ECONET WIRELESS ZIMBABWE LIMITED

Audited Abridged Consolidated Financial Statements

for the year ended 29 February 2024

ECONET Wireless

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ECONET WIRELESS ZIMBABWE LIMITED

(Incorporated in Zimbabwe on 4 August 1998
under Company registration number 7548/98)
ZSE alpha code: ECO ISIN: ZW 000 901 212 2

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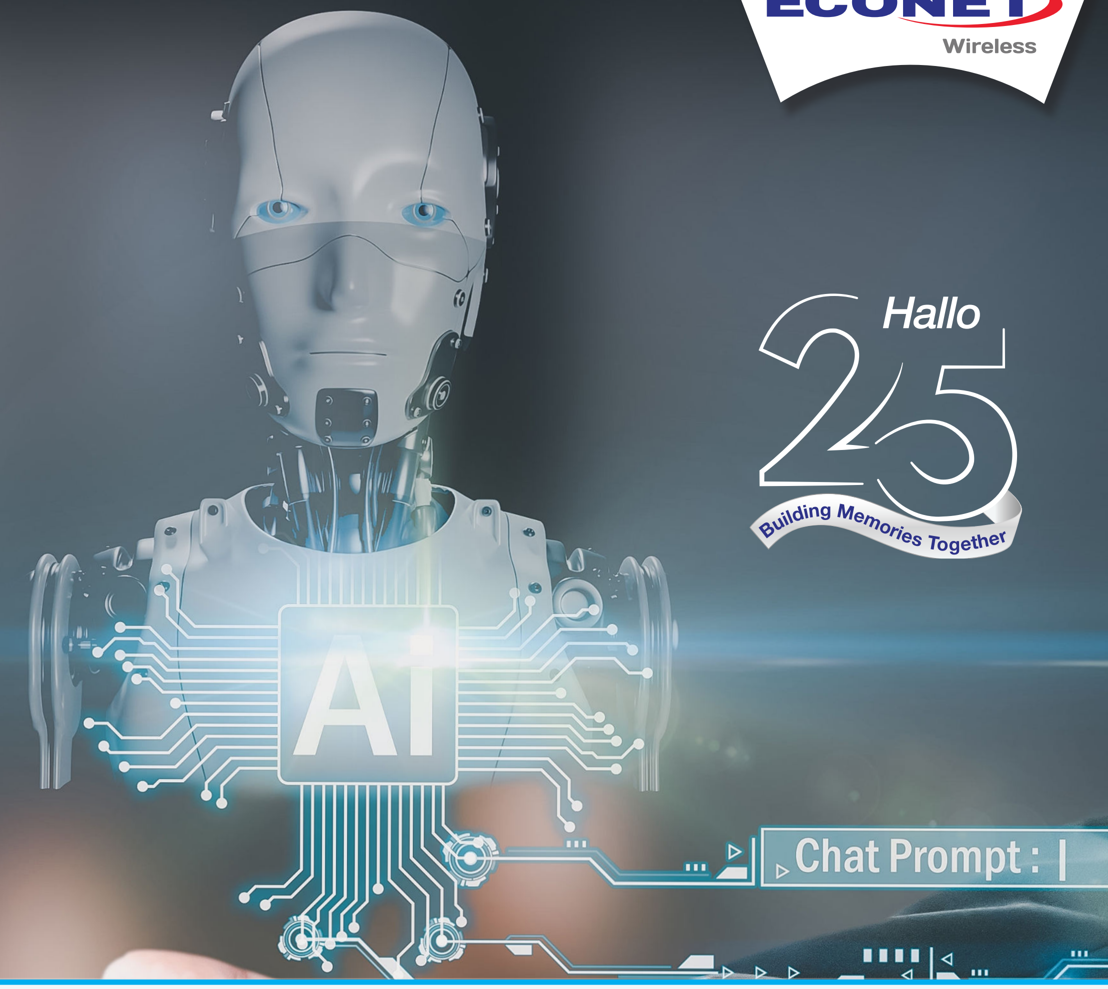

Content

Our Vision

We envision a digitally connected future that leaves no Zimbabwean behind.

Our Mission

We deliver unparalleled digital services to everyone with a passion to inspire innovation, improve quality of life and unlock stakeholder value sustainably.

Our Values

Pioneering - Professional - Personal

We draw inspiration from our values, driven day by day to live them out as we interact with our customers and stakeholders. Over the years we are proud to have pioneered several firsts in telecoms and digital services, delivering professional customer experience that our clients can relate to on a personal, corporate, community and national level.

Chairman's statement

Introduction

Our business continues to be focussed on fulfilling our strategic objective of digital transformation to meet the evolving needs of our customers and deliver improved customer experience through the use of data-driven insights and supported by a modern digital network.

This year we celebrated memories and value created for customers and business partners since our commercial launch in 1998. Our award-winning campaign themed **"Hallo 25, Building Memories Together"** embodied the essence of our journey, encompassing a reflection on our past achievements, a celebration of our present impact, and the memories we continue to generate as we bring digitally solutions that are empowering our customers economically.

Regulatory Review

The Telecommunications Association of Zimbabwe ("TOAZ") of which Econet is a member continues to work with all concerned stakeholders to ensure the viability and sustainability of the Sector.

For the period under review, we paid a total of ZWL$ 3,8 trillion (representing 26% of turnover) to the fiscus and to statutory bodies compared to ZWL$ 2,1 trillion in 2023. The payments to the fiscus and to statutory bodies was in the form of excise duties, levies, corporate taxes, customs duty, withholding taxes and monthly licence fees.

Infrastructure Modernisation Review

Our strategic partnerships with key equipment vendors have enabled us to accelerate our current network modernisation programme, after several years of underinvestment, due to limited foreign currency availability. We have now modernised over 1,012 sites with 4G high-capacity base stations. Of these, 750 are in Harare and Bulawayo and the whole of Manicaland region. Our modernization efforts will continue with another 550 base station sites planned across the country. We are grateful that Government through POTRAZ has now provided us spectrum within the 700MHz frequency band which will extend the coverage of existing base stations to serve customers who are at the periphery of the current coverage limit. Spectrum refers to radio frequencies present in the air that telecom companies use to provide connectivity services. In addition to the modernized sites, the business added more than 50 new base station sites. This investment has enhanced our quality of service and also increased network coverage.

Artificial Intelligence (AI) has become an integral part of our business operations. For the year under review, we significantly accelerated the use of AI tools to improve operational efficiency, optimise our business and provide superior customer experiences. For example, we deployed algorithms which greatly improved our ability to segment customers and offer highly personalized experiences. This has resulted in increased customer activity ratios. To improve on usage and revenue, we integrated intelligent recommendation engines and predictive models into our daily operations. This has enabled us to deliver a remarkable 47% growth in usage in the voice segment.

As power outages on the national grid remained prevalent, we have continued to deploy renewable energy solutions to mitigate service degradation. Consequently, the business was able to maintain a high uptime on the majority of our base stations. We will continue to invest in green power solutions to improve network availability.

"Artificial Intelligence (AI) has become an integral part of our business operations. For the year under review, we significantly accelerated the use of AI tools to improve operational efficiency, optimise our business and provide superior customer experiences."

Financial highlights

Inflation adjusted

REVENUE

133%

ZW$ 14.8 trillion

EBITDA

175%

ZW$ 7.1 trillion

LOSS FOR THE YEAR

245%

ZW$ 1.1 trillion

Financial Review

The financial review is based on inflation adjusted financial statements which are the primary financial statements. Historical cost financial statements have been presented as supplementary information. To comply with International Accounting Standard 29 - Financial Reporting in Hyperinflationary Economies (IAS 29) in the preparation of our financial statements, the Group estimated and applied inflation rates for the year ended 29 February 2024 based on the Total Consumption Poverty Line published by ZIMSTAT.

The Directors caution users of the financial statements on the usefulness of these reported financial statements, considering distortions that arise when reporting in a hyperinflationary economy.

Inflation adjusted revenue for the period under review was ZW$ 14,8 trillion. This represents revenue growth of 133% in comparison to last year's performance. Investment in network modernization resulted in volume growth of voice and data of 34% and 36% respectively. Cost optimisation strategies adopted by management yielded positive impact on margin profitability which was above 45%.

The depreciation of the local currency during the year weighed down the Group's financial performance. Exchange losses for the period under review were ZW$ 3,2 trillion translating to 22% of revenue against 23% for the prior year. Pursuant

Chairman's statement (continued)

to the retirement of our debentures in October 2023, the Group's exposure to foreign currency denominated obligations significantly reduced. This has had a positive impact on profitability. Although the financial statements were impacted by the hyperinflation of the ZW$, we look forward to benefits of the new currency, the Zimbabwe Gold (ZiG), introduced on the 5th April, 2024.

Environmental, Social and Governance

Ensuring the sustainability of our shared world and business, effective stakeholder management and engagement, as well as adhering to sound environmental, social and governance (ESG) principles remain at the core of our values. We engaged in the Sustainable Development Goals (SDG) Accelerator Program under the United Nations Global Compact, to integrate SDGs into our corporate framework, solidifying our footprint in the ESG space.

The business implemented a robust staff wellness program covering six pillars that included emotional, physical, financial, medical, occupational, and spiritual dimensions. These aspects are designed to provide a supportive work environment.

Since its inception, the Group has supported our CSI implementing partner, Higherlife Foundation, to empower the next generation through deep investments in education from early childhood development to tertiary education. The foundation funds scholarship programmes, conducts training and mentorship and strengthens local institutions including schools and orphanages.

Board Changes

The Board wishes to advise that Mr. Martin Edge resigned as Independent Non-Executive Director of the Company. The Board records it's appreciation of Mr. Edge's commitment and dedicated service as an Independent Non-Executive Director since his appointment in June 2013. He served diligently as Chairperson of the Audit Committee and also served on the Board Risk Committee. The Board, Management and Staff wish Mr. Edge the best in his future professional and personal endeavours.

Mr. Godfrey Gomwe was appointed Audit Committee Chairperson. Mr. Gomwe was a member of the Audit Committee for a number of years and brings a wealth of experience to this critical role.

Mr. Mgqibelo Gasela has been appointed Chairperson of the Risk Committee as Mr. Gomwe transitions to his position on the Audit Committee.

There are no changes to the ESG and Remuneration committees, chaired by Dr. Jacqueline Chimhanzi and Dr. James Myers respectively.

Outlook

The business continues to experience sustained growth in the demand for its products and services shaped by evolving customer needs. We will continued to invest in our network infrastructure in order to meet customer demands and keep abreast with global trends in line with our vision of a digitally connected future that leaves no Zimbabwean behind.

We are looking to scale up our 5G penetration to unlock new opportunities, leverage on artificial intelligence and process automation to improve operational efficiencies and customer service delivery.

Dividend

The Company declared and paid an interim dividend of 0.55 US cents per share for the year ended 29 February 2024 in respect of qualifying ordinary shares of the Company.

Appreciation

On behalf of the Board, I wish to express my gratitude to our valued customers, business partners and stakeholders who have been part of our successful 25-year journey. I wish to thank our dedicated and exceptional staff who continue to serve the business in a challenging operating environment. I also wish to record my appreciation for the commitment of my fellow Directors as we discharge our stewardship responsibility to all our stakeholders.

Dr. J. Myers
Chairman of the Board

29 May 2024

Abridged consolidated statement of profit or loss and other comprehensive income

For the year ended 29 February 2024

		INFLATION ADJUSTED		HISTORICAL COST	
All amounts in ZW$ million	Note	**2024**	2023	**2024**	2023
Revenue	6	**14,752,552**	**6,341,701**	**3,000,022**	**267,286**
Other income		148,195	74,925	78,580	4,106
Share of profit / (loss) of associates		38,435	(24,676)	56,449	200
Direct network and technology operating costs		(3,022,353)	(1,658,651)	(604,632)	(73,349)
Other network costs		(926,543)	(419,089)	(236,263)	(18,340)
Costs of handsets and other accessories		(461,511)	(188,854)	(81,743)	(7,529)
Marketing and sales expenses		(196,426)	(135,256)	(45,327)	(5,665)
Impairment of trade receivables		(56,843)	(112,268)	(14,113)	(5,055)
Staff costs		(1,513,430)	(697,400)	(319,663)	(29,199)
Other expenses		(1,710,867)	(614,434)	(822,694)	(27,791)
Profit before interest, taxation, depreciation, amortisation, impairment, exchange losses and monetary adjustment		**7,051,209**	**2,565,998**	**1,010,616**	**104,664**
Depreciation, amortisation and impairment of property, plant and equipment and intangibles	7	(2,491,143)	(1,121,545)	(556,671)	(49,725)
Other impairments		(75,609)	(23,680)	(32,825)	(1,266)
Exchange losses		(3,223,628)	(1,442,613)	(764,443)	(51,939)
Monetary adjustment		(1,764,826)	174,903	-	-
Finance income		133,362	103,047	38,549	4,088
Finance costs		(209,091)	(140,331)	(57,434)	(6,677)
(Loss) / profit before tax		**(579,726)**	**115,779**	**(362,208)**	**(855)**
Income tax expense		(516,652)	(433,604)	(428,444)	(10,457)
Loss for the year		**(1,096,378)**	**(317,825)**	**(790,652)**	**(11,312)**
Loss for the year attributable to					
Equity holders of the Company		(1,096,478)	(311,971)	(790,638)	(11,444)
Non-controlling interest		100	(5,854)	(14)	132
		(1,096,378)	**(317,825)**	**(790,652)**	**(11,312)**
Other comprehensive income / (loss)					
Items that will not be reclassified subsequently to profit or loss					
Fair value (loss) / gain on investments in equity instruments designated at fair value through other comprehensive income, net of tax		(513,168)	714,964	2,276,818	114,718
Gain on property revaluation, net of tax		512,475	3,463,774	4,081,256	237,677
Share of other comprehensive income of associates		117,985	86,093	103,801	6,695
		117,292	**4,264,831**	**6,461,875**	**359,090**
Other comprehensive income attributable to					
Equity holders of the Company		117,292	4,264,733	6,461,875	359,073
Non-controlling interest		-	98	-	17
		117,292	**4,264,831**	**6,461,875**	**359,090**

		INFLATION ADJUSTED		HISTORICAL COST	
All amounts in ZW$ million	Note	**2024**	2023	**2024**	2023
Total profit or loss for the year and other comprehensive income / (loss) attributable to					
Equity holders of the Company		(979,186)	3,952,762	5,671,237	347,646
Non-controlling interest		100	(5,756)	(14)	132
		(979,086)	**3,947,006**	**5,671,223**	**347,778**
Earnings per share	9				
Basic loss per share (dollars)		(448)	(131)	(323)	(5)

IAS 29 discourages the publication of historical cost results as the inflation adjusted results are the primary financial results. However, the historical cost results are included as supplementary information to meet other user requirements. As a result, the auditors have not expressed an opinion on this historical cost information.

ECONET Wireless

Abridged consolidated statement of financial position

As at 29 February 2024

		INFLATION ADJUSTED		HISTORICAL COST	
All amounts in ZW$ million	Note	**2024**	2023	**2024**	2023
ASSETS					
Non-current assets					
Property, plant and equipment		6,061,509	5,936,163	5,470,629	316,065
Right-of-use assets		369,455	466,433	369,455	24,946
Investment properties		33,190	26,370	33,190	1,410
Intangible assets		306,520	308,956	61	71
Investments in associates		572,294	392,172	191,370	9,076
Financial assets at fair value through other comprehensive income	10	2,514,475	2,857,927	2,514,475	152,848
Financial assets at amortised cost		569,061	75,830	569,061	4,056
Total non-current assets		**10,426,504**	**10,063,851**	**9,148,241**	**508,472**
Current assets					
Inventories		144,223	143,808	127,372	7,593
Trade and other receivables		1,353,846	2,131,645	805,350	103,272
Financial assets at fair value through profit or loss		2	46	2	2
Cash and cash equivalents		216,824	917,835	216,824	49,088
Total currents assets		**1,714,895**	**3,193,334**	**1,149,548**	**159,955**
TOTAL ASSETS		**12,141,399**	**13,257,185**	**10,297,789**	**668,427**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and share premium		1,349,760	407,689	154,651	96
Retained earnings / (accumulated losses)		648,023	2,012,820	(842,665)	(17,493)
Other reserves		5,864,268	5,746,976	6,880,848	418,973
Equity attributable to equity holders of the Company		7,862,051	8,167,485	6,192,834	401,576
Non-controlling interest		(187)	(287)	(24)	(10)
Total equity		**7,861,864**	**8,167,198**	**6,192,810**	**401,566**
Non-current liabilities					
Deferred tax liability		967,714	1,097,699	1,019,855	58,575
Lease liabilities		302,237	421,990	302,237	22,569
Interest-bearing debt	11	102,758	57,430	102,758	3,071
Provisions		80,566	90,461	80,566	4,838
Total non-current liabilities		**1,453,275**	**1,667,580**	**1,505,416**	**89,053**

		INFLATION ADJUSTED		HISTORICAL COST	
All amounts in ZW$ million	Note	**2024**	2023	**2024**	2023
Current liabilities					
Deferred revenue		422,076	238,026	195,379	7,500
Provisions		17,412	16,435	17,412	879
Trade and other payables		1,738,803	1,497,729	1,738,803	80,102
Lease liabilities		80,791	69,056	80,791	3,693
Interest-bearing debt	11	157,425	1,236,448	157,425	66,128
Income tax payable		409,753	364,713	409,753	19,506
Total current liabilities		**2,826,260**	**3,422,407**	**2,599,563**	**177,808**
Total liabilities		**4,279,535**	**5,089,987**	**4,104,979**	**266,861**
TOTAL EQUITY AND LIABILITIES		**12,141,399**	**13,257,185**	**10,297,789**	**668,427**

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Dr. D. Mboweni
Chief Executive Officer

C.L. Moyo CA(Z)
Finance Director

29 May 2024

ECONET Wireless

Abridged consolidated statement of changes in equity

For the year ended 29 February 2024

INFLATION ADJUSTED

All amounts in ZW$ million	Share capital and share premium	Retained earnings	Other reserves	Total	Non-controlling interest	Total
Balance at 28 February 2022	**407,689**	**2,502,375**	**1,482,550**	**4,392,614**	**13,642**	**4,406,256**
Loss for the year	-	(311,971)	-	**(311,971)**	(5,854)	**(317,825)**
	-	**(177,584)**	**4,264,426**	**4,086,842**	**(8,075)**	**4,078,767**
Purchase of treasury shares	-	(161,344)	-	**(161,344)**	-	**(161,344)**
Increase in shareholding of a subsidiary	-	(7,483)	-	**(7,483)**	(8,173)	**(15,656)**
Transfer of revaluation reserve on disposal of property, plant and equipment	-	307	(307)	**-**	-	**-**
Share of other equity movements of associates	-	(9,064)	-	**(9,064)**	-	**(9,064)**
Movements through other comprehensive income	-	-	4,264,733	**4,264,733**	98	**4,264,831**
Balance at 28 February 2023	**407,689**	**2,012,820**	**5,746,976**	**8,167,485**	**(287)**	**8,167,198**
(Loss) / profit for the year	-	(1,096,478)	-	**(1,096,478)**	100	**(1,096,378)**
	942,071	**(268,319)**	**117,292**	**791,044**	**-**	**791,044**
Purchase of treasury shares	-	(291,560)	-	**(291,560)**	-	**(291,560)**
Issue of ordinary shares	942,071	-	-	**942,071**	-	**942,071**
Share of other equity movements of associates	-	23,241	-	**23,241**	-	**23,241**
Movements through other comprehensive income	-	-	117,292	**117,292**	-	**117,292**
Balance at 29 February 2024	**1,349,760**	**648,023**	**5,864,268**	**7,862,051**	**(187)**	**7,861,864**

HISTORICAL COST

All amounts in ZW$ million	Share capital and share premium	Retained earnings / (accumulated losses)	Other reserves	Total	Non-controlling interest	Total
Balance at 28 February 2022	**96**	**2,342**	**59,971**	**62,409**	**219**	**62,628**
(Loss) / profit for the year	-	(11,444)	-	**(11,444)**	132	**(11,312)**
	-	**(8,391)**	**359,002**	**350,611**	**(361)**	**350,250**
Purchase of treasury shares	-	(7,977)	-	**(7,977)**	-	**(7,977)**
Increase in shareholding of a subsidiary	-	(460)	-	**(460)**	(378)	**(838)**
Transfer of revaluation reserve on disposal of property, plant and equipment	-	71	(71)	**-**	-	**-**
Share of other equity movements of associates	-	(25)	-	**(25)**	-	**(25)**
Movements through other comprehensive income	-	-	359,073	**359,073**	17	**359,090**
Balance at 28 February 2023	**96**	**(17,493)**	**418,973**	**401,576**	**(10)**	**401,566**
Loss for the year	-	(790,638)	-	**(790,638)**	(14)	**(790,652)**
	154,555	**(34,534)**	**6,461,875**	**6,581,896**	**-**	**6,581,896**
Purchase of treasury shares	-	(56,547)	-	**(56,547)**	-	**(56,547)**
Issue of ordinary shares	154,555	-	-	**154,555**		**154,555**
Share of other equity movements of associates	-	22,013	-	**22,013**	-	**22,013**
Movements through other comprehensive income	-	-	6,461,875	**6,461,875**	-	**6,461,875**
Balance at 29 February 2024	**154,651**	**(842,665)**	**6,880,848**	**6,192,834**	**(24)**	**6,192,810**

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Abridged consolidated statement of cash flows

For the year ended 29 February 2024

	INFLATION ADJUSTED		HISTORICAL COST	
All amounts in ZW$ million	**2024**	2023	**2024**	2023
Operating activities				
Cash generated from operations	3,912,255	1,377,927	1,504,391	76,456
Income taxes paid	(1,396,424)	(343,963)	(377,791)	(14,755)
Net cash flows from operating activities	**2,515,831**	**1,033,964**	**1,126,600**	**61,701**
Investing activities				
Finance income	78,860	68,647	22,795	2,769
Acquisition of shares in associate	(461)	(5,144)	(31)	(144)
Acquisition of financial assets at amortised cost	(484,051)	(242)	(488,051)	(13)
Acquisition of financial assets at fair value through other comprehensive income	(170,363)	(102,256)	(69,462)	(3,816)
Purchase of property, plant and equipment to expand operating capacity	(1,883,783)	(407,296)	(257,071)	(16,324)
Proceeds from disposal of property, plant and equipment	2,864	17,702	371	328
Net cash flows used in investing activities	**(2,456,934)**	**(428,589)**	**(791,449)**	**(17,200)**
Financing activities				
Finance costs paid	(289,369)	(74,304)	(69,508)	(3,331)
Repayment of lease liabilities	(60,650)	(74,358)	(10,234)	(1,722)
Purchase of treasury shares (share buy backs)	(291,560)	(161,344)	(56,547)	(7,977)
Proceeds from interest bearing debt	529,817	383,106	82,760	18,368
Repayment of debentures	(320,068)	-	(52,510)	-
Repayment of short-term interest bearing debt	(740,447)	(165,351)	(129,030)	(7,446)
Issue of shares	480,613	-	78,849	-
Rights offer costs	(68,244)	-	(11,195)	-
Net cash flows used in financing activities	**(759,908)**	**(92,251)**	**(167,415)**	**(2,108)**
Net increase in cash and cash equivalents	**(701,011)**	**513,124**	**167,736**	**42,393**
Cash and cash equivalents at beginning of year	917,835	404,711	49,088	6,695
Cash and cash equivalents at end of year	**216,824**	**917,835**	**216,824**	**49,088**

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Notes to the abridged consolidated financial statements

For the year ended 29 February 2024

1 Directors' responsibility for financial reporting

The Directors of Econet Wireless Zimbabwe Limited ("the Company") and its subsidiaries ("the Group") are responsible for the maintenance of adequate accounting records, the preparation, integrity and fair presentation of the abridged consolidated financial statements. The consolidated financial statements, on which these abridged consolidated financial statements are based have been audited by BDO Zimbabwe Chartered Accountants who issued an adverse opinion as detailed in Note 17. The audit opinion is available for inspection at Econet Wireless Zimbabwe Limited's registered offices.

In as much as all reasonable care and attention has been taken by the Directors to present information that is meaningful and relevant to the users of the consolidated financial statements, it has not been possible, in some cases, to present financial information that is not contradictory to International Financial Reporting Standards (IFRS) and certain relevant local legislation due to multiple factors in the primary economic environment, including but not limited to the extant legislative framework, the telecommunications industry specific regulations and the economic variables affecting companies operating in Zimbabwe. This has resulted in certain qualifications to these financial statements. Economic variables and conditions changed at an extremely fast pace during the period under review. These circumstances require care and attention by users of financial statements in their interpretation of financial information presented under these conditions.

2 General information

The main business of the Group is mobile telecommunications and related value added services. The abridged consolidated financial statements incorporate subsidiaries and associates.

These financial results are presented in Zimbabwe dollars (ZW$). During the year, management considered indicators specific to the Group in determining its functional currency as required by International Accounting Standard 21 - The Effects of Changes in Foreign Exchange Rates (IAS 21). The indicators provided evidence which may suggest a change in functional currency for the Group to United States dollars for the year ended 29 February 2024.

Management continue to assess the long term sustainability of these indicators in context of the operating environment including but not limited to the introduction of a new local currency, detailed in Note 14, telecommunications sector specific regulations and the basis that tariffs applied by the business were determined in Zimbabwe dollars by the regulator. Consequently, the Group has maintained the Zimbabwe dollar as its functional currency.

3 Statement of compliance

The consolidated financial statements, on which these abridged consolidated financial statements are based were compiled adopting principles from International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Financial Reporting Interpretations Committee (IFRIC) and the Companies and Other Business Entities Act (Chapter 24:31).

The relevant local legislation and multiple factors in the primary economic environment as detailed in Note 1 have a bearing on the valuation of unlisted shares and property, plant and equipment in a manner required by IFRS 13 – Fair Value Measurement and the determination of the Group's functional currency in accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates.

Notes to the abridged consolidated financial statements (continued)

For the year ended 29 February 2024

4 Accounting policies

The principal accounting policies of the Group have been applied consistently in all material respects with those of the previous year unless otherwise stated and except for the adoption of standards and amendments effective for the current period.

The Group adopted a number of other new standards and amendments on 1 March 2023 which however had no material impact on these results.

4.1 Application of IAS 29 - Financial Reporting in Hyperinflationary Economies

These abridged consolidated financial statements have been prepared in accordance with IAS 29 as if the economy had been hyperinflationary from 1 October 2018 as prescribed by the Public Accountants and Auditors Board (PAAB).

IAS 29 discourages the publication of historical cost results as the inflation adjusted results are the primary financial results. However, the historical cost results are included as supplementary information to meet other user requirements. As a result, the auditors have not expressed an opinion on the historical cost information.

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

Since the adoption of IAS 29 on 1 October 2018, the Group adopted the Zimbabwe consumer price index (CPI) as the general price index to prepare inflation adjusted financial statements. However, in the absence of pure Zimbabwe dollar inflation indices since February 2023, the Group estimated monthly CPIs using the Total Consumption Poverty Line published by ZIMSTAT. The estimation of CPIs is permitted by IAS 29 where a general consumer price index is not readily available.

The conversion factors used to restate the consolidated financial statements for the year ended 29 February 2024 are as follows.

	CPI	Conversion factor
1 October 2018	64.06	4 230.42
28 February 2022	4 483.06	60.45
28 February 2023	14 493.45	18.70
29 February 2024	270 996.36	1.00
Average CPI for the year		
28 February 2023	10 835.36	1.54
29 February 2024	63 771.06	7.72

Non-monetary assets and liabilities carried at historical cost have been restated to reflect the change in the general price index from 1 October 2018 to the end of the reporting period. Monetary assets and liabilities; and non-monetary assets and liabilities carried at revalued amounts or linked by agreement to changes in prices have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the statement of profit or loss have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred. A net monetary adjustment was recognised in the statement of profit or loss. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

5 Abridged segment analysis

INFLATION ADJUSTED

All amounts in ZW$ million	**29 February 2024**				28 February 2023			
	Mobile network operations	Invesments and admin	Net eliminations and adjustments	**Total**	Mobile network operations	Invest-ments and admin	Net eliminations and adjustments	**Total**
Revenue from external customers	14,752,552	-	-	**14,752,552**	6,341,701	-	-	**6,341,701**
Depreciation, amortisation and impairment of property, plant and equipment and intangibles	(2,491,143)	-	-	**(2,491,143)**	(1,121,545)	-	-	**(1,121,545)**
Segment (loss) / profit	(1,445,847)	350,790	(1,321)	**(1,096,378)**	(755,830)	419,070	18,935	**(317,825)**
Segment assets	9,364,292	3,034,108	(257,001)	**12,141,399**	10,262,331	3,652,732	(657,878)	**13,257,185**
Segment liabilities	(4,228,007)	(219,831)	168,303	**(4,279,535)**	(4,128,846)	(1,530,321)	569,180	**(5,089,987)**

HISTORICAL COST

All amounts in ZW$ million	29 February 2024				28 February 2023			
	Mobile network operations	Invesments and admin	Net eliminations and adjustments	**Total**	Mobile network operations	Invest-ments and admin	Net eliminations and adjustments	**Total**
Revenue from external customers	3,000,022	-	-	**3,000,022**	267,286	-	-	**267,286**
Depreciation, amortisation and impairment of property, plant and equipment and intangibles	(556,671)	-	-	**(556,671)**	(49,725)	-	-	**(49,725)**
Segment (loss) / profit	(677,780)	(111,551)	(1,321)	**(790,652)**	10,232	(22,557)	1,013	**(11,312)**
Segment assets	7,797,880	2,668,232	(168,323)	**10,297,789**	514,096	184,793	(30,462)	**668,427**
Segment liabilities	(4,053,451)	(219,831)	168,303	**(4,104,979)**	(215,107)	(82,195)	30,441	**(266,861)**

ECONET Wireless

Notes to the abridged consolidated financial statements (continued)

For the year ended 29 February 2024

6 Revenue

Revenue from rendering of services is recognised when the related services are rendered (at a point in time). Revenue from the sale of goods is recognised when control of the goods has transferred, typically at the point the customer purchases the goods at the retail outlet or upon delivery (at a point in time). The Group derives its revenue from contracts with customers for the transfer of goods and services in the following major product lines.

	INFLATION ADJUSTED		HISTORICAL COST	
All amounts in ZW$ million	**2024**	2023	**2024**	2023
Revenue from rendering of services				
- Local airtime	6,019,726	2,635,565	1,163,068	112,582
- Interconnection fees and roaming	878,556	516,289	165,756	22,099
- Data and internet services	5,176,374	2,100,117	1,093,316	87,782
- Value added services and short message services (SMS)	1,382,680	590,151	275,572	24,261
- Other service revenue	1,159,139	438,166	275,615	17,972
Revenue from sale of goods				
- Handset sales and accessories	136,077	61,413	26,695	2,590
	14,752,552	**6,341,701**	**3,000,022**	**267,286**
Gross sales – revenue analysis				
Gross sales	**18,695,064**	**7,947,468**	**3,803,720**	**334,978**
Value added tax (VAT)	(2,380,208)	(993,525)	(486,549)	(41,819)
Excise duty	(1,562,304)	(612,242)	(317,149)	(25,873)
Revenue	**14,752,552**	**6,341,701**	**3,000,022**	**267,286**

7 Depreciation, amortisation and impairment of property, plant and equipment and intangibles

	INFLATION ADJUSTED		HISTORICAL COST	
All amounts in ZW$ million	**2024**	2023	**2024**	2023
Depreciation, amortisation and impairment of property, plant and equipment and intangibles	(2,491,143)	(1,121,545)	(556,671)	(49,725)
- Depreciation of property, plant and equipment	(2,407,005)	(1,028,387)	(532,214)	(46,414)
- Impairment of property, plant and equipment	(37,114)	(543)	(1,956)	(9)
- Depreciation of right-of-use assets	(44,588)	(63,164)	(22,491)	(3,290)
- Amortisation and impairment of intangible assets	(2,436)	(29,451)	(10)	(12)

8 Commitments for capital expenditure

	INFLATION ADJUSTED		HISTORICAL COST	
All amounts in ZW$ million	2024	2023	2023	2023
Authorised and contracted for	582,639	716,375	582,639	38,313
Authorised and not contracted for	150,200	57,149	150,200	3,056
	732,839	**773,524**	**732,839**	**41,369**

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

9 Earnings per share

	INFLATION ADJUSTED		HISTORICAL COST	
All amounts in ZW$ million	**2024**	2023	**2024**	2023
Loss for the year attributable to owners of the Company used in calculation of basic earnings per share	**(1,096,478)**	**(311,971)**	**(790,638)**	**(11,444)**
Adjustment for capital items:				
Loss on disposal of property, plant and equipment	567	3,051	477	166
Impairment of property, plant and equipment and intangible assets	37,114	543	1,956	9
Tax effect on adjustments	(9,315)	(889)	(601)	(43)
Headline loss attributable to owners of the Company	**(1,068,112)**	**(309,266)**	**(788,806)**	**(11,312)**
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share ('000)	2,448,574	2,380,158	2,448,574	2,380,158
Basic loss per share (ZW dollar)	(448)	(131)	(323)	(5)
Headline loss per share (ZW dollar)	(436)	(130)	(322)	(5)

There were no instruments with a dilutive effect on earnings per share at the end of the current and prior period.

10 Financial assets at fair value through other comprehensive income

	INFLATION ADJUSTED		HISTORICAL COST	
All amounts in ZW$ million	**2024**	2023	**2024**	2023
Balance at beginning of year	**2,857,927**	**2,044,687**	**152,848**	**33,825**
Additions	170,363	102,256	69,462	3,816
Fair value (loss) / gain	(513,815)	710,984	2,292,165	115,207
Balance at end of year	**2,514,475**	**2,857,927**	**2,514,475**	**152,848**
Analysis				
Listed shares	799,500	779,827	799,500	41,707
Unlisted shares	1,714,975	2,078,100	1,714,975	111,141
	2,514,475	**2,857,927**	**2,514,475**	**152,848**

Investments in equity instruments are not held for trading. Instead, they are held for strategic purposes. Accordingly, the Directors have elected to designate the equity investments as at fair value through other comprehensive income as they believe that recognising short-term fluctuations in the investments' fair value in profit or loss would not be consistent with the Group's strategy.

The investment in listed shares relates to shares listed on the Zimbabwe Stock Exchange (ZSE). The fair value of the shares is based on the ZSE published share prices i.e. Level 1 inputs.

Notes to the abridged consolidated financial statements (continued)

For the year ended 29 February 2024

10 Financial assets at fair value through other comprehensive income (continued)

Unlisted shares relate to an investment in Liquid Telecommunications Holdings (LTH) domiciled in Mauritius. The fair value of the investment amounting to US$ 115 million (equivalent to ZW$ 1.7 trillion) was determined at year end by the Directors using the earnings before interest, taxation, depreciation and amortisation (EBITDA) multiple valuation technique. In prior year, the fair value of US$ 125 million was determined by the Directors using a similar EBITDA multiple valuation technique.

The EBITDA valuation technique is a comparable valuation method that relies on a multiple of EBITDA derived from listed peers to arrive at an entity's enterprise value. The EBITDA multiple which is a significant input, takes into account management's experience and knowledge of market conditions, size of operations, debt and geographical location amongst other comparable variables. The higher the EBITDA multiple, the higher the fair value. If the EBITDA multiple was higher by 5% while all other variables were held constant, the carrying amount of the investment would increase by US$ 10.6 million (ZW$ 159 billion). Similarly, a 5% reduction in the EBITDA multiple would result in a decrease in the carrying amount of the investment by US$ 10.6 million (ZW$ 159 billion).

Inputs to the valuation of the investment in LTH are classified as Level 3 inputs i.e. inputs which are not based on observable market data. There were no transfers between Level 2 and Level 3 fair value measurements, and no transfers into or out of Level 1 fair value measurements in both current and prior year.

11 Interest-bearing debt

All amounts in ZW$ million			INFLATION ADJUSTED 2024	INFLATION ADJUSTED 2023	HISTORICAL COST 2024	HISTORICAL COST 2023
Borrowing	**Security**	**Effective interest**				
Non-current						
Bank loans	Secured	8% - 16%	102,758	57,430	102,758	3,071
Current						
Debentures	Unsecured	5.6%	-	920,292	-	49,219
Bank loans	Secured	8% - 16%	157,425	316,156	157,425	16,909
			157,425	**1,236,448**	**157,425**	**66,128**
			260,183	**1,293,878**	**260,183**	**69,199**

Debentures

The debentures matured on 30 April 2023, had a tenure of 6 years and a coupon rate of 5% per annum. In August 2023, the Company's shareholders approved a renounceable rights offer of new ordinary shares in the capital of the Company to raise US$30.3 million to redeem the debentures. Following the successful closure of the rights offer, 401 586 371 ordinary shares were issued to retire the debentures in October 2023. Shares issued pursuant to the rights offer commenced trading on the Zimbabwe Stock Exchange on 9 October 2023.

Bank loans

Bank loans were advanced by various financial institutions from August 2022 through to February 2024 and are denominated in United States dollars. Repayments commenced in September 2022 and will continue until full settlement in May 2026. The loans accrue interest at rates ranging between 8% - 16%.

Security pledged include; a first mortgage bond over immovable property (land and buildings); cash cover pledge; notarial special covering bonds over network infrastructure financed by the loans; and subordination of the shareholders' debts.

12 Financial instruments

The carrying amounts of financial instruments as disclosed in the statement of financial position approximate their fair values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique;

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

INFLATION ADJUSTED

All amounts in ZW$ million	Total	Level 1	Level 2	Level 3
At 29 February 2024				
Financial assets at fair value through OCI	**2,514,475**	799,500	-	1,714,975
Financial assets at fair value through profit or loss	**2**	2	-	-
	2,514,477	**799,502**	**-**	**1,714,975**
At 28 February 2023				
Financial assets at fair value through OCI	**2,857,927**	779,827	-	2,078,100
Financial assets at fair value through profit or loss	**46**	46	-	-
	2,857,973	**779,873**	**-**	**2,078,100**

HISTORICAL COST

All amounts in ZW$ million	Total	Level 1	Level 2	Level 3
At 29 February 2024				
Financial assets at fair value through OCI	**2,514,475**	799,500	-	1,714,975
Financial assets at fair value through profit or loss	**2**	2	-	-
	2,514,477	**799,502**	**-**	**1,714,975**
At 28 February 2023				
Financial assets at fair value through OCI	**152,848**	41,707	-	111,141
Financial assets at fair value through profit or loss	**2**	2	-	-
	152,850	**41,709**	**-**	**111,141**

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements in both current and prior year.

Notes to the abridged consolidated financial statements (continued)

For the year ended 29 February 2024

13 Contingencies

Contingent tax liabilities

The Group is regularly subject to an evaluation by tax authorities on its direct and indirect tax filings and has pending matters with the tax authorities arising from the normal course of business.

The consequence of such reviews and pending matters is that disagreements can arise with tax authorities over the interpretation or application of certain tax rules applicable to the Group's business. Such disagreements may not necessarily be resolved in a manner that is favourable to the Group. Additionally, the resolution of the disputes and pending matters could result in an obligation to the Group.

The Directors have assessed the status of the contingent liabilities arising from the tax authorities and do not anticipate any material liabilities that may have an impact on these consolidated financial statements.

14 Events after the reporting date

Proposed scheme to acquire EcoCash businesses

Subsequent to year end, the Company finalised an agreement with EcoCash Holdings Zimbabwe Limited, an associate company, to acquire its 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.

The Company acquired the businesses to develop them and leverage synergies that include the subscriber base of the mobile network operations and delivery channel to fully develop their sustainable value creation competitiveness.

Introduction of a new national currency

On 5 April 2024, the monetary authorities announced the immediate introduction of a new currency, the Zimbabwe Gold (ZiG), which replaced the Zimbabwe dollar as the national currency. Statutory Instrument 60 of 2024 was promulgated prescribing the conversion of Zimbabwe dollars to ZiG with effect from 5 April 2024 and replaced the Zimbabwe dollar as legal tender for settling all transactions and debts, private and public.

The Group is still assessing the impact of the currency change on its functional and reporting currency.

15 Related party transactions

Transactions

	INFLATION ADJUSTED		HISTORICAL COST	
All amounts in ZW$ million	**2024**	2023	**2024**	2023
Transactions with members of Econet Global Limited Group				
Sale of goods and services to fellow subsidiaries	582,156	303,120	116,345	12,753
Sale of goods and services to associates	146,641	93,508	25,023	3,779
Purchase of goods and services from associates	(425,632)	(154,027)	(96,242)	(6,246)
Purchase of goods and services from fellow subsidiaries	(1,916,947)	(1,069,779)	(378,064)	(46,942)

Balances

	INFLATION ADJUSTED		HISTORICAL COST	
All amounts in ZW$ million	**2024**	2023	**2024**	2023
Amounts receivable from the parent	-	26,067	-	1,394
Amounts owed to fellow subsidiaries	(185,514)	(278,288)	(185,514)	(14,883)
Amounts receivable from fellow subsidiaries	11,013	11,487	11,013	614
Amounts owed to associates	(1,119)	(3,137)	(1,119)	(168)
Amounts receivable from associates	197,664	683,600	197,664	36,560
Amounts receivable from Econet Wireless Zimbabwe Group Pension Fund	24,341	36,344	24,341	1,944
Net amount receivable	**46,385**	**476,073**	**46,385**	**25,461**

During the year, ZW$ 33.7 billion (2023: ZW$ 41.2 billion) receivable from associates was impaired to profit or loss as potentially irrecoverable. The amounts are included in other impairments.

The Group retains legal claims to recover the balance due should the financial circumstances of the counter parties improve. The assessment of the recoverability of receivables is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate.

Notes to the abridged consolidated financial statements (continued)

For the year ended 29 February 2024

16 Going concern

The prevailing macro-economic conditions within the country have continued to negatively affect the business operating environment. The adverse conditions, which include; shortages of foreign currency; continued weakening of the local currency and price instability had a bearing on the performance of the business.

The depreciation of the local currency during the year had a negative impact on the Group's financial performance. Exchange losses of ZW$ 3.2 trillion (2023: 1.4 trillion) were incurred resulting in a loss before tax of ZW$ 0.6 trillion. The Group's negative working capital position of ZW$ 1.1 trillion is also attributed to unrealised exchange losses on foreign currency denominated obligations associated with the ongoing network infrastructure upgrade.

The Directors and management are continuously monitoring and evaluating the operating environment to re-assess and appropriately adapt its strategies to ensure the continued operation of the Group into the foreseeable future. Some of the key strategies include;

- negotiating with vendors and funders to structure long term funding options for the business commensurate with the long term nature of the funded network equipment; and
- continue to engage the regulator, Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) to align the telecoms industry cost structure, including exposure to foreign exchange losses, with tariffs.

The Group's exposure to foreign currency denominated obligations is mitigated by non-current financial assets at amortised cost and financial assets at fair value through other comprehensive income with a combined carrying amount of ZW$ 3.1 trillion largely denominated in foreign currency. Should the need arise, the non-current assets can be utilised to generate additional foreign currency to settle the foreign obligations.

The Directors have reviewed the Group's cash flow forecasts to 30 April 2025 and, in light of this review, the current financial position and undrawn facilities, are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

17 Audit opinion

The abridged inflation adjusted consolidated financial results should be read in conjunction with the full set of consolidated financial statements for the year ended 29 February 2024, which have been audited by BDO Zimbabwe Chartered Accountants. An adverse opinion has been issued thereon in respect of the following:

- Non-compliance with IAS 21, The Effects of Changes in Foreign Exchange Rates.

The Group's functional currency changed from ZWL to USD during the year based on the indicators stated in IAS 21, but it maintained ZWL as its functional currency on the basis that the tariffs applied by the business were determined by the regulator (POTRAZ) in ZWL. The effect of the non-compliance with IAS 21 could not be precisely quantified but is considered material and pervasive to the financial statements.

The audit report also includes key audit matters. The key audit matters were on:

- Revenue recognition;
- Valuation of property, plant and equipment; and
- Valuation of unlisted investments at fair value through other comprehensive income.

The engagement partner for the audit is Mr Jonas Jonga (PAAB Practicing Number 0438).

Directorate, corporate and advisory information

Directors

Dr. J. Myers - Non Executive Chairman,
Dr. D. Mboweni - Chief Executive Officer,
Mr. R. Chimanikire - Deputy Chief Executive Officer,
Dr. J. Chimhanzi - Non Executive,
Mr. M. Gasela - Non Executive,
Mr. G. Gomwe - Non Executive,
Ms. E.T. Masiyiwa - Non Executive,
Ms. B. Mtetwa - Non Executive,
Mr C.L. Moyo - Finance Director,
Ms T. Moyo - Non Executive,
Mr. H. Pemhiwa - Non Executive.

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BDO Zimbabwe Chartered Accountants
Registered Public Auditors
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Harare, Zimbabwe

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Cairo 11341, Egypt

CBZ Bank Limited
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Harare, Zimbabwe

Stanbic Bank
Stanbic Centre, 59 Samora Machel Avenue,
Harare, Zimbabwe

Steward Bank Limited
75 Livingstone Avenue, Harare, Zimbabwe

EcoBank Limited
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Harare, Zimbabwe

Principal legal advisors

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ECONET WIRELESS ZIMBABWE LIMITED

Adverse Opinion
We have audited the consolidated inflation adjusted financial statements of **ECONET WIRELESS ZIMBABWE LIMITED and its subsidiaries (the Group)** set out on pages 5 to 80, which comprise the consolidated statement of financial position as at 29 February 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed under the basis for Adverse Opinion paragraph, the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of **ECONET WIRELESS ZIMBABWE LIMITED as** at 29 February 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-compliance with IAS 21, The Effects of Changes in Foreign Exchange Rates

The Group did not comply with the requirements of International Accounting Standard 21, "The Effects of Changes in Foreign Exchange Rates" (IAS 21), in the determination of its functional currency. The Group's functional currency changed from ZWL to USD during the year based on the indicators stated in IAS 21, but it maintained ZWL as the functional currency because the tariffs applied by the business were determined in ZWL by the regulator. Our independent assessment confirmed that the functional currency of the Group had changed from ZWL to USD during the year. This constitutes a departure from IAS 21 as the conditions for a change in functional currency had been met. The effect of the non-compliance with IAS 21 could not be quantified but is considered to be material and pervasive to the financial statements.

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

Key audit matter	Audit response
a) Revenue recognition The application of IFRS 15, Revenue from Contracts with Customers, requires the use of a complex accounting system which is compounded by the vast number of revenue transactions that are accounted for. The occurrence, accuracy and completeness of amounts recorded as revenue is an inherent industry risk due to the complexity of billing systems, accounting for new products and plans including multiple element arrangements and the combination of products sold and tariff structure changes during the year. The Group's revenue streams are characterised by high volumes of transactional data. The revenue system is highly automated, complex in nature, dynamic and therefore requires numerous automated related checks and balances. Due to the varying terms and conditions, the revenue recognition is complex as a result of the following: • Accounting treatment for principal and agent relationships; • Treatment of discounts, incentives and commissions; • The potential impact of seemingly small errors becoming significant due to the possibility of automated replication through the large volumes of transactions; and • The deferral of revenue which is dependent on various automated systems, and processes which are complex in nature.	To address these matters, we performed the following procedures: • Evaluated the design and implementation of controls. • Performed tests on the operating effectiveness of controls pertaining to the recognition of revenue. • Reviewed principal and agent contracts and the related accounting treatment. • Tested the process of updating and application of new tariff plans and the controls in the billing process. • Analysed and verified transactional data. • Our IT specialists tested the design, implementation and operating effectiveness of the general IT and key automated controls of the relevant billing environments. • Our data Analytics specialists independently recomputed the revenue and deferred revenue using data analytical methods. • Performed detailed substantive testing of material journal entries affecting revenue to ensure these were appropriately authorised, complete and accurate. • Inspected a sample of underlying data for completeness and accuracy. • For a sample of contracts, reviewed the contract terms and assessed against the 5-step approach of IFRS 15; and • Reviewed the financial statements to ensure compliance with presentation and disclosure requirements of IFRS 15.

We therefore considered revenue recognition to be a key audit matter.	
b) Valuation of property, plant, and equipment The carrying amount of the group's property, plant and equipment was ZWL6,061,509,000,000 as at 29 February 2024. The Group's property, plant, and equipment is carried at fair value. The valuation of the Group's property, plant and equipment is inherently subjective due to judgements and assumptions applied on inputs into the valuation process the specialized nature of some of the equipment. We therefore consider the valuation of property, plant, and equipment to be a key audit matter due to the significance of the balances of property, plant and equipment and the use of judgement and estimation involved in the valuation process.	In addressing this matter, we performed the following procedures: • We obtained an understanding of the approach followed by the independent valuers and interrogated their assumptions. • We assessed if the valuation approach was in accordance with acceptable valuation standards and suitable for use in determining the value of property, plant, and equipment. • We assessed the valuer's qualifications, expertise, objectivity, and experience with similar valuations. • We assessed the reasonableness of assumptions and judgements applied by valuer and the accuracy of data used in the valuation models. • We assessed the inputs in the valuation model for accuracy and completeness. • We reviewed the property and equipment accounting policies and disclosures in the consolidated financial statements for appropriateness and adequacy.
c) Valuation of investments at fair value through other comprehensive income The carrying value of unquoted shares classified under investments at fair value through other comprehensive income amounted to ZWL1,714,975,335,000 at 29 February 2024. The investments at fair value through other comprehensive income comprehensive income are classified as level 3 financial instruments in the fair value hierarchy. Valuation techniques employed involve the use significant judgement and assumptions. Valuation results can vary significantly when different valuation techniques and assumptions are applied. Valuation of these financial instruments is considered a key audit matter due to the significance of the balance, the level of judgement associated with determining the fair values and that it is a management valuation.	To assess the valuation of the unlisted investments, we performed the following procedures: • Our internal valuation specialists reperformed an independent valuation of the investments • We assessed management objectivity and experience in carrying out similar valuations. • We tested the accuracy and completeness of the input data used by management. • We assessed the reasonableness of forecast future cash flows; discount rates or yields used to determine present values of the future cash flows. • We recomputed the future cash flows and compared with management's calculations. • We performed sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in these key assumptions.

Other information

The Directors are responsible for other information. The other information comprises of the Chairman's Statement, Report of the Directors, Corporate Governance Statement, Director's Responsibility Statement and Sustainability Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon**.**

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on other information that we have obtained prior to the date of the Auditor's Report, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue operating as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on legal and regulatory requirements
The accompanying financial statements were not prepared in accordance with the requirements of section 273 of the Companies and Other Business Entities Act (Chapter 24:31) due to non-compliance with IAS 21, The Effects of Changes in Foreign Exchange Rates

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

BDO Zimbabwe

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BDO Zimbabwe Chartered Accountants
3 Baines Avenue,
Harare
29 May 2024
Jonas Jonga CA(Z) (PAAB Practicing Number 0438)
Registered Public Auditor
Partner