

THIS ABRIDGED CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Disclaimer

- EcoCash Holdings does not accept any responsibility and will not be held liable for any failure on the part of a CSDP or broker of a Dematerialised Shareholder to notify such Shareholder of the information set out in this Abridged Circular.**
- The advisors are acting for the Company only and shall not be responsible to any other person for providing the protections offered to their clients.

Help

If you have any questions relating to this Document or the completion of the Form of Proxy, please email to the Group Company Secretary, Charmaine Daniels on companysecretary@ecocashholdings.co.zw or contact the transfer secretaries, First Transfer Secretaries on +263 8688007319 or info@fts-net.com

APPENDED HERETO IS THE NOTICE OF EXTRAORDINARY GENERAL MEETING ("EGM") in terms whereof notice is given that an EGM of the members of EcoCash Holdings Zimbabwe Limited will be held at the Registered Office of the Company at 1906 Liberation Legacy Way, Borrowdale, Harare on Wednesday, 17 April 2024 at 1100hrs for the purposes of transacting the business indicated in the detailed Notice enclosed at the end of this Abridged Circular. Attendance at the meeting may be electronic as detailed in the attached Notice.

EcoCash

HOLDINGS ZIMBABWE LIMITED

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012)

ZSE Alpha Code: EHZL.zw ISIN ZW0009012437

(EcoCash Holdings or the Company)

Lead-Financial Advisors



Transfer Secretaries



Legal Advisor



Sponsoring Broker



Independent Financial Advisor



Reporting Accountants & Auditors



Abridged Circular to EcoCash Holdings Zimbabwe Limited Shareholders

This Abridged Circular relates to the proposed Scheme of Reconstruction between Econet Wireless Zimbabwe Limited (Econet) and EcoCash Holdings Zimbabwe Limited (EcoCash Holdings) involving the transfer to Econet of the Financial Technology Businesses, namely EcoCash (Private) Limited, VAYA Technologies Zimbabwe (Private) Limited, Econet Insurance (Private) Limited, Econet Life (Private) Limited, MARS Zimbabwe (Private) Limited, and Maisha Health Fund (Private) Limited, in exchange for the total consideration of ZWL 509 billion (equivalent to 521,861,057 Econet Shares) payable partly in cash and partly in Econet Treasury Shares. Econet shall pay the agreed total consideration that is equivalent to 521,861,057 Econet Shares, using 271,597,195 Treasury Shares that represent circa 50% of the purchase consideration (Shares Consideration) and the Cash Equivalent of 250,263,862 Econet shares will be calculated using the 30 Day VWAP of each Econet share to the period of date of payment (Cash Consideration).

Date of issue: Tuesday, 2 April 2024

1 THE TRANSACTION, ITS BACKGROUND, AND ITS RATIONALE

- 1.1** The proposed transaction is a Scheme of Reconstruction in terms of which, EcoCash Holdings will transfer to Econet, all the shares that it owns in the Financial Technology Businesses, valued at ZWL509 billion (equivalent to 521,861,057 Econet Shares) with the result that the Financial Technology Businesses shall become subsidiaries of Econet. EcoCash Holdings shall remain with Steward Bank Limited as its only subsidiary.
- 1.2** As consideration for the transfers referred to in paragraph (1.1) above, Econet shall use a combination of its Treasury Shares and Cash as Total Consideration.
- 1.3** Econet's investment in the Mobile Network Operation business over the years resulted in the creation of a Financial Technology business and an Infrastructure and Power Generation business within the Mobile Network Operation (MNO) business. In 2018, Econet made a decision to unbundle these businesses that had developed within the MNO business because the value of these businesses was not fully reflected in the Market Capitalisation of the MNO business. EcoCash Holdings was demerged from Econet under a circular dated 8 November 2018. The demerger became effective upon approval by the members at the EGM held on 29 November 2018. This led to the subsequent listing of EcoCash Holdings on the ZSE on 18 December 2018.
- 1.4** Following conclusion of the rights offers undertaken by the Company and Econet, the Company and Econet have the same controlling shareholders. More than 90% of the issued share capital of both companies is under the same control as tabulated below.

Table 1: Shareholders of both the Company and Econet Wireless Zimbabwe Limited

Shareholder name	ECONET		ECOCASH HOLDINGS	
	Number	% of holding	Number	% of holding
Econet Global Limited	1,197,224,707	40.01%	1,259,094,243	30.02%
Stanbic Nominees (Private) Limited (NNR)	350,060,582	11.70%	291,873,583	6.96%
Stanbic Nominees (Private) Limited	250,605,864	8.38%	275,682,441	6.57%
TN Asset Management Nominees	210,433,619	7.03%	147,761,784	3.52%
TN Asset Management Nominees (Underwriter)	174,267,179	5.82%	1,035,438,359	24.68%
Econet Wireless Zimbabwe SPV Limited	129,528,841	4.33%	103,623,090	2.47%
Old Mutual Life Assurance Company Of Zimbabwe Limited	118,270,809	3.95%	132,292,361	3.15%
New Arx Trust (NNR)	92,799,146	3.10%	71,455,342	1.70%
Austin Eco Holdings Limited - NNR	53,923,476	1.80%	41,521,077	0.99%
Standard Chartered Nominees (Private) Limited	29,361,909	0.98%	20,756,619	0.49%
Other Shareholders with Common Shareholding	93,388,948	3.12%	621,273,549	14.81%
Subtotal	2,699,865,080	90.23%	4,000,772,448	95.37%
Other	292,298,123	9.77%	194,025,481	4.63%
Total	2,992,163,203	100%	4,194,797,929	100%

- 1.5** Post the demerger in 2018, EcoCash Holdings, (the Financial Technology Businesses and Steward Bank), had been expected to attract a new set of investors whose main interest was in Financial Technologies. This was also in line with how other international mobile network operators had done including Airtel and MTN. The adverse economic conditions that have prevailed since the demerger have prevented EcoCash Holdings from attracting foreign portfolio investors. This has resulted in the Company and Econet remaining under the control of same shareholders as shown in Table 1 of paragraph 1.4 above.

- 1.6** The obtaining situation where the Company and Econet have the same controlling shareholders means that the same group of shareholders are being subjected to duplication of resources, thus eroding shareholders' value.
- 1.7** The fact that Steward Bank is a subsidiary of EcoCash Holdings has also resulted in the perception that the Financial Technology Businesses are direct competitors to local banks whereas the services are complimentary. This has caused operational and Customer Relationship Management challenges and has constrained the growth of the Financial Technology Businesses' relationship with the wider financial services market.
- 1.8** In these circumstances, it is imperative to separate Steward Bank Limited from the Financial Technology Businesses to avoid any confusion that might limit the growth of the businesses.
- 1.9** Econet proposes to acquire the Financial Technology Businesses, develop them so they may leverage synergies that include the MNO's subscriber base and delivery channels to fully develop their sustainable value creation competitiveness.

2 THE PURPOSE OF THIS ABRIDGED CIRCULAR

- The purpose of this Abridged Circular is to:
- 2.1** Convene an Extraordinary General Meeting to seek EcoCash Holdings' Shareholder approval for the proposed transaction and other actions required on the part of EcoCash to implement the Scheme of Reconstruction; and
- 2.2** Provide EcoCash Holdings Shareholders with information regarding the proposed Scheme of Reconstruction, and to advise the Shareholders of the Board's recommendation in respect of the proposed Scheme of Reconstruction in order to enable the Shareholders to make an informed decision as to whether or not they should vote in favour of the resolutions to be proposed at the Extraordinary General Meeting.

3 EXPECTED TIMETABLE OF PRINCIPAL EVENTS

- 3.1** EcoCash Holdings Shareholders should take note of the dates and times set forth in the schedule below in connection with the Scheme of Reconstruction.

EVENT	DATE
Publication of the Abridged Circular in the press and the Full Circular on the Website	Tuesday, 2 April 2024
Date of Notice of EGM to consider the transaction	Tuesday, 2 April 2024
Last date for receipt of proxy forms to vote on the EGM	Monday, 15 April 2024
EGM date	Wednesday, 17 April 2024
Publication of the results of EGM	Friday, 19 April 2024

- 3.2** These dates are indicative only and assume that the requisite regulatory clearances have been obtained and the other Conditions to Completion have been satisfied before the date estimated for Completion. If any of the above times and/or dates change, the revised times and/or dates will be notified by announcement in the press.

EcoCash HOLDINGS

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012) ZSE Alpha Code: EHZL.zw ISIN ZW0009012437

ABRIDGED CIRCULAR TO ECOCASH HOLDINGS ZIMBABWE LIMITED SHAREHOLDERS

4 REGULATORY REQUIREMENTS IN RESPECT OF THE TRANSACTION

- 4.1** The book value of the Financial Technology Businesses that EcoCash Holdings intends to transfer to Econet, amounts to ZWL325 billion. Based on EcoCash Holdings' Consolidated Statement of Financial Position as at 31 August 2023, the book value of EcoCash Holdings' Assets was ZWL931 billion. Therefore, the aggregate value of the assets to be transferred pursuant to the Scheme of Reconstruction, being less than 50% of the said book value of the assets of EcoCash Holdings, this Scheme of Reconstruction is not classified as a Major Asset Transaction on the side of EcoCash Holdings as defined in Section 226 of the Companies And Other Business Entities Act [Chapter 24:31].
- 4.2** The total consideration measured against the market capitalisation of EcoCash Holdings results in a percentage ratio of more than 30%. Accordingly, the Transaction is classified as a Category 1 Transaction in terms of paragraph 253(3) of the ZSE Listings Requirements and requires an ordinary resolution approval by Shareholders at the EGM in terms of paragraph 260(2) of the ZSE Listings Requirements.
- 4.3** Econet is a material shareholder in EcoCash Holdings (as defined in Part X of the ZSE Listings Requirements). Accordingly, the Scheme of Reconstruction agreement concluded between EcoCash Holdings and Econet constitutes a related party transaction. As a result, the proposed Scheme of Reconstruction is conditional on receipt of shareholder approval by a 50% majority excluding the votes of Econet. In addition to the exclusion of Econet, the ZSE Listings committee has directed that Econet Global Limited be excluded from voting on the basis that they view Econet Global Limited as an Associate of Econet.
- 4.4** In accordance with the provisions of paragraph 268(ii)(f) of the ZSE Listings Requirements, the EcoCash Board has obtained a fairness opinion on the related party transaction from the independent expert, which fairness opinion is set out in Annexure 1 of the full circular. Taking into consideration the terms and conditions of the related party transaction, the independent expert is of the opinion that the Scheme of Reconstruction is fair to the Shareholders of EcoCash Holdings.
- 4.5** The statement of the Board as to whether the related party transaction is fair to shareholders is included in paragraph 19 of this Abridged Circular.

5 THE SCHEME OF RECONSTRUCTION

5.1 Parties To the Transaction

The Parties to the transaction are the Company and Econet.

5.1.1 Information on Econet

Econet is the holding company of Econet Wireless (Pvt) Ltd, a Mobile Network Operator ("MNO") with over 14.9 million customers and over 80% market share of mobile internet and data traffic in the country. During its 25-year operating history, MNO has transformed from a Communications Services provider to the leading Digital Services provider in Zimbabwe, with products and services spanning the Telecommunications and Technology spaces. Recently, Econet contributed to the technological and economic development of the country by launching the country's first high-speed Fifth Generation (5G) mobile broadband technology, moving the domestic market in line with global trends. Econet's digitalisation journey continues with a focus on artificial intelligence, big data analytics, machine learning, among other areas of digital transformation.

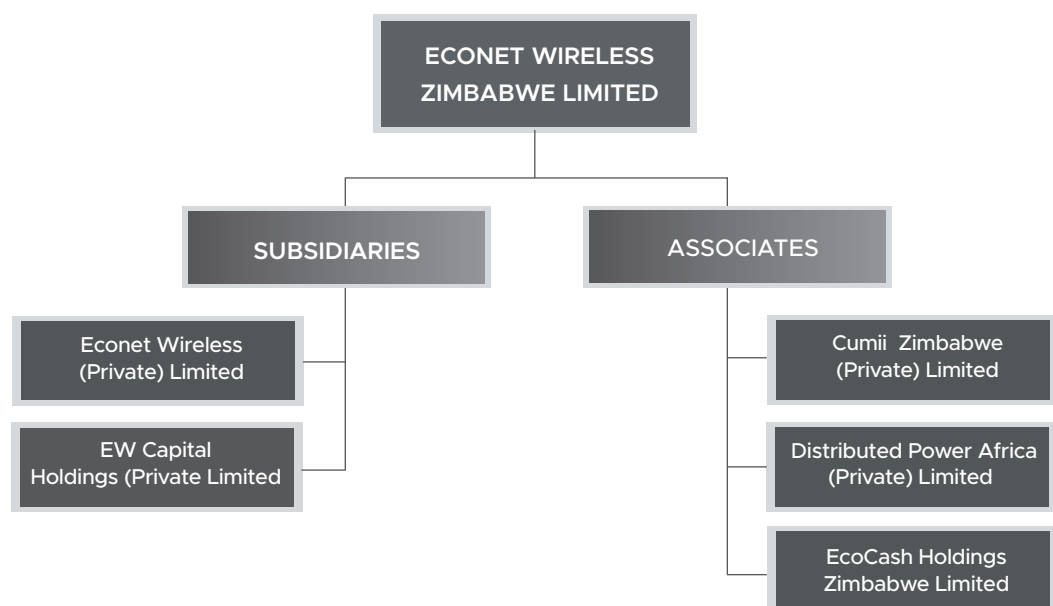
5.1.2 Information on EcoCash Holdings

EcoCash Holdings is a diversified technology group that leverages digital solutions to make a social and economic impact on the lives of all Zimbabweans. The business portfolio consists of assets in FinTech, InsurTech, On-Demand Services, e-Commerce, AgriTech, HealthTech and EduTech. EcoCash is an award-winning financial inclusion mobile payment solution that allows customers to perform simple financial transactions from mobile devices. EcoSure is a micro-insurance product that provides affordable and innovative insurance solutions directly from your mobile phone. Steward Bank offers digital banking solutions that give access to the full suite of banking services via their mobile devices. EcoCash Holdings leverages on Zimbabwe's high mobile telecommunications penetration rate and its robust digital platforms to deliver life-changing and impactful solutions.

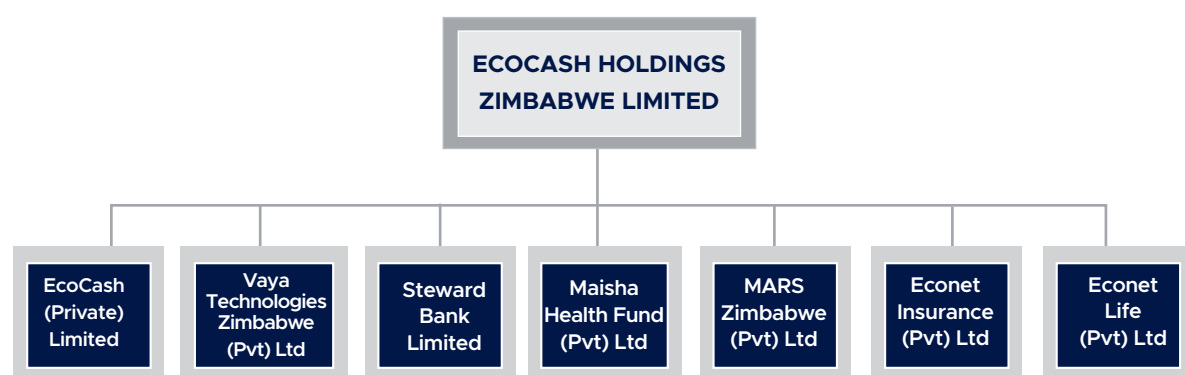
5.2 Background

The diagrammatic representation of the current ownership structure of the Company and Econet is depicted below. As tabulated in table 1 of paragraph 1.4 above, the shareholders holding 90% of the issued shares of Econet also hold 95% of the issued share capital of EcoCash Holdings. Therefore, the two companies are under the same control.

ECONET WIRELESS ZIMBABWE LIMITED		
Shareholder name	Number of shares	% of holding
Econet Global Limited	1,197,224,707	40.01%
Stanbic Nominees (Private) Limited (NNR)	350,060,582	11.70%
Stanbic Nominees (Private) Limited	250,605,864	8.38%
TN Asset Management Nominees	210,433,619	7.03%
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Subtotal	2,699,865,080	90.23%
Other	292,298,123	9.77%
Total	2,992,163,203	100%



ECOCASH HOLDINGS ZIMBABWE LIMITED		
Shareholder name	Number	% of holding
Econet Global Limited	1,259,094,243	30.02%
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Stanbic Nominees (Private) Limited	275,682,441	6.57%
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New Arx Trust (NNR)	71,455,342	1.70%
Austin Eco Holdings Limited - NNR	41,521,077	0.99%
Standard Chartered Nominees (Private) Limited	20,756,619	0.49%
Other Shareholders with common shareholding	621,273,549	14.81%
Subtotal	4,000,772,448	95.37%
Other	194,025,481	4.63%
Total	4,194,797,929	100%



5.2.2 The parties wish to reconstruct, or reorganise their ownership of the Company and Econet by undertaking a series of sequential, yet inter-dependent transactions as outlined in the following paragraphs.

5.3 Transfer of Financial Technology Businesses

EcoCash Holdings owns the following Financial Technology Businesses in the percentages indicated: EcoCash (Private) Limited – 100%, VAYA Technologies Zimbabwe (Private) Limited– 100%, Econet Insurance (Private) Limited - 90%, Econet Life (Private) Limited - 85%, MARS Zimbabwe (Private) Limited - 70%, and Maisha Health Fund (Private) Limited 100%. In terms of the Scheme of Reconstruction Agreement, immediately upon the fulfilment or waiver of the Conditions precedent to the Scheme of Reconstruction set out in paragraph 7 of this Abridged Circular, EcoCash Holdings shall transfer to Econet, the Financial Technology Businesses with the result that the Financial Technology Businesses shall become subsidiaries of Econet.

5.4 The Banking Business to remain under EcoCash Holdings

5.4.1 Steward Bank Limited is a registered Commercial Bank that is currently 100% owned by EcoCash Holdings.

5.4.2 By virtue of its ownership of Steward Bank Limited, EcoCash Holdings is registered with the Registrar of Banks as a Bank Holding Company.

5.4.3 Steward Bank Limited shall remain a subsidiary of EcoCash Holdings, and EcoCash Holdings shall retain its registered status as a Bank Holding Company.

5.5 The Consideration to EcoCash Holdings

5.5.1 The Financial Technology Businesses were valued at ZWL 509 billion, which translated to 80% of the 30 Day Volume Weighted Average Market capitalization of EcoCash Holdings for the period to 16 January 2024, being the last practicable date immediately before the transaction was announced to the public. The value of the Financial Technology businesses was also equivalent to 521,861,057 Econet Shares calculated using the 30 Day Volume Weighted Average Price of each Econet share for the period to 16 January 2024, being the last practicable date immediately before the transaction was announced to the public.

5.5.2 As part of the Scheme of Reconstruction and following the transfer to Econet of the Financial Technology Businesses referred to above, Econet shall pay the agreed total consideration that is equivalent to 521,861,057 Econet Shares, using 271,597,195 Treasury Shares that represent circa 50% of the purchase consideration (Shares Consideration) and the Cash Equivalent of 250,263,862 Econet shares will be calculated using the 30 Day VWAP of each Econet share to the period of date of payment (Cash Consideration). Collectively, the Shares Consideration and the Cash Consideration will hereafter be referred to as the "total consideration".

5.5.3 The total consideration shall be payable on Completion of the transaction, that is within **seven days** of the Scheme of Reconstruction becoming unconditional.

5.5.4 The consideration in **paragraph 5.5.2** shall represent the full and complete consideration, once effected in accordance with the terms of the Scheme of Reconstruction Agreement.

5.5.5 **The total consideration for the Financial Technology Businesses** has been certified as being fair and reasonable by the companies' respective independent financial advisors. EcoCash Holdings' independent financial advisors' report is appended in the Full Circular as Annexure 1.

5.5.6 All the consideration shares will rank *pari passu* in all respects with Econet's Ordinary shares currently in issue, including the right to all future dividends.

5.5.7 Fractional shares of less than 0.5 of a share shall be rounded down, while fractional shares above 0.5 of a share will be rounded up.

5.5.8 After the completion of the scheme of reconstruction, the Directors may, after considering the capital requirements of the Company, elect to declare some of the consideration as dividend.

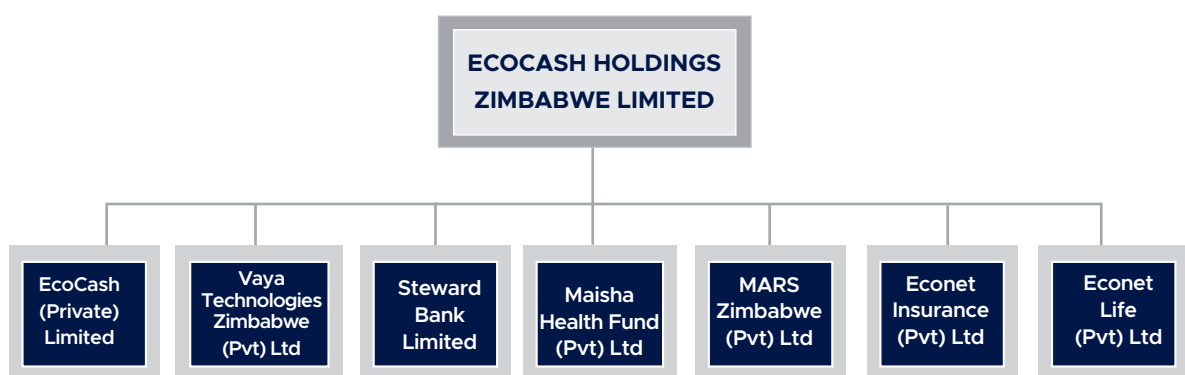
6 EFFECTS OF THE PROPOSED TRANSACTION

6.1 EcoCash structure

The Company's structure before and after the proposed transaction is shown below.

6.1.1 Before

The following is the current Group structure.



EcoCash HOLDINGS

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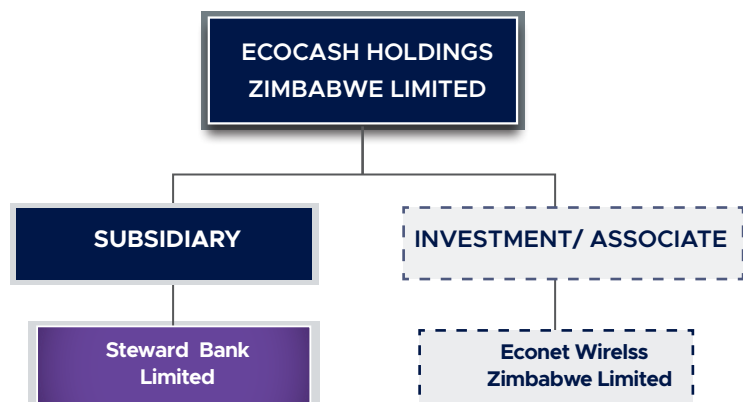
ABRIDGED CIRCULAR TO ECOCASH HOLDINGS ZIMBABWE LIMITED SHAREHOLDERS

6 EFFECTS OF THE PROPOSED TRANSACTION (CONTINUED)

6.1 EcoCash structure (continued)

6.1.2 After

The following shall be the Group structure after the Scheme of Reconstruction.



6.2 Shareholding structure

Following the transaction, the Company's shareholding will remain the same.

6.3 Board composition

The proposed Scheme of Reconstruction is not expected to have any immediate and direct effect on the Board composition of the Company.

6.4 Management and employees changes

6.4.1 No decision has been made by the Company in relation to specific actions that will be taken as part of the business operational and administrative review. Prior to any decisions being made, detailed discussions will be held between employees and appropriate stakeholders.

6.4.2 One of the main purposes of the Scheme of Reconstruction is to eliminate the duplication of structures and costs arising from the current Group ownership structure. The rationalisation of the structure may impact on employees. Any changes that will affect employees will be done in compliance with the Labour Act (Chapter 28:01).

6.5 Financial effects of the proposed transaction

6.5.1 The table below sets out the financial effects of the proposed transaction on the pro forma reviewed consolidated half year financials of the Company for the period ended 31 August 2023. The pro forma financial statements have been prepared for illustrative purposes only and because of their pro forma nature, they may not fairly present the Company's financial position, changes in equity, results of operations or cash flows, or the effect and impact of the proposed Scheme of Reconstruction going forward.

6.5.2 The Directors of the Company are responsible for the compilation, contents and preparation of the pro forma financial statements. Their responsibility includes determining that the pro forma financial statements have been properly compiled on the basis stated, which is consistent with the accounting policies of the Company and that the pro forma adjustments are appropriate for purposes of the pro forma financial information disclosed pursuant to the ZSE Listings Requirements. The pro forma financial information is set out below:

(Amounts in ZWL 'millions)	BEFORE TRANSACTION		AFTER TRANSACTION	
	SoFP Reported as at 31 Aug 23	*THE TRANSACTION	SoFP Reported as at 31 Aug 23	
ASSETS				
Intangible assets and goodwill	27,255	(7,633)		19,622
Property, plant and equipment	240,385	(147,105)		93,280
Other non-current assets	126,014	(3,062)		122,952
Financial Instruments - Long Term	18,931	(3,719)		15,212
Financial instruments - Short Term	198,079	(34,674)		163,405
Other current assets	320,093	380,744		700,837
Total assets	930,757	184,551		1,115,308
EQUITY AND LIABILITIES				
EQUITY				
Share capital and premium	1,337	-		1,337
Equity attributable to equity holders of the company	234,337	533,692		768,029
Non-controlling interest	5,108	(5,108)		-
Total Equity	240,782	528,584		769,366
LIABILITIES				
Non-current financial instruments	69,416	(31,776)		37,640
Financial instruments:				
Short - term interest bearing debt	17,636	(17,636)		-
Current Liabilities	602,923	(294,621)		308,302
Total Liabilities	689,975	(344,033)		345,942
Total Equity and Liabilities	930,757	184,551		1,115,308

* Have been prepared on the assumption of a 50% split between cash and Econet Treasury shares.

NAV of the Company before and after the transaction

NAV	Before transaction	After transaction
Issued Share Capital*	2,590,577,241	2,590,577,241
Net Asset Value (ZWL)	240,782,000,000	769,366,119,513
Net Asset Value per share (ZWL)	92.95	296.99

* The Company had issued share capital of 2,590,577,241 shares as at 31 August 2023.

6.5.3 Share capital structures of the Company pre and post the proposed transaction

Set out below is an analysis of the share capital of EcoCash Holdings before and after the Transaction.

Company	Pre- transaction		The Transaction		Post- transaction	
	Number	ZWL	Number	ZWL	Number	ZWL
Authorised Share Capital Ordinary Share of ZWL0.001 each	4,200,000,000	4,200,000	-	-	4,200,000,000	4,200,000
Issued share capital ordinary shares of ZWL0.001 each	4,194,797,929	4,194,798	-	-	4,194,797,929	4,194,798
Authorised but unissued ordinary shares of ZWL0.001 each	5,202,071	52,021	-	-	5,202,071	52,021

* The issued share capital shown above is after the rights offer of 1,604,220,688 ordinary shares in September 2023. Prior to the rights issue the Company had issued share capital of 2,590,577,241 shares as at 31 August 2023.

7 TAX IMPLICATIONS OF THE SCHEME OF RECONSTRUCTION

7.1 The transfer of shares held by EcoCash Holdings in the Financial Technology Businesses to Econet is a disposal of a specified asset that is normally subject to capital gains tax. Because the transfer of shares is being made between companies under the same control and in furtherance of a Scheme of Reconstruction of the Econet and EcoCash Holdings Groups of Companies, EcoCash Holdings, and Econet in terms of section 15(1)(b) of the Capital Gains Tax Act (Chapter 23:01) and the Proviso thereto, have made an election that: **notwithstanding the terms and conditions of the Scheme of Reconstruction Agreement, the selling price of the Financial Technology Businesses (total consideration of ZWL 509 billion, to be paid using a combination of Econet Treasury Shares and cash) be deemed to be an amount equal to the sum of the deductions allowable to EcoCash Holdings in relation to the transfer of the Financial Technology Businesses to Econet.**

7.2 The Commissioner General of the Zimbabwe Revenue Authority has been duly notified of the election of EcoCash Holdings and Econet.

8 CONDITIONS PRECEDENT TO THE TRANSACTION

The proposed transaction is subject to:

- 8.1 The approval of the Scheme of Reconstruction by the shareholders of EcoCash Holdings in an Extraordinary General Meeting;
- 8.2 Receipt of all regulatory approvals required for the Parties to undertake the Transaction and fulfil their respective obligations thereunder. Such regulatory approvals shall specifically include:
- 8.2.1 Approval by the Insurance and Pensions Commission of the change in shareholding in Econet Insurance (Private) Limited and in Econet Life (Private) Limited; and
- 8.2.2 Approval by the National Payment Systems of the change in shareholding in EcoCash (Private) Limited.

9 SHAREHOLDER VOTING AND EXTRAORDINARY GENERAL MEETING

- 9.1 The Transaction is subject to the approval of EcoCash shareholders, excluding Econet and Econet Global Limited.
- 9.2 Set out in Annexure I of this Abridged Circular and Annexure III of the Full Circular is a notice convening an Extraordinary General Meeting, to be held on Wednesday, 17 April 2024 at 11:00hrs on 1906 Liberation Legacy Way, Borrowdale, Harare.
- 9.3 The full text of the Resolutions is set out in the notice.
- 9.4 If passed, the Resolutions will authorise the Transaction substantially on the terms outlined herein and in the scheme of Reconstruction Agreement and subject to the fulfilment of the conditions precedent. The passing of the ordinary resolutions requires the support of a simple majority of the votes cast (whether in person or by proxy) in respect of such ordinary resolutions.
- 9.5 If you would like to vote on the Resolutions but cannot attend the Extraordinary General Meeting, you can appoint a proxy to exercise all or any of your rights to attend, vote and speak at the Extraordinary General Meeting by using one of the methods set out in the notes to the notice of the Extraordinary General Meeting.

10 INTEREST OF DIRECTORS

- 10.1 Save as disclosed in this Abridged Circular, none of the Directors of the Company (other than in their capacity as Directors of the Company) have any interest, direct or indirect, in the Proposed Resolutions.
- 10.2 As at the Latest Practicable Date, the interests of the Directors in the issued and paid-up capital of the Company as recorded in the Register of Directors' Shareholdings are as follows:

Name of Director	Direct Interest	Indirect Interest	Total
Mrs S G Shereni (Chairperson)	18,184	-	18,184
Dr Z Dillon (Deputy Chairperson)	-	-	-
Mr H Pemhiwa	-	-	-
Mr D T Mandivenga	1,404,417	-	1,404,417
Ms E T Masiyiwa	-	-	-
Mr C Maswi	-	-	-
Mr D Musengi	-	-	-
Mr E Chibi	4,358	-	4,358
Mrs T Nyemba	2,745	-	2,745

11 EXCHANGE CONTROL REGULATIONS

The Scheme of Reconstruction does not require Exchange Control Approval.

EcoCash HOLDINGS

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ABRIDGED CIRCULAR TO ECOCASH HOLDINGS ZIMBABWE LIMITED SHAREHOLDERS

12 MATERIAL AGREEMENTS

Save for the underwriter's agreement that was entered into by the Company in the recent rights offer and the agreements with regards to the transaction, no material agreements have been entered into, by any EcoCash Holdings Directors (or persons who were directors of EcoCash Holdings within the 12 (twelve) months preceding the Last Practicable Date).

13 MATERIAL CHANGES AND LITIGATION

13.1 There are no known material changes in the financial or trading position of EcoCash Holdings subsequent to the latest published results.

13.2 There are no material legal or arbitration proceedings against EcoCash Holdings (including any such proceedings that are pending or threatened), of which the EcoCash Holdings Directors are aware, which may, have or have had, during the 12 (twelve) months preceding the date of this Circular, a material effect on the Group's financial position which has not been previously disclosed in the public domain.

14 DIRECTORS' RESPONSIBILITY STATEMENT

The EcoCash Holdings Board accepts responsibility for the information contained in this Abridged Circular; confirms that to the best of its knowledge and belief, the information contained in this Abridged Circular is true; and confirms that this Abridged Circular does not omit anything likely to affect the importance of such information.

15 CONSENTS

The Lead Financial Advisor, Sponsoring Broker, Legal Advisor, Independent Reporting Accountants, Independent Financial Advisor, Transfer secretaries and the Exchange Control Advisors, whose names are included in this Abridged Circular, have consented in writing to act in the capacities stated and to their names being included in this Abridged Circular in the context in which they have been included and have not withdrawn their consents prior to the publication of this Abridged Circular.

16 PROSPECTS

16.1 Looking ahead, the Bank's trajectory will be influenced significantly by technological adoption with a digital banking expansion drive on the horizon. Mobile banking usage is expected to surge whilst investment in AI and blockchain technologies is expected to increase operational efficiencies. These innovations necessitate a parallel upscaling of systems and processes.

16.2 The Bank will consolidate its market position amidst a surge of fintech and alternative financial services providers. The bank's strategic blueprint includes nurturing a digital ecosystem that caters to the evolving demands of customers, whose need for digital services and personalised banking solutions continues to increase. With a well-capitalised balance sheet, strategic technological investments, and a forward-looking approach, the Bank aims to consolidate its market position and fortify its position as a resilient and progressive player in Zimbabwe's banking sector.

17 FURTHER INFORMATION

Your attention is drawn to the further information set out in the Full Circular that is on the ZSE and the Company's websites. EcoCash Holdings Shareholders should read the whole of the Full Circular and not just rely on the summarised information set out in this Abridged Circular.

18 RECOMMENDATION

The Board of Directors, after due consideration of the report of the independent expert regarding the Scheme of Reconstruction, has considered the terms and conditions thereof, and is of the opinion that the terms of the Scheme of Reconstruction are fair and reasonable. The Board believes the proposed Transaction and the Resolutions to be in the best interests of EcoCash Holdings Shareholders as a whole and, accordingly, unanimously recommends that EcoCash Holdings Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting, as each member of the Board intends to do in respect of their own beneficial holdings.

19 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the registered office of the Company, whose details can be found in the "Corporate Information and Advisors" section of this Circular, from the date of posting of this Circular until the date of the EGM, during normal business hours on Business Days:

- Memorandum and Articles of Association of EcoCash Holdings;
- Financial results reviewed by auditors for the half year ended 31 August 2023;
- The Audited financial statements of EcoCash Holdings for the years ended February 2021, 2022 and 2023;
- Notice of EGM;
- The Written Experts' Consents;
- The original Circular;
- The Scheme of Reconstruction Agreement;
- Valuation report.

Signed on Behalf of EcoCash Holdings Zimbabwe Board

(Signed on the original)

S. G. Shereni
Chairperson

ANNEXURE I: NOTICE OF EXTRAORDINARY GENERAL MEETING

EcoCash HOLDINGS

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012)
ZSE Alpha Code: EH.ZL.zw ISIN ZW0009012437

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of shareholders of EcoCash, will be held at 1100 hrs Zimbabwean Time, on Wednesday, 17 April 2024. The Meeting will be a virtual meeting via live webcast. You are cordially invited to attend and participate in the Meeting online via the link <https://ecocash.escrowagm.com/>, the physical location of the Meeting shall be at 1906 Liberation Legacy Way, Harare. The Meeting will be held to consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions –

AS ORDINARY RESOLUTION – TO APPROVE THE SCHEME OF RECONSTRUCTION TRANSACTION

"Resolved, subject to the Regulatory Approval, that the Directors are authorised to carry out a Scheme of Reconstruction between Econet Wireless Zimbabwe Limited ("Econet") and EcoCash Holdings Zimbabwe Limited ("EcoCash Holdings") by transferring to Econet the Financial Technology Businesses namely EcoCash (Private) Limited, VAYA Technologies Zimbabwe (Private) Limited, Econet Insurance (Private) Limited, Econet Life (Private) Limited, MARS Zimbabwe (Private) Limited, and Maisha Health Fund (Private) Limited, in exchange for the total consideration of ZWL509 billion (equivalent to 521,861,057 Econet Shares) payable partly in cash and partly in Econet Treasury Shares. The number of Econet Treasury Shares shall be determined using the 30 Day Volume Weighted Average Price of Econet for the period to 16 January 2024, being the last practicable date immediately before the transaction was announced to the public. The amount of the cash component of the total consideration shall be determined using the 30 Day Volume Weighted Average Price of each Econet share for the period to the date of payment."

AS ORDINARY RESOLUTION - TO AUTHORISE THE DIRECTORS TO SIGN ALL SUCH DOCUMENTS AND DO ALL SUCH THINGS AS MAY BE NECESSARY FOR OR INCIDENTAL TO THE IMPLEMENTATION OF THE TRANSACTION

"Resolved that any one of the directors of the Company be and is hereby authorised to do all such things, sign all such documents and procure the doing of all such things and the signature of all such documents as may be necessary for or incidental to the implementation of the offers and the ordinary and special resolutions proposed at this general meeting."

BY ORDER OF THE BOARD

(Signed on the original)

C. R. Daniels
Company Secretary

2 April 2024

IMPORTANT: PLEASE READ THE NOTES BELOW

Notes:

- Members may appoint one or more persons, whether members or not, to act in the alternative as his or her proxy to attend and vote instead of him or her. In that event, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, on the proxy form, failing which it will render the proxy invalid.
- 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.
- In addition, in the case of Shares entered in the Depository Register maintained by Chengetedzai, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Chengetedzai's Depository as at 48 hours before the time appointed for.

Lead-Financial Advisors



Transfer Secretaries



Legal Advisor



Sponsoring Broker



Independent Financial Advisor



Reporting Accountants & Auditors



THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this Circular apply to this cover mutatis mutandis.

ACTION REQUIRED TO BE TAKEN BY SHAREHOLDERS:

In respect of the EGM:

1. If you have disposed of all your shares, this circular should be handed to the purchaser of such shares or to the CSDP, broker, banker or other agent through whom such disposal was effected.
2. The EGM will be convened on the date and time, and in the manner set out in the Notice Convening the EGM.
3. Whether or not you plan to attend the **EGM, PLEASE COMPLETE AND SIGN THE FORM OF PROXY** and return it as soon as possible, but in any event so as to be received by no later than 1100 hours on Monday, 15 April 2024. This will enable your votes to be counted at the EGM in the event of your absence. Shareholders may participate in the EGM themselves, or through their proxies.
4. It is important that at the EGM as many votes as possible are cast so that there is a fair and reasonable representation of the opinion of the EcoCash Holdings shareholders. You are therefore strongly urged to sign and return your Form of Proxy as soon as possible. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the EGM.
5. If you are a dematerialised shareholder other than with own-name registration, then your CSDP or broker, as the case may be, should contact you to ascertain how you wish to cast your vote at the EGM, and thereafter cast your vote in accordance with your instructions. This should be done in terms of the agreement entered into between you, as a dematerialised shareholder, and the CSDP or broker. If you wish to attend the EGM in person, or wish to be represented thereat, you should inform your CSDP or broker, as the case may be, of your intention to attend and vote at the EGM or to be represented by proxy thereat in order for your CSDP or broker to issue you with the necessary letter of representation to do so. If you, as a dematerialised shareholder, have not been contacted by your CSDP or broker, it would be advisable for you to contact your CSDP or broker, as the case may be, as soon as possible and furnish them with your instructions in the manner and by the cut-off time stipulated in the aforesaid agreement between you and the CSDP or broker.
6. If you are in any doubt as to what action you should take with regards to the EGM, you should consult your CSDP, broker, banker, legal advisor, accountant or other professional advisor immediately.

Disclaimer

1. **EcoCash Holdings does not accept any responsibility and will not be held liable for any failure on the part of a CSDP or broker of a Dematerialised Shareholder to notify such Shareholder of the information set out in this Circular.**
2. The advisors are acting for the Company only and shall not be responsible to any other person for providing the protections offered to their clients.

Help

If you have any questions relating to this Document or the completion of the Form of Proxy, please email to the Group Company Secretary, Charmaine Daniels on companysecretary@ecocashholdings.co.zw or contact the transfer secretaries, First Transfer Secretaries on +263 8688007319 or info@fts-net.com

EcoCash

HOLDINGS ZIMBABWE LIMITED

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012)

ZSE Alpha Code: EH.ZL.zw ISIN ZW0009012437

(EcoCash Holdings or the Company)

CIRCULAR

TO ECOCASH HOLDINGS ZIMBABWE LIMITED SHAREHOLDERS

This Circular relates to the proposed Scheme of Reconstruction between Econet Wireless Zimbabwe Limited and EcoCash Holdings Zimbabwe Limited involving the transfer to Econet of the Financial Technology Businesses, namely EcoCash (Private) Limited, VAYA Technologies Zimbabwe (Private) Limited, Econet Insurance (Private) Limited, Econet Life (Private) Limited, MARS Zimbabwe (Private) Limited, and Maisha Health Fund (Private) Limited, in exchange for the total consideration of ZWL 509 billion (equivalent to 521,861,057 Econet Shares) payable partly in cash and partly in Econet Treasury Shares. Econet shall pay the agreed total consideration that is equivalent to 521,861,057 Econet Shares, using 271,597,195 Treasury Shares that represent circa 50% of the purchase consideration (Shares Consideration) and the Cash Equivalent of 250,263,862 Econet shares will be calculated using the 30 Day VWAP of each Econet share to the period of date of payment (Cash Consideration).

ENCLOSED IN THIS CIRCULAR IS:

- a) **THE NOTICE OF EXTRAORDINARY GENERAL MEETING** in terms whereof notice is given that an Extraordinary General Meeting of the members of EcoCash Holdings Zimbabwe Limited will be held at the Registered Office of the Company at 1906 Liberation Legacy Way, Borrowdale, Harare on Wednesday, 17 April 2024 at 1100hrs for the purposes of transacting the business indicated in the detailed Notice set out in Annexure III of this circular. Attendance at the meeting may be electronic as detailed in the attached Notice.
- b) A fairness opinion on the related party transaction from the independent expert in accordance with the provisions of paragraph 268(ii)(f) of the ZSE Listings Requirements.

Shareholders are referred to paragraph 13 of Part A of this Circular, which outlines the Directors' responsibility in regard to this Circular.

A copy of this Circular was lodged and approved by the ZSE.

Lead-Financial Advisors



Transfer Secretaries



Legal Advisor



Sponsoring Broker



Independent Financial Advisor



Reporting Accountants & Auditors



Date of issue: Tuesday, 2 April 2024

Copies of this Circular, which are available in English only, may be obtained from the registered office of the Company at the address set out in the "Corporate information" section of this Circular during normal business hours from Tuesday, 2 April 2024 up to and including Monday, 15 April 2024 or on the Company's website at www.ecocashholdings.co.zw

CORPORATE INFORMATION AND ADVISORS

Directors	Date and place of incorporation of EcoCash Holdings Zimbabwe Limited
Independent Non-Executive Mrs S.G. Shereni (Chairperson), Mr M.L.Bennett Dr Z. Dillon Mr C. Maswi Mr D. Musengi Non – Executive Ms E.T. Masiyiwa Mr H. Pemhiwa Mr D.T. Mandivenga Executive Mr E. Chibi Mrs T. Nyemba	Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012 Company Secretary and Registered Office Mrs C.R. Daniels 1906 Liberation Legacy Way, Borrowdale, Harare, Zimbabwe
Lead Financial Advisor	Sponsoring Brokers
TN Financial Services (Pvt) Limited 19 Collins Avenue, Chisipite Harare, Zimbabwe	Bethel Equities (Private) Limited 23 Boundary Road, Eastlea Harare, Zimbabwe
Legal Advisors	Transfer secretaries
Musengi & Sigauke Legal Practitioners Commercial, Corporate & Labour Lawyers Notaries Public, Conveyancers & Estate Administrators 7 Caithness Road, Eastlea, Harare, Zimbabwe	First Transfer Secretaries (Pvt) Ltd 1 Armagh Avenue, Eastlea Harare, Zimbabwe
Reporting Accountants and Auditors	Independent Financial Advisors
BDO Zimbabwe Chartered Accountants Kudenga House 3 Baines Avenue Harare, Zimbabwe	Nolands Chartered Accountants 7 Glenara Avenue South Cnr Samora Machel Avenue, Eastlea Harare, Zimbabwe

Note:

The above advisors have given and, as of the date of this circular, have not withdrawn their written consent to the publication of their names, addresses, logos and the statements attributed to each of them in the context in which they appear in this circular.

TABLE OF CONTENTS

CORPORATE INFORMATION AND ADVISORS	i
TABLE OF CONTENTS	1
ACTION REQUIRED TO BE TAKEN BY SHAREHOLDERS	3
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	4
DEFINITIONS AND INTERPRETATIONS	5
PART A: LETTER TO SHAREHOLDERS	7
1 INTRODUCTION	7
2 THE PURPOSE OF THIS CIRCULAR	9
3 REGULATORY REQUIREMENTS IN RESPECT OF THE TRANSACTION	9
4 THE SCHEME OF RECONSTRUCTION	10
4.1 Parties To the Transaction	10
4.2 Background	10
4.3 Transfer of Financial Technology Businesses	11
4.4 The Banking Business to remain under EcoCash Holdings	12
4.5 The Issue and Allotment of Econet Shares pursuant to the Scheme of Reconstruction	12
5 EFFECTS OF THE PROPOSED TRANSACTION	13
5.1 EcoCash structure	13
5.2 Shareholding structure	13
5.3 Board Composition	13
5.4 Management and employees changes	13
5.5 Financial effects of the proposed transaction	14
6 TAX IMPLICATIONS OF THE SCHEME OF RECONSTRUCTION	15
7 CONDITIONS PRECEDENT TO THE TRANSACTION	15
8 SHAREHOLDER VOTING AND EXTRAORDINARY GENERAL MEETING	16
9 INTEREST OF DIRECTORS	16
10 EXCHANGE CONTROL REGULATIONS	16
11 MATERIAL AGREEMENTS	17
12 MATERIAL CHANGES AND LITIGATION	17
13 DIRECTORS' RESPONSIBILITY STATEMENT	17
14 COSTS OF THE TRANSACTION AND EXPENSES	17
15 CURRENT TRADING AND PROSPECTS	18
16 FURTHER INFORMATION	18
17 RECOMMENDATION	18
18 DOCUMENTS AVAILABLE FOR INSPECTION	19

PART B: INFORMATION ON ECONET	20
1 HISTORY	20
2 CORPORATE STRUCTURE	20
3 OVERVIEW OF ECONET'S OPERATING SUBSIDIARIES	20
4 MANAGEMENT OF ECONET	21
5 DIRECTORS	22
PART C: INFORMATION ON ECOCASH HOLDINGS	24
1 HISTORY	24
2 CORPORATE STRUCTURE	24
3 OVERVIEW OF THE COMPANY'S OPERATING SUBSIDIARIES	25
4 MANAGEMENT OF THE COMPANY	26
5 DIRECTORS	27
ANNEXURE I: INDEPENDENT ADVISOR'S REPORT	30
ANNEXURE II: REPORTING ACCOUNTANTS' REPORT	34
ANNEXURE III: NOTICE OF EXTRAORDINARY GENERAL MEETING	50
ANNEXURE IV: PROXY FORM	51

ACTION REQUIRED TO BE TAKEN BY SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this Circular apply to this section headed "Action required to be taken by Shareholders"

This circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required to be taken by shareholders. If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, attorney, accountant or other professional advisor immediately.

1. EGM

1.1 A Form of Proxy is attached for the convenience of holders of certificated shares and those whose shares are registered in their own name but are dematerialised, who are unable to attend the EGM, but wish to be represented thereat. In order to ensure validity, it is recommended that duly completed Forms of Proxy should be returned to the transfer secretaries, so as to reach them by no later than the time stipulated in the notice.

1.2 If the shareholder holds shares that are dematerialised but not held under his/her own name, then the CSDP or broker, as the case may be, should contact the shareholder in question to ascertain how they wish to cast their vote at the EGM. The CSDP or broker should thereafter cast the vote in accordance with the instructions. This should be done in terms of the agreement entered into between the shareholder whose shares are dematerialised and the CSDP or broker. If the shareholder whose shares are dematerialised wishes to attend the EGM in person, via electronic participation or wishes to be represented thereat, they should inform their CSDP or broker, as the case may be, of their intention to attend and vote at the EGM or to be represented by proxy thereat in order for their CSDP or broker to issue them with the necessary letter of representation to do so. If a shareholder whose shares are dematerialised has not been contacted by their CSDP or broker, it would be advisable for them to contact their CSDP or broker, as the case may be, as soon as possible and furnish them with their instructions in the manner, and by the cut-off time stipulated in the aforesaid agreement between the holder whose shares are dematerialised and the CSDP or broker.

1.3 If you are a certificated shareholder or you hold in your name, shares that are dematerialised, you may attend the EGM in person and may vote at the EGM. Alternatively, you may appoint a proxy to represent you at the EGM by completing the attached Form of Proxy and returning it to the transfer secretaries so as to reach them by no later than the recommended time.

2. DISCLAIMER

2.1 All transactions arising from the provisions of this Circular shall be governed by and be subject to the laws of Zimbabwe.

2.2 Should any person who is not a Shareholder receive this Circular they should not and will not be entitled to acquire any Shares or otherwise act thereon.

2.3 This Circular and any accompanying documentation are not intended to, and do not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction in which it is unlawful to make such an offer. In those circumstances or otherwise if the distribution of this Circular and any accompanying documentation in jurisdictions outside of Zimbabwe are restricted or prohibited by the laws of such jurisdiction, this Circular and any accompanying documentation are deemed to have been sent for information purposes only and should not be copied or redistributed.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

EcoCash Holdings Shareholders should take note of the dates and times set forth in the schedule below in connection with the transaction.

EVENT	DATE
Publication of the Abridged Circular in the press and the Full Circular on the Website	Tuesday, 2 April 2024
Date of Notice of EGM to consider the transaction	Tuesday, 2 April 2024
Last date for receipt of proxy forms to vote on the EGM	Monday, 15 April 2024
EGM date	Wednesday, 17 April 2024
Publication of the results of EGM	Friday, 19 April 2024

These dates are indicative only and assume that the requisite regulatory clearances have been obtained and the other Conditions to Completion have been satisfied before the date estimated for Completion. If any of the above times and/or dates change, the revised times and/or dates will be notified by announcement in the press.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates a contrary intention, an expression which denotes any gender includes the other genders, any reference to a natural person includes a juristic person and vice versa, the singular includes the plural and vice versa and the following expressions bear the meanings assigned to them, below:

“Board”, “Board of Directors” or “Directors”	the Board of Directors of EcoCash Holdings Zimbabwe Limited;
“Broker”	A person registered as a “Broking Member” by the ZSE and licensed by the Securities Exchange Commission of Zimbabwe to trade in financial securities;
“Certificated shares”	Shares which have not been dematerialised, title to which is represented by a physical share certificate;
“Circular” or “Document”	This Circular dated, Tuesday, 2 April 2024 to Shareholders of EcoCash Holdings;
“Companies Act” or “COBE”	The Companies and Other Business Entities Act [Chapter 24:31] of Zimbabwe, as amended;
“Conditions Precedent”	The conditions precedent to the transaction set out in paragraph 7 of Part A of this Circular;
“Consideration”	Approximately ZWL 509 billion (equivalent to 521,861,057 Econet Shares), to be paid to EcoCash Holdings in part Cash and in part Econet Treasury Shares;
“CSDP”	Central securities depository participant;
“Dematerialisation”	Is the process of converting physical shares into electronic format;
“EcoCash Holdings”	A public company incorporated in Zimbabwe under company registration number 2487 / 2012. The Company is listed on the ZSE under alpha code EHZL.zw ISIN ZW0009012437 and is the holding company for Ecocash (Private) Limited, Vaya Technologies Zimbabwe (Private) Limited, Econet Life (Private) Limited, Econet Insurance (Private) Limited; Maisha Health Fund (Private) Limited, MARS Zimbabwe (Private) Limited and Steward Bank Limited.
“Econet” or “EWZL”	Econet Wireless Zimbabwe Limited (registration number 7548/1998), a company duly incorporated in accordance with the laws of Zimbabwe. The Company is listed on the ZSE under alpha code ECO and ISIN ZW 000 901 212 2;
“EGM”	The Extraordinary General Meeting of shareholders of the Company which shall be held, at 1100 hrs on Wednesday, 17 April 2024 at 1906 Liberation Legacy Way, Borrowdale, Harare, amongst others, the resolutions to give effect to the transaction;
“EPS”	Earnings per share;
“EcoCash Shareholder”	A holder of EcoCash shares registered in the EcoCash Holding’s share register as at the record date;
“Exchange Control Regulations”	The Exchange Control Regulations currently in force in Zimbabwe;
“Form of Proxy” or “Proxy Form”	The form, accompanying this document, which provides for EcoCash’s shareholders to appoint a proxy to attend the EGM and vote on their behalf;
“Lead Financial Advisor” or “TNFS”	TN Financial Services (Private) Limited, a company incorporated in Zimbabwe under registration 5548/97 and that is duly registered with the Securities and Exchange Commission of Zimbabwe to conduct financial advisory services;
“Member”	EcoCash’s shareholder;
“MOA” or “M&A”	the Memorandum and Articles of Association of EcoCash Holdings Zimbabwe Limited;
“Ordinary Shares”	The ordinary shares of EcoCash Holdings with a nominal value of ZWL0.001 each in the share capital of EcoCash Holdings;

“RBZ”	Reserve Bank of Zimbabwe;
“Registrar”	The Zimbabwe Registrar of Companies;
“Sponsoring Broker”	Sponsoring broker on the proposed transaction, namely Bethel Equities (Private) Limited;
“the Bank”	Steward Bank Limited;
“Transfer Secretaries” or “FTS”)	Transfer secretaries to EcoCash Holdings, namely First Transfer Secretaries (Private) Limited;
“Transaction”	The proposed Scheme of Reconstruction between Econet Wireless Zimbabwe Limited (Econet) and EcoCash Holdings Zimbabwe Limited (EcoCash Holdings) involving the transfer to Econet of the Financial Technology Businesses, namely EcoCash (Private) Limited, VAYA Technologies Zimbabwe (Private) Limited, Econet Insurance (Private) Limited, Econet Life (Private) Limited, MARS Zimbabwe (Private) Limited, and Maisha Health Fund (Private) Limited, in exchange for the total consideration of ZWL 509 billion (equivalent to 521,861,057 Econet Shares) payable partly in cash and partly in Econet Treasury Shares. Econet shall pay the agreed total consideration that is equivalent to 521,861,057 Econet Shares, using 271,597,195 Treasury Shares that represent circa 50% of the purchase consideration (Shares Consideration) and the Cash Equivalent of 250,263,862 Econet shares will be calculated using the 30 Day VWAP of each Econet share to the period of date of payment (Cash Consideration);
“USD” or “US\$”	The United States Dollar, the lawful currency of the United States of America, being a legal currency in Zimbabwe as well;
“VWAP”	Volume weighted average trading price;
“Zimbabwe”	The Republic of Zimbabwe;
“ZSE”	Zimbabwe Stock Exchange Limited;
“ZWL”	The Zimbabwe dollar, the lawful currency of Zimbabwe.

PART A: LETTER TO SHAREHOLDERS

EcoCash HOLDINGS

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012)
ZSE Alpha Code: EHZL.zw ISIN ZW0009012437
(EcoCash Holdings or the Company)

Directors:

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

Address:

1906 Liberation Legacy Way,
Borrowdale,
Harare

Tuesday, 2 April 2024

Dear Shareholder

CIRCULAR TO ECOCASH HOLDINGS ZIMBABWE LIMITED SHAREHOLDERS

1 INTRODUCTION

- 1.1** The proposed transaction is a Scheme of Reconstruction in terms of which, EcoCash Holdings will transfer to Econet, all the shares that it owns in the Financial Technology Businesses, valued at ZWL509 billion (equivalent to 521,861,057 Econet Shares) with the result that the Financial Technology Businesses shall become subsidiaries of Econet. EcoCash Holdings shall remain with Steward Bank Limited as its only subsidiary.
- 1.2** As consideration for the transfers referred to in paragraph (1.1) above, Econet shall use a combination of its Treasury Shares and Cash as Total Consideration.
- 1.3** Econet’s investment in the Mobile Network Operation business over the years resulted in the creation of a Financial Technology Business and an Infrastructure and Power Generation business within the Mobile Network Operation (MNO) business. In 2018, Econet made a decision to unbundle these businesses that had developed within the MNO business because the value of these businesses was not fully reflected in the Market Capitalisation of the MNO business. EcoCash Holdings was demerged from Econet under a circular dated 8 November 2018. The demerger became effective upon approval by the members at the EGM held on 29 November 2018. This led to the subsequent listing of EcoCash Holdings on the ZSE on 18 December 2018.
- 1.4** Following conclusion of the rights offers undertaken by the Company and Econet, the Company and Econet have the same controlling shareholders. More than 90% of the issued share capital of both companies is under the same control as tabulated below.

Table 1: Shareholders of both the Company and Econet

Shareholder name	ECONET		ECOCASH HOLDINGS	
	Number	% of holding	Number	% of holding
Econet Global Limited	1,197,224,707	40.01%	1,259,094,243	30.02%
Stanbic Nominees (Private) Limited (NNR)	350,060,582	11.70%	291,873,583	6.96%
Stanbic Nominees (Private) Limited	250,605,864	8.38%	275,682,441	6.57%
TN Asset Management Nominees	210,433,619	7.03%	147,761,784	3.52%
TN Asset Management Nominees (Underwriter)	174,267,179	5.82%	1,035,438,359	24.68%
Econet Wireless Zimbabwe Spv Limited	129,528,841	4.33%	103,623,090	2.47%
Old Mutual Life Assurance Company of Zimbabwe Limited	118,270,809	3.95%	132,292,361	3.15%
New Arx Trust (NNR)	92,799,146	3.10%	71,455,342	1.70%
Austin Eco Holdings Limited - NNR	53,923,476	1.80%	41,521,077	0.99%
Standard Chartered Nominees (Private) Limited	29,361,909	0.98%	20,756,619	0.49%
Other Shareholders With Common Shareholding	93,388,948	3.12%	621,273,549	14.81%
Subtotal	2,699,865,080	90.23%	4,000,772,448	95.37%
Other	292,298,123	9.77%	194,025,481	4.63%
Total	2,992,163,203	100%	4,194,797,929	100%

- 1.5** Post the demerger in 2018, EcoCash Holdings, (the Financial Technology Businesses and Steward Bank), had been expected to attract a new set of investors whose main interest was in Financial Technologies. This was also in line with how other international mobile network operators had done including Airtel and MTN. The adverse economic conditions that have prevailed since the demerger have prevented EcoCash Holdings from attracting foreign portfolio investors. This has resulted in the Company and Econet remaining under the control of same shareholders as shown in Table 1 of paragraph 1.4 above.
- 1.6** The obtaining situation where the Company and Econet have the same controlling shareholders means that the same group of shareholders are being subjected to duplication of resources, thus eroding shareholders' value.
- 1.7** The fact that Steward Bank is a subsidiary of EcoCash Holdings has also resulted in the perception that the Financial Technology Businesses are direct competitors to local banks whereas the services are complimentary. This has caused operational and Customer Relationship Management challenges and has constrained the growth of the Financial Technology Businesses' relationship with the wider financial services market.
- 1.8** In these circumstances, it is imperative to separate Steward Bank Limited from the Financial Technology Businesses to avoid any confusion that might limit the growth of the businesses.
- 1.9** Econet proposes to acquire the Financial Technology Businesses, develop them so they may leverage synergies that include the MNO's subscriber base and delivery channels to fully develop their sustainable value creation competitiveness.

2 THE PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to:

- 2.1** convene an Extraordinary General Meeting to seek EcoCash Holdings' Shareholder approval for the proposed transaction and other actions required on the part of EcoCash to implement the Scheme of Reconstruction; and
- 2.2** provide EcoCash Shareholders with information regarding the proposed Scheme of Reconstruction, and to advise the Shareholders of the Board's recommendation in respect of the proposed Scheme of Reconstruction in order to enable the Shareholders to make an informed decision as to whether or not they should vote in favour of the resolutions to be proposed at the Extraordinary General Meeting.

3 REGULATORY REQUIREMENTS IN RESPECT OF THE TRANSACTION

- 3.1** The book value of the Financial Technology Businesses that EcoCash Holdings intends to transfer to Econet amounts to ZWL325 billion. Based on EcoCash Holdings' Consolidated Statement of Financial Position as at 31 August 2023, the Book Value of EcoCash Holdings' Assets was ZWL931 billion. Therefore, the aggregate value of the assets to be transferred pursuant to the Scheme of Reconstruction, being less than 50% of the said book value of the assets of EcoCash Holdings, this Scheme of Reconstruction is not classified as a Major Asset Transaction on the side of EcoCash Holdings as defined in Section 226 of the COBE.
- 3.2** The total consideration measured against the market capitalisation of EcoCash Holdings results in a percentage ratio of more than 30%. Accordingly, the Transaction is classified as a Category 1 Transaction in terms of paragraph 253(3) of the ZSE Listings Requirements and requires an ordinary resolution approval by Shareholders at the EGM in terms of paragraph 260(2) of the ZSE Listings Requirements.
- 3.3** Econet is a material shareholder in EcoCash Holdings (as defined in Part X of the ZSE Listings Requirements). Accordingly, the Scheme of Reconstruction agreement concluded between EcoCash Holdings and Econet constitutes a related party transaction. As a result, the proposed Scheme of Reconstruction is conditional on receipt of shareholder approval by a 50% majority excluding the votes of Econet. In addition to the exclusion of Econet, the ZSE Listings committee has directed that Econet Global Limited be excluded from voting on the basis that they view Econet Global Limited as an Associate of Econet.
- 3.4** In accordance with the provisions of paragraph 268(ii)(f) of the ZSE Listings Requirements, the EcoCash Board has obtained a fairness opinion on the related party transaction from the Independent Financial Advisor, which fairness opinion is set out in Annexure I of this circular. Taking into consideration the terms and conditions of the related party transaction, the independent expert is of the opinion that the Scheme of Reconstruction is fair to the Shareholders of EcoCash Holdings.
- 3.5** The statement of the Board as to whether the related party transaction is fair to shareholders is included in paragraph 17 of this Chairperson's report.

4 THE SCHEME OF RECONSTRUCTION

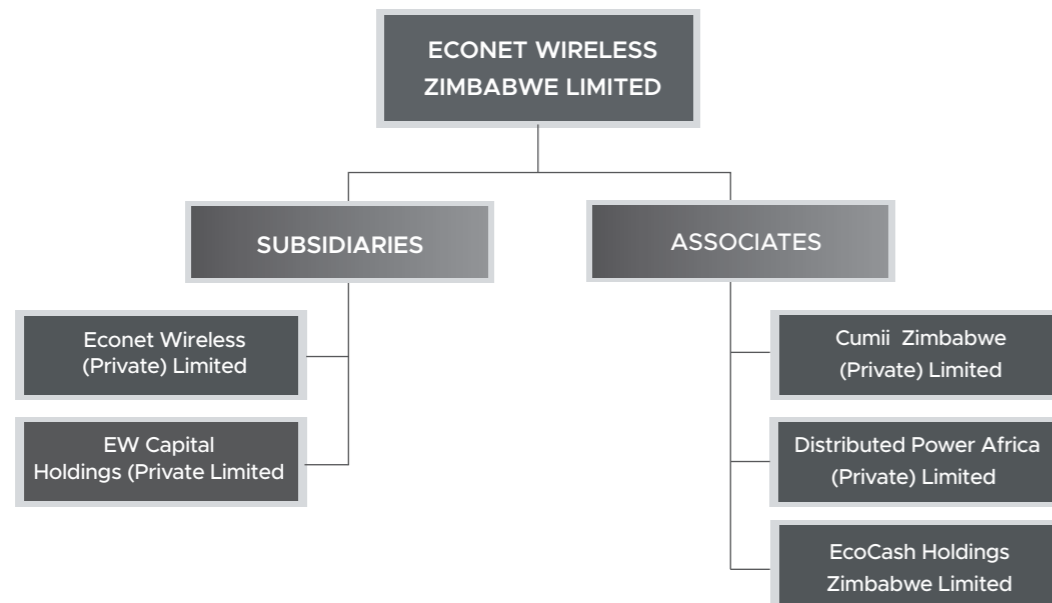
4.1 Parties To the Transaction

The Parties to the transaction are the Company and Econet.

4.2 Background

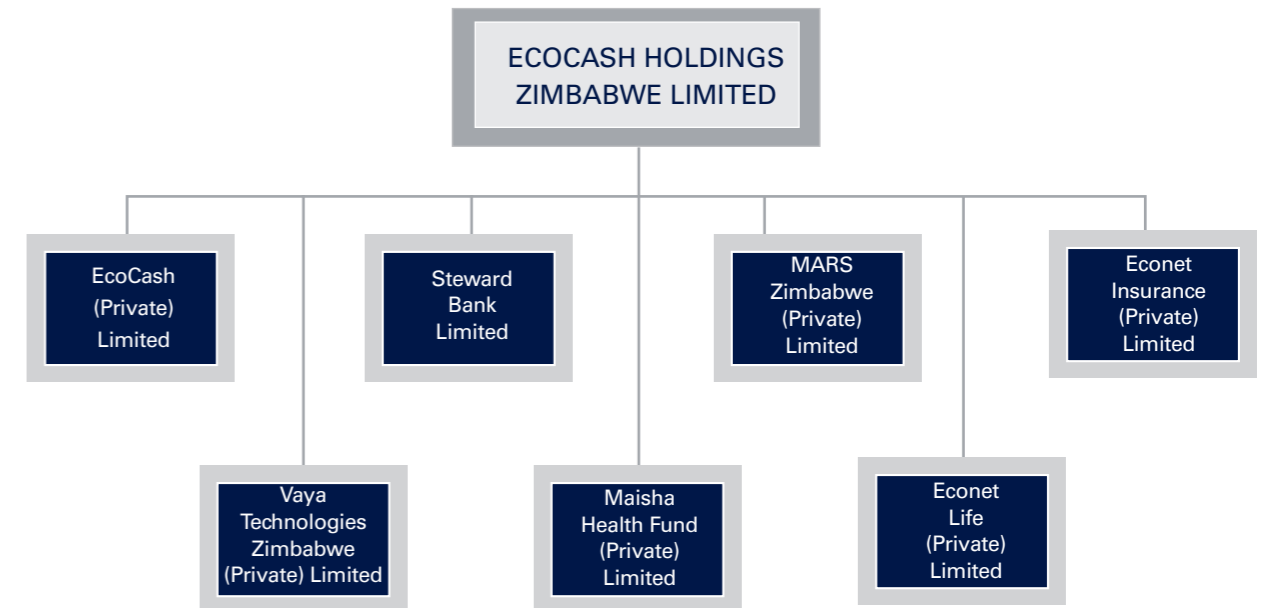
4.2.1 The diagrammatic representation of the current ownership structure of the Company and Econet is depicted below. As tabulated in table 1 of paragraph 1.4 above, the shareholders holding 90% of the issued shares of Econet also hold 95% of the issued share capital of EcoCash Holdings. Therefore, the two companies are under the same control.

ECONET		
Shareholder name	Number	% of holding
Econet Global Limited	1,197,224,707	40.01%
Stanbic Nominees (Private) Limited (NNR)	350,060,582	11.70%
Stanbic Nominees (Private) Limited	250,605,864	8.38%
TN Asset Management Nominees	210,433,619	7.03%
TN Asset Management Nominees (Underwriter)	174,267,179	5.82%
Econet Wireless Zimbabwe Spv Limited	129,528,841	4.33%
Old Mutual Life Assurance Company of Zim Limited	118,270,809	3.95%
New Arx Trust (NNR)	92,799,146	3.10%
Austin Eco Holdings Limited - NNR	53,923,476	1.80%
Standard Chartered Nominees (Private) Limited	29,361,909	0.98%
Other Shareholders with common shareholding	93,388,948	3.12%
Subtotal	2,699,865,080	90.23%
Other	292,298,123	9.77%
Total	2,992,163,203	100%



ECOCASH HOLDINGS

Shareholder name	Number	% of holding
Econet Global Limited	1,259,094,243	30.02%
Stanbic Nominees (Private) Limited (NNR)	291,873,583	6.96%
Stanbic Nominees (Private) Limited	275,682,441	6.57%
TN Asset Management Nominees	147,761,784	3.52%
TN Asset Management Nominees (Underwriter)	1,035,438,359	24.68%
Econet Wireless Zimbabwe Spv Limited	103,623,090	2.47%
Old Mutual Life Assurance Company of Zim Limited	132,292,361	3.15%
New Arx Trust (NNR)	71,455,342	1.70%
Austin Eco Holdings Limited - NNR	41,521,077	0.99%
Standard Chartered Nominees (Private) Limited	20,756,619	0.49%
Other Shareholders with common shareholding	621,273,549	14.81%
Subtotal	4,000,772,448	95.37%
Other	194,025,481	4.63%
Total	4,194,797,929	100%



4.2.2 The parties wish to reconstruct or reorganise their ownership of the Company and Econet by undertaking a series of sequential, yet interdependent transactions as outlined in the following paragraphs.

4.3 Transfer of Financial Technology Businesses

4.3.1 EcoCash Holdings owns the following Financial Technology Businesses in the percentages indicated: EcoCash (Private) Limited – 100%, VAYA Technologies Zimbabwe (Private) Limited– 100%, Econet Insurance (Private) Limited - 90%, Econet Life (Private) Limited - 85%, MARS Zimbabwe (Private) Limited - 70%, and Maisha Health Fund (Private) Limited 100%. In terms of the Scheme of Reconstruction Agreement, immediately upon the fulfilment or waiver of the Conditions precedent to the Scheme of Reconstruction set out in paragraph 7 of this Circular, EcoCash Holdings shall transfer to Econet, the Financial Technology Businesses with the result that the Financial Technology Businesses shall become subsidiaries of Econet.

4.4 The Banking Business to remain under EcoCash Holdings

- 4.4.1 Steward Bank Limited is a registered Commercial Bank that is currently 100% owned by EcoCash Holdings.
- 4.4.2 By virtue of its ownership of Steward Bank Limited, EcoCash Holdings is registered with the Registrar of Banks as a Bank Holding Company.
- 4.4.3 Steward Bank Limited shall remain a subsidiary of EcoCash Holdings, and EcoCash Holdings shall retain its registered status as a Bank Holding Company.

4.5 The Consideration to EcoCash Holdings

- 4.5.1 The Financial Technology Businesses were valued at ZWL 509 billion, which translated to 80% of the 30 Day Volume Weighted Average Market capitalization of EcoCash Holdings for the period to 16 January 2024, being the last practicable date immediately before the transaction was announced to the public. The value of the Financial Technology businesses was also equivalent to 521,861,057 Econet Shares calculated using the 30 Day Volume Weighted Average Price of each Econet share for the period to 16 January 2024, being the last practicable date immediately before the transaction was announced to the public.
- 4.5.2 As part of the Scheme of Reconstruction and following the transfer to Econet of the Financial Technology Businesses referred to above, Econet shall pay the agreed total consideration that is equivalent to 521,861,057 Econet Shares, using 271,597,195 Treasury Shares that represent circa 50% of the purchase consideration (Shares Consideration) and the Cash Equivalent of 250,263,862 Econet shares will be calculated using the 30 Day VWAP of each Econet share to the period of date of payment (Cash Consideration). Collectively, the Shares Consideration and the Cash Consideration will hereafter be referred to as the “total consideration”.
- 4.5.3 The total consideration shall be payable on Completion of the transaction, that is within **seven days** of the Scheme of Reconstruction becoming unconditional.
- 4.5.4 The consideration in **paragraph 4.5.2** shall represent the full and complete consideration, once effected in accordance with the terms of the Scheme of Reconstruction Agreement.
- 4.5.5 **The total consideration for the Financial Technology Businesses** has been certified as being fair and reasonable by the companies’ respective independent financial advisors. EcoCash Holdings’ independent financial advisors’ report is appended in the Full Circular as Annexure 1.
- 4.5.6 All the consideration shares will rank *pari passu* in all respects with Econet’s Ordinary shares currently in issue, including the right to all future dividends.
- 4.5.7 Fractional shares of less than 0.5 of a share shall be rounded down, while fractional shares above 0.5 of a share will be rounded up.
- 4.5.8 After the completion of the scheme of reconstruction, the Directors may, after considering the capital requirements of the Company, elect to declare some of the consideration as dividend.

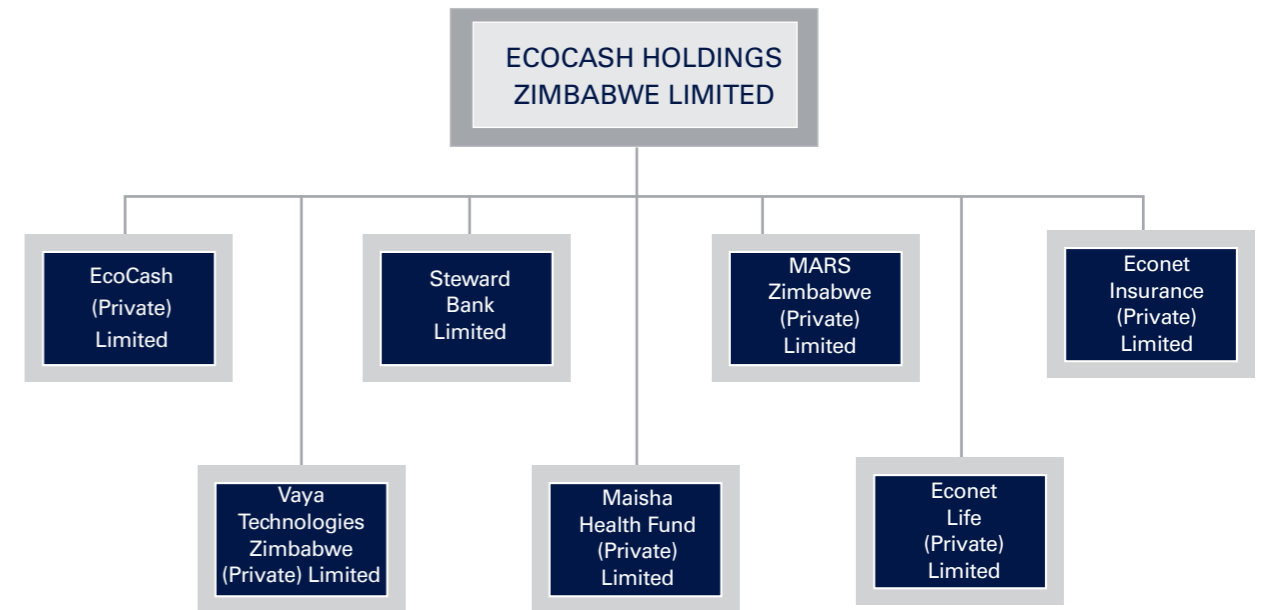
5 EFFECTS OF THE PROPOSED TRANSACTION

5.1 EcoCash structure

The Company’s structure before and after the proposed transaction is shown below.

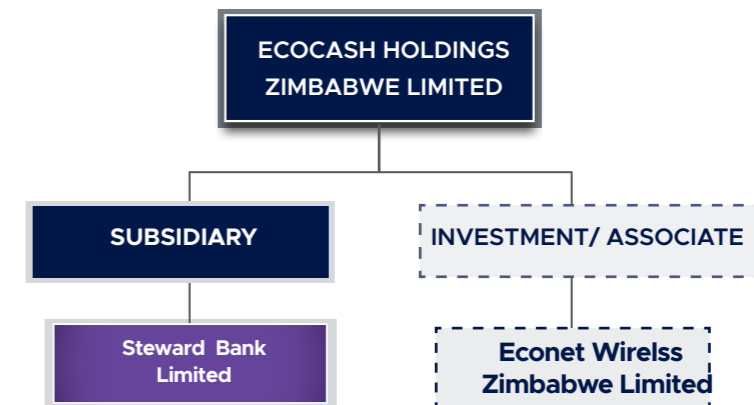
5.1.1 Before

The following is the current group structure.



5.1.2 After

The following shall be the group structure after the Scheme of Reconstruction.



5.2 Shareholding structure

Post the transaction, the Company’s shareholding will remain the same.

5.3 Board composition

The proposed Scheme of Reconstruction is not expected to have any immediate and direct effect on the Board composition of the Company.

5.4 Management and employees changes

- 5.4.1 No decision has been made by the Company in relation to specific actions that will be taken as part of the business operational and administrative review. Prior to any decisions being made, detailed discussions will be held between employees and appropriate stakeholders.

5.4.2 One of the main purposes of the Scheme of Reconstruction is to eliminate the duplication of structures and costs arising from the current Group ownership structure. The rationalisation of the structure may impact on employees. Any changes that will affect employees will be done in compliance with the Labour Act (Chapter 28:01).

5.5 Financial effects of the proposed transaction

5.5.1 The table below sets out the financial effects of the proposed transaction on the *pro forma* reviewed consolidated half year financials of the Company for the period ended 31 August 2023. The *pro forma* financial statements have been prepared for illustrative purposes only and because of their *pro forma* nature, they may not fairly present the Company's financial position, changes in equity, results of operations or cash flows, or the effect and impact of the proposed Scheme of Reconstruction going forward.

5.5.2 The directors of the Company are responsible for the compilation, contents and preparation of the *pro forma* financial statements. Their responsibility includes determining that the *pro forma* financial statements have been properly compiled on the basis stated, which is consistent with the accounting policies of the Company and that the *pro forma* adjustments are appropriate for purposes of the *pro forma* financial information disclosed pursuant to the ZSE Listings Requirements. The *pro forma* financial information is set out below:

(Amounts in ZWL millions)	BEFORE TRANSACTION SoFP Reported as at 31 Aug 23	*THE TRANSACTION	AFTER TRANSACTION SoFP Reported as at 31 Aug 23
ASSETS			
Intangible assets and goodwill	27,255	(7,633)	19,622
Property, plant and equipment	240,385	(147,105)	93,280
Other non-current assets	126,014	(3,062)	122,952
Financial Instruments - Long Term	18,931	(3,719)	15,212
Financial instruments - Short Term	198,079	219,933	418,012
Other current assets	320,093	126,137	446,230
Total assets	930,757	184,551	1,115,308
EQUITY AND LIABILITIES			
EQUITY			
Share capital and premium	1,337	-	1,337
Equity attributable to equity holders of the company	234,337	533,692	768,029
Non-controlling interest	5,108	(5,108)	-
Total Equity	240,782	528,584	769,366
LIABILITIES			
Non-current financial instruments	69,416	(31,776)	37,640
Financial instruments:			
Short - term interest bearing debt	17,636	(17,636)	-
Current Liabilities	602,923	(294,621)	308,302
Total Liabilities	689,975	(344,033)	345,942
Total Equity and Liabilities	930,757	184,551	1,115,308

* Have been prepared on the assumption of a 50% split between cash and Econet Treasury shares.

NAV of the Company before and after the transaction

NAV	Before transaction	After transaction
Issued Share Capital*	2,590,577,241	2,590,577,241
Net Asset Value ZWL	240,782,000,000	769,366,119,513
Net Asset Value per share ZWL	92,95	296.99

* The Company had issued share capital of 2,590,577,241 shares as at 31 August 2023.

5.5.3 Share capital structures of the Company pre and post the proposed transaction:

Set out below is an analysis of the share capital of EcoCash Holdings before and after the Transaction.

Company	Pre- transaction		The Transaction		Post- transaction	
	Number	ZWL	Number	ZWL	Number	ZWL
Authorised Share Capital Ordinary Share of ZWLO.01 each	4,200,000,000	4,200,000	-	-	4,200,000,000	4,200,000
Issued share capital ordinary shares of ZWLO.01 each	4,194,797,929	4,194,798	-	-	4,194,797,929	4,194,798
Authorised but unissued ordinary shares of ZWLO.001 each	5,202,071	52,021	-	-	5,202,071	52,021

* The issued share capital shown above is after the rights offer of 1,604,220,688 ordinary shares in September 2023.

6 TAX IMPLICATIONS OF THE SCHEME OF RECONSTRUCTION

6.1 The transfer of shares held by EcoCash Holdings in the Financial Technology Businesses to Econet is a disposal of a specified asset that is normally subject to capital gains tax. Because the transfer of shares is being made between companies under the same control and in furtherance of a Scheme of Reconstruction of the Econet and EcoCash Holdings Groups of Companies, EcoCash Holdings, Econet and the Shareholders of EcoCash Holdings in terms of section 15(1)(b) of the Capital Gains Tax Act (Chapter 23:01) and the Proviso thereto, have made an election that: **notwithstanding the terms and conditions of the Scheme of Reconstruction Agreement, the selling price of the Financial Technology Businesses (total consideration of ZWL 509 billion, to be paid using a combination of Econet Treasury Shares and cash) be deemed to be an amount equal to the sum of the deductions allowable to EcoCash Holdings in relation to the transfer of the Financial Technology Businesses to Econet.**

6.2 The Commissioner General of the Zimbabwe Revenue Authority has been duly notified of the election of the Company and Econet.

7 CONDITIONS PRECEDENT TO THE TRANSACTION

The proposed transaction is subject to:

7.1 The approval of the Transaction by the shareholders of EcoCash Holdings in an Extraordinary General Meeting.

7.2 Receipt of all regulatory approvals required for the Parties to undertake the Transaction and fulfil their respective obligations thereunder. Such regulatory approvals shall specifically include:

7.2.1 Approval of the Transaction by the Insurance and Pensions Commission of the change in shareholding in Econet Insurance (Private) Limited and in Econet Life (Private) Limited; and

7.2.2 Approval by the National Payment Systems of the change in shareholding in EcoCash (Private) Limited.

8 SHAREHOLDER VOTING AND EXTRAORDINARY GENERAL MEETING

8.1 The Transaction is subject to the approval of EcoCash Shareholders, excluding Econet and Econet Global Limited.

8.2 Set out in Annexure III of the Circular is a notice convening an Extraordinary General Meeting, to be held on Wednesday, 17 April 2024 at 11:00hrs on 1906 Liberation Legacy Way, Borrowdale, Harare.

8.3 The full text of the Resolutions is set out in the notice.

8.4 If passed, the Resolutions will authorise the Transaction substantially on the terms outlined herein and in the scheme of Reconstruction Agreement and subject to the fulfilment of the conditions precedent. The passing of the ordinary resolutions requires the support of a simple majority of the votes cast (whether in person or by proxy) in respect of such ordinary resolutions.

8.5 If you would like to vote on the Resolutions but cannot attend the EGM, you can appoint a proxy to exercise all or any of your rights to attend, vote and speak at the EGM by using one of the methods set out in the notes to the notice of the EGM.

9 INTEREST OF DIRECTORS

9.1 Save as disclosed in this Circular, none of the Directors of the Company (other than in their capacity as Directors of the Company) have any interest, direct or indirect, in the Proposed Resolutions.

9.2 As at the Latest Practicable Date, the interests of the Directors in the issued and paid-up capital of the Company as recorded in the Register of Directors' Shareholdings are as follows:

Name of Director	Direct Interest	Indirect Interest	Total
Mrs S G Shereni (Chairperson)	18,184	Nil	18,184
Dr Z Dillon (Deputy Chairperson)	Nil	Nil	Nil
Mr H Pemhiwa	Nil	Nil	Nil
Mr D T Mandivenga	1,404,417	Nil	1,404,417
Ms E T Masiyiwa	Nil	Nil	Nil
Mr C Maswi	Nil	Nil	Nil
Mr D Musengi	Nil	Nil	Nil
Mr E Chibi	4,358	Nil	4,358
Mrs T Nyemba	2,745	Nil	2,745

10 EXCHANGE CONTROL REGULATIONS

The Scheme of Reconstruction does not require Exchange Control Approval.

11 MATERIAL AGREEMENTS

Save for the underwriter's agreement that was entered into by the Company in the recent rights offer and the agreements with regards to the transaction, no material agreements have been entered into, by any EcoCash Holdings Directors (or persons who were directors of EcoCash Holdings within the 12 (twelve) months preceding the Last Practicable Date).

12 MATERIAL CHANGES AND LITIGATION

12.1 There are no known material changes in the financial or trading position of EcoCash Holdings subsequent to the latest published results.

12.2 There are no material legal or arbitration proceedings against EcoCash Holdings (including any such proceedings that are pending or threatened), of which the EcoCash Holdings Directors are aware, which may, have or have had, during the 12 (twelve) months preceding the date of this Circular, a material effect on the Group's financial position which has not been previously disclosed in the public domain.

13 DIRECTORS' RESPONSIBILITY STATEMENT

The EcoCash Holdings Board accepts responsibility for the information contained in this Circular; confirms that to the best of its knowledge and belief, the information contained in this Circular is true; and confirms that this Circular does not omit anything likely to affect the importance of such information.

14 COSTS OF THE TRANSACTION AND EXPENSES

14.1 The costs incidental to the transaction, including the costs applicable to this Circular, shall be borne by the Company.

14.2 The following expenses and provisions are expected or have been provided for by EcoCash Holdings in connection with the transaction.

Name	Role	Amount (ZWL 'millions)
TN Financial services (Pvt) Limited	Lead Financial Advisor	2,661
Bethel Equities (Pvt) Ltd	Sponsoring Broker	798
Musengi & Sigauke	Legal Advisor	665
BDO Zimbabwe	Reporting Accountants	251
Steward Bank Limited	Exchange Control Advisor	266
First Transfer Secretaries (Pvt) Ltd	Transfer Secretaries	173
Nolands (Chartered Accountants)	Independent Financial Advisor	214
Nextpage Concepts (Pvt) Ltd	Printing and distribution of the circular, Including Press Publications	674
ZSE	Regulator	45
Total		5,748

14.3 Other than as set out above, the Group has incurred no preliminary expenses, other commissions or fees in relation to the transaction in the three years preceding the date of this Circular.

15 PROSPECTS

15.1 Looking ahead, the Bank's trajectory will be influenced significantly by technological adoption with a digital banking expansion drive on the horizon. Mobile banking usage is expected to surge whilst investment in AI and blockchain technologies is expected to increase operational efficiencies. These innovations necessitate a parallel upscaling of systems and processes.

15.2 The Bank will consolidate its market position amidst a surge of fintech and alternative financial services providers. The bank's strategic blueprint includes nurturing a digital ecosystem that caters to the evolving demands of customers, whose need for digital services and personalised banking solutions continues to increase. With a well-capitalised balance sheet, strategic technological investments, and a forward-looking approach, the Bank aims to consolidate its market position and fortify its position as a resilient and progressive player in Zimbabwe's banking sector.

16 FURTHER INFORMATION

Your attention is drawn to the further information set out in Parts A to C and the Annexures I, II and III to, this Circular. EcoCash Holdings Shareholders should read the whole of this Circular and not just rely on the summarised information set out in this letter.

17 RECOMMENDATION

The Board of Directors, after due consideration of the report of the independent expert regarding the Scheme of Reconstruction, has considered the terms and conditions thereof, and is of the opinion that the terms of the Scheme of Reconstruction are fair and reasonable. The Board believes the proposed Transaction and the Resolutions to be in the best interests of EcoCash Holdings Shareholders as a whole and, accordingly, unanimously recommends that EcoCash Holdings Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting, as each member of the Board intends to do in respect of their own beneficial holdings.

18 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the registered office of the Company, whose details can be found in the "Corporate Information and Advisors" section of this Circular, from the date of posting of this Circular until the date of the EGM, during normal business hours on Business Days:

- Memorandum and Articles of Association of EcoCash Holdings;
- Financial results reviewed by auditors for the half year ended 31 August 2023;
- The Audited financial statements of EcoCash Holdings for the years ended February 2021, 2022 and 2023;
- Notice of EGM;
- The Written Experts' Consents;
- The original Circular;
- The Scheme of Reconstruction Agreement.
- Valuation report.

Signed on Behalf of EcoCash Holdings Zimbabwe Board

(Signed on the original)

S. G. Shereni
Chairperson

PART B: INFORMATION ON ECONET

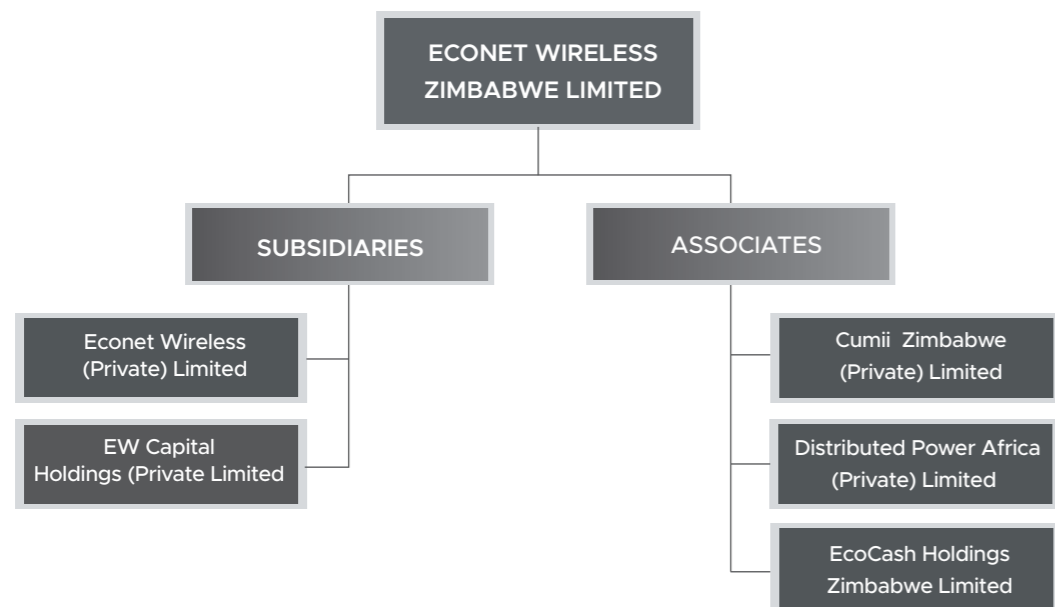
1 HISTORY

1.1 Econet is Zimbabwe’s largest provider of telecommunications and digital technology services. Econet launched its network on 10 July 1998 and listed on 17 September 1998. It is one of the largest companies on the Zimbabwe Stock Exchange in terms of market capitalisation. Econet has over 14.9 million subscribers and continues to upgrade its network and platforms to carry more subscribers, and further widen its geographical coverage, which is already the most extensive in Zimbabwe.

1.2 In tandem with its pioneering values, the network became the first operator in Zimbabwe to launch data services under 3G technology in 2009. Econet has since then built an extensive fibre optic network, and rolled out other key network infrastructure which includes three switches. Econet was the first operator to launch 4G and 5G services in the country. Econet continues to develop world-class digital platforms to enable the fulfillment of its vision for a digitally connected future that leaves no Zimbabwean behind.

2 CORPORATE STRUCTURE

2.1 The following is the Econet’s Corporate Structure



3 OVERVIEW OF THE ECONET’S OPERATING SUBSIDIARIES

3.1 Econet Wireless (Private) Limited is a Mobile Network Operator (MNO) with over 14.9 million customers and over 80% market share of mobile internet and data traffic in the country. During its 25-year operating history, Econet Wireless has transformed from a Communications Services provider to the leading Digital Services provider in Zimbabwe, with products and services spanning the Telecommunications, Media and Technology spaces. Recently, Econet Wireless contributed to the technological and economic development of the country by launching the country’s first high-speed Fifth Generation (5G) mobile broadband technology, moving the domestic market in line with global trends. Econet’s digitalisation journey continues with a focus on artificial intelligence, big data analytics, machine learning, among other areas of digital transformation.

3.2 EW Capital Holdings (Private) Limited is an investment vehicle through which the Group holds a variety of investments carefully selected with the twin objectives of growing earnings and preserving value for shareholders.

4 MANAGEMENT OF ECONET

4.1 Econet is governed by the Board, which is responsible for ensuring that the Company complies with all its statutory and regulatory obligations, as specified in the Companies and Other Business Entities Act, the Memorandum & Articles of Association (“M&A”), and the ZSE Listings Requirements.

4.2 The names, ages, qualifications, nationalities, businesses addresses, and occupation of Econet’s senior management are set out below.

Name	Age	Qualification	Nationality	Address	Title
Douglas Mboweni	59	<ul style="list-style-type: none"> • Doctor of Philosophy – PHD, Business leadership • Masters in Business Leadership (UNISA) • BSc Maths and Computer Science - University of Zimbabwe 	Zimbabwean	Econet Park #2 Old Mutare Road, Msasa, HARARE	Chief Executive Officer
Roy Chimanikire	45	<ul style="list-style-type: none"> • Chartered Accountant (Zimbabwe) • Chartered Accountant (South Africa) • Hons B.Compt Accounting Science - (UNISA) 	Zimbabwean	Econet Park #2 Old Mutare Road, Msasa, HARARE	Deputy Chief Executive Officer
Kezito Makuni	56	<ul style="list-style-type: none"> • MBA, General Business Management - University of Zimbabwe • BSc. (Hons) Engineering, Electrical and Electronic - University of Zimbabwe 	Zimbabwean	Econet Park #2 Old Mutare Road, Msasa, HARARE	Chief Operating Officer
Chengeto Moyo	58	<ul style="list-style-type: none"> • Chartered Accountant (Zimbabwe) • Masters in Business Leadership - (UNISA) • BAcc (Honours) - University of Zimbabwe 	Zimbabwean	Econet Park #2 Old Mutare Road, Msasa, HARARE	Finance Director
Rosseweater Usayi	42	<ul style="list-style-type: none"> • Chartered OD Practitioner (CHOD®) • Certified Global Compensation Professional (CGCP®) • MSc. Business & Organisational Psychology - University of Liverpool • BSc. Honours Psychology - University of Zimbabwe 	Zimbabwean	Econet Park #2 Old Mutare Road, Msasa, HARARE	Chief Human Resources Officer

5 DIRECTORS

5.1 Composition of the Board

5.1.1 The primary duties of the Directors to Econet include fiduciary duties and duties of care and skill. The Board is the highest policy organ of Econet and acts to direct strategy. The Board meets regularly, with a minimum of four scheduled meetings annually, to receive key information pertaining to the operations of Econet.

5.1.2 Article 68 of the Econet's Articles of Association sets the maximum number of directors at twelve (12) and the minimum at four (4).

5.1.3 The full names, ages, designations, nationalities, business addresses, occupation and dates of appointment of the directors of Econet are set out below

Name	Designation	Age (years)	Qualification	Nationality	Occupation	Date of appointment	Business Address
James Myers (Chairman)	Board Chairman	83	<ul style="list-style-type: none"> PhD in Industrial Engineering from Texas Tech MSc Mathematical Physics from the University of Arizona A 1962 graduate of Texas A&M University in Mathematics 	American	Engineer	May 2009	Econet Park #2 Old Mutare Road, Msasa, HARARE
Hardy Pemhiwa	Non-Executive Director	55	<ul style="list-style-type: none"> MBA – Edinburg Business School B.Eng - Queen Mary College, University of London 	Zimbabwean	Investment Banker	November 2016	Econet Park #2 Old Mutare Road, Msasa, HARARE
Douglas Mboweni	Executive Director	59	<ul style="list-style-type: none"> Doctor of Philosophy – PHD, Business leadership Masters in Business Leadership (UNISA) BSc Maths and Computer Science - University of Zimbabwe 	Zimbabwean	Business Leadership	December 2003	Econet Park #2 Old Mutare Road, Msasa, HARARE
Roy Chimankire	Executive Director	45	<ul style="list-style-type: none"> Chartered Accountant (Zimbabwe) Chartered Accountant (South Africa) Hons B.Compt Accounting Science - (UNISA) 	Zimbabwean	Chartered Accountant	February 2016	Econet Park #2 Old Mutare Road, Msasa, HARARE
Chengeto Moyo	Executive Director	58	<ul style="list-style-type: none"> Chartered Accountant (Zimbabwe) Masters in Business Leadership - (UNISA) BAcc (Honours) - University of Zimbabwe 	Zimbabwean	Chartered Accountant	February 2023	Econet Park #2 Old Mutare Road, Msasa, HARARE

Name	Designation	Age (years)	Qualification	Nationality	Occupation	Date of appointment	Business Address
Godfrey Gomwe	Non-Executive Director	68	<ul style="list-style-type: none"> Chartered Accountant (Zimbabwe) 	Zimbabwean	Chartered Accountant	May 2013	Econet Park #2 Old Mutare Road, Msasa, HARARE
Beatrice Mtetwa	Non-Executive Director	65	<ul style="list-style-type: none"> Bachelor of Laws (Honours) Degree - University of Botswana and Swaziland Honorary Doctor of Laws degree - St Francis Xavier University (Canada) 	Swazi	Lawyer	October 2010	Econet Park #2 Old Mutare Road, Msasa, HARARE
Jacqueline Chimhanzi	Non-Executive Director	50	<ul style="list-style-type: none"> PHD, Strategic Marketing – Cardiff University Masters in Business Administration – Cardiff University BSc (Hons) – Cardiff University Archbishop Desmond Tutu Leadership Programme – University of Oxford 	Zimbabwean	Strategist	November 2018	Econet Park #2 Old Mutare Road, Msasa, HARARE
Mgqibelo Gasela	Non-Executive Director	56	<ul style="list-style-type: none"> Postgraduate (Cert) Media Management - Graduate School of Business, University of Stellenbosch Postgraduate Diploma Telecommunication and Information Policy -University of South Africa. 	South African	Public Policy and Regulation Specialist	November 2018	Econet Park #2 Old Mutare Road, Msasa, HARARE
Thoko Moyo	Non-Executive Director	51	<ul style="list-style-type: none"> Master of Public Administration – Harvard University Management, Leadership and Decision Sciences (Cert) – Harvard Kennedy School Leadership in Crisis – Harvard Kennedy School 	Zimbabwean	Global Communications Director	November 2018	Econet Park #2 Old Mutare Road, Msasa, HARARE
Elizabeth Tanya Masiyiwa	Non-Executive Director	32	<ul style="list-style-type: none"> Executive MBA - Cambridge Judge Business School, Cambridge University. MSc Entrepreneurship - Hult International Business School BSc (Hons) Banking & International Finance - Bayes Business School 	Zimbabwean	Business Leadership	April 2022	Econet Park #2 Old Mutare Road, Msasa, HARARE

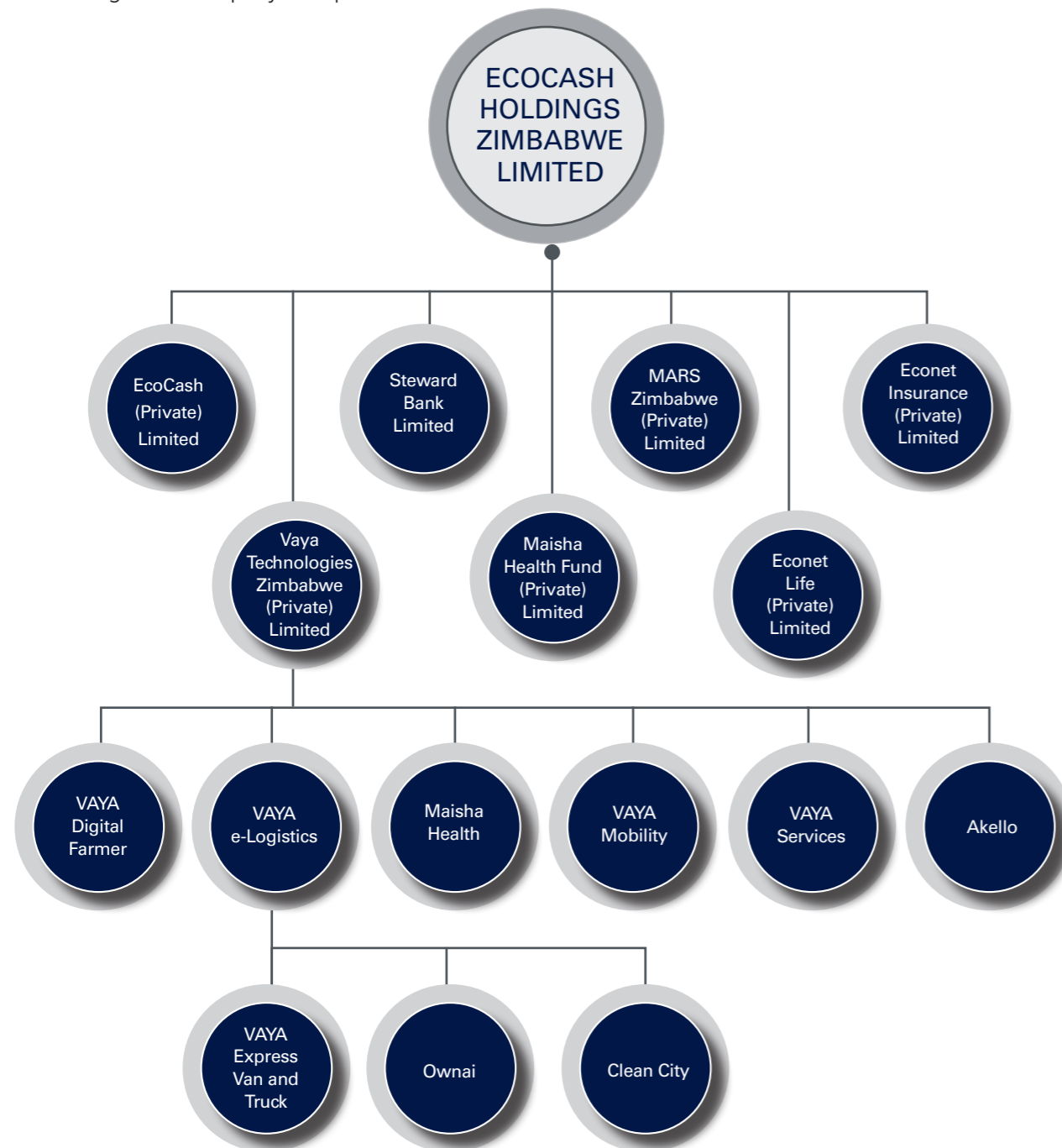
PART C: INFORMATION ON ECOCASH HOLDINGS

1 HISTORY

- 1.1 Ecocash Holdings Zimbabwe Limited (formerly, Cassava Smartech Zimbabwe Limited) is a technology group that leverages digital and financial technologies to build shared economies, drive financial inclusion and promote economic empowerment.
- 1.2 Ecocash Holdings leverages on Zimbabwe's high mobile telecommunications penetration rate of 97.5%, and the Company's robust digital platforms to deliver life-changing and impactful solutions.
- 1.3 Given the limitations of traditional approaches for delivering these services, there is a sizeable unexploited market opportunity to reach the previously excluded market segments via mobile and digital platforms.

2 CORPORATE STRUCTURE

The following is the Company's Corporate Structure



3 OVERVIEW OF THE COMPANY'S OPERATING SUBSIDIARIES

3.1 EcoCash (Private) Limited

3.1.1 EcoCash (Pvt) Limited is an innovative mobile payment solution that enables customers to complete financial transactions directly from their mobile phone. The platform is a wholly owned subsidiary of EcoCash Holdings. EcoCash is integrated with all banks in Zimbabwe as well as nineteen (19) international remittance partners facilitating foreign currency inflows terminating on mobile wallets. EcoCash has impacted many lives, achieving unprecedented financial inclusion particularly in the most remote areas of Zimbabwe where people have access to financial services conveniences. EcoCash has since extended its product portfolio to include Micro-credit, MasterCard debit card, Online payments, Payroll processing, Bulk disbursements, International Remittances, Mobile Business Wallet (business to business) and scan and pay (QR Code payment).

3.1.2 As of 28 February 2023, EcoCash provided financial services to +8 million customers which represents more than 80% of the country's adult population. The platform also commands over 74.2% of the National Payments System's transactions by volume and has established +100k channel partners.

3.2 Steward Bank Limited.

3.2.1 Steward Bank is a wholly owned subsidiary of Ecocash Holdings that offers digital banking and financial services in Zimbabwe. The bank holds the banking license necessary for EcoCash (Pvt) Limited to provide mobile money services.

3.2.2 Steward Bank has a digital banking model anchored on an expansive mobile distribution network and seamless integration with the EcoCash mobile money platform. The use of smart technologies has enabled the Bank to operate in a much bigger market than its competitors. The bank's mandate is to focus on expanding financial inclusion for Zimbabweans through unique and disruptive financial products and services that are offered using technology enhancing customer experience through innovation, digital transformation and increased automation. The bank leverages on technology for paperless onboarding of individual customers, offers tailor made SME products and has established an agent banking model. The bank lends to key sectors such as agriculture, manufacturing, renewable energy and health.

3.3 Econet Life (Private) Limited

3.3.1 Econet Life offers mobile micro insurance solutions through a non-traditional, innovative model, that has allowed it to bring down the cost of insurance premiums to as low as USD0.50 cents per month. To deliver this price point, and other benefits such as convenience, accessibility and low administration, the model leverages EcoCash's wide distribution network, high mobile phone penetration, and the mass adoption of mobile money, which is a significant avenue for premium collection and claims pay out.

3.3.2 Econet Life is an 85% owned subsidiary of EcoCash Holdings and is the underwriter for EcoSure Funeral Cover. The remaining 15% is owned by the Econet Group Staff Pension Fund. EcoSure Funeral Cover is a simple and reliable funeral cover for all, accessed directly from one's mobile phone. It offers cover for individuals and their dependents, corporate employees as well as community groups in rural and urban areas. Ecosure works with a network of over 40 service providers across the country. The product is affordable and focused on providing funeral cover that guarantees a promised amount and/or benefit, depending on the Policy Package to be paid out in the event of death of the insured. The interdependence of EcoSure and EcoCash facilitates effective premium collection through direct debits from the customer's wallet.

3.4 Econet Insurance (Private) Limited

3.4.1 Econet Insurance is a 90% owned subsidiary of Ecocash Holdings with the remaining 10% owned by the Econet Group Staff Pension Fund. Econet Insurance was licensed in July 2018 to underwrite all classes of short-term insurance. Econet Insurance offers insurance products that are directly accessible from one's mobile phone. Short term insurance products include both commercial and consumer lines, vehicles, property, household and other assets. The business uses technology as a key lever to provide convenient access to insurance cover, enhance customer experience and improve insurance penetration levels in Zimbabwe.

3.5 Maisha Health Fund

3.5.1 Maisha Health Fund (MHF) is a wholly owned subsidiary of EcoCash Holdings. It is registered with the Ministry of Health and Childcare and provides health insurance products as well as advisory services on the administration and management of self and bespoke insured medical funds. Maisha Health Fund prides itself in offering technology driven, tailor-made healthcare solutions. Maisha Health Fund products are onboarded and accessed via digital platforms that include a Mobile App, Web portal and USSD menu. Maisha Health Fund uses a biometric system for claims validation. The portfolio mix for the health fund include, Schools and Universities, Corporates, SME's and individual customers.

3.6 VAYA Technologies Zimbabwe (Private) Limited

Vaya Technologies Zimbabwe (Pvt) Limited is a subsidiary of EcoCash Holdings Group that was formed in 2018. The subsidiary focuses on development of on-demand platform services within the Transport, Agriculture, eCommerce, Healthcare, Education, and Waste management industries. The business houses brands that include Vaya Mobility (Ride-hailing), Vaya Logistics (Last mile and Long Haul), Vaya Services (Tracking, IOT and security), Vaya Digital Farmer (Agritech Services), Ownai (E-Commerce), Vaya Clean City (Waste Collection and Water Delivery), Maisha Digital Health and MARS (Medical Air and Road Services).

4 MANAGEMENT OF THE COMPANY

4.1 The Company is governed by the Board, which is responsible for ensuring that the Company complies with all its statutory and regulatory obligations, as specified in the Companies and Other Business Entities Act, the Memorandum & Articles of Association (“M&A”), and the ZSE Listings Requirements.

4.2 The names, ages, qualifications, nationalities, business address, and occupation of the Company’s senior management are set out below.

NAME	DESIGNATION	QUALIFICATION	EXPERIENCE	BUSINESS ADDRESS
EDMORE Chibi (51 years)	Chief Executive Officer – EcoCash Holdings	<ul style="list-style-type: none"> MSc Marketing (Salford UK) MBA, UZ Media Studies (UZ) BBA Degree (Business Administration) Graduate School of Marketing Bachelor of Arts (UZ) 	Over 23 years experience in the Telecommunications and Mobile Money industry	1906 Liberation Legacy Way Harare, Zimbabwe
THERESA Nyemba (44 years)	Finance Director – EcoCash Holdings	<ul style="list-style-type: none"> Institute of Chartered Accountants Zimbabwe [ICAZ] Bcompt Hons [University of South Africa] Bcompt [University of South Africa] 	Over 23 years experience in the Audit, Telecommunications & Banking industry	1906 Liberation Legacy Way Harare, Zimbabwe
GIVEMORE Jojo (54 years)	General Manager – Vaya Technologies	<ul style="list-style-type: none"> Masters in Business Administration (NUST) Postgraduate Diploma in Marketing CIM) Bachelor of Business Studies Honours Degree (UZ) 	Over 23 years experience Telecommunications & FMCG industry	1906 Liberation Legacy Way Harare, Zimbabwe
GODWIN Mashiri (46 years)	Chief Life Officer – Econet Life	<ul style="list-style-type: none"> Executive MBA (NUST) Bachelor of Commerce Honours (Insurance & Risk Management) Certificate in Micro-Insurance (University of Stellenbosch) 	Over 19 years experience in the Insurance and telecommunications sector	1906 Liberation Legacy Way, Harare, Zimbabwe

NAME	DESIGNATION	QUALIFICATION	EXPERIENCE	BUSINESS ADDRESS
MUNYARADZI Nhamo (36 years)	Managing Director – Ecocash (Private) Limited	<ul style="list-style-type: none"> MBA specialism in Strategic Planning (Edinburgh Business School, UK) Bsc in Computer Science (NUST) 	Over 10 years’ experience in fintech covering banking, telecommunications, motor vehicle insurance and licensing, investments and mobile financial services.	1906 Liberation Legacy Way, Harare, Zimbabwe
COURAGE Mashavave (43 years)	Chief Executive Officer – Steward Bank Limited	<ul style="list-style-type: none"> Masters in Business Administration, UZ. Fellow - Association of Chartered Certified Accounts (ACCA). Member - Institute of Directors in South Africa (IoDSA), Executive Leadership Program with Harvard Business School/ University of Pretoria 	Over 15 years experience in Retail, Corporate and Investment Banking, Corporate and Structured Finance, Treasury and Portfolio Management.	79 Livingstone Avenue, Harare, Zimbabwe
GIFT Noko (50 years)	Chief Insurance Officer – Econet Insurance	<ul style="list-style-type: none"> MSc in Business Administration in Strategic Management BSc in Commerce Degree in Risk and Insurance Certified Chartered Insurer (ACII UK, All SA) 	Over 25 years’ progressive leadership experience in the insurance industry with skills in business management strategy.	1906 Liberation Legacy Way, Harare, Zimbabwe

5 DIRECTORS

5.1 Composition of the Board

5.1.1 The primary duties of the Directors of the Company include fiduciary duties and duties of care and skill. The Board is the highest policy organ of the Company and acts to direct strategy. The Board meets regularly, with a minimum of four scheduled meetings annually, to receive key information pertaining to the operations of EcoCash Holdings.

5.1.2 Article 68 of the Company’s Articles of Association sets the maximum number of directors at twelve (12) and the minimum at four (4).

5.1.3 The full names, ages, designations, nationalities, business addresses, occupation and dates of appointment of the Directors of EcoCash Holdings are set out below

NAME OF DIRECTOR	PROFESSION & QUALIFICATIONS	OCCUPATION	NATIONALITY	DATE OF APPOINTMENT	BUSINESS ADDRESS
Mrs Sherree Gladys Shereni (61 years) (Chairperson)	Economist 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).	Business Owner	Zimbabwean	November 2018	24 Park Street, Harare Zimbabwe
Dr Zienzile Dillon (58 years)	Chartered Accountant (UK) MBA in Finance from Manchester Business School Accredited Fellow for the Macroeconomic and Financial Management Institute for Central Banks in East and Southern Africa	Chief Executive Officer- Carmel Global Capital	South African	November 2018	Carmel Global Capital, USA
Mr Michael Louis Bennett (51 years)	Lawyer BA LLB Degree ,Rhodes University, South Africa	Partner, Business Services - Hill Dickinson LLP	British	November 2018	Hill Dickinson LLP The Broadgate Tower, 20 Primrose Street, London, EC2A 2EW and 105 Jermyn Street, London, SW1Y 6EE
Ms Elizabeth Tanyaradzwa Masiyiwa (32 years)	<ul style="list-style-type: none"> Executive MBA - Cambridge Judge Business School, Cambridge University. MSc Entrepreneurship - Hult International Business School BSc (Hons) Banking & International Finance - Bayes Business School 	Business Leadership	Zimbabwean	November 2018	Higher Life Foundation Suite 5 Westgate House East, David Frost Way, Westgate, Harare, Zimbabwe
Mr Christopher Maswi (56 years)	Chartered Accountant Master of Business Leadership MBL, (UNISA).	Managing Partner- Fairvalue Chartered Accountants Zimbabwe	Zimbabwean	October 2019	Fairvalue Chartered Accountants (Zimbabwe) 1 Lawson Avenue Mount Pleasant Harare

NAME OF DIRECTOR	PROFESSION & QUALIFICATIONS	OCCUPATION	NATIONALITY	DATE OF APPOINTMENT	BUSINESS ADDRESS
Mr Dominic Musengi* (54 years)	Lawyer LLM (UNISA), LLB (Hons) Degree (University of Zimbabwe), Post Graduate Certificate in Management (NTU,UK) Diploma in Personnel Management (IPMZ).	Senior Partner Musengi & Sigauke Legal Practitioners	Zimbabwean	October 2019	Musengi & Sigauke Legal Practitioners 7 Caithness Road, Eastlea, Harare, Zimbabwe
Mr Hardy Njodzi Pemhiwa (55 years)	Engineer MBA from Edinburgh Business School B.Eng from Queen Mary College, University of London.	Group Chief Executive Officer- Econet	Zimbabwean	November 2018	Econet Willow Wood Office Park 220 Third Street Dainfern Johannesburg 2055 RSA
Mr Darlington Tafara Mandivenga (53 years)	Technology Expert MBA (Nottingham Trent University), MA Leadership and Management, University of Zimbabwe Bachelor of Technology Management (Hons), University of Zimbabwe.	Chief Executive Officer – Sasai Fintech	Zimbabwean	March 2012	Sasai Fintech 9th Floor 6 New Street Square, London, EC4A 3BF UK
Mr Edmore Chibi (51 years) (Chief Executive Officer)	Business Professional MSc Marketing [University of Salford UK – Current Studies] MBA, UZ Post Graduate Studies in Media Studies (UZ) BBA Degree (Business Administration) Graduate School of Marketing	Chief Executive Officer – EcoCash Holdings	Zimbabwean	November 2018	EcoCash Holdings 1906 Liberation Legacy Way, Borrowdale, Harare, Zimbabwe
Mrs Theresa Nyemba (44 years) (Finance Director)	Chartered Accountant Institute of Chartered Accountants Zimbabwe [ICAZ] Bcompt Hons [University of South Africa] Bcompt [University of South Africa]	Finance Director - EcoCash Holdings	Zimbabwean	March 2021	EcoCash Holdings 1906 Liberation Legacy Way, Borrowdale, Harare, Zimbabwe

* Mr Dominic Musengi, who is a Non-Executive Director of the Company and is also a Partner of Musengi & Sigauke, the legal advisors for the transaction.

ANNEXURE I: INDEPENDENT ADVISOR'S REPORT



Date: Tuesday, 2 April 2024

Att:- The Directors

Ecocash Holdings Zimbabwe Limited
1906 Borrowdale Road
Borrowdale
Harare
Zimbabwe

Dear Messrs,

AN OPINION ON THE FAIRNESS AND REASONABLENESS OF THE PROPOSED SCHEME OF RECONSTRUCTION BETWEEN ECOCASH HOLDINGS ZIMBABWE LIMITED AND ECONET WIRELESS ZIMBABWE LIMITED

Introduction

This report has been prepared for the purpose of inclusion in the circular to the shareholders of EcoCash Holdings Zimbabwe Limited ('EcoCash Holdings' or 'the Company'), to be dated Tuesday, 2 April 2024 (the 'Circular') regarding the fairness and reasonableness of the proposed Scheme of Reconstruction between Econet Wireless Zimbabwe Limited ('Econet') and EcoCash Holdings Zimbabwe Limited ('EcoCash Holdings') involving the transfer to Econet of the Financial Technology Businesses, namely EcoCash (Private) Limited, VAYA Technologies Zimbabwe (Private) Limited, Econet Insurance (Private) Limited, Econet Life (Private) Limited, MARS Zimbabwe (Private) Limited, and Maisha Health Fund (Private) Limited, in exchange for the total consideration of ZWL509 billion (equivalent to 521,861,057 Econet Shares) payable partly in cash and partly in Econet Treasury Shares. The number of Econet Treasury shares shall be determined using the 30 Day Volume Weighted Average Price of Econet for the period to 16 January 2024, being the last practicable date immediately before the transaction was announced to the public. The amount of the cash component of the total consideration shall be determined using the 30 Day Volume Weighted Average Price of each Econet share for the period to the date of payment ('the proposed transaction'). The full details of this transaction are contained in this Circular.

Terms of Reference

Nolands Harare Chartered Accountants was appointed by the Directors of EcoCash Holdings on 15 January 2024, to act as Independent Financial Advisors to provide an independent opinion on the fairness and reasonableness of the proposed transaction in terms of Schedule 5 of Zimbabwe Stock Exchange Listing Requirements.

Definition of terms

For the purposes of our opinion:

- Fairness is primarily based on quantitative factors. Therefore, the proposed transfer of Financial Technology Businesses of EcoCash Holdings to Econet in exchange for a combination of Econet Treasury Shares and Cash is deemed fair to the Shareholders of EcoCash Holdings, if the transfer value of Econet shares is equal or lower than its estimated fair market value, the proposed cash consideration is not below the estimated fair market value of the Financial Technology Businesses, and the related transfer value of Financial Technology Businesses is equal or greater than their estimated fair market value.
- Reasonableness is primarily based on the qualitative factors mainly focusing on the appropriateness or sensibility of the proposed transaction.

Information utilised

We have relied upon financial and other non-financial information, including other information obtained from EcoCash Holdings' directors, management, and their advisors, industry information, and other information in the public domain. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in formulating our opinion regarding the transaction include:

- Draft Scheme of Reconstruction Agreement;
- The Zimbabwe Stock Exchange ('ZSE') Listings Requirements;
- Draft Circular to Shareholders;
- Draft Legal Opinion;
- Share registers for EcoCash Holdings and its subsidiaries;
- EcoCash Holdings Audited financial statements for the past three years;
- Financial Technology Businesses and Steward Bank Valuation Report;
- Companies and Other Business Entities Act [Chapter 24:31];
- Information disclosed by directors and management for EcoCash Holdings and its subsidiaries;
- Articles of Association for EcoCash Holdings and its subsidiaries;
- Memorandum of Association for EcoCash Holdings and its subsidiaries;
- The ZSE daily price sheets for the period 1 December 2023 to 31 January 2024;
- Zimbabwe Stock Exchange Public Notices;
- Company registration documents for EHLZ and its subsidiaries; and
- Any information in the Public Domain relating to Econet, EcoCash Holdings and its subsidiaries, that we deemed to be relevant for our assessment.

Procedures performed

The procedures performed to verify the fairness and reasonableness of the proposed transaction concentrated primarily on faithful representation of figures and facts. The engagement performed is neither an audit nor a forensic investigation but was undertaken in accordance with the International Standards on Related Services applicable to agreed upon procedures engagements ISRS 4400. Our procedures are designed to provide an opinion basing on the evidence, facts and circumstances available and provided to us, and in some instances may require us to apply professional judgement when arriving at our conclusion.

In arriving at our opinion, we have undertaken the following procedures in evaluating the fairness and reasonableness of the proposed transaction:

- Discussed with the directors, management and other advisors of EcoCash Holdings to:
 - Understand the details of the proposed transaction;
 - Understand the organisations involved in the proposed transaction;
 - Understand the background and rationale of the proposed transaction;
 - Understand the stakeholders affected by the proposed transaction; and
 - To determine the possible impact of the proposed transaction to the affected shareholders.
- Reviewed the draft Scheme of Reconstruction Agreement
- Reviewed the proposed transaction values and related valuation information to determine:
 - If the basis, approach, methodology used in arriving at the proposed transaction values are fair and reasonable;
 - If the calculated transaction values for both Econet, EcoCash Holdings and Financial Technology Businesses are fair; and
 - If the assumptions, estimations and judgments used in determining the proposed transaction values are fair and reasonable;
- Recalculated the proposed transaction values for Econet, Financial Technology Businesses and Steward Bank Limited ('Steward Bank');
- Verified the criteria and basis used to allocate the value of EcoCash Holdings between Steward Bank and Financial Technology Businesses;
- Analysed the previous audited and management financial statements;
- Reviewed the proposed transaction for compliance with the ZSE Listings Requirements;
- Verified the share registers and company registration documentation;
- Reviewed the draft circulars to shareholders; and
- We have also considered and analysed the following:
 - Information in the public domain;
 - The circumstances under which the proposed transaction is being undertaken;
 - Other quantitative and qualitative information deemed to be material and significant to the proposed transaction;
 - Information and assumptions made available through discussions held with directors, management and their advisors; and
 - any other aspects which we believe are necessary to our opinion.

Rationale of the proposed Scheme of Reconstruction

EcoCash Holdings was demerged from Econet under a circular dated 8 November 2018, with the intention of attracting foreign direct investments to the Financial Technology Businesses through the holding company (EcoCash Holdings) which is listed on ZSE. This demerger was specifically meant to target financial technologies investors who were not interested in investing in the Econet as a group. However, due to the adverse economic environment which prevailed since then, this did not materialise, but rather created unintended problems to the shareholders such as:

- Duplication of resources of Econet and EcoCash Holdings, which is eroding shareholders' value;
- Misperceptions of the relationship between Steward Bank and Ecocash (Private) Limited, which is affecting customer relations management and the growth of Financial Technology Businesses;
- Misconstrued competition between Financial Technology Businesses and other banking institutions, because Steward Bank and Financial Technology Businesses are both controlled by EcoCash Holdings. This is affecting the relationship between Financial Technology Businesses and other banking institutions which compete with Steward Bank.
- The current arrangement is also causing regulatory problems due to the confusion currently in the market on the connection or relationship between Ecocash (Private) Limited and Steward Bank. This is resulting in a lot of time and resources being spent in trying to elucidate the difference between the businesses.

In these circumstances, it is considered more beneficial for the security holders of Econet to acquire the Financial Technology Businesses back from EcoCash Holdings, such that the Financial Technology Businesses once again become wholly controlled by Econet. It is also crucial to separate Steward Bank from Financial Technology Businesses so that the distinction is clear to the market and all stakeholders, which allows the growth of the Financial Technology Businesses and Steward Bank as well. The proposed scheme of reconstruction would create synergies through the Financial Technology Businesses leveraging on Econet customer base and distribution channels for increased shareholders' value.

Assumptions

When arriving at our conclusion of our opinion on the fairness and reasonableness of the proposed transaction, we have assumed that:

- Reliance can be placed on unaudited management accounts for EcoCash Holdings and its subsidiaries for the period 1 March 2023 to 31 December 2023;
- The proposed transaction will have legal, tax, accounting and operational consequences suggested by directors, management and advisors of EcoCash Holdings and its subsidiaries;
- All information in the latest draft circular dated 29 February 2024 is accurate and complete;
- The necessary approvals from ZSE, National Payment Systems Department, Insurance and Pensions Commission, and Commissioner of Taxes, will be obtained; and
- The necessary resolutions by shareholders of EcoCash Holdings will be passed.

Cautions

- We have relied upon the accuracy of the information used by us in deriving our opinion although, where practicable, we have corroborated the reasonableness of such information through, amongst other things, reference to work performed by independent third parties, historic precedent or our own knowledge and understanding. While our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include an audit. Accordingly, we assume no responsibility and make no representations with respect to the accuracy of any information provided to us in respect of the proposed transaction.
- The opinion expressed herein is necessarily based upon the information available to us, the financial, regulatory and other conditions and circumstances existing and disclosed to us as at the date hereof. We have assumed that all conditions precedent in the transaction agreements, including any material regulatory and other approvals required in connection with the proposed transaction have been or will be properly fulfilled or obtained.
- An individual shareholder's decision on whether to accept the proposed transaction as outlined in the circular may be influenced by his/her specific circumstances. We offer no recommendation as to the course of action that individual shareholders may choose to take. Further to this, our opinion does not intend to cater for each individual shareholder's perspective, but rather that of the general body of EcoCash Holdings' 'shareholders. If a shareholder is in doubt on the appropriate action to take, he or she should consult an independent advisor.
- The consideration has been determined in Zimbabwean Dollars and is expected to be paid partly in of Econet Treasury shares and partly in Zimbabwean Dollars. The number of Econet shares shall be determined using the 30 Day Volume Weighted Average Price of Econet for the period to 16 January 2024, being the last practicable date immediately before the transaction was announced to the public. The amount of the cash component of the total consideration shall be determined using the 30 Day Volume Weighted Average Price of each Econet share for the period to the date of payment. The use of the volume weighted average price for the Econet Share at time of payment may significantly help mitigate the effects of hyperinflation.
- Subsequent developments may affect our opinion. However, we are under no obligation to update, revise or re-affirm such.

Analysis of the proposed transaction

The proposed transaction involves the transfer of the Financial Technology Businesses by EcoCash Holdings to Econet in exchange for a consideration in the form of Econet Treasury Shares and Cash. As disclosed in the circular, after the completion of the scheme of reconstruction, the Directors of EcoCash Holdings may declare some of the consideration as dividend. The initial values of Steward Bank Limited and the Financial Technology Businesses have been calculated basing on the free cashflow to equity. These values have been used to distribute between the Financial Technology Businesses and Steward Bank, the fair market value of EcoCash Holdings using sum of the parts valuation approach. The valuation approaches used have been verified and are considered reasonable and most appropriate considering the circumstances and facts at hand. The use of sum of the parts valuation approach to distribute the fair market value of EcoCash Holdings between Steward Bank limited and the Financial Technology Businesses ensures that the separate values of the Financial Technology Businesses and Steward Bank are restricted to the fair market value as reported, basing on the quoted prices on ZSE. The discount rates used to estimate the separate values of the Financial Technology Businesses and Steward Bank, generally approximates the current market risks and conditions.

The valuation of EcoCash Holdings was based on the 30 days volume weighted average price of the company's shares on ZSE for the period to 16 January 2024, being the last practicable date immediately before the transaction was announced to the public. This approach reflects the fair and reasonable transaction value of EcoCash Holdings and this approach was accepted and used before by the company members. The same formula is also being used to determine the transaction value of Econet's share, which is a consistent determination of the proposed transaction values.

The proposed Financial Technology Businesses transaction value calculated approximates the fair market value and does not appear to be below the related business value. In contrast, the proposed Econet transaction value is not above its fair market value, since it was calculated based on the most recent average share prices from ZSE. The security holders of EcoCash Holdings are not expected to suffer any financial losses due to the transaction, since the transaction will be done at arm's length, and also subsequent to the proposed transaction, the security holders of EcoCash Holdings would still remain in control of the Financial Technology Businesses, through the ownership of Econet post the completion of the Scheme of Reconstruction. Further to this, it is worth noting that, the proposed scheme of reconstruction is likely to improve the growth potential of the Financial Technology Businesses through the elimination of perceived competition between Financial Technology Businesses and other banks, and also the elimination of unnecessary costs being incurred through duplication of resources. This would improve the value of Financial Technology Businesses and ultimately shareholders' value. Also, the cash portion will help in the capitalisation of Steward Bank to enable it to underwrite more businesses.

Opinion

With reference to information in this report, other facts verified, and information received from the directors, management and advisors of EcoCash Holdings, we are of the opinion that, as at the date of this report, the proposed Scheme of Reconstruction, and the related proposed consideration value of 509 Billion Zimbabwean Dollars for the disposal of Financial Technology Businesses to Econet and the proposed method payment structure are fair and reasonable to the security holders of EcoCash Holdings.

Use of Opinion

This opinion can only be used as supporting information for the transaction in question but cannot be solely used when making significant decisions about the transaction. This opinion shall not, in whole or in part be reproduced, disseminated, disclosed, referred quoted, summarised, in any manner or for any purpose, except for inclusion in this circular, without the prior consent of Nolands.

This opinion is provided solely for the use of the Board, ZSE and Shareholders of EcoCash Holdings in connection with, and for the purpose of determining the fairness and reasonableness of the proposed scheme of reconstruction. This opinion does not purport to contain all the information required to make any investment or disposal decision, and the content may not be relied upon by any third party.

Independence

We have been retained as an independent advisor to the directors and we will receive a fixed fee for the services provided in connection herewith, which fee is payable upon delivery of this opinion. We confirm that other than the aforementioned, we have no interest, direct or indirect, beneficial or non-beneficial, in Econet, Financial Technology Businesses, Steward Bank or EcoCash Holdings or in the transaction which forms the subject matter hereof.

Yours faithfully,

(Signed on the original)

Nolands Advisory Private Limited

ANNEXURE II: REPORTING ACCOUNTANTS' REPORT



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Kudenga House
3 Baines Avenue
P.O Box 334
Harare
Zimbabwe

Tuesday, 2 April 2024

The Directors

EcoCash Holdings Zimbabwe Limited
1906 Liberation Legacy Way
Borrowdale
Harare

Dear Messrs,

RE: REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE REVIEWED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 31 AUGUST 2023 AND AUDITED FINANCIAL STATEMENTS FOR THE THREE YEARS UP TO 28 FEBRUARY 2023 AND THE CONSOLIDATED PRO FORMA FINANCIAL INFORMATION.

1. INTRODUCTION

At your request for the purpose of the terms and objectives of the engagement set out in our engagement letter dated 10th January 2023, issued in connection with the proposed transaction involving a Scheme of Reconstruction between Econet Wireless Zimbabwe Limited (“EWZL”) and EcoCash Holdings Zimbabwe Limited (“EHZL”) (“Company”). We present our report for inclusion in the Circular to EHZL shareholders. This report has been prepared in compliance with the Zimbabwe Stock Exchange “ZSE” Listing Requirements.

2. REVIEW CONCLUSION ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED ON 31 AUGUST 2023

BDO Zimbabwe Chartered Accountants were appointed auditors of EHZL effective 1 March 2022.

We reviewed the consolidated interim financial statements of EcoCash Holdings Zimbabwe Limited (the “Company”) and its subsidiaries, (together the “Group”), which comprised the consolidated statement of financial position as at 31 August 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months then ended, and the explanatory information to the consolidated financial statements (together, “the financial information”).

Our report on the review of the interim financial information was issued with a qualified conclusion.

The Directors were responsible for the preparation and presentation of the financial information in accordance with International Financial Reporting Standards and Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules 2019 requirements.

Our responsibility was to express a conclusion on the interim financial information based on our review.

Qualified Conclusion

Based on our review, with the exception of the matters described under the Basis for a Qualified Opinion paragraphs below, nothing came to our attention that caused us to believe that the financial information did not give a true and fair view of the financial position of the Group as at 31 August 2023, and of its financial performance and its cash flows for the six-month period then ended, in accordance with International Financial Reporting Standards and Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules 2019 requirements.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Auditor of the Entity” (ISRE 2410). A review of matters and financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we did not express an audit opinion.

Basis for a Qualified Conclusion

i. Non-compliance with IFRS 13: “Fair Value Measurement”

• Valuation of property & equipment

The Group had property & equipment with a carrying amount of ZWL 240 billion (February 2023: ZWL131 billion). The assets were valued using the market approach by a professional independent valuer. The fair values were determined in United States dollars (USD) and translated to the functional and reporting currency using the official auction exchange rate as given by the Reserve Bank of Zimbabwe (RBZ). IFRS 13 paragraph 2 defines fair value as 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 (exit price).

In the obtaining environment, it was not likely that the ZWL price derived from translating the USD value at the RBZ auction exchange rate would be the price at which a ZWL denominated transaction would occur. Exchange rates in the alternative market where transactions were occurring were not documented, making it difficult for directors to use the exchange rates for financial reporting purposes. Accordingly, we were unable to determine whether adjustments to carrying amounts of property and equipment and revaluation reserve were appropriate in these circumstances.

• Investment property

The Group had investment property with a carrying amount of ZWL124 billion (February 2023: ZWL 64 billion). The assets were valued by a professional independent valuer with the valuation being done in ZWL using ZWL denominated inputs. The assumptions on capitalisation rates, rentals and market prices applied were not supported by observable ZWL market data as rentals and market prices were generally linked to USD values. Consequently, we were unable to obtain sufficient appropriate evidence to support the appropriateness of the valuation in ZWL. Accordingly, we were unable to determine whether adjustments to the carrying amount of investment property and the resultant fair value gains were appropriate in these circumstances.

ii. Non-compliance with IFRS 17: “Insurance contracts”

The International Financial Reporting Standard 17 – Insurance Contracts (“IFRS 17”) became effective for periods commencing on or after 1 January 2023. The financial information had not been prepared using the requirements of the new standard. The application of IFRS 17 would have resulted in different values for insurance revenue, claims expenses, actuarial liabilities, deferred tax and profit or loss movement of the insurance liability in the financial information. Retrospective application was also required to comply with the transitional provisions of the new standard thus, comparative information was supposed to be restated. The comparative financial information had been impacted as a result of non-compliance with IFRS 17. This had an impact on the financial statements of Econet Life (Private) Limited, Econet Insurance (Private) Limited and Maisha Health Fund (Private) Limited.

3. PRIOR YEARS' AUDITED CONSOLIDATED FINANCIAL STATEMENTS AUDIT OPINIONS

3.2. Report on the Consolidated Audited Financial Statements for the Year Ended 28 February 2023.

BDO Zimbabwe Chartered Accountants audited the financial statements of the Group for the year ended 28th February 2023.

The audit report for the year ended 28 February 2023 ("FY23") was issued with a qualified opinion due to the significance and materiality of the issues described under the Basis for a Qualified Opinion paragraphs below.

Basis for a Qualified Opinion

20 *Non-compliance with International Financial Reporting Standard (IFRS) 13: Fair value measurement - Valuation of Property & Equipment and Investment Property.*

i. The Group had property and equipment ("assets") with a carrying amount of ZWL 131 billion (2022: ZWL 91 billion). The assets were valued using the market approach by a professional independent valuer. The fair values were determined in United States dollars (USD) and translated to the functional and reporting currency using the official auction exchange rate as given by the Reserve Bank of Zimbabwe (RBZ). IFRS 13 paragraph 2 defines fair value as 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 (exit price).

In the obtaining environment, it was not likely that the ZWL price derived from translating the USD value at the RBZ auction exchange rate would be the price at which a ZWL denominated transaction would occur. Exchange rates in the alternative market where transactions were occurring were not documented, making it difficult for directors to use the alternative exchange rates for financial reporting purposes. Accordingly, we were unable to determine whether adjustments to carrying amounts of property and equipment and revaluation reserve were appropriate in these circumstances.

ii. The Group had investment property with a carrying amount of ZWL 64 billion (2022: ZWL 18 billion). It was valued by a professional independent valuer with the valuation being done in ZWL using ZWL denominated inputs. The assumptions on capitalisation rates, rentals and market prices applied were not supported by observable ZWL market data as rentals and market prices are generally linked to USD values. Consequently, we were unable to obtain sufficient appropriate evidence to support the appropriateness of the valuation in ZWL.

Accordingly, we were unable to determine whether adjustments to the carrying amount of investment property and the resultant fair value gains were appropriate in these circumstances.

3.3. Report on the Consolidated Audited Financial Statements for the Year Ended 28 February 2022 and 28 February 2021.

Deloitte & Touche Chartered Accountants ("Deloitte & Touche") were the auditors for EHZA for the years ended 28 February 2022 ("FY2022") and 28 February 2021 ("FY2021").

Deloitte & Touche audit reports for the years ended 28 February 2022 and 28 February 2021 were issued with adverse opinions. In addition, their audit report for the financial year ended 28 February 2021 had an Emphasis of Matter with respect to a forensic audit undertaken by the Reserve Bank of Zimbabwe's Financial Intelligence Unit on the Group's subsidiary, EcoCash (Private) Limited.

Adverse opinion for the year ended 28 February 2022 and 28 February 2021

In their opinion, because of the significance of the matters discussed in the Basis for Adverse Opinions paragraphs below, the inflation-adjusted consolidated financial statements did not present fairly, the consolidated financial position of EHZA and its subsidiaries as at 28 February 2022 and 28 February 2021, and its consolidated financial performance, consolidated statement of changes in equity and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRSs"), 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 in FY2022

- **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 an adverse opinion:

- Valuation of property and equipment, investment property and intangible assets; and
- 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 Errors, as related to;
 - Prospective application of the change in the start date for the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' ("IAS 29")
 - Prospective restatement in the current year of a prior period error on the closing balance of expected credit losses in respect of loans and advances, and
 - Prospective restatement in the current year of a prior period error on the amortisation charge on right of use assets.

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

In the prior years the Group's intangible assets were carried at revalued amounts after initial recognition. In FY2022, the measurement model for the Group's intangible assets was prospectively changed from revaluation to cost to comply with the requirements of International Standard 38 'Intangible Assets' ("IAS 38") as the Directors had concluded that there was no active market in Zimbabwe for the Group's intangible assets. The financial statements were not restated to reflect the change as required by IAS 8.

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

The Group had financial assets measured at fair value through profit or loss amounting to ZWL 57.3 billion (FY2021: ZWL 16.9 billion). Included within the financial assets as unquoted investments, were investments denominated in United States Dollars ("USD") with a value of ZWL 2 billion (FY2021: ZWL nil). The Group engaged its investment managers to determine fair values in USD, which were subsequently translated to ZWL using an internally determined exchange rate as at 28 February 2022. The auditors could not obtain sufficient and appropriate audit evidence to support the internally determined exchange rate utilised in the conversion to ZWL. As a result, they 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.

- **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 were net foreign exchange gains arising from trade related and other payables amounting to ZWL 4.8 billion (2021: exchange loss of ZWL 12.2 billion). The Group had not been able to present gross exchange gains and gross exchange losses separately as would be required by International Accounting Standard 1 'Presentation of Financial Statements' ("IAS 1") because of system limitations with determining the separate gross exchange loss and gross exchange gains numbers for its banking subsidiary.

Basis of adverse opinion in FY 2021

- **Valuation of property and equipment, and intangible assets**

The Group performed a revaluation of property and equipment and intangible assets as at 28 February 2021, valued at ZWL 92.3 billion. The Group engaged professional valuers to determine fair values in United States Dollars (“USD”), which were subsequently translated to Zimbabwe Dollars (“ZWL”) using the closing ZWL/USD auction exchange rate as at 28 February 2021. Whereas the determined USD values were reflective of fair value in that currency, the conversion to ZWL, for purposes of reporting in the Group’s functional currency, was not in compliance with International Financial Reporting Standard 13 ‘Fair Value Measurement’ (“IFRS 13”). 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 the auditors found the assumptions and methods used by the professional valuers to determine the USD valuations reasonable and appropriate in determining fair value in USD, they were unable, however, to obtain sufficient appropriate evidence to support the appropriateness of the application of the ZWL/USD auction exchange rate in the determination of the final ZWL fair valuations presented.

- **Prospective application of the change in the start date for the application of IAS 29 ‘Financial Reporting in Hyperinflationary Economies’ (IAS 29”)**

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

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

IAS 1, ‘Presentation of Financial Statements’ (“IAS1”) requires a third balance sheet to be presented should errors be material to the third balance sheet. A third balance sheet had not been presented in line with these requirements. The auditors’ opinion was therefore further modified with respect to the presentation of the statement of financial position owing to the omission of the third balance sheet.

As a consequence of the incorrect start date for application of IAS 29 used in the prior year, the restated prior year closing values of inventory, share capital, share premium and revaluation reserves, and the depreciation, amortisation and deferred tax movements and the related gain on monetary position were materially misstated. The auditors’ opinion was therefore further modified in respect of the comparability of the FY2021 figures and the corresponding prior period figures in respect of these items.

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

In FY 2020, the Group’s banking subsidiary calculated the loss-given default ratio on its expected credit losses model on loans and advances using regulatory data. In addition, management applied post-model adjustments to determine the final expected credit losses whose assumptions could not be supported by internally or externally verifiable data. IFRS 9 ‘Financial Instruments’ (“IFRS 9”) would have required the banking subsidiary to derive the loss-given default ratio from internally generated data. Moreover, IFRS 9 would have required that management’s assumptions on post-model adjustments be supported by internal or external verifiable information. Consequently, the FY 2020 closing balance of expected credit losses on the banking subsidiary were overstated by ZWL102 million per the measurement unit applicable for that period. The Group had prospectively adjusted the opening retained earnings as a movement in the FY 2021 inflation-adjusted consolidated statement of changes in equity by ZWL 75.8 million (after tax) and the opening as a movement in the FY 2021 net loans and advances balances by ZWL 102 million per the measurement unit applicable for that period. This was not in compliance with IAS 8, which would have required retrospective restatement.

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

In addition, in FY 2020 the Group’s banking subsidiary inflation-adjusted the amortisation on its right of use assets for the year ended 28 February 2019 using an incorrect inflation restatement factor. Consequently, the amortisation was overstated by ZWL39 million per the measurement unit applicable for that period. The Group had prospectively adjusted the opening retained earnings as a movement in FY 2021 inflation-adjusted consolidated statement of changes in equity and the opening right of use assets. This was not in compliance with IAS 8 which would have required retrospective restatement.

The inappropriate correction of FY 2020 amortisation expenses on right of use assets error as a movement in the retained earnings balance would also affect movements in related note disclosures.

Emphasis of Matter in FY 2021

Without qualifying their audit opinion, the auditors drew attention to note 37 in the respective financial statements, which dealt with the subsequent outcome and conclusion of the forensic audit that had been undertaken by the Reserve Bank of Zimbabwe’s Financial Intelligence Unit (“the FIU”) on the Group’s subsidiary, EcoCash (Private) Limited. On the 29th of January 2021, the FIU levied administrative penalties on EcoCash of ZWL100 million per the measurement unit applicable for that period, based on the onsite inspection that was done from the 24th of October to the 22nd of November 2018. The onsite inspection report noted certain administrative deficiencies. The FIU took note of the progress that the business had made to address the administrative deficiencies that had been noted. The ZWL100 million administrative penalty was paid and was included in the expenses of the audited Financial Statements.

Report on Other Legal and Regulatory Requirements

In their opinion, the consolidated financial statements were not prepared in compliance with the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the Statutory Instruments SI 33/99 and SI 62/96 due to the inability to comply with IAS 8, IAS 29, IFRS 13 and IAS 1.

4. UNAUDITED PRO FORMA FINANCIAL INFORMATION

4.2. Introduction

This Circular contains the *pro forma* consolidated statement of financial position of EHZL (“the Group”) as at 31 August 2023 in accordance with the policies and assumptions which form part of the financial information. The purpose of the *pro forma* consolidated statement of financial position is to incorporate the effect of the Scheme of Reconstruction, that is the subject of this Circular to shareholders of EHZL subsequent to 31 August 2023 as if it had occurred on that date.

4.3. Scope of the review

We have performed a review of the *pro forma* consolidated statement of financial position of the Group as at 31 August 2023 in order to state whether on the basis of the procedures described, anything has come to our attention that would indicate that the *pro forma* consolidated statement of financial position is not presented fairly in accordance with the measurement requirements of applicable IFRS to the extent to which they are relevant to the information presented.

Our review has been conducted in accordance with International Standards on Review Engagements 2400, (Review of Interim Financial Information performed by the Independent Auditor of the Entity) and has been limited to inquiries with the Group's personnel, analytical procedures applied to the financial data, a reading of contracts and other relevant documents, reading of minutes of Directors' meetings, ensuring consistency in application of accounting standards and policies and certain limited verifications supporting the amounts and other disclosures in the financial information. We have also determined whether the *pro forma* transactions form a reasonable basis for the preparation of the *pro forma* statement of financial position.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4.4. Our review Conclusion

Based on our review of the *pro forma* consolidated statement of financial position nothing has come to our attention to indicate that it has not been compiled in accordance with the policies and assumptions so as to present fairly the relevant *pro forma* financial position of EHZL as at 31 August 2023 in accordance with the measurement requirements of applicable IFRS as if the proposed transactions had occurred on that date.

5. EVENTS AFTER REPORTING DATE

The Company successfully closed the renounceable rights offer of new ordinary shares in the capital of the Company to raise US\$ 30.3 million. Proceeds from the rights offer were applied to redeem debentures issued by the Company which matured at the end of April 2023. Ordinary shares amounting to 401 586 371 shares issued pursuant to the rights offer commenced trading on the Zimbabwe Stock Exchange on 9 October 2023.

6. DISCLOSURE

BDO Zimbabwe Chartered Accountants does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in this matter. BDO Zimbabwe Chartered Accountants does not provide any other service which includes taxation, due diligence and other advisory services to EHZL. BDO Zimbabwe Chartered Accountants is the appointed auditor of EHZL and will receive a professional fee for the preparation of this report.

The Directors have agreed to indemnify and hold harmless BDO Zimbabwe Chartered Accountants and its employees from any claims arising out of misstatement or omission in any material or information supplied by the Directors.

7. APPENDED FINANCIAL INFORMATION

As the purpose of the appended financial information differs from the purpose of financial statements prepared for the members, the appended financial information is not intended to comply fully with the full presentation and disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31) and IFRS.

8. EXCLUSION OF NOTES AND ACCOUNTING POLICIES

At the request of EHZL, and with the approval of the ZSE, the notes to the financial statements and the accounting policies have been excluded from this Circular but are available for inspection in the Company's Annual Report via the link <https://ehzlinvestor.com/>.

9. CONSENT

We consent to the inclusion of this report, which will form part of this Circular to the shareholders, to be issued on or about Tuesday, 2 April 2024 in the form and context in which it will appear.

Yours faithfully,

(Signed on the original)

BDO Zimbabwe Chartered Accountants

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ZWL (millions)	INFLATION ADJUSTED			
	Reviewed 6 Months Ended 31/8/2023	Audited 12 Months Ended 28/02/23 ** Restated	Audited 12 Months Ended 28/02/22 ** Restated	Audited 12 Months Ended 28/02/21 ** Restated
Revenue	217,571	293,583	280,565	222,641
Interest revenue	16,920	36,678	24,790	8,024
Non-interest revenue	200,651	256,905	255,775	214,617
Cost of sales and external services	(57,607)	(53,768)	(78,396)	(68,977)
Impairment on financial assets	(3,270)	(3,600)	(753)	(2,042)
Gross Profit	156,694	236,215	201,416	151,622
Other income	96,363	27,171	39,453	10,740
Other expenses	(37,596)	(20,499)	(18,185)	(1,418)
General administration expenses	(89,845)	(194,190)	(173,307)	(162,710)
Marketing and sales expenses	(22,248)	(36,153)	(18,073)	(14,598)
Foreign exchange losses arising from debenture related liabilities	(167,029)	(87,253)	(11,623)	(59,117)
Gain on monetary position	96,035	75,061	18,248	68,034
Profit before net finance costs	32,374	352	37,929	(7,447)
Finance income	965	151	148	130
Finance costs	(6,988)	(8,676)	(3,635)	(3,975)
Profit before taxation	26,351	(8,173)	34,442	(11,292)
Income tax expense	(26,221)	(5,634)	(21,980)	(4,940)
Profit/ (loss) for the year	130	(13,807)	12,462	(16,232)
Profit for the year attributable to	130	(13,807)	12,462	(16,232)
Equity holders of EcoCash Holdings Zimbabwe Limited	(207)	(11,190)	10,531	(13,955)
Non-controlling interest	337	(2,617)	1,931	(2,277)
Other comprehensive income for the year				
<i>Items that may not to be reclassified subsequently to profit or loss</i>				
Gain arising on revaluation of property and equipment	114,103	77,329	19,831	3,314
Taxation Effect of other comprehensive income	(27,935)	(19,068)	(4,929)	(774)
Other comprehensive income for the year, net of tax	86,168	58,261	14,902	2,540
Total comprehensive income / (loss) for the year	86,298	44,454	27,364	(13,692)
Other comprehensive income attributable to				
Equity holders of EcoCash Holdings Zimbabwe Limited	85,578	57,772	14,880	2,500
Non-controlling interest	590	489	22	40
	86,168	58,261	14,902	2,540
Total comprehensive income attributable to:				
Equity holders of the parent	85,371	46,582	25,411	(11,455)
Non-controlling interest	927	(2,128)	1,953	(2,237)
	86,298	44,454	27,364	(13,692)

** The previously reported figures have been restated to the measuring unit current at 31 August 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ZWL (millions)	HISTORICAL COST			
	Unreviewed 6 Months Ended 31/8/2023	Unaudited 12 Months Ended 28/2/23	Unaudited 12 Months Ended 28/02/22	Unaudited 12 Months Ended 28/02/21
Revenue	163,165	77,300	22,720	10,147
Interest revenue	11,370	10,073	2,080	387
Non-interest revenue	151,795	67,227	20,640	9,760
Cost of sales and external services	(45,441)	(14,263)	(6,404)	(3,277)
Impairment on financial assets	(3,270)	(1,242)	(55)	(80)
Gross Profit	114,454	61,795	16,261	6,790
Other income	137,422	23,114	5,353	1,766
Other expenses	(10,036)	(1,223)	(1,940)	(65)
General administration expenses	(76,982)	(47,363)	(13,362)	(5,813)
Marketing and sales expenses	(15,845)	(9,300)	(1,499)	(664)
Foreign exchange losses arising from debenture related liabilities	(105,539)	(20,884)	(1,061)	(2,051)
Gain on monetary position	-	-	-	-
Profit before net finance costs	43,474	6,139	3,752	(37)
Finance income	824	47	13	8
Finance costs	(5,036)	(2,538)	(285)	(190)
Profit before taxation	39,262	3,648	3,480	(219)
Income tax expense	(19,113)	(2,694)	(1,569)	93
Profit/ (loss) for the year	20,149	954	1,911	(126)
Profit for the year attributable to	20,149	954	1,911	(126)
Equity holders of EcoCash Holdings Zimbabwe Limited	17,287	867	1,672	(228)
Non-controlling interest	2,862	87	239	102
Other comprehensive income for the year				
<i>Items that may not to be reclassified subsequently to profit or loss</i>				
Gain arising on revaluation of property and equipment	184,768	38,750	4,114	3,033
Taxation Effect of other comprehensive income	(45,140)	(9,495)	(1,001)	(729)
Other comprehensive income for the year, net of tax	139,628	29,255	3,113	2,304
Total comprehensive income / (loss) for the year	159,777	30,209	5,024	2,178
Other comprehensive income attributable to				
Equity holders of EcoCash Holdings Zimbabwe Limited	138,437	28,973	3,102	2,282
Non-controlling interest	1,191	282	11	22
	139,628	29,255	3,113	2,304
Total comprehensive income attributable to:				
Equity holders of the parent	155,725	29,840	4,774	2,054
Non-controlling interest	4,052	369	250	124
	159,777	30,209	5,024	2,178

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ZWL (millions)	INFLATION ADJUSTED			
	Reviewed 31/8/2023	Audited 28/02/23 ** Restated	Audited 28/02/22 ** Restated	Audited 28/02/21 ** Restated
ASSETS				
Non-current assets				
Intangible assets	27,255	27,610	27,857	20,854
Property, plant and equipment	240,385	130,811	90,728	71,400
Right of use assets	1,845	2,051	1,346	3,446
Investment properties	124,125	64,083	17,706	17,057
Treasury bills and Government bonds	35,775	35,456	54,781	15,620
Financial assets at fair value through profit and loss	57,859	30,910	57,266	16,901
Total non-current assets	487,244	290,921	249,684	145,278
Current assets				
Inventory	5,204	5,237	7,411	14,072
Current tax assets	-	-	-	1,016
Amounts owed by related party companies	633	441	1,127	1,287
Trade and other receivables	154,724	79,851	64,554	60,541
Loans and advances to bank customers	123,376	81,040	62,633	24,876
Mobile money trust bank balances - restricted balances	103,814	54,703	50,750	65,932
Cash and cash equivalent	55,707	62,111	11,361	88,310
	443,458	283,383	197,836	256,034
Assets classified as held for sale	56	128	5	23
Total current assets	443,514	283,511	197,841	256,057
Total assets	930,758	574,432	447,525	401,335
EQUITY AND LIABILITIES				
Share capital and share premium	1,337	1,337	1,337	1,337
(Accumulated losses)/ retained earnings	(46,252)	(46,045)	(28,805)	(47,899)
Other reserves	280,590	194,303	136,564	125,218
Equity attributable to owners of EHZL	235,675	149,595	109,096	78,656
Non-controlling interest	5,108	4,181	(290)	(2,243)
Total equity	240,783	153,776	108,806	76,413
Non-current liabilities				
Deferred tax liabilities	67,249	24,613	20,849	10,826
Lease liabilities	2,167	2,393	573	693
Loans and borrowings	17,636	18,780	38,113	-
Total non-current liabilities	87,052	45,786	59,535	11,519
Current liabilities				
Provisions	32,598	6,167	13,902	4,711
Current tax liability	3,579	9,506	971	-
Amounts owed to related party companies	188,550	92,787	39,819	81,220
Trade and other payables	106,410	79,151	54,035	49,383
Mobile money trust liabilities	103,814	53,565	50,750	65,932
Deposits due to banks and customers	167,972	133,694	119,707	112,157
Total current liabilities	602,923	374,870	279,184	313,403
Total liabilities	689,975	420,656	338,719	324,922
Total equity and liabilities	930,758	574,432	447,525	401,335

** The previously reported figures have been restated to the measuring unit current at 31 August 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ZWL (millions)	HISTORICAL COST			
	Unreviewed 31/08/23	Unaudited 28/02/23	Unaudited 28/02/22	Unaudited 28/02/21
ASSETS				
Non-current assets				
Intangible assets	2,498	1,181	685	640
Property, plant and equipment	234,201	43,232	8,490	3,967
Right of use assets	320	421	43	37
Investment properties	124,125	22,101	1,889	1,096
Treasury bills and Government bonds	35,775	12,228	5,844	1,003
Financial assets at fair value through profit and loss	57,859	10,660	6,109	1,086
Total non-current assets	454,778	89,823	23,060	7,829
Current assets				
Inventory	1,362	731	116	373
Current tax assets	-	-	-	65
Amounts owed by related party companies	633	152	120	83
Trade and other receivables	136,048	22,750	5,954	3,175
Loans and advances to bank customers	123,375	27,948	6,681	1,597
Mobile money trust bank balances - restricted balances	103,814	18,474	5,414	4,234
Cash and cash equivalent	55,707	21,813	1,212	5,671
	420,939	91,868	19,497	15,198
Assets classified as held for sale	56	44	1	1
Total current assets	420,995	91,912	19,498	15,199
Total assets	875,773	181,735	42,558	23,028
EQUITY AND LIABILITIES				
Share capital and share premium	3	3	3	3
(Accumulated losses)/ retained earnings	19,311	2,024	1,230	(465)
Other reserves	173,990	34,840	5,902	3,117
Equity attributable to owners of EHZL	193,304	36,867	7,135	2,655
Non-controlling interest	5,097	1,045	400	150
Total equity	198,401	37,912	7,535	2,805
Non-current liabilities				
Deferred tax liabilities	61,370	3,279	97	459
Lease liabilities	2,167	7,572	1,498	45
Loans and borrowings	17,636	6,477	4,066	-
Total non-current liabilities	81,173	17,328	5,661	504
Current liabilities				
Provisions	32,598	825	61	299
Current tax liability	3,579	2,126	1,325	-
Amounts owed to related party companies	188,550	32,000	4,248	5,216
Trade and other payables	99,686	26,962	5,544	2,767
Mobile money trust liabilities	103,814	18,474	5,414	4,234
Deposits due to banks and customers	167,972	46,108	12,770	7,203
Total current liabilities	596,199	126,495	29,362	19,719
Total liabilities	677,372	143,823	35,023	20,223
Total equity and liabilities	875,773	181,735	42,558	23,028

CONSOLIDATED STATEMENT OF CASH FLOWS

ZWL (millions)	INFLATION ADJUSTED			
	Reviewed 31/8/2023	Audited 28/02/23 ** Restated	Audited 28/02/22 ** Restated	Audited 28/02/21 ** Restated
Operating activities				
Cash generated from operations	108,260	97,589	43,078	11,185
Income tax paid	(12,219)	(11,857)	(18,533)	(7,298)
Net cash flows from operating activities	96,041	85,731	24,545	3,886
Investing activities				
Investment income received	-	5	148	130
Finance income received	742	-	-	-
Dividends received	83	-	-	-
Acquisition of intangible assets	(1,572)	(2,378)	(4,270)	(671)
Acquisition of investment property	-	(5,560)	-	-
Proceeds on disposal of investment property	-	708	-	-
Net acquisition of financial assets at fair value through profit and loss	(8,120)	(6,810)	(9,701)	(4,119)
Net acquisition/ disposal of held to maturity investments	-	-	-	-
Net (acquisition) or disposal of Treasury bill and Government bonds	(22,987)	(9,794)	(81,523)	19,856
Net (acquisition) of right of use assets	(320)	-	-	-
Proceeds from disposal of assets held for sale	-	5	19	94
Purchase of property and equipment	(17,982)	(6,706)	(16,752)	(8,244)
Proceeds from disposal of property and equipment	180	109	91	3
Net cash (utilised in) / generated from investing activities	(49,976)	(30,422)	(111,989)	7,050
Financing activities				
Interest on lease liability paid	-	(375)	(3,636)	(3,975)
Repayment of lease liabilities	-	(422)	(353)	(311)
Proceeds from loans and borrowings	-	5,945	-	-
Repayment of loans and borrowings	(4,067)	(5,754)	-	-
Net disposal of Treasury shares	709	-	-	-
Purchase of Treasury shares	-	-	(698)	(67)
Net cash flows utilised in financing activities	(3,358)	(606)	(4,687)	(4,353)
Net (decrease) / increase in cash and cash equivalents	42,708	54,703	(92,131)	6,583
Cash and cash equivalents at the end of the year	116,814	62,111	154,241	147,658
Cash and cash equivalents at end of year	159,521	116,814	62,111	154,241
Comprising				
Cash and cash equivalents - restricted	103,814	54,703	50,750	65,932
Cash and cash equivalents - unrestricted	55,707	62,111	11,361	88,310
Cash and cash equivalents at end of year	159,521	116,814	62,111	154,241

** The previously reported figures have been restated to the measuring unit current at 31 August 2023.

CONSOLIDATED STATEMENT OF CASH FLOWS

ZWL (millions)	HISTORICAL			
	Reviewed 31/8/2023	Audited 28/02/23 ** Restated	Audited 28/02/22 ** Restated	Audited 28/02/21 ** Restated
Operating activities				
Cash generated from operations	180,028	46,661	6,210	9,162
Income tax paid	(10,155)	(2,972)	(1,294)	(434)
Net cash flows from operating activities	169,874	43,689	4,916	8,728
Investing activities				
Investment income received	601	1	13	8
Finance income received				
Dividends received	80	-	-	-
Acquisition of intangible assets	(1,392)	(593)	(398)	(148)
Acquisition of investment property	-	(116)	-	-
Proceeds on disposal of investment property	-	80	-	-
Net acquisition of financial assets at fair value through profit and loss	(7,218)	(742)	(790)	(166)
Net acquisition/ disposal of held to maturity investments	(22,987)	-	-	-
Net (acquisition) or disposal of Treasury bill and Government bonds	-	(6,692)	(5,086)	(65)
Net (acquisition) of right of use assets	11	-	-	-
Proceeds from disposal of assets held for sale	-	1	1	3
Purchase of property and equipment	(17,858)	(1,823)	(1,553)	(489)
Proceeds from disposal of property and equipment	102	27	0	0
Net cash (utilised in) / generated from investing activities	(48,661)	(9,856)	(7,812)	(857)
Financing activities				
Interest on lease liability paid	-2,691	(94)	(285)	(191)
Repayment of lease liabilities	-	(144)	(27)	(20)
Proceeds from loans and borrowings	-	2,050	-	-
Repayment of loans and borrowings	-	(1,984)	-	-
Net disposal of Treasury shares	713	-	-	-
Purchase of Treasury shares	-	-	(71)	(4)
Net cash flows utilised in financing activities	(1,978)	(172)	(383)	(214)
Net (decrease) / increase in cash and cash equivalents	119,235	33,660	(3,280)	7,656
Cash and cash equivalents at the end of the year	40,286	6,626	9,905	2,249
Cash and cash equivalents at end of year	159,521	40,286	6,626	9,905
Comprising				
Cash and cash equivalents - restricted	103,814	18,474	5,414	4,234
Cash and cash equivalents - unrestricted	55,707	21,813	1,212	5,671
Cash and cash equivalents at end of year	159,521	40,286	6,626	9,905

CONSOLIDATED STATEMENT OF CASH FLOWS

ZWL (millions)	INFLATION ADJUSTED					Total
	Share Capital and Share Premium	Retained Earnings	Other Reserves	Attributable to Equity Holders of the Entity	Non-Controlling Interest	
Balance at 28 February 2021 Restated	1,337	(47,899)	125,218	78,656	(2,243)	76,413
Profit for the year	-	10,531	-	10,531	1,931	12,462
Other comprehensive income:	-	-	14,880	14,880	22	14,902
Revaluation of property and equipment	-	-	19,809	19,809	22	19,831
Taxation effect of other comprehensive income	-	-	(4,929)	(4,929)	-	(4,929)
Total comprehensive income for the year	-	10,531	14,880	25,411	1,953	27,364
Transfers within and out of reserves	-	8,563	(3,534)	5,029	-	5,029
Purchase of Treasury shares	-	-	(696)	(696)	-	(696)
Impact of change in measurement model of intangible assets to cost model	-	8,451	(2,838)	5,613	-	5,613
Restatement of equities at fair value through profit or loss	-	112	-	112	-	112
Balance at 28 February 2022 Restated	1,337	(28,805)	136,564	109,096	(290)	108,806
Profit/(loss) for the period	-	(11,190)	-	(11,190)	(2,617)	(13,807)
Other comprehensive income:	-	-	57,771	57,771	489	58,260
Revaluation of property and equipment	-	-	76,839	76,839	489	77,328
Taxation effect of other comprehensive income	-	-	(19,068)	(19,068)	-	(19,068)
Total comprehensive(loss)/ income for the year	-	(11,190)	57,771	46,581	(2,128)	44,453
Transfers within and out of reserves	-	(6,050)	(32)	(6,082)	6,599	517
Non-controlling interests share of capitalisation of a subsidiary	-	-	-	-	517	517
Transfer from reserves to non-controlling interest	-	(6,050)	(32)	(6,082)	6,082	-
Balance at 28 February 2023 Restated	1,337	(46,045)	194,303	149,595	4,181	153,776
Profit/(loss) for the period	-	(207)	-	(207)	337	130
Other comprehensive income:	-	-	85,578	85,578	590	86,168
Total comprehensive(loss)/ income for the year	-	(207)	85,578	85,371	927	86,298
Disposal of Treasury shares	-	-	709	709	-	709
Balance at 31 August 2023 Reviewed	1,337	(46,252)	280,590	235,675	5,108	240,783

** The previously reported figures have been restated to the measuring unit current at 31 August 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

ZWL (millions)	HISTORICAL COST					Total
	Share Capital and Share Premium	Retained Earnings	Other Reserves	Attributable to Equity Holders of the Entity	Non-Controlling Interest	
Balance at 28 February 2021 Unaudited	3	(465)	3,117	2,654	150	2,804
Profit for the year	-	1,672	-	1,672	239	1,911
Other comprehensive income:	-	-	3,101	3,101	11	3,112
Revaluation of property and equipment	-	-	4,102	4,102	11	4,113
Taxation effect of other comprehensive income	-	-	(1,001)	(1,001)	-	(1,001)
Total comprehensive income for the year	-	1,672	3,101	4,773	250	5,023
Transfers within and out of reserves	-	23	(316)	(293)	-	(293)
Purchase of Treasury shares	-	-	(71)	(71)	-	(71)
Impact of change in measurement model of intangible assets to cost model	-	11	(245)	(234)	-	(234)
Restatement of equities at fair value through profit or loss	-	12	-	12	-	12
Balance at 28 February 2022 Unaudited	3	1,230	5,902	7,134	400	7,534
Profit for the period	-	867	-	867	87	954
Other comprehensive income	-	-	38,469	38,469	282	38,751
Revaluation of property and equipment	-	-	38,469	38,469	282	38,751
Taxation effect of other comprehensive income	-	-	(9,495)	(9,495)	-	(9,495)
Total comprehensive income	-	867	28,974	29,841	369	30,210
Transfers within and out of reserves	-	(73)	(36)	(109)	276	167
Non-controlling interests share of capitalisation of a subsidiary	-	-	-	-	168	168
Transfer from reserves to non-controlling interests	-	(73)	(36)	(109)	108	(1)
Balance at 28 February 2023 Unaudited	3	2,024	34,840	36,866	1,045	37,911
Profit for the period	-	17,287	-	17,287	2,862	20,149
Other comprehensive income	-	-	138,437	138,437	1,190	139,627
Total comprehensive income	-	17,287	138,437	155,724	4,052	159,776
Disposal of Treasury shares	-	-	713	713	-	713
Balance at 31 August 2023 Unaudited	3	19,311	173,990	193,303	5,097	198,400

ANNEXURE III: NOTICE OF EXTRAORDINARY GENERAL MEETING

EcoCash

HOLDINGS ZIMBABWE LIMITED

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012)
 ZSE Alpha Code: EHZL.zw ISIN ZW0009012437
 (Ecocash Holdings or the Company)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of shareholders of Ecocash, will be held at 1100 hrs Zimbabwean Time, on Wednesday, 17 April 2024. The Meeting will be a virtual meeting via live webcast. You are cordially invited to attend and participate in the Meeting online via the link <https://ecocash.escrowagm.com/>, the physical location of the Meeting shall be at 1906 Liberation Legacy Way, Harare. The Meeting will be held to consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions –

AS ORDINARY RESOLUTION – TO APPROVE THE SCHEME OF RECONSTRUCTION TRANSACTION

“Resolved, subject to the Regulatory Approval, that the Directors are authorised to carry out a Scheme of Reconstruction between Econet Wireless Zimbabwe Limited (“Econet”) and EcoCash Holdings Zimbabwe Limited (“EcoCash Holdings”) by transferring to Econet the Financial Technology Businesses namely EcoCash (Private) Limited, VAYA Technologies Zimbabwe (Private) Limited, Econet Insurance (Private) Limited, Econet Life (Private) Limited, MARS Zimbabwe (Private) Limited, and Maisha Health Fund (Private) Limited, in exchange for the total consideration of ZWL509 billion (equivalent to 521,861,057 Econet Shares) payable partly in cash and partly in Econet Treasury Shares. The number of Econet Treasury Shares shall be determined using the 30 Day Volume Weighted Average Price of Econet for the period to 16 January 2024, being the last practicable date immediately before the transaction was announced to the public. The amount of the cash component of the total consideration shall be determined using the 30 Day Volume Weighted Average Price of each Econet share for the period to the date of payment.”

AS ORDINARY RESOLUTION - TO AUTHORISE THE DIRECTORS TO SIGN ALL SUCH DOCUMENTS AND DO ALL SUCH THINGS AS MAY BE NECESSARY FOR OR INCIDENTAL TO THE IMPLEMENTATION OF THE TRANSACTION

“Resolved that any one of the directors of the Company be and is hereby authorised to do all such things, sign all such documents and procure the doing of all such things and the signature of all such documents as may be necessary for or incidental to the implementation of the offers and the ordinary and special resolutions proposed at this general meeting.”

BY ORDER OF THE BOARD

(Signed on the original)

C. R. Daniels
 Company Secretary

2 April 2024

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

NOTES:

- Members may appoint one or more persons, whether members or not, to act in the alternative as his or her proxy to attend and vote instead of him or her. In that event, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, on the proxy form, failing which it will render the proxy invalid.
- 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.
- In addition, in the case of Shares entered in the Depository Register maintained by Chengetedzai, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointing person, is not shown to have Shares entered against his name in the Chengetedzai’s Depository as at 48 hours before the time appointed for holding the EGM.

ANNEXURE IV: PROXY FORM

EcoCash

HOLDINGS ZIMBABWE LIMITED

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012)
 ZSE Alpha Code: EHZL.zw ISIN ZW0009012437
 (Ecocash Holdings or the Company)

PROXY FORM

*I/We (Name) of (Address) being a

registered holder of Ordinary shares in EcoCash Holdings hereby

appoint..... or failing him/her..... as *my/our *proxy/

proxies to attend, speak and vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company (“EGM”) to be held on Wednesday, 17 April 2024 and at any adjournment thereof in the following manner:

I/We* direct my/our* proxy/proxies* to vote for or against the resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matters arising at the EGM.

	For	Against**	Abstain**
AS ORDINARY RESOLUTION – TO APPROVE THE SCHEME OF RECONSTRUCTION TRANSACTION “Resolved, subject to the Regulatory Approval, that the Directors are authorised to carry out a Scheme of Reconstruction between Econet Wireless Zimbabwe Limited (“Econet”) and EcoCash Holdings Zimbabwe Limited (“EcoCash Holdings”) by transferring to Econet the Financial Technology Businesses namely EcoCash (Private) Limited, VAYA Technologies Zimbabwe (Private) Limited, Econet Insurance (Private) Limited, Econet Life (Private) Limited, MARS Zimbabwe (Private) Limited, and Maisha Health Fund (Private) Limited, in exchange for the total consideration of ZWL509 billion (equivalent to 521,861,057 Econet Shares) payable partly in cash and partly in Econet Treasury Shares. The number of Econet Treasury shares shall be determined using the 30 Day Volume Weighted Average Price of Econet for the period to 16 January 2024, being the last practicable date immediately before the transaction was announced to the public. The amount of the cash component of the total consideration shall be determined using the 30 Day Volume Weighted Average Price of each Econet share for the period to the date of payment.”			
AS ORDINARY RESOLUTION - TO AUTHORISE THE DIRECTORS TO SIGN ALL SUCH DOCUMENTS AND DO ALL SUCH THINGS AS MAY BE NECESSARY FOR OR INCIDENTAL TO THE IMPLEMENTATION OF THE TRANSACTION “Resolved that any one of the directors of the Company be and is hereby authorised to do all such things, sign all such documents and procure the doing of all such things and the signature of all such documents as may be necessary for or incidental to the implementation of the transaction and the ordinary and special resolutions proposed at this EGM.”			

* Delete accordingly
 ** A tick or cross would represent that you are exercising all your votes “For” or “Against” or “Abstain” from voting on the resolution. In the absence of specific directions in respect of a resolution, your proxy will be treated as invalid.

Signed this Day of 2024

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

NOTES:

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 shall be entitled to act as to the exclusion of those whose names follow.
2. The proxy must not be a Director or an Officer of the Company .
3. 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.
4. Forms of proxy must be lodged at or posted to be received at the registered office of the Company Secretary, 1906 Liberation Legacy Way, Harare or at the office of the Transfer Secretaries , 1 Armagh Avenue, Eastlea, Harare, Zimbabwe, not less than 48 hours before the time of the meeting.
5. The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the Extraordinary 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.
6. The Chairperson of the Extraordinary 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.
7. Any alteration or correction to this form must be initialled by the signatory/signatories.