



## 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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### TIP-OFFS ANONYMOUS

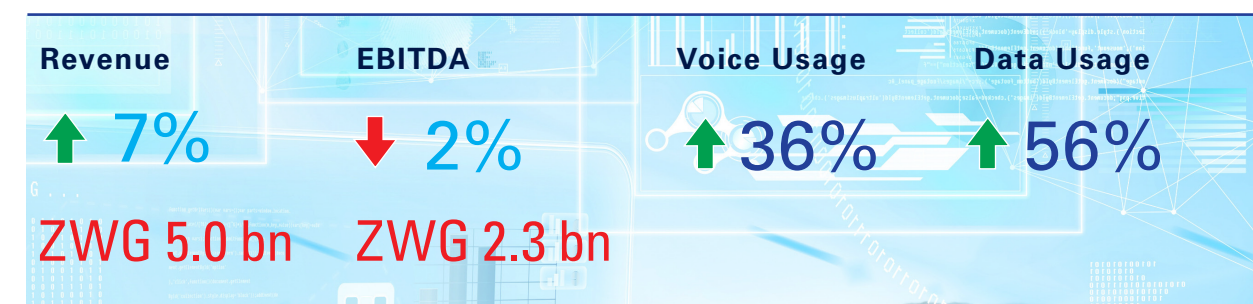
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## FINANCIAL HIGHLIGHTS



## CHAIRMAN'S STATEMENT

### Introduction

The re-integration of the fintech business into our Mobile Network Operations has enabled us to leverage synergies to enhance customer experience, expand our ecosystem and drive growth.

Our digital transformation journey over the years continues to yield positive results as we adopt new operating models that are driving operational excellence. The business has repositioned itself to address the impact of emerging technologies by deploying 4G/5G technologies in addition to offering competitively priced bundled services. We introduced SmartBiz, a package that offers unlimited internet packages at affordable prices.

### Network infrastructure modernization

The continued network infrastructure modernization programme has had a positive impact on the business as we launched initiatives to improve customer experience and launch new business lines. The upgrade of our core network is proceeding as planned. The upgrade will

provide increased network performance as well as unlocking new capabilities that will allow the business to offer new, exciting and personalized services for our customers as well as support the transition to a full digital services provider.

In working towards our vision of "a digitally connected future that leaves no Zimbabwean behind", we have deployed an additional 32 5G base stations in Harare with an additional 120 sites planned. With this densification, the maximum user throughput has increased significantly, and the business is already realizing significant traffic growth in combined data market share, improved quality of service and user throughputs. We expect that this aggressive roll out of next generation data connectivity will allow us to improve user experiences and increase our ability to compete at a level of quality and capacity that is truly world class.

We continue investing in alternative and green power solutions as the national grid power supply remains erratic. The ongoing initiatives include the upgrade of alternative power for our data centres to ensure uninterrupted services to our customers.

## CHAIRMAN'S STATEMENT (CONTINUED)

### Environmental, Social and Governance (ESG)

Contributing to a sustainable future remains a key imperative of the Group and our ESG framework, which is aligned with global sustainable development goals, ensures that we are well-positioned for the challenges and opportunities ahead. We continue to drive digital inclusion by prioritizing stakeholder value, keeping our customer promise, fostering community development, and addressing climate change, to create a more equitable and sustainable world.

We continue to work with Higherlife Foundation to assist orphaned and vulnerable children by giving them access to educational opportunities. In addition, Higherlife Foundation delivered vital equipment to three major hospitals in the country and supported training to improve maternal health outcomes.

### Financial performance

The Group acquired the financial technology businesses from EcoCash Holdings. Further details of the transaction were shared in our Circular to Shareholders. The financial results of the acquired businesses were, with effect from 1 March 2024, consolidated as subsidiaries into the Group results and are reported as the Mobile Money and InsurTech segments.

### Mobile Network Operations (MNO)

Data and voice usage grew by 56% and 36%, respectively, relative to the first half of last year, enabled by the ongoing network modernization. Demand for data continued an upward trajectory and translated to a revenue contribution of 47% against 38% at the previous comparative period, while voice revenue contribution reduced to 41%

from 49% largely on account of the increase in data usage.

Capital expenditure for the period which was largely channeled towards the modernization of the network infrastructure amounted to 26% of revenue against a prior period comparative of 10%. The shift in customer needs from traditional services such as voice and short message services (SMS) to data intensive services underscores the need for the business to be innovative and to invest appropriately to ensure that customer experience is not compromised. Network expansion and upgrades which all require foreign currency remain imperative to support business sustainability and offer competitive services.

### Financial technology (FinTech)

Anchored by the mobile money and the insurance businesses, the FinTech segment has been actively pursuing opportunities to expand its customer reach. The mobile money business recorded a 26% growth in revenue, driven by an increase in subscribers. Wallet funding increased by 47% driven by a combination of increased cash-in transactions, payroll processing into wallets and international remittance receipts. Efforts to onboard more payment partners are ongoing, as the business aims to establish a payment platform that prioritizes convenience and value for customers. The growth in mobile money volumes and transactions reflects gains we continue to make towards improved financial inclusion.

The InsurTech business achieved a marginal 3% revenue growth compared to the same period last year. The life insurance business continues to offer affordable funeral cover accessible exclusively on mobile phones. Growth in revenue for the short-term insurance business against the prior year



was driven largely by new business acquisitions and endorsements. The InsurTech business also saw favorable claims ratios compared to industry benchmarks over the period, reflecting sound operational efficiencies and effective risk management practices.

### Dividend

The Company declared and paid interim dividends of 0.41 US cents and 0.26 US cents for the half year in respect of all the qualifying ordinary shares of the Company.

### Outlook

By leveraging synergies between the MNO and FinTech businesses, the Group has set itself to be in a strong position to grow faster, diversify our product offering and continue creating shareholder value, whilst responding to the evolving needs of our customers.

The Group remains focused on leveraging emerging technologies to enhance our service offerings. The ongoing network modernization and increased 5G footprint positions us to deliver faster and more reliable services. The modernised network will

offer more capabilities and better support AI-driven tools which will enable delivery of personalized customer services through intelligent chatbots and optimize network performance through real-time analytics. By harnessing the power of AI, we aim to create a more intuitive and seamless experience for our customers across all business segments.

### Appreciation

On behalf of the Board, I would like to extend my appreciation to my fellow Directors, management and staff for their continued commitment towards the vision of our business. I wish to also extend the Board's profound appreciation to our customers and stakeholders who continue to support the Group in various ways.

### By order of the Board of Directors

**Dr. J. Myers**  
**Chairman of the Board**

24 October 2024

## ABRIDGED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 August 2024

All amounts in ZWG million	Note	Unreviewed [Note]	
		31 Aug 2024	31 Aug 2023
<b>Revenue</b>	<b>6</b>	<b>5,027</b>	<b>4,710</b>
Other income		170	18
Share of loss of associates		-	(1)
Direct network and technology operating costs		(966)	(1,099)
Other direct operating costs		(551)	(226)
Costs of handsets and other accessories		(31)	(140)
Marketing and sales expenses		(211)	(109)
Impairment of trade receivables		(27)	(65)
Staff costs		(439)	(458)
Other expenses		(659)	(266)
<b>Profit before interest, taxation, depreciation, amortisation, impairment, exchange losses and monetary adjustment</b>		<b>2,313</b>	<b>2,364</b>
Depreciation, amortisation and impairment of property, plant and equipment and intangibles	<b>7</b>	(767)	(778)
Other impairments		(35)	(34)
Loss arising from loss in significant influence over an associate		(34)	-
Exchange losses		(773)	(1,608)
Monetary adjustment		23	674
Finance income		52	45
Finance costs		(71)	(94)
<b>Profit before tax</b>		<b>708</b>	<b>569</b>
Income tax expense		(361)	(297)
<b>Profit for the period</b>		<b>347</b>	<b>272</b>
<b>Profit for the period attributable to</b>			
Equity holders of the parent		342	272
Non-controlling interest		5	-
		<b>347</b>	<b>272</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value gain on investments at FVTOCI, net of tax		615	1,252
Gain on property revaluation, net of tax		-	2,001
Share of other comprehensive income of associate		-	85
		<b>615</b>	<b>3,338</b>
<b>Other comprehensive income attributable to</b>			
Equity holders of the parent		615	3,338
Non-controlling interest		-	-
		<b>615</b>	<b>3,338</b>
<b>Total profit or loss and other comprehensive income attributable to</b>			
Equity holders of the parent		957	3,610
Non-controlling interest		5	-
		<b>962</b>	<b>3,610</b>
<b>Basic and diluted earnings per share (ZWG)</b>	<b>9</b>	<b>0.12</b>	<b>0.12</b>

[Note] Prior period comparatives were previously reported in ZWL as reviewed for the six months ended 31 August 2023 and audited for the year ended 29 February 2024. The ZWL amounts were translated to ZWG on change in functional currency detailed in Note 4.1.

## ABRIDGED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 August 2024

All amounts in ZWG million	Note	Unreviewed [Note]	
		31 Aug 2024	29 Feb 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		4,372	4,027
Right-of-use assets		674	245
Investment properties		23	22
Intangible assets		220	204
Deferred tax assets		17	-
Investment in associates		-	380
Financial assets at fair value through other comprehensive income	<b>10</b>	2,198	1,670
Financial assets at amortised cost		192	378
<b>Total non-current assets</b>		<b>7,696</b>	<b>6,926</b>
<b>Current assets</b>			
Inventories		150	96
Trade and other receivables		2,134	899
Financial assets at fair value through profit or loss		168	-
Mobile money deposits		814	-
Cash and cash equivalents		718	144
		<b>3,984</b>	<b>1,139</b>
Assets classified as held for sale		26	-
<b>Total current assets</b>		<b>4,010</b>	<b>1,139</b>
<b>Total assets</b>		<b>11,706</b>	<b>8,065</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital and share premium		897	897
(Accumulated losses) / retained earnings		(587)	430
Other reserves		4,511	3,896
Equity attributable to equity holders of the parent		4,821	5,223
Non-controlling interest		17	-
<b>Total equity</b>		<b>4,838</b>	<b>5,223</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		398	643
Lease liabilities		544	201
Interest-bearing debt	<b>11</b>	68	68
Provisions		43	54
<b>Total non-current liabilities</b>		<b>1,053</b>	<b>966</b>
<b>Current liabilities</b>			
Deferred revenue		551	280
Provisions		12	11
Trade and other payables		3,409	1,155
Lease liabilities		156	53
Mobile money liabilities		814	-
Interest-bearing debt	<b>11</b>	207	105
Income taxes payable		666	272
<b>Total current liabilities</b>		<b>5,815</b>	<b>1,876</b>
<b>Total liabilities</b>		<b>6,868</b>	<b>2,842</b>
<b>Total equity and liabilities</b>		<b>11,706</b>	<b>8,065</b>

[Note] Prior period comparatives were previously reported in ZWL as reviewed for the six months ended 31 August 2023 and audited for the year ended 29 February 2024. The ZWL amounts were translated to ZWG on change in functional currency detailed in Note 4.1.

**Dr. D. Mboweni**  
Chief Executive Officer

**C.L. Moyo CA(Z)**  
Finance Director

24 October 2024

## ABRIDGED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 August 2024

All amounts in ZWG million	Unreviewed [Note]					Total
	Share capital and share premium	Retained earnings / (accumulated losses)	Other reserves	Total	Non-controlling interest	
<b>Balance at 28 February 2023</b>	<b>271</b>	<b>1,337</b>	<b>3,818</b>	<b>5,426</b>	-	<b>5,426</b>
Profit for the period	-	272	-	272	-	272
	-	(70)	3,338	3,268	-	3,268
Purchase of treasury shares	-	(71)	-	(71)	-	(71)
Share of revaluation reserve of associate	-	-	85	85	-	85
Share of other equity movements of associate	-	1	-	1	-	1
Movements through other comprehensive income	-	-	3,253	3,253	-	3,253
<b>Balance at 31 August 2023</b>	<b>271</b>	<b>1,539</b>	<b>7,156</b>	<b>8,966</b>	-	<b>8,966</b>
<b>Balance at 29 February 2024</b>	<b>897</b>	<b>430</b>	<b>3,896</b>	<b>5,223</b>	-	<b>5,223</b>
Profit for the period	-	342	-	342	5	347
	-	(1,359)	615	(744)	12	(732)
Acquisition of subsidiaries	-	(248)	-	(248)	12	(236)
Purchase of treasury shares	-	(914)	-	(914)	-	(914)
Dividends paid	-	(197)	-	(197)	-	(197)
Movements through other comprehensive income	-	-	615	615	-	615
<b>Balance at 31 August 2024</b>	<b>897</b>	<b>(587)</b>	<b>4,511</b>	<b>4,821</b>	<b>17</b>	<b>4,838</b>

[Note] Prior period comparatives were previously reported in ZWL as reviewed for the six months ended 31 August 2023 and audited for the year ended 29 February 2024. The ZWL amounts were translated to ZWG on change in functional currency detailed in Note 4.1.

## ABRIDGED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the half year ended 31 August 2024

All amounts in ZWG million	Unreviewed [Note]	
	31 Aug 2024	31 Aug 2023
<b>Operating activities</b>		
Cash generated from operations	2,293	884
Income taxes paid	(311)	(413)
<b>Net cash flows generated from operating activities</b>	<b>1,982</b>	<b>471</b>
<b>Investing activities</b>		
Acquisition of subsidiaries	51	-
Acquisition of property, plant and equipment	(730)	(491)
Proceeds from disposal of property, plant and equipment	4	1
Proceeds from disposal of financial assets at fair value through OCI	443	-
Acquisition of financial assets at amortised cost	(15)	-
Acquisition of financial assets at fair value through other comprehensive income	-	(23)
Acquisition of shares in associate	-	(1)
<b>Net cash flows used in investing activities</b>	<b>(247)</b>	<b>(514)</b>
<b>Financing activities</b>		
Purchase of treasury shares	(914)	(71)
Finance costs paid	(32)	(36)
Dividend paid	(197)	-
Proceeds from interest-bearing debt	121	279
Repayment of interest-bearing debt	(112)	(273)
Repayment of lease liabilities	(27)	(60)
<b>Net cash flows used in financing activities</b>	<b>(1,161)</b>	<b>(161)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>574</b>	<b>(204)</b>
Cash and cash equivalents at beginning of period	144	1,523
<b>Cash and cash equivalents at end of period</b>	<b>718</b>	<b>1,319</b>

[Note] Prior period comparatives were previously reported in ZWL as reviewed for the six months ended 31 August 2023 and audited for the year ended 29 February 2024. The ZWL amounts were translated to ZWG on change in functional currency detailed in Note 4.1.

# NOTES TO THE ABRIDGED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 August 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 interim financial statements.

During the period, the monetary authorities introduced a new currency, the Zimbabwe Gold (ZWG). Transactions and balances denominated in the old currency, ZWL, were converted to ZWG using the guidance issued by the monetary authorities and the Institute of Chartered Accountants of Zimbabwe (ICAZ) detailed in Note 4.1. The Directors caution users of the financial information on the usefulness of the converted ZWL amounts considering distortions that arise when reporting in a hyperinflationary economy.

## 2. General information

The Group with effect from 1 March 2024 acquired financial technology businesses from EcoCash Holdings Zimbabwe Limited as detailed in Note 17. In addition to mobile telecommunications and related overlay services, the main businesses of the Group now include; mobile money transfer and payments services, funeral and life insurance, and short term insurance. The abridged consolidated interim financial statements incorporate subsidiaries and associates.

These financial results are presented in Zimbabwe Gold (ZWG). During the year, management considered indicators specific to the Group to determine 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 half year ended 31 August 2024.

Management continue to assess the long term sustainability of these indicators in context of the operating environment including but not limited to; telecommunications sector specific regulations and the basis that tariffs applied by the business are determined in ZWG by the regulator. Consequently, the Group has maintained the ZWG as its functional currency.

The comparative information presented in these abridged consolidated interim financial statements is not entirely comparable to the current period as it does not include the financial results of the businesses acquired during the period.

## 3. Statement of compliance

The abridged consolidated interim financial statements 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 abridged consolidated interim financial statements should be read in conjunction with the financial statements for the year ended 29 February 2024 which are available on the Company’s website.

## 4. Material 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 2024 which however had no material impact on these results.

### 4.1 Application of International Accounting Standard 29 - Financial Reporting in Hyperinflationary Economies (IAS 29)

Pursuant to the introduction of the ZWG as the new national currency and the related transition guidance issued by the monetary authorities and the Institute of Chartered Accountants of Zimbabwe (ICAZ), the Group ceased the application of IAS 29 with effect from 5 April 2024. According to the ICAZ guidance, there is insufficient evidence to conclude that the economy is still hyperinflationary. IAS 29 was applied to Zimbabwe dollar (ZWL) opening balances, transactions up to, and balances at 5 April 2024 before being converted to ZWG using a factor of 2 498.72 stipulated by the monetary authorities. The following conversion factors were applied by the Group to transactions and balances denominated in ZWL up to the date of conversion to ZWG.

	CPI <sup>[1]</sup>	Conversion factor
28 February 2023	14 493.45	31.04
31 August 2023	42 024.99	10.70
29 February 2024	270 996.36	1.66
31 March 2024	449 816.68	1.00

[1] In the absence of pure Zimbabwe dollar consumer price index (CPI), 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.

These abridged consolidated interim financial statements have therefore been prepared on a historical cost basis with the exception of certain financial assets and liabilities measured at fair value in accordance with the Group’s accounting policies.

## NOTES TO THE ABRIDGED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the half year ended 31 August 2024

### 5. Abridged segment analysis

The Group's reportable segments are shown in the table below.

Reportable segments	Operations
Mobile network operations	Mobile telecommunications and related overlay services
Mobile money	Mobile money transfer and payments services
Insurance	Funeral and life insurance, and short term insurance

Investments and other includes investment vehicles and the Group's holding company. Information related to each reportable segment is summarised below.

All amounts in ZWG million	Unreviewed					Total
	Mobile network operations	Mobile money	Insurance	Investments and other	Net eliminations and adjustments	
<b>31 Aug 2024</b>						
Revenue from external customers	4,381	506	160	22	(42)	<b>5,027</b>
Depreciation, amortisation and impairment of property, plant and equipment and intangibles	(745)	(17)	(1)	(4)	-	<b>(767)</b>
Segment profit / (loss)	894	(38)	42	(551)	-	<b>347</b>
Segment assets	8,699	1,450	302	2,868	(1,613)	<b>11,706</b>
Segment liabilities	(4,309)	(1,170)	(220)	(2,091)	922	<b>(6,868)</b>
<b>31 Aug 2023</b>						
Revenue from external customers	4,710	-	-	-	-	<b>4,710</b>
Depreciation, amortisation and impairment of property, plant and equipment and intangibles	(778)	-	-	-	-	<b>(778)</b>
Segment profit	161	-	-	111	-	<b>272</b>
Segment assets	10,329	-	-	4,460	(579)	<b>14,210</b>
Segment liabilities	(4,080)	-	-	(1,685)	520	<b>(5,245)</b>

### 6. Revenue

Revenue from rendering of services with the exception of insurance contract revenue, is recognised when the related services are rendered (at a point in time). Insurance contracts revenue is recognised from the date of attached risk, over the indemnity period (over 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.

All amounts in ZWG million	Unreviewed	
	31 Aug 2024	31 Aug 2023
Revenue from rendering of services		
- Local airtime	1,651	2,025
- Interconnection fees and roaming	206	310
- Data and internet services	1,862	1,582
- Value added services and short message services (SMS)	375	505
- Mobile money	367	-
- Insurance	160	-
- Other service revenue	363	248
Revenue from sale of goods		
- Handset sales and accessories	43	40
	<b>5,027</b>	<b>4,710</b>
<b>Gross sales – revenue analysis</b>		
Gross sales	6,271	5,965
Value added tax (VAT)	(753)	(754)
Excise duty	(491)	(501)
<b>Revenue</b>	<b>5,027</b>	<b>4,710</b>

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

All amounts in ZWG million	Unreviewed	
	31 Aug 2024	31 Aug 2023
Depreciation of property, plant and equipment	(722)	(755)
Amortisation of intangible assets	(12)	(10)
Depreciation of right-of-use assets	(33)	(13)
	<b>(767)</b>	<b>(778)</b>

### 8. Commitments for capital expenditure

All amounts in ZWG million	Unreviewed	
	31 Aug 2024	31 Aug 2023
Authorised and contracted for	717	923
Authorised and not contracted for	685	845
	<b>1,402</b>	<b>1,768</b>

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

## NOTES TO THE ABRIDGED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the half year ended 31 August 2024

### 9. Earnings per share

All amounts in ZWG million	Unreviewed	
	31 Aug 2024	31 Aug 2023
Profit for the period attributable to equity holders of the parent for basic earnings per share	342	272
Adjustments for capital items		
- (Profit) / loss on disposal of property, plant and equipment	(4)	2
- Loss arising from loss in significant influence over an associate	34	-
- Tax effect on adjustments	(8)	(1)
<b>Profit for the period attributable to equity holders of the parent for headline earnings per share</b>	<b>364</b>	<b>273</b>
Weighted average number of ordinary shares for the purposes of basic earnings per share calculation ('000)	2,894,154	2,348,873
<b>Basic earnings per share (ZWG)</b>	<b>0.12</b>	<b>0.12</b>
<b>Headline earnings per share (ZWG)</b>	<b>0.13</b>	<b>0.12</b>

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

All amounts in ZWG million	Unreviewed	
	31 Aug 2024	29 Feb 2024
<b>Balance at beginning of period</b>	<b>1,670</b>	<b>1,898</b>
Reclassified from investments in associate	380	-
Additions	-	113
Disposals	(443)	-
Fair value adjustment	591	(341)
<b>Balance at end of period</b>	<b>2,198</b>	<b>1,670</b>
<b>Analysis</b>		
Listed shares	605	531
Unlisted shares	1,593	1,139
	<b>2,198</b>	<b>1,670</b>

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.

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 ZWG 1.6 billion) was determined at 29 February 2024 by the Directors using the earnings before interest, taxation, depreciation and amortisation (EBITDA) multiple valuation technique. The Directors have determined that the fair value determined as at 29 February 2024 approximates the fair value of the investment at 31 August 2024.

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 during both current and prior period.

### 11. Interest-bearing debt

All amounts in ZWG million	Security	Effective interest	Unreviewed	
			31 Aug 2024	29 Feb 2024
<b>Non-current</b>				
Bank loans	Secured	7.3% - 16.3%	68	68
<b>Current</b>				
Bank loans	Secured	7.3% - 16.3%	207	105
			<b>275</b>	<b>173</b>

#### Bank loans

Bank loans were advanced by various financial institutions from October 2022 through to August 2024 and are denominated in United States dollars. Repayments commenced in October 2022 and will continue until full settlement in May 2027. Security pledged include; a first mortgage bond over immovable property (land and buildings); 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.

All amounts in ZWG million	Total	Unreviewed		
		Level 1	Level 2	Level 3
<b>At 31 August 2024</b>				
Financial assets at fair value through OCI	<b>2,198</b>	605	-	1,593
Financial assets at fair value through profit or loss	<b>168</b>	168	-	-
	<b>2,366</b>	<b>773</b>	-	<b>1,593</b>
<b>At 29 February 2024</b>				
Financial assets at fair value through OCI	<b>1,670</b>	531	-	1,139
Financial assets at fair value through profit or loss	-	-	-	-
	<b>1,670</b>	<b>531</b>	-	<b>1,139</b>

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 period.

## NOTES TO THE ABRIDGED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the half year ended 31 August 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 businesses. Such disagreements may not necessarily be resolved in a manner that is favourable to the Group. In addition, 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 abridged consolidated interim financial statements.

### 14. Events after the reporting date

#### Depreciation of the Zimbabwe Gold

Subsequent to period end, the Zimbabwe Gold (ZWG) depreciated against the United States dollar (USD). The abridged consolidated interim financial statements were authorised for issue on 24 October 2024 when the exchange rate was USD 1: ZWG 27.4. The depreciation of the ZWG from a rate of USD 1: ZWG 13.9 at the reporting date, 31 August 2024, increases the impact of exchange losses recognised in the statement of profit or loss and other comprehensive income. The Directors continue to monitor the impact of the changing economic conditions on the business.

### 15. Related party transactions

#### Transactions

All amounts in ZWG million	Unreviewed	
	31 Aug 2024	31 Aug 2023
<i>Transactions with members of Econet Global Limited Group</i>		
Sale of goods and services to fellow subsidiaries	119	199
Sale of goods and services to associates	2	54
Purchase of goods and services from associates	(9)	(97)
Purchase of goods and services from fellow subsidiaries	(469)	(727)

#### Balances

All amounts in ZWG million	Unreviewed	
	31 Aug 2024	29 Feb 2024
Amounts owed to fellow subsidiaries	(416)	(123)
Amounts receivable from fellow subsidiaries	128	7
Amounts owed to associates	-	(1)
Amounts receivable from associates	97	131
Amounts receivable from Econet Wireless Zimbabwe Group Pension Fund	62	16
<b>Net amount (payable) / receivable</b>	<b>(129)</b>	<b>30</b>

The Group assesses the recoverability of receivables at each reporting period through examining the financial position of the related parties and the market in which the related parties operate.

### 16. Going concern

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. In light of the Group's current financial position, the Directors are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

### 17. Acquisition of subsidiaries

On 1 March 2024, the Group acquired in a single aggregated transaction, 100% of the issued share capital of EcoCash (Private) Limited, VAYA Technologies Zimbabwe (Private) Limited and Maisha Health Fund (Private) Limited, 90% of the issued capital of Econet Insurance (Private) Limited, 85% of the issued capital of EconetLife (Private) Limited and 70% of the issued capital of MARS Zimbabwe (Private) Limited, obtaining control of all the businesses aggregated as the financial technology (FinTech) group.

The acquisition transaction is a common control business combination and is outside the scope of IFRS 3 - Business Combinations. The Group accounted for the transaction by recognising the carrying amounts of assets, liabilities and reserves that were previously recorded in the individual entities with corresponding adjustments recognised in equity. The Group acquired the financial technology 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.

## NOTES TO THE ABRIDGED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the half year ended 31 August 2024

### 17. Acquisition of subsidiaries (continued)

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed at 1 March 2024 are as set out below:

All amounts in ZWG million	Unreviewed 1 Mar 2024
<b>Assets</b>	
Intangible assets	19
Property and equipment	322
Right-of-use assets	6
Deferred tax asset	17
Investment in subsidiaries	12
Investment property	5
Inventories	7
Trade and other receivables	303
Financial assets at amortised cost	7
Financial assets at fair value through profit or loss	81
Mobile money deposits (restricted balances)	311
Cash and cash equivalents	51
	<b>1,141</b>
<b>Liabilities</b>	
Deferred tax liabilities	(104)
Lease liabilities	(1)
Provisions	(23)
Current tax liability	(11)
Loans and borrowings	(2)
Trade and other payables	(175)
Mobile money trust liabilities	(311)
Deferred revenue	(124)
	<b>(751)</b>
Net assets acquired	390
Non-controlling interest	(12)
Excess of purchase consideration over net assets acquired	248
<b>Purchase consideration</b>	<b>626</b>

The excess of the purchase consideration over the net assets acquired was accounted for in equity and comprises the value of expected synergies arising from the acquisition.

## 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.

### Registered office

Incorporated in the Republic of Zimbabwe  
Company registration number 7548/98  
Econet Park, 2 Old Mutare Road,  
Msasa, Harare, Zimbabwe

Telephone: +263 242 486124-5, +263 772 793 700,  
Fax: +263 242 486183  
E-mail: info@econet.co.zw,  
Website: www.econet.co.zw

### Group Company Secretary

**Ms Tatenda Alice Ngowe**  
Econet Park, 2 Old Mutare Road, Msasa,  
Harare, Zimbabwe

### Independent auditors

**BDO Zimbabwe Chartered Accountants**  
Registered Public Auditors  
3 Baines Avenue,  
Harare, Zimbabwe

### Principal bankers

**CBZ Bank Limited**  
Union House, 60 Kwame Nkrumah Avenue,  
Harare, Zimbabwe

**EcoBank Limited**  
Block A, Sam Levy's Office Park,  
2 Piers Road Borrowdale, Harare, Zimbabwe

**CABS**  
Northend Close, Northridge Park, Highlands  
Harare, Zimbabwe

**NedBank Limited**  
Old Mutual Centre, 99 Jason Moyo Avenue,  
Harare, Zimbabwe

**Steward Bank Limited**  
75 Livingstone Avenue, Harare, Zimbabwe

### Principal legal advisors

**Mtetwa and Nyambirai Legal Practitioners**  
2 Meredith Drive, Eastlea,  
Harare, Zimbabwe

### Registrars and transfer secretaries

**First Transfer Secretaries (Private) Limited**  
1 Armagh Avenue, Eastlea, Harare, Zimbabwe

