	3,237	6,181	1,230
	513,263	**230,643**	**391,045**	**87,635**

**The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Terms of balances with fellow subsidiaries

Included in amounts receivable from and amounts payable to the members of the Econet Global Limited Group are balances accruing interest at 8%. Included in amounts owed to fellow EGL subsidiaries are debenture liability balance which will mature in April 2023.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the period ended 28 February 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related parties and the market in which the related parties operate.

The amounts owed by related parties have a low risk of default with the probability of default close to zero percent as the expected recovery period is short and there are indications that the related parties are able to pay the outstanding amounts in full. The effect of discounting is therefore expected to be immaterial thus resulting in no ECL allowance being recognised on these balances.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

29. GROUP EMPLOYEE BENEFITS

Econet Wireless Group Pension Fund
Contributions are made to the defined contribution scheme through monthly deduction by the Group on members' salaries and remitted to the Fund.

National Social Security Authority Scheme
This is a defined contribution scheme promulgated under the National Social Security Act of 1989. The Group's obligation under the scheme are limited to specific contributions legislated from time to time.

The total contributions for the year were as follows;

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Total contributions for the year	(128,420)	(45,351)	(97,172)	(19,562)

30. FINANCIAL RISK MANAGEMENT

30.1 Capital risk management

The objective of the Group's capital management is to ensure that it complies with the Reserve Bank of Zimbabwe (RBZ) and Insurance and Pensions Commissions (IPEC) requirements. In implementing the current capital requirements, the RBZ and IPEC require the Group companies to maintain a prescribed ratio of total capital to total risk weighted assets. Risk weighted assets are arrived at by applying the appropriate risk factor as determined by the RBZ to the monetary value of the various assets as they appear on the Bank's statement of financial position.

Regulatory capital for Steward Bank Limited consists of:

- Tier 1 Capital ("the core capital"), which comprises share capital, share premium, retained earnings (including the current period profit or loss), the statutory reserve and other equity reserves.
- Tier 2 Capital ("supplementary capital"), which includes subordinated term debt, revaluation reserves and portfolio provisions.

The core capital shall comprise not less than 50% of the capital base and portfolio provisions are limited to 1.25% of total risk weighted assets.

- Tier 3 Capital ("tertiary capital") relates to an allocation of capital to meet market and operational risks.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.1 Capital risk management (continued)

	2022 ZW$'000	2021 ZW$'000
Steward Bank Limited Regulatory Capital		
Share capital	4	4
Share premium	2,077,585	106,318
Retained earnings	2,536,273	458,263
	4,613,862	**564,585**
Less: Capital allocated for market and operational risk	(315,921)	(35,089)
Advances to insiders	(85,286)	(161,088)
Guarantees to insiders	-	-
Tier 1 capital	**4,212,655**	**368,408**
Tier 2 capital	**2,347,576**	**775,485**
Other reserves	2,347,576	775,485
General provisions	-	-
Total Tier 1 and 2 capital	**6,560,231**	**1,143,893**
Tier 3 capital (sum of market and operational risk capital)	315,921	35,089
Total Capital Base	**6,876,152**	**1,178,982**
Total risk weighted assets	**11,496,737**	**1,005,650**
Tier 1 ratio	37%	37%
Tier 2 ratio	20%	77%
Tier 3 ratio	3%	3%
Total capital adequacy ratio	**60%**	**117%**
RBZ minimum requirement	12%	12%

* *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 Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Overall, the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group and its individually regulated operations have always complied with all externally imposed capital requirements throughout the period.

The following subsidiaries have their capital regulated by the respective regulatory authorities:

	Regulatory authority	Minimum capital required	Computed Regulatory capital	Total equity
Company				
Steward Bank Limited	RBZ	ZW$ 3.72 billion	ZW$ 5.61 billion	ZW$ 8.76 billion
Econet Life (Pvt) Ltd	IPEC	ZW$ 75.0 million	ZW$ 1.43 billion	ZW$ 2.64 billion
Econet Insurance (Pvt) Ltd	IPEC	ZW$ 37.5 million	ZW$ 390.46 million	ZW$ 1.11 billion

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.2 Financial risk management objectives

The Group's Corporate Treasury function (embedded in the Group Finance function) provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's Audit Committee, consisting of executive and non-executive directors, meet on a regular basis to analyse, amongst other matters, currency and interest rate exposures and re-evaluate treasury management strategies against revised economic forecasts. Compliance with Group policies and exposure limits is reviewed at quarterly Board meetings.

The Group has a dedicated committee of the Board which reviews the loan exposures on a regular basis and monitors repayment plans. The Group has been able to meet its obligations in the current financial period and the Directors believe that appropriate measures have been implemented to ensure that the Group has the ongoing capacity to meet its obligations arising from these exposures.

30.3 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's policy is to adopt a non-speculative approach to managing interest rate risk. Approved funding instruments include; bankers acceptances, call loans, overdrafts, foreign loans and where appropriate, long-term loans.

The Board of Directors has a committee that is dedicated to reviewing the loan exposures and repayment plans for the Group's external borrowings. The Committee that reviews the loan exposures meets on a regular basis and uses various models to project the Group's risk exposures and proposes methods to deal with the risk arising in an appropriate manner. This committee also approves the term sheets for such borrowings and ensures that the interest rate exposure of the Group is appropriately managed. In the current year, the Group does not have interest bearing borrowings.

The sensitivity of the Group's statement of comprehensive income to the changes in interest rates on its material exposures is disclosed in Note 30.3.1 below. The Directors, at the reporting date, were not aware of any information or events that may have a significant impact on the reported profit and loss of the Group or that would result in material changes in the structure of the Group's statement of comprehensive income.

30.3.1 Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's statement of comprehensive income.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the profit or loss for a period, based on the variable and fixed rate financial assets and financial liabilities held.

	INFLATION ADJUSTED	HISTORICAL*
	2022 ZW$ '000	2022 ZW$ '000
Change in interest rates %	**Sensitivity of profit or loss**	
+6	(24,225)	(17,896)
+4	(16,150)	(11,931)
+2	(8,075)	(5,965)
-2	8,075	5,965
-4	16,150	11,931
-6	24,225	17,896

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.3 Interest rate risk management (continued)

30.3.2 Interest rate repricing gap analysis

The table below analyses the Group's interest rate risk exposure on assets and liabilities. The financial assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

	Up to 1 Month ZW$'000	1 month to 3 months ZW$'000	3 months to 1 year ZW$'000	1 to 5 years ZW$'000	Over 5 years ZW$'000	Non-interest bearing ZW$'000	Total ZW$'000
TOTAL POSITION							
At 28 February 2022							
Assets:							
Cash and cash equivalents*	6,625,685	-	-	-	-	-	**6,625,685**
Loans and advances to customers*	2,266,547	110,260	1,020,344	2,222,695	1,061,657	-	**6,681,503**
Treasury bills and government bonds*	399,529	2,720,268	2,723,964	-	-	-	**5,843,761**
Financial assets at fair value through profit or loss*	-	-	-	-	-	6,108,898	**6,108,898**
Trade and other receivables	-	-	-	-	-	6,886,411	**6,886,411**
Amounts owed by related party companies*	50,951	34,620	34,713	-	-	-	**120,284**
Inventories	-	-	-	-	-	790,589	**790,589**
Investment property*	-	-	-	-	-	1,888,757	**1,888,757**
Property and Equipment	-	-	-	-	-	9,678,409	**9,678,409**
Intangible assets	-	-	-	-	-	2,971,619	**2,971,619**
Right of use asset	-	-	-	-	-	143,562	**143,562**
Non-Current Asset held for sale*	-	-	-	-	-	522	**522**
	9,342,712	**2,865,148**	**3,779,021**	**2,222,695**	**1,061,657**	**28,468,767**	**47,740,000**
Liabilities and equity:							
Deposits due to banks and customers*	12,762,184	7,657	-	-	-	-	**12,769,841**
Provisions	-	-	-	-	-	1,482,966	**1,482,966**
Tax liabilities	-	-	-	-	-	103,635	**103,635**
Trade and other payables	-	-	-	-	-	5,764,196	**5,764,196**
Mobile money trust liabilities*	-	-	-	-	-	5,413,786	**5,413,786**
Loans and borrowings	-	-	-	-	-	4,065,749	**4,065,749**
Amounts owed to related party companies*	576,540	114,668	271,347	3,285,185	-	-	**4,247,740**
Deferred tax liability	-	-	-	-	-	2,224,065	**2,224,065**
Lease liabilities*	-	10,368	31,105	19,647	-	-	**61,120**
Equity	-	-	-	-	-	11,606,902	**11,606,902**
	13,338,724	**132,693**	**302,452**	**3,304,832**	**-**	**30,661,299**	**47,740,000**
Interest rate repricing gap	**(3,996,012)**	**2,732,455**	**3,476,569**	**(1,082,137)**	**1,061,657**	**(2,192,532)**	**-**
Cumulative gap	**(3,996,012)**	**(1,263,557)**	**2,213,012**	**1,130,875**	**2,192,532**	**-**	**-**

* **Amounts presented reflect both inflation adjusted and historic figures, as they relate to monetary items as at 28 February 2022*

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.3 Interest rate risk management (continued)

30.3.2 Interest rate repricing gap analysis

	Up to 1 Month ZW$'000	1 month to 3 months ZW$'000	3 months to 1 year ZW$'000	1 to 5 years ZW$'000	Over 5 years ZW$'000	Non-interest bearing ZW$'000	Total ZW$'000
TOTAL POSITION							
At 28 February 2021							
Assets:							
Cash and cash equivalents*	16,453,781	-	-	-	-	-	**16,453,781**
Loans and advances to customers*	1,086,326	24,295	352,447	1,190,432	-	-	**2,653,500**
Treasury bills and government bonds*	1,426,065	107,598	44,568	88,055	-	-	**1,666,286**
Financial assets at fair value through profit or loss*	-	-	-	-	-	1,802,898	**1,802,898**
Trade and other receivables	-	-	-	-	-	6,458,190	**6,458,190**
Amounts owed by related party companies*	120,740	28	4,502	12,001	-	-	**137,271**
Inventories	-	-	-	-	-	1,501,181	**1,501,181**
Investment property*	-	-	-	-	-	1,819,560	**1,819,560**
Property and Equipment	-	-	-	-	-	7,616,656	**7,616,656**
Intangible assets	-	-	-	-	-	2,224,627	**2,224,627**
Right of use asset	-	-	-	-	-	367,637	**367,637**
Non-Current Asset held for sale*	-	-	-	-	-	2,443	**2,443**
	19,086,912	**131,921**	**401,517**	**1,290,488**	**-**	**21,793,192**	**42,704,030**
Liabilities and equity:							
Deposits due to banks and customers*	11,948,964	15,416	-	-	-	-	**11,964,380**
Provisions	-	-	-	-	-	502,545	**502,545**
Tax liabilities	-	-	-	-	-	108,428	**108,428**
Trade and other payables	-	-	-	-	-	5,267,907	**5,267,907**
Mobile money trust liabilities*	-	-	-	-	-	7,033,279	**7,033,279**
Amounts owed to related party companies*	3,297,131	752,808	111,875	4,502,359	-	-	**8,664,173**
Deferred tax liability	-	-	-	-	-	1,154,873	**1,154,873**
Lease liabilities*	-	-	5,914	68,029	-	-	**73,943**
Equity	-	-	-	-	-	8,151,358	**8,151,358**
	15,246,095	**768,224**	**117,789**	**4,570,388**	**-**	**22,218,390**	**42,920,886**
Interest rate repricing gap	**3,840,817**	**(636,303)**	**283,728**	**(3,279,900)**	**-**	**(425,198)**	**(216,856)**
Cumulative gap	**3,840,817**	**3,204,514**	**3,488,242**	**208,342**	**208,342**	**(216,856)**	**(433,712)**

* *Amounts presented reflect both inflation adjusted and historic figures, as they relate to monetary items as at 28 February 2022*

30.4 Other price risks

The Group primarily invests in equities issued by Companies listed on the Zimbabwe Stock Exchange (ZSE). The Group also invests in shares listed on the Victoria Falls Stock Exchange (VFSE) which is an exchange on which equities are traded in United States of America Dollars. The Group's investments committee reviews the Group's equities portfolio on a quarterly basis and gives and takes advice to and from the Group's asset managers on equities to invest in or exit from. This oversight ensures that the Group's exposure to market price risk from this activity is acceptable.

Equity price risk sensitivity:

A 10% increase in the market prices of the equities in the Group's portfolio held as at 28 February 2022 would have resulted in an increase of ZW$ 367.8 million (2021: ZW$ 91.3 million) in inflation adjusted retained earnings and net assets. A 10% decrease in the quoted prices would have reduced retained earnings and assets by the same amounts.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.5 Credit risk management

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. This risk arises principally from the Bank's loans and advances to customers and placements with Government and other banks. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Financial assets, which potentially subject the Group to concentrations of credit risk, consist principally of bank balances, loans and advances and trade receivables. The Group's cash equivalents are placed with high quality financial institutions. Loans and advances are presented net of the allowance for impairment losses. Credit risk with respect to debtors is limited due to the widespread customer base and ongoing credit evaluations to maintain credit worthiness of the customers.

The Board of Directors have delegated responsibility for the oversight of credit risk to the Bank Credit Committee. A separate Credit department, reporting to the Bank Credit Committee, is responsible for managing the Bank's credit risk including the following:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business Credit Officers. Larger facilities require approval by the Head of Credit, the Bank Credit Committee or the Board of Directors as appropriate.
- Reviewing and assessing credit risk: The Credit department assesses all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposures to counterparties, geographies and industries (for loans and advances, financial guarantees and similar exposures), and by issuer, credit rating band, market and liquidity.
- Developing and maintaining the Bank's risk grading to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of ten grades reflecting various degrees of risk default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive committee, as appropriate. Risk grades are subject to regular reviews by the Risk and Capital Management Committee.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to the Credit department, which may require appropriate corrective action to be taken.
- Providing advice, guidance and specialist skills to business units to promote best practise throughout the Bank in the management of credit risk.

Regular audits of business units and the Credit department processes are undertaken by Internal Audit.

30.5.1 Impairment assessments

Definition of default and cure

The Bank considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. The Bank considers treasury and interbank balances defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements.

As a part of a qualitative assessment of whether a customer is in default, the Bank also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Bank carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.5 Credit risk management (continued)

30.5.1 Impairment assessments (continued)

Definition of default and cure (continued)

- Internal rating of the borrower indicating default or near-default (stage 3 and 2 respectively)
- The borrower requesting emergency funding from the Bank (stage 2)
- The borrower having past due liabilities to public creditors or employees (stage 2)
- The borrower is deceased (stage 3)
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral (stage 3)
- A material decrease in the borrower's turnover or the loss of a major customer (stage 2)
- A covenant breach not waived by the Bank (stage 2)
- The debtor (or any legal entity within the debtor's group) filing for bankruptcy application/protection (stage 3)
- Debtor's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties (stage 2)

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition. The Bank's criterion for 'cure' for ECL purposes is less stringent than the 24 months requirement for forbearance.

30.5.2 The Bank's internal rating and PD estimation process

The Bank's Credit Risk function operates its internal rating models. The Bank runs separate models for its key portfolios in which its customers are rated from 1 to 10 using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. Where practical, they also build on information from Global Credit Ratings (GCR) Agency. These information sources are first used to determine the PDs within the Bank's Basel framework.

The internal credit grades are assigned based on these Based grades. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information and the IFRS 9 Stage classification of the exposure. This is repeated for each economic scenario as appropriate.

The internal credit rating relate to IFRS 9 Stages as follows;

Internal Grade	Stage
1 to 5	1
6 to 7	2
8 to 10	3

30.5.3 Treasury, trading and interbank relationships

The Group's treasury, trading and interbank relationships and counterparties comprise financial services institutions, banks, broker-dealers, exchanges and clearing-houses. For these relationships, the Bank's Credit Risk section analyses publicly available information such as financial information and other external data, e.g., the rating of Global Credit Ratings (GCR) Agency and assigns the internal rating.

30.5.4 Corporate and small business lending

For corporate and investment banking loans, the borrowers are assessed by specialised credit risk employees of the Group. The credit risk assessment is based on a credit scoring model that takes into account various historical, current and forward-looking information such as:
- Historical financial information together with forecasts and budgets prepared by the client. This financial information includes realised and expected results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance. Some of these indicators are captured in covenants with the clients and are, therefore, measured with greater attention.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.5 Credit risk management (continued)

30.5.4 Corporate and small business lending (continued)

- Any publicly available information on the clients from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, or press releases and articles.
- Any macro-economic or geopolitical information, e.g., GDP growth relevant for the specific industry and geographical segments where the client operates.
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the company's performance.

The complexity and granularity of the rating techniques varies based on the exposure of the Bank and the complexity and size of the customer. Some of the less complex small business loans are rated within the Group's models for retail products.

30.5.5 Consumer lending and retail mortgages

Consumer lending comprises unsecured personal loans, credit cards and overdrafts. These products along with retail mortgages and some of the less complex small business lending are rated by an automated scorecard tool primarily driven by days past due. Other key inputs into the models are:

- Consumer lending products: use of limits and volatility thereof, GDP growth, unemployment rates, changes in personal income/salary levels based on records of current accounts, personal indebtedness and expected interest repricing
- Retail mortgages: GDP growth, unemployment rates, changes in personal income/salary levels based on records of current accounts, personal indebtedness and expected interest repricing.

30.5.6 Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Bank assesses the possible default events within 12 months for the calculation of the 12mECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Group determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Bank's models.

30.5.7 Loss given default

For corporate and investment banking financial instruments, LGD values are assessed at least every three months by account managers and reviewed and approved by the Bank's specialised credit risk department.

The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

The Group segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

Further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in, collateral values including property prices for mortgages, commodity prices, payment status or other factors that are indicative of losses in the group.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.5 Credit risk management (continued)

30.5.7 Loss given default (continued)

The Bank estimates regulatory and IFRS 9 LGDs on a different basis. Under IFRS 9, LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI IFRS 9 segment of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries. These are repeated for each economic scenario as appropriate.

30.5.8 Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

The Group applies a qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition."

30.5.9 Grouping of financial assets measured on a collective basis

Dependent on the factors below, the Group calculates ECLs either on a collective or an individual basis.

30.5.10 Asset classes where the Group calculates ECL on an individual basis include:

- All Stage 3 assets, regardless of the class of financial assets The Corporate lending portfolio
- The large and unique exposures of the Small business lending portfolio
- The treasury, trading and interbank relationships (such as Due from Banks, Cash collateral on securities borrowed and reverse repurchase agreements and debt instruments at amortised cost/ FVOCI
- Exposures that have been classified as POCI when the original loan was de-recognised and a new loan was recognised as a result of a credit driven debt restructuring
- The smaller and more generic balances of the Bank's Small business lending
- Stage 1 and 2 Retail mortgages and Consumer lending
- Purchased POCI exposures managed on a collective basis

30.5.11 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

30.5.12 The main types of collateral obtained are, as follows:

- For securities lending and reverse repurchase transactions, cash or securities
- For corporate and small business lending, charges over real estate properties, inventory and trade receivables and, in special circumstances, government guarantees for retail lending, mortgages over residential properties.

The Group also obtains guarantees from parent companies for loans to their subsidiaries. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale. Disclosure of credit quality and the maximum exposure for credit risk per categories based on the Bank's internal credit rating system and period-end stage classification are further disclosed in Note 30.5.14.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also show the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.5 Credit risk management (continued)

30.5.13 Credit related commitment risks:

The Bank makes available to its customers guarantees that may require that the Bank makes payments on their behalf and enters into commitments to extend credit lines to secure their liquidity needs. Letters of credit and guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of a specific act. Such commitments expose the Bank to similar risks to loans and are mitigated by the same control processes and policies.

30.5.14 Analysis of maximum exposure to credit risk and collateral or other credit enhancements held

		Fair Value of Collateral and Credit Enhancements Held			
	Maximum exposure to credit risk ZW$'000	**Listed securities ZW$'000**	**Property ZW$'000**	**Other ZW$'000**	**Net exposure to credit Risk ZW$'000**
At 28 February 2022:					
Financial assets:					
Cash and cash equivalents	6,625,685	-	-	-	6,625,685
Loans and advances	6,681,503	-	(1,072,091)	(323,848)	5,285,564
Amounts owed by related party companies	120,284	-	-	-	120,284
Trade and other receivables	4,921,432	-	-	-	4,921,432
Treasury bills and government bonds	5,843,761	-	-	-	5,843,761
Total credit risk exposure	**24,192,665**	**-**	**(1,072,091)**	**(323,848)**	**22,796,726**
At 28 February 2021:					
Financial assets:					
Cash and cash equivalents	16,453,781	-	-	-	16,453,781
Loans and advances	2,653,500	-	(2,402,106)	(193,638)	57,756
Amounts owed by related party companies	137,271	-	-	-	137,271
Trade and other receivables	5,425,661	-	-	-	5,425,661
Treasury bills and government bonds	1,666,286	-	-	-	1,666,286
Total credit risk exposure	**26,336,499**	**-**	**(2,402,106)**	**(193,638)**	**23,740,755**

* *Amounts presented reflect both inflation adjusted and historic figures, as they relate to monetary items as at 28 February 2022*

30.5.15 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The Bank also obtains guarantees from parent companies for loans to their subsidiaries.

Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

30.5.16 Credit quality analysis

The table on Note 30.5.14 shows the credit quality of the Group's financial instruments and the maximum exposure to credit risk, based on the Group's internal credit rating system and period end stage classification.

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.6 Liquidity risk management

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due under both normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Group has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure additional funding if required.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Bank maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption of cash flow. The Bank places emphasis on lines of credit that it can access to meet liquidity needs. In accordance with the Bank's policy, the liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Bank. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities, to reflect market conditions.

The key ratios during the period were, as follows:

	At year end	Maximum during period	Minimum during period
28 February 2022			
Loans to deposits ratio	46%	48%	20%
Net liquid assets to customer liabilities ratio	107%	110%	67%
28 February 2021			
Loans to deposits ratio	17%	22%	11%
Net liquid assets to customer liabilities ratio	80%	89%	62%

The Bank stresses the importance of current accounts and savings accounts as sources of funds to finance lending to customers. They are monitored using the advances to deposit ratio, which compares loans and advances to customers as a percentage of core customer current and savings accounts, together with term funding with a remaining term to maturity in excess of one period. Loans to customers that are part of reverse repurchase arrangements, and where the Bank receives securities which are deemed to be liquid, are excluded from the advances to deposits ratio.

The Bank defines liquid assets for the purposes of the liquidity ratio as cash balances, short–term interbank deposits and highly-rated debt securities available for immediate sale and for which a liquid market exists.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Bank expects that many customers will not request repayment on the earliest date the Bank could be required to pay and the table does not reflect the expected cash flows indicated by the Bank's deposit retention history"

Notes to the consolidated financial statements (continued)
For the year ended 28 February 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.6 Liquidity risk management (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand ZW$'000	Less than 3 months ZW$'000	3 months to 1 period ZW$'000	1 to 5 periods ZW$'000	Over 5 periods ZW$'000	Total ZW$'000
At 28 February 2022						
Financial assets:						
Cash and cash equivalents	6,625,685	-	-	-	-	**6,625,685**
Loans and advances to customers	1,965,325	110,260	1,020,334	2,682,895	1,061,657	**6,840,471**
Treasury bills and government bonds	-	3,310,795	2,678,240	-	-	**5,989,035**
Financial assets at fair value through profit or loss	6,108,898					**6,108,898**
Amounts owed by related party companies	120,284	-	-	-	-	**120,284**
Trade and other receivables	4,921,432	-	-	-	-	**4,921,432**
Total undiscounted financial assets	**19,741,624**	**3,421,055**	**3,698,574**	**2,682,895**	**1,061,657**	**30,605,805**
Financial liabilities:						
Trade and other payables	4,066,623	-	-	-	-	**4,066,623**
Amounts owed to related party companies	1,047,622	-	-	3,571,112	-	**4,618,734**
Deposits due to banks and customers	12,762,184	7,657	-	-	-	**12,769,841**
Lease liabilities	-	10,368	31,105	21,147	-	**62,620**
Mobile money trust liabilities	5,413,786	-	-	-	-	**5,413,786**
Loans and borrowings	-	-	-	4,065,749	-	**4,065,749**
Total undiscounted financial liabilities	**23,290,215**	**18,025**	**31,105**	**7,658,008**	**-**	**30,997,353**
Net undiscounted financial (liabilities) / assets	**(3,548,591)**	**3,403,030**	**3,667,469**	**(4,975,113)**	**1,061,657**	**(391,548)**
Cumulative gap	**(3,548,591)**	**(145,561)**	**3,521,908**	**(1,453,205)**	**(391,548)**	

	On demand ZW$'000	Less than 3 months ZW$'000	3 months to 1 period ZW$'000	1 to 5 periods ZW$'000	Over 5 periods ZW$'000	Total ZW$'000
At 28 February 2021						
Financial assets:						
Cash and cash equivalents	16,453,781	-	-	-	-	16,453,781
Loans and advances to customers	1,086,326	24,295	352,447	1,190,432	-	2,653,500
Treasury bills and government bonds	1,426,065	107,598	44,568	88,055	-	1,666,286
Financial assets at fair value through profit or loss	1,802,898	-	-	-	-	1,802,898
Amounts owed by related party companies	120,740	28	4,502	12,001	-	137,271
Trade and other receivables	4,732,760	-	-	-	-	4,732,760
Total undiscounted financial assets	**25,622,570**	**131,921**	**401,517**	**1,290,488**	**-**	**27,446,496**

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.6 Liquidity risk management (continued)

	On demand ZW$'000	Less than 3 months ZW$'000	3 months to 1 period ZW$'000	1 to 5 periods ZW$'000	Over 5 periods ZW$'000	Total ZW$'000
At 28 February 2021						
Financial liabilities:						
Trade and other payables	4,056,748	-	-	-	-	**4,056,748**
Amounts owed to related party companies	3,297,131	752,808	111,875	4,502,359	-	**8,664,173**
Deposits due to banks and customers	11,948,964	15,416	-	-	-	**11,964,380**
Lease liabilities	-	-	5,914	68,029	-	**73,943**
Mobile money trust liabilities	7,033,279	-	-	-	-	**7,033,279**
Total undiscounted financial liabilities	**26,336,122**	**768,224**	**117,789**	**4,570,388**	**-**	**31,792,523**
Net undiscounted financial (liabilities) / assets	**(713,552)**	**(636,303)**	**283,728**	**(3,279,900)**	**-**	**(4,346,027)**
Cumulative gap	**(713,552)**	**(1,349,855)**	**(1,066,127)**	**(4,346,027)**	**(4,346,027)**	

* *Amounts presented reflect both inflation adjusted and historic figures, as they relate to monetary items as at 28 February 2022*

The disclosed financial instruments in the above table are the gross undiscounted cash flows.

30.7 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

31. RISK MANAGEMENT

31.1 Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

31.2 Compliance Risk

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with, law, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards. This risk exposes the Group to fines and payment of damages. Compliance risk can lead to diminished reputation, limited business opportunities, reduced expansion potential, and an inability to enforce contracts. The Internal Audit and the Risk Department ensure that the Group fully complies with all relevant laws and regulations.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

31 RISK MANAGEMENT (continued)

31.2 Compliance Risk (continued)

Reputational risk is the current and prospective impact on earnings and capital arising from negative public opinion. This affects the Group's ability to establish new relationships or services or continue servicing existing relationships. This risk may expose the Group to litigation, financial loss, or a decline in its customer base. The Group has a Business Development department whose mandate is to manage this risk.

32. LEASE LIABILITIES

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
32.1 Reconciliation of lease liability				
Opening balance	**73,943**	**105,550**	**44,515**	**15,072**
Additions	2,936	41,497	622	23,953
Modification - remeasurement of lease liability	32,264	37,964	30,775	10,797
Exchange loss	12,328	(19,672)	12,370	15,128
Interest expense (Note 5)	8,385	14,739	6,105	699
Interest paid	(8,385)	(14,739)	(6,105)	699)
Repayment of lease liabilities	(37,633)	(33,163)	(27,162)	(20,112)
Write-offs	-	(6,264)	-	(323)
Monetary Adjustment	(22,718)	(51,969)	-	-
Closing balance	**61,120**	**73,943**	**61,120**	**44,515**
32.2 Maturity analysis				
Not later than one year	41,473	5,914	41,473	3,560
Later than one year and not later than five years	21,147	69,309	21,147	41,725
Later than five years	-	-	-	-
	62,620	**75,223**	**62,620**	**45,285**
Analysed as:				
Non-current	21,147	69,309	21,147	41,725
Current	41,473	5,914	41,473	3,560
	62,620	**75,223**	**62,620**	**45,285**

* *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 Group does not face a significant liquidity risk regarding its lease liabilities. Lease liabilities are monitored within the Group's treasury function. All lease obligations are denominated in ZW$.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

33. GOING CONCERN

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

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 these 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, 72% 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.

Macroeconomic uncertainties characterised by hyperinflation, rapid changes in policies and challenges in accessing foreign currency as well as global and local uncertainties created by the rollover impact of COVID-19 have resulted in a challenging operating environment for the Group. 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.

ZW$3.3 billion of the related party payables relate to debentures balances which were assumed pursuant to the demerger of the Group from Econet Wireless Zimbabwe Limited on 1 November 2018. The Group's 50% share of the 904 778 710 (2021: 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 United States dollar and as such subject to exchange rate revaluation. Significant exchange rate movements have been experienced in the economy during the reporting period under review. As at 28 February 2022 the Group recorded exchange losses amounting to ZW$1.2 billion (2021: ZW$6.3 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, during the current financial year, a call was made to debenture holders for early redemption and 22% of debenture holders exercised the option. The Group will continue to implement measures to mitigate against exchange risk and strengthen performance.

The Directors have assessed the ability of the Group to continue operating as a going concern for the 12 months period subsequent to the date of authorisation of the financial statements. The Directors believe that the preparation of these financial statements on a going concern basis remains appropriate as the Group's largest operating unit will continue to deliver positive results, comply with all capital ratios and the current capital requirements have been met.

34. BORROWING POWERS

In terms of the Company's Articles of Association, the Directors may exercise the powers of the Company to borrow up to 200% of the aggregate of:
- the issued share capital and share premium or stated capital of the Company; and
- the distributable and non-distributable reserves, including unappropriated profits of the Company reduced by any adverse amount reflected in the statement of comprehensive income, excluding; goodwill, revaluation reserves arising prior to 28 February of each year, and provision for taxation, deferred tax, and any balance standing to the credit of the tax equalisation account.

The current borrowings are within the limit.

Notes to the consolidated financial statements (continued)

For the year ended 28 February 2022

35. CAPITAL COMMITMENTS

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

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	**2021 ZW$ '000**	**2022 ZW$ '000**	**2021 ZW$ '000**
Authorised and contracted for	2,242,504	4,462,767	1,950,324	637,265
Authorised and not contracted for	171,338	6,744,461	103,149	963,082
	2,413,842	**11,207,228**	**2,053,473**	**1,600,347**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

36. EVENTS AFTER THE REPORTING DATE

Subsequent to year-end, the government introduced various measures to restore confidence, preserve value and restore macroeconomic stability. The measures included directives to banks on lending and interest rate guidelines, introduction of the willing-buyer-willing seller exchange rate and also introduction of higher capital gains taxation on short-term investments to curb speculative investments.

There has been a significant decline in the ZW$/USD foreign exchange rate from 124:1 as at 28 February 2022 compared to 403:1 as at 19 July 2022.

The above issues are considered to be non-adjusting events for purposes of IAS 10 on the basis that the changes were substantially enacted after the end of the 28 February 2022 reporting period.

37. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 07 July 2022.

Company Directors' responsibility for financial reporting

The Directors of Ecocash Holdings Zimbabwe Limited ("the Company") are responsible for the maintenance of adequate accounting records, and the preparation, integrity and fair presentation of the financial statement and related information. The Company's independent external auditors, Messrs Deloitte & Touche, have audited the financial statement and its report appears on pages 225 to 227.

The financial statement for the year ended 28 February 2022 presented from pages 228 to 231 has been prepared using the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The financial statement has also been prepared in accordance with the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31) and related regulations. It is 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 application of these accounting policies is supported by reasonable and prudent judgments and estimates. Compliance with IFRS and laws and regulations is intended to achieve consistency and comparability of the financial statement.

The Public Accountants and Auditors Board (PAAB) issued a pronouncement in October 2019 prescribing application of inflation accounting for reporting periods ended on or after 1 July 2019. Consequently, the Company adopted International Accounting Standard (IAS) 29 - Financial Reporting in Hyperinflationary Economies and prepared the financial statement as if the economy had been hyperinflationary from 1 October 2018.

A modified opinion has been issued on the financial statement, with the basis of modification being unresolved matters from the prior year ended 28 February 2021 with carryover effects on the year ended 28 February 2022 and impact on comparability.

The Directors are also responsible for the maintenance of adequate accounting records and are responsible for the content and integrity of related financial information included in this report, and for such internal control as the Directors determine is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

The systems of internal control are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statement, and to safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and losses.

The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence and as a going concern in the financial year ahead. Refer to Note (viii) for detailed information on going concern.

The financial statement was approved by the Board of Directors on 07 July 2022 and are signed on its behalf by:

Shereni

Mrs. S.G. Shereni
CHAIRPERSON OF THE BOARD

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

Preparer of the financial statement
The financial statement has been prepared under the supervision of Theresa Nyemba.

Nyemba

Mrs. T. Nyemba
FINANCE DIRECTOR
Registered Public Accountant
PAAB Practice Certificate No: 03452

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ECOCASH HOLDINGS ZIMBABWE LIMITED

Report on the Audit of the inflation-adjusted statement of financial position

Adverse Opinion

We have audited the inflation-adjusted statement of financial position of EcoCash Holdings Zimbabwe Limited (the "Company") as at 28 February 2022, and notes to the inflation-adjusted statement of financial position, including a summary of significant accounting policies (together, "the financial statement") set out on pages 228 to 231.

In our opinion, because of the significance of the matter discussed in the basis for Adverse Opinion section of our report, the accompanying financial statement of the Company does not present fairly, in all material respects, the inflation-adjusted financial position of the Company as at 28 February 2022 in accordance with International Financial Reporting Standards ("IFRSs"), and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and related regulations.

Basis for Adverse Opinion

Unresolved matters from the prior year ended 28 February 2021 with an impact on comparability in the complete set of inflation-adjusted financial statements

For the year ended 28 February 2021, an adverse opinion was issued on the complete set of the Company's inflation-adjusted financial statements as a result of the inappropriate application of International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8"), wherein prospective corrections of prior period errors were made through a prospective application of the change in the start date for the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' (IAS 29"). This resulted in certain movements being included within the Company's statement of changes in equity contained in the complete set of the Company's inflation-adjusted financial statements that were not in compliance with IFRSs.

The above matter has remained unresolved with respect to the year ended 28 February 2021, and thus impacts the comparability of the current year's figures and the corresponding figures in the statement of changes in equity that is contained in the complete set of the Company's inflation-adjusted financial statements.

We are therefore unable to express an unmodified opinion on the Company's inflation-adjusted statement of financial position because we have expressed an adverse opinion on the complete set of the Company's inflation-adjusted financial statements from which this inflation-adjusted statement of financial position has been derived.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement 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.

MAKING AN IMPACT THAT MATTERS since 1845

Report on the Audit of the inflation-adjusted statement of financial position (continued)

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled “EcoCash Holdings Zimbabwe Limited Annual Report for the year ended 28 February 2022”, which we had not yet received as at the date of issuing our auditor’s report. The other information does not include the financial statement of the Company and our auditor’s report thereon. The document titled “EcoCash Holdings Zimbabwe Limited Annual Report for the year ended 28 February 2022” was made available to us after the date of this auditor’s report.

Our opinion on the financial statement 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 financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement 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. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statement

The Directors are responsible for the preparation and fair presentation of the financial statement in accordance with International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and related regulations. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, the Directors are responsible for assessing the Company’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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 this financial statement.

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 financial statement, 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 Company’s internal control.

Report on the Audit of the inflation-adjusted statement of financial position (continued)

Auditor’s Responsibilities for the Audit of the Financial Statement (continued)

- 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 Company’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 financial statement 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

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 financial statement 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.

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 statement of financial position of the Company is not properly drawn up in accordance with the Act and does not give a true and fair view of the state of the Company’s affairs as at 28 February 2022.

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 Lawrence Nyajeka.

Deloitte & Touche

DELOITTE & TOUCHE
Chartered Accountants (Zimbabwe)
Per Lawrence Nyajeka
Partner
PAAB Practice Certificate 0598
Harare, Zimbabwe

20 July 2022

EcoCash
HOLDINGS ZIMBABWE LIMITED

Company statement of financial position

As at 28 February 2022

		INFLATION ADJUSTED		HISTORICAL*	
	Notes	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
ASSETS					
Deferred income tax		1,445	1,445	206	206
Investment in subsidiaries	(iii)	17,323,020	15,101,174	2,224,283	253,016
Amounts owed by related party companies	(iv)	81,614	130,086	81,614	78,314
Trade and other receivables		444,877	535,804	273,952	232,384
Treasury bills and government bonds		67,001	75,114	67,001	45,220
Financial assets at fair value through profit or loss		200,262	-	200,262	-
Cash and cash equivalents		48,149	9,214	48,149	5,547
Total Assets		**18,166,368**	**15,852,837**	**2,895,467**	**614,687**
EQUITY AND LIABILITIES					
EQUITY					
Share capital and reserves		9,578,203	10,832,468	(5,692,698)	(2,407,671)
Equity attributable to equity holders of EcoCash Holdings Zimbabwe Limited		**9,578,203**	**10,832,468**	**(5,692,698)**	**(2,407,671)**
LIABILITIES					
Amounts owed to related party companies	(iv)	4,356,050	4,928,031	4,356,050	2,966,769
Trade and other payables	(vi)	166,366	92,338	166,366	55,589
Loans and borrowings	(vii)	4,065,749	-	4,065,749	-
Total Liabilities		**8,588,165**	**5,020,369**	**8,588,165**	**3,022,358**
Total equity and liabilities		**18,166,368**	**15,852,837**	**2,895,467**	**614,687**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

Mrs. T. Nyemba
FINANCE DIRECTOR

07 July 2022

Notes to the Company statement of financial position

For the year ended 28 February 2022

(i) BASIS OF PREPARATION

The Company statement of financial position has been prepared with the aim to fully comply with International Financial Reporting Standards (IFRS).

The accounting policies are similar to those applied in the Group's consolidated financial statements. Refer to Notes B to AA of the notes to the consolidated financial statements in this report. The Company statement of financial position has been prepared for inclusion in the Group's annual report, wherein the Group's consolidated financial statements have been presented, in order that it may be presented together with those consolidated financial statements at the Company's annual general meeting as required by Section 183 (1) of the Companies and Other Business Entities Act (Chapter 24:31). As a result, the Company statement of financial position may not be suitable for any other purpose if read in isolation.

(ii) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES

The summary of significant accounting policies and other explanatory notes relevant to the Company statement of financial position are similar in all material respects to those applicable to the Group's consolidated financial statements.

(iii) INVESTMENTS AND LOANS IN SUBSIDIARIES

		INFLATION ADJUSTED		HISTORICAL*	
	Percentage	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
EcoCash (Private) Limited (Mobile money service provider in Zimbabwe)	100%	3,280,507	3,280,507	54,582	54,582
Steward Bank Limited (Banking Operations in Zimbabwe)	100%	10,506,569	8,284,723	2,109,109	137,842
Econet Life (Private) Limited (Funeral Assurance company in Zimbabwe)	85%	1,436,078	1,436,078	23,894	23,894
Econet Insurance (Private) Limited (Short term insurance company in Zimbabwe)	90%	2,151,152	2,151,152	35,791	35,791
Mars (Private) Limited (Medical Air rescue services)	100%	264,872	264,872	6,167	6,167
Maisha Health Fund (Private) Limited (Medical aid company in Zimbabwe)	100%	(41,431)	(41,431)	(689)	(689)
Econet Services (Private) Limited (On-Demand Services, e-commerce, farming technology and digital education services provider in Zimbabwe)	100%	(274,727)	(274,727)	(4,571)	(4,571)
Total Investments in Subsidiaries		**17,323,020**	**15,101,174**	**2,224,283**	**253,016**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019.*

Notes to the Company statement of financial position (continued)

For the year ended 28 February 2022

(iv) RELATED PARTY BALANCES

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Amounts owed to fellow EGL subsidiaries	(4,356,050)	(4,928,031)	(4,356,050)	(2,966,769)
Amounts owed by fellow EGL subsidiaries	81,614	130,086	81,614	78,314
Net amount payable	**(4,274,436)**	**(4,797,945)**	**(4,274,436)**	**(2,888,455)**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB'S recommendation set out in Pronouncement 01/2019.*

** *Included in amounts owed to fellow EGL subsidiaries is an amount of ZW$ 3.3 billion (2021: ZW$ 2.7 billion) which relates to the balances that were attributable to debentures.*

(v) PARTIES RELATED TO THE COMPANY

The parent company of EcoCash Holdings Zimbabwe Limited is Econet Global Limited which is domiciled in Mauritius.

Fellow Members of Econet Wireless Global Group:
Data Control & Systems (1996) (Private) Limited (trading as LTZ Company)
Econet Global Limited - Company
Econet Leo
Econet Media Zimbabwe (Private) Limited
Econet Projects Company
Econet Wireless Private Limited
Econet Wireless Zimbabwe Holding
Transaction Payment Solutions (Private) Limited
Transaction Payment Solutions International Limited - Company
Zimbabwe On-Line Private Limited – Company

Fellow Associate
Cumii Zimbabwe (Private) Limited

(vi) TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are prepayments which are a non-monetary asset.

(vii) LOANS AND BORROWINGS

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW$ '000	2021 ZW$ '000	2022 ZW$ '000	2021 ZW$ '000
Balance at 1 March 2021	-	-	-	-
Additions	2,125,831	-	2,125,831	-
Fair value adjustment on loan	1,939,918	-	1,939,918	-
Balance at 28 February 2022	**4,065,749**	**-**	**4,065,749**	**-**

* *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 Group entered into a scrip loan agreement during the year and the loan matures in two years. The loan was received as equities in a listed entity and are repayable in equal number of the same equities received. The fair value movements on the equities are reported as other expenses. This loan is unsecured.

Notes to the Company statement of financial position (continued)

For the year ended 28 February 2022

(viii) GOING CONCERN

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

Macroeconomic uncertainties characterised by hyperinflation, rapid changes in policies and challenges in accessing foreign currency as well as global and local uncertainties created by the rollover impact of COVID-19 have resulted in a challenging operating environment. The Company will continue to adopt mitigatory measures, within the bounds of the country's laws, to minimise the adverse impacts of the challenging operating environment.

ZW$ 3.3billion of the related party payables relate to debentures balances which were assumed pursuant to the demerger of the Group from Econet Wireless Zimbabwe Limited on 1 November 2018. The Group's 50% share of the 904 778 710 (2021: 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 United States dollar and as such subject to exchange rate revaluation. Significant exchange rate movements have been experienced in the economy during the reporting period under review. As at 28 February 2022 the Company recorded exchange losses amounting to ZW$1.2 billion (2021: ZW$6.3 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, during the current financial year, a call was made to debenture holders for early redemption and 22% of debenture holders exercised the option. The Company will continue to implement measures to mitigate against exchange risk and strengthen performance.

The Directors have assessed the ability of the Company to continue operating as a going concern for the 12 months period subsequent to the date of authorisation of the financial statement. The Directors believe that the preparation of this financial statement on a going concern basis remains appropriate as the Company will continue to implement measures to reduce the related party payables related to debenture balances.

Shareholder analysis
For the year ended 28 February 2022

Consolidated Top 10
For the year ended 28 February 2022

Rank	Shareholder Name	Total Shares	Percentage
1	ECONET GLOBAL LIMITED	783,882,701	30.26
2	ECONET WIRELESS ZIMBABWE LIMITED	518,115,366	20.00
3	STANBIC NOMINEES (PRIVATE) LIMITED (NNR)	302,331,472	12.67
4	STANBIC NOMINEES (PRIVATE) LIMITED	185,935,629	7.18
5	OLD MUTUAL LIFE ASSURANCE COMPANY OF ZIMBABWE LIMITED	152,789,983	5.903
6	ECONET WIRELESS ZIMBABWE SPV LIMITED	103,623,090	4.00
7	ECONET EMPLOYEES BENEFICIARY TRUST	77,717,305	3.00
8	NEW ARX TRUST (NNR)	71,455,342	2.76
9	AUSTIN ECO HOLDINGS LIMITED - NNR	41,521,077	1.60
10	NATIONAL SOCIAL SECURITY AUTHORITY	23,199,981	0.90
	Total	**2,260,571,946**	**88.27**
	Other	**330,005,295**	**11.73**
	TOTAL NUMBER OF SHARES IN CONSOLIDATED REGISTER	**2,590,577,241**	**100**

Consolidated Top 10
For the year ended 28 February 2022

Range	Holders	% of Holders	Shares	% of Shares
- 100	2833	28.69	97,748	0.00
101 - 200	825	8.36	123,127	0.00
201 - 500	1,392	14.09	468,678	0.02
501 - 1,000	1,337	13.54	1,005,791	0.04
1,001 - 5,000	1,948	19.72	4,466,051	0.17
5,001 - 10,000	467	4.73	3,347,575	0.13
10,001 - 50,000	554	5.61	12,509,161	0.48
50,001 - 100,000	146	1.48	10,535,675	0.41
100,001 - 500,000	195	1.97	47,024,590	1.82
500,001 - 1,000,000	70	0.71	49,976,576	1.93
1,000,001 - 10,000,000	92	0.93	262,343,427	10.13
10,000,001 -	17	0.17	2,198,678,842	84.87
Total	**9,876**	**100.00**	**2,590,577,241**	**100.00**

Corporate and advisory information

REGISTERED OFFICE
Incorporated in the Republic of Zimbabwe
Company registration number 2487/2012
EcoCash Holdings Zimbabwe Limited,
1906 Liberation Legacy Way, Borrowdale,
Harare, Zimbabwe

Telephone: +263 242 486121/6, +263 772 023 000,
Fax:+263 4 486120/486867
E-mail: investor@ecocashholdings.co.zw,
Website: www.ecocashholdings.co.zw

GROUP COMPANY SECRETARY

Charmaine Daniels
EcoCash Holdings Zimbabwe Limited,
1906 Liberation Legacy Way, Borrowdale,
Harare, Zimbabwe

INDEPENDENT AUDITORS

Deloitte & Touche (Zimbabwe)
Registered Public Auditors
West Block, Borrowdale Office Park,
Liberation Legacy Way, Borrowdale,
P.O. Box 267,
Harare, Zimbabwe

PRINCIPAL BANKERS

Stanbic Bank Zimbabwe Limited
Stanbic Centre, 59 Samora Machel Avenue,
Harare, Zimbabwe

Steward Bank Limited
2nd Floor, 101 Union Avenue Building,
101 Kwame Nkrumah Avenue,
Harare, Zimbabwe

CBZ Bank Limited
Union House, 60 Kwame Nkrumah Avenue,
Harare, Zimbabwe

Ecobank Zimbabwe Limited
Block A, Sam Levy's Office Park, Borrowdale,
Harare, Zimbabwe

PRINCIPAL LEGAL ADVISORS

Mtetwa and Nyambirai
Legal Practitioners
2 Meredith Drive, Eastlea, Harare, Zimbabwe

REGISTRARS AND TRANSFER SECRETARIES

First Transfer Secretaries (Private) Limited
1 Armagh Avenue, Eastlea, Harare, Zimbabwe

Financial diary
For the year ended 28 February 2023

October 2022	Fourth Annual General Meeting of Shareholders, 1906 Liberation Legacy Way, Borrowdale, Harare, Zimbabwe
November 2022	Interim abridged consolidated financial results publication
28 February 2023	Financial year end
May 2023	Publication of audited abridged consolidated financial results for the year ended 28 February 2023
August 2023	2024 Half year end
August 2023	Fifth Annual General Meeting of Shareholders, 1906 Liberation Legacy Way, Borrowdale, Harare, Zimbabwe

Notice to members

Notice is hereby given that the Fourth Annual General Meeting of the members of EcoCash Holdings Zimbabwe Limited *(formerly Cassava Smartech Zimbabwe Limited)* will be held at the Registered Office of the Company at 1906 Liberation Legacy Way (formerly Borrowdale Road), Harare on **Friday, 21 October 2022** at 1000hrs. Shareholders can attend virtually by logging onto https://ecocash.escrowagm.com/ for the following purposes:

ORDINARY BUSINESS
To consider and pass, with or without amendment, the following resolutions:

1. **Adoption of Financial Statements for the year ended 28 February 2022**
   To receive and pass the financial statements for the year ended 28 February 2022 together with the reports of the Directors and auditors thereon.

2. **Election of Directors**
   To appoint/ reappoint Directors. In accordance with Article 81 of the Company's Articles of Association Mr. D T Mandivenga, Mr. C Maswi and Mr. D Musengi, retire by rotation at the Company's Annual General Meeting and, being eligible, offer themselves for re-election. Each Director listed below shall be separately elected:

   2.1 Mr. D T Mandivenga
   2.2 Mr. C Maswi
   2.3. Mr. D Musengi

3. **Directors' Remuneration**
   To approve the remuneration of Directors for the year ended 28 February 2022.

4. **Approval of Auditors' Fees and Appointment of New Auditors**
   4.1 To approve the auditors' fees for Deloitte & Touche for the previous year.
   4.2 To appoint BDO Zimbabwe Chartered Accountants as auditors of the Company until the next Annual General Meeting.

SPECIAL BUSINESS
Special Resolution

5. **Renewal of Share Buy-back Authority**
   To consider, and if thought fit, to pass with or without amendment, the following resolution:

   As a Special Resolution: "That the Company, as duly authorised by Article 10 of its Articles of Association, may undertake the purchase of its own ordinary shares in such manner or on such terms as the Directors may from time to time determine, provided that the repurchases are not made at a price greater than 5% above the weighted average of the market value for the securities for the five business days immediately preceding the date of the repurchase and also provided that the maximum number of shares authorized to be acquired shall not exceed 10% (ten percent) of the Company's issued ordinary share capital.

   "That this authority shall expire at the next Annual General Meeting and shall not exceed 15 months from the date of the resolution."

   After considering the effect of the maximum repurchase of the shares, the Directors are confident that:
   a) The Company will be able to pay its debts for a period of 12 months after the date of the Annual General Meeting.
   b) The assets of the Company will be in excess of liabilities.
   c) The share capital and reserves of the Company are adequate for a period of 12 months after the date of the notice of the Annual General Meeting.
   d) The Company will have adequate working capital for a period of 12 months after the date of the notice of the Annual General Meeting.

Notice to members (continued)

NOTES:

i. The 2022 Annual Report can be accessed on the Company's website: www.ecocashholdings.co.zw. Electronic copies of the 2022 Annual Report (which includes the financial statements, Directors' and Auditors' Report) shall be emailed to those shareholders whose email addresses are on record.
ii. In terms of the Companies and Other Business Entities Act [Chapter 24:31], a member of the Company is entitled to appoint a proxy to attend, vote and speak in his/her stead at this meeting. A proxy need not be a member of the Company. Proxy forms should be forwarded to reach the office of the Transfer Secretaries at info@fts-net.com, or the Group Company Secretary at companysecretary@ecocashholdings.co.zw not less than 48hours before the scheduled meeting time.
iii. Members are requested to advise the Transfer Secretaries of their e-mail addresses and any changes to their contact numbers and/ or postal addresses.
iv. Members are hereby advised to use the following dedicated helplines for assistance with the AGM process:
   Telephone: +263772289768;
   Econet toll free: 08080277;
   WhatsApp: +263737594405

By Order of the Board

Mrs. C.R. Daniels
Group Company Secretary

19 September 2022

Registered Office:
1906 Liberation Legacy Way, Borrowdale, Harare, Zimbabwe
Email: investor@ecocashholdings.co.zw
website: www.ecocashholdings.co.zw

Registrars and Transfer Secretaries:
First Transfer Secretaries (Private) Limited
1 Armagh Avenue, Eastlea, Harare, Zimbabwe
Email: info@fts-net.com

EcoCash HOLDINGS ZIMBABWE LIMITED

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EcoCash
HOLDINGS ZIMBABWE LIMITED
(formerly Cassava Smartech Zimbabwe Limited)

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012) ZSE Alpha Code: EHZL.zw ISIN ZW0009012437

PROXY FORM – ANNUAL GENERAL MEETING

PROXY FORM for the Fourth Annual General Meeting (AGM) of the members of EcoCash Holdings Zimbabwe Limited *(formerly Cassava Smartech Zimbabwe Limited)* ("the Company") which will be held at the Registered Office of the Company at 1906 Liberation Legacy Way, Borrowdale, Harare on **Friday 21 October 2022 at 10.00 am**. Shareholders can attend virtually by logging onto https://ecocash.escrowagm.com/

I/We .... being the registered holders of

registered holders of .... **Ordinary shares / Class A Share**s in EcoCash Holdings Zimbabwe Limited *(formerly Cassava Smartech Zimbabwe Limited)* hereby appoint:

1. .... or failing him/her,

2. ...., as my proxy to act for me/us at the Annual General Meeting of the Company to be held at 1906 Liberation Legacy Way, Borrowdale, Harare at 10.00 am on **Friday, 21 October 2022** and at any adjournment thereof, and vote for me/us on my/our behalf or to abstain from voting.

Do hereby record my votes for the resolutions to be submitted as follows:	Tick "√" or place an "X" inside the BOX. Please note that alterations made to your initial response should be signed for.		
	IN FAVOUR	**AGAINST**	**ABSTAIN**
ORDINARY BUSINESS To consider and pass, with or without amendment, the following resolutions:			
1 Adoption of Financial Statements for the year ended 28 February 2022 To receive and pass the financial statements for the year ended 28 February 2022 together with the reports of the Directors and auditors thereon.			
2 Election of Directors To re-elect Mr, D T Mandivenga, Mr. C Maswi and Mr. D Musengi as Directors of the Company. In accordance with Article 81 of the Company's Articles of Association they retire by rotation at the Company's Annual General Meeting and, being eligible, offer themselves for re-election. Each Director shall be re-elected through a separate resolution.			
2.1 Mr. D T Mandivenga			
2.2 Mr. C Maswi			
2.3 Mr. D Musengi			
3 Directors' Remuneration To approve the remuneration of the Directors for the year ended 28 February 2022.			
4 Auditors			
4.1 To approve the auditors' fees for the previous year.			
4.2 To appoint BDO Zimbabwe Chartered Accountants as auditors of the Company for the ensuing year.			
SPECIAL BUSINESS			
Special Resolution **5 Renewal of Share Buy-back Authority** To consider, and if thought fit, to pass with or without amendment, the following resolution: As a Special Resolution: "That the Company, as duly authorised by Article 10 of its Articles of Association, may undertake the purchase of its own ordinary shares in such manner and on such terms as the Directors may from time to time determine, provided that the repurchases are not made at a price greater than 5% above the weighted average of the market value for the securities for the five business days immediately preceding the date of the repurchase and also provided that the maximum number of shares authorised to be acquired shall not exceed 10% (ten percent) of the Company's issued ordinary share capital.			

PROXY FORM – ANNUAL GENERAL MEETING (CONTINUED)

Signature of Shareholder ....

PLEASE NOTE
Please fill in the correct details below and return to the Company Secretary.

Name ....

Postal Address ....

Email Address ....

Contact telephone number...

Please read the notes below:

NOTE:

1) Shareholders may insert the name of a proxy or the name of two alternative proxies of the shareholder's choice in the space provided. The person whose name appears first on the form of proxy and whose name has not been deleted shall be entitled to act as proxy to the exclusion of those whose names follow.
2) The authority of the person signing a proxy or representing an institutional shareholder should be attached to the proxy form in the form of a Board resolution confirming that the proxy has been appointed to represent the shareholder at the Company's Extraordinary General Meeting.
3) The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof should the shareholder wish to do so.
4) The Chairman of the Annual General Meeting may accept a proxy form which is completed and /or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.
5) Any alteration or correction to this form must be initialled by the signatory/signatories.
6) Forms of proxy must be submitted electronically, or lodged at or posted to be received at the registered office of the Company Secretary not less than 48 hours before the time of the meeting.

The Group Company Secretary
Registered Office:
1906 Liberation Legacy Way, Borrowdale, Harare, Zimbabwe.
Email: companysecretary@ecocashholdings.co.zw
Website: www.ecocashholdings.co.zw

Registrars and Transfer Secretaries:
First Transfer Secretaries (Private) Limited
1 Armagh Avenue, Eastlea, Harare, Zimbabwe.
Email: info@fts-net.com

EcoCash

HOLDINGS ZIMBABWE LIMITED

www.ecocashholdings.co.zw